UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2002
OR
o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
Commission File Number 1-8519

BROADWING INC.

Incorporated under the laws of the State of Ohio
I.R.S. Employer Identification Number **31-1056105**
201 East Fourth Street, Cincinnati, Ohio 45202
Telephone: **(513) 397-9900**
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Shares (par value $0.01 per share)	New York Stock Exchange
Preferred Share Purchase Rights	Cincinnati Stock Exchange
6% Preferred Shares	New York Stock Exchange

Securities requested pursuant to Section 12(g) of the Act: **None**

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 No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (229.405 of this chapter) 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 registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No o

At March 20, 2003, there were 218,952,904 Common Shares outstanding.

At March 20, 2003, the aggregate market value of the voting shares owned by non-affiliates was $934,928,900.

At June 30, 2002, the aggregate market value of the voting shares owned by non-affiliates was $569,188,870.

DOCUMENTS INCORPORATED BY REFERENCE

(1) Portions of the registrant's definitive proxy statement dated April 4, 2003 issued in connection with the annual meeting of shareholders to be held on April 29, 2003 are incorporated by reference into Part III.

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This report contains trademarks, service marks and registered marks of Broadwing Inc., as indicated.

Private Securities Litigation Reform Act of 1995 Safe Harbor Cautionary Statement

This Form 10-K contains "forward-looking" statements, as defined in federal securities laws including the Private Securities Litigation Reform Act of 1995, which are based on Broadwing Inc.'s (together with its majority-owned consolidated subsidiaries over which it exercises control, the "Company") current expectations, estimates and projections. Statements that are not historical facts, including statements about the beliefs, expectations and future plans and strategies of the Company, are forward-looking statements. These include any statements regarding:

- future revenue, profit percentages, income tax refunds, realization of deferred tax assets, earnings per share or other results of operations;
- the continuation of historical trends;
- the sufficiency of cash balances and cash generated from operating and financing activities for future liquidity and capital resource needs;
- the effect of legal and regulatory developments; and
- the economy in general or the future of the communications services industries.

Actual results may differ materially from those expressed or implied in forward-looking statements.

These statements involve potential risks and uncertainties, which include, but are not limited to:

- changing market conditions and growth rates within the telecommunications industry or generally within the overall economy;
- world and national events that may affect the Company's ability to provide services or the market for telecommunication services;
- changes in competition in markets in which the Company operates;
- pressures on the pricing of the Company's products and services;
- advances in telecommunications technology;
- the ability to generate sufficient cash flow to fund the Company's business plan and maintain its networks;
- the ability to refinance the Company's indebtedness when required on commercially reasonable terms;
- the Company's ability to continue to finance Broadwing Communications (a wholly-owned subsidiary);
- changes in the telecommunications regulatory environment;
- changes in the demand for the services and products of the Company;
- the demand for particular products and services within the overall mix of products sold, as the Company's products and services have varying profit margins;
- the Company's ability to procure key network components from key vendors;
- the Company's ability to rely on portions of other company's networks under operating leases and indefeasible-right-of-use ("IRU") agreements;
- the Company's ability to introduce new service and product offerings in a timely and cost effective basis;
- the Company's ability to attract and retain highly qualified employees;
- the Company's successful execution of restructuring initiatives; and

- volatility in the stock market, which may affect the value of the Company's stock.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they were made. The Company does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Part I

Item 1. Business

General

Broadwing Inc. (together with its majority-owned consolidated subsidiaries over which it exercises control, "the Company") is a full-service, local and national provider of data and voice communications services, and a regional provider of wireless communications services. The Company provides telecommunications service on a national level by combining its national optical network and Internet backbone and its local network with a well-regarded brand name and reputation for service. The Company operates in four business segments: Broadband, Local, Wireless and Other.

The Company completed its merger with the former IXC Communications, Inc. ("IXC", now "Broadwing Communications" or "BCI") on November 9, 1999 (the "Merger") and accounted for this transaction according to the purchase method of accounting. As such, BCI's operating results are included in the Company's operating results in all periods after November 10, 1999.

The Company completed a realignment of its business segments during the first quarter of 2002. The Company's web hosting operations provided by ZoomTown.com ("ZoomTown"), previously reported in the Other segment, were merged into the Company's BCI subsidiary and are now reported in the Broadband segment. ZoomTown's DSL and dial-up Internet operations, also previously reported in the Other segment, were merged into Cincinnati Bell Telephone ("CBT") and are now reported in the Local segment. In addition, during the first quarter of 2002, the Company sold substantially all of the assets of Cincinnati Bell Directory ("CBD"), which was previously reported in the Other segment and is now reported as discontinued operations. Accordingly, the historical results of operations of the Broadband, Local, and Other segments have been recast to reflect the transfer and disposition of these operations.

On February 22, 2003, certain of the Company's subsidiaries entered into a definitive agreement to sell substantially all of the assets of its Broadband segment, excluding the information technology consulting assets, to C III Communications ("C III"), for up to $129 million in cash and the assumption of certain long-term operating contractual commitments. The sale is subject to certain closing conditions, including approval by the Federal Communications Commission ("FCC") and relevant state public utility commissions. The Company expects to close the sale in 2003. The Company will retain a 3% minority interest in the new company and will account for its investment in that company as a cost-based investment. The carrying value of the current and long-lived assets to be sold totaled $103 million and $41 million, respectively as of December 31, 2002. The carrying value of the current and long-term liabilities to be assumed totaled $180 million and $293 million, respectively, as of December 31, 2002.

In addition, the Company's local communications subsidiary, CBT, entered into agreements with C III whereby CBT will continue to market BCI's broadband products to business customers and purchase capacity on the national network in order to sell long distance services, under the Cincinnati Bell Any Distance ("CBAD") brand, to residential and business customers in the Greater Cincinnati area market after the closing of the sale.

On March 26, 2003, the Company issued $350 million of mezzanine financing through Senior Subordinated Discount Notes Due 2009 (the "Mezzanine Financing"). The Mezzanine Financing was provided by Goldman Sachs, together with certain other institutions, and contains financial and non-financial covenants including restrictions on the Company's ability to fund the operations of its BCI subsidiary. Proceeds from the Mezzanine Financing, net of fees, were used to pay down borrowings under the Company's credit facility. In addition, purchasers of the Mezzanine Financing received 17.5 million common stock warrants, each to purchase one share of Broadwing Common Stock.

In conjunction with the Mezzanine Financing, the Company's credit facility was also amended and restated ("Amended and Restated Credit Agreement") to, among other things, revise the financial covenants and allow for the sale of substantially all of the assets of the Broadband segment. As a result of the terms of the amendment the total borrowing capacity will decrease from $1.825 billion as of December 31, 2002 to approximately $1.343 billion as of December 31, 2003 due to $262 million of scheduled repayments of the term debt facilities and a $220 million prepayment of the outstanding term debt and revolving credit facility from the Mezzanine Financing proceeds. The Company believes that its borrowing availability under the amended credit facility will provide the Company with sufficient liquidity for the foreseeable future. After the credit facility amendment, the Company's debt maturities total $285 million in 2003 and $287 million in 2004.

In March 2003, the Company entered into a supplemental indenture to its 6% Convertible Subordinated Notes Due 2009 ("the 6% Notes"). The supplemental indenture allows for the sale of substantially all of the assets of the Company's Broadband segment, provides that a bankruptcy of BCI would not constitute an event of default, amends the definition of change in control by increasing the ownership threshold deemed to be a change in control from 20% of outstanding shares to 45% of outstanding shares and includes covenants restricting the ability of the Company to incur debt and consummate certain asset dispositions. The supplemental indenture also increases the paid-in-kind interest by 2% from March 2003 through redemption in July 2009, resulting in a per annum interest rate of 9%. The initial 6% of the interest expense will be paid in cash semi-annually on January 21 and July 21 of each year, commencing on January 21, 2005. The additional 2% will accrete, or be added to the principal balance, through the redemption date in July 2009.

The terms of the Mezzanine Financing and Amended and Restated Credit Agreement limit the Company's ability to make investments in or fund the operations of BCI. Specifically, the Company and its other subsidiaries may not make investments in or fund the operations of BCI beyond an aggregate amount of $118 million after October 1, 2002. This restriction does not apply to guarantees by Broadwing of BCI borrowings under the credit facilities, liens on assets of Broadwing securing BCI borrowings under the credit facilities, scheduled interest payments made or guaranteed by Broadwing in respect to BCI borrowings under the credit facilities, and certain other items. As of February 28, 2003, the Company had the ability to invest an additional $58 million in BCI based on these provisions. The uncertainty of BCI's available liquidity resulting from these funding constraints has prompted the Company's independent accountants to issue a going concern explanatory paragraph in their audit report filed along with the stand alone annual financial statements of BCI. The going concern explanatory paragraph means that, in the opinion of the Company's independent accountants, there is substantial doubt about BCI's ability to continue to operate as going concern. If BCI is unable to finance its operations through the closing of the asset sale and meet its remaining obligations, or if a sale is not consummated, it may be forced to seek protection from its creditors through bankruptcy proceedings.

In addition, in March 2003, the Company reached an agreement with holders of more than two-thirds of BCI's 12 percent preferred stock and 9 percent senior subordinated notes to exchange these instruments for common stock of the Company. In order to consummate the exchange offer, the Company expects to issue approximately 26 million new shares of Broadwing Inc. common stock, assuming 100% redemption of the outstanding instruments, which represents an increase of 11 percent in the number of shares outstanding.

The Company was initially incorporated under the laws of Ohio in 1873 and remains incorporated under the laws of Ohio. It has its principal executive offices at 201 East Fourth Street, Cincinnati, Ohio 45202 (telephone number (513) 397-9900 and website address http://www.broadwing.com). The Company makes available on its website its reports on form 10-K, 10-Q, and 8-K (as well as all amendments to these reports) as soon as practicable after they have been electronically filed.

The Company files annual, quarterly and special reports, proxy statements and other information with the Securities Exchange Commission ("the SEC") under the Exchange Act. These reports and other information filed by the Company may be read and copied at the Public Reference Room of the SEC, 450 Fifth Street.

N.W., Room 1024, Washington, D.C. 20549. This information may be obtained on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxy statements and other information about issuers, like the Company, which file electronically with the SEC. The address of this site is http://www.sec.gov.

Broadband

The Broadband segment provides nationwide data and voice c ommunications services through the Company's BCI subsidiary. As discussed above, on February 22, 2003, certain of the Company's subsidiaries entered into a definitive agreement to sell substantially all of the operating assets of the Broadband segment, excluding the information technology consulting assets, to C III, for up to $129 million in cash and the assumption of certain long-term operating contractual commitments. In addition, the Company recorded a non-cash impairment charge of approximately $2.2 billion in the fourth quarter of 2002 to write-down the Broadband segment's long-lived assets to estimated fair market value. Broadband revenue was $1,068 million, $1,198 million, and $1,005 million, or 50%, 53% and 51% of consolidated Company revenue in 2002, 2001 and 2000, respectively. Broadband generated an operating loss of $2,437 million in 2002, which represents a $1,935 million increase over the $502 million operating loss in 2001 and a $2,211 million increase over the $226 million operating loss in 2000.

BCI is a nationwide provider of data and voice communications services. These services are provided over approximately 18,700 route miles of fiber-optic transmission facilities. The Broadband network includes an Internet backbone and incorporates optical switching technology. In order to maintain its network, BCI relies on supplies from certain key external vendors and a variety of other sources. Broadband segment revenue is generated by broadband transport, switched voice services, data and Internet services, information technology consulting and network construction and other services. As of January 1, 2002, the web hosting operations of the Company's ZoomTown subsidiary, formerly reported in the Other segment, were merged with the operations of BCI and are reflected in the data and Internet product line of the Broadband segment in all periods presented.

Broadband transport services consist of long-haul transmission of data, voice and Internet traffic over dedicated circuits. Revenue from the broadband transport category is mainly generated by private line monthly recurring revenue. However, approximately 44%, 29% and 14% of the broadband transport revenue in 2002, 2001 and 2000, respectively, was provided by IRU agreements, which cover a fixed period of time and represent the lease of capacity or network fibers. The buyer of IRU services typically pays cash upon execution of the contract. The Company's policy and practice is to amortize these payments into revenue over the life of the contract. In the event the buyer of an IRU terminates a contract prior to the contract expiration and releases the Company from the obligation to provide future services, the remaining unamortized unearned revenue is recognized in the period in which the contract is terminated. In 2002, the Company recognized non-cash, non-recurring revenue and operating income related to IRU terminations with bankrupt customers to whom the Company was no longer obligated to provide services, totaling $59 million. Broadband transport services produced 43% of Broadband segment revenue in 2002 and 39% of Broadband segment revenue in 2001 and 2000.

Switched voice services consist of billed minutes of use, primarily for the transmission of voice long distance services on behalf of both wholesale and retail customers. Switched voice service revenue has been decreasing as a percentage of total Broadband segment revenue due to declining rates as a result of intense competition. As BCI focused its efforts on retaining higher margin revenue, the Company minimized sales to less creditworthy customers, tightened credit to wholesale customers in the wake of increasing bankruptcies in the telecommunications industry and exited its telemarketing operations to its low-end customer base. Additionally, in the fourth quarter of 2002, the Company announced its plan to exit the low margin international wholesale voice business. As a result, the Company expects switched voice service revenue to decline goingforward. Switched voice services provided 31%, 32% and 41% of Broadband segment revenue in 2002,

2001 and 2000, respectively. The international wholesale voice business provided 7%, 8% and 5% of Broadband segment revenue in 2002, 2001 and 2000, respectively.

Data and Internet services consist of the sale of high-speed data transport services utilizing technology based on Internet protocol ("IP"), ATM/frame relay, data collocation and web hosting. These services continued to grow as a percentage of Broadband segment revenue, increasing from 7% in 2000 to 10% in 2001 and 12% in 2002. Data collocation services generated revenue of $8 million, $15 million, and $6 million in 2002, 2001 and 2000, respectively. The decrease in data collocation revenue in 2002 was primarily due to the Company closing eight of its eleven data centers as part of its November 2001 restructuring plan discussed in Note 3 of the Notes to Consolidated Financial Statements.

IT consulting consists of information technology consulting services and related hardware sales. These services are provided by Broadwing Technology Solutions ("BTS"), a wholly owned subsidiary of BCI. Information technology consulting revenue was $144 million in 2002, or $3 million higher than in 2001 and $78 million higher than in 2000.

Network construction and other services consist of large, joint-use network construction projects and the receipt of warrants in 2000 related to a field trial of optical equipment. The Company typically gains access to rights-of-way or additional fiber routes through its network construction activities. In November 2001, the Company announced its intention to exit the network construction business upon completion of one remaining contract as discussed in Note 3 of the Notes to Consolidated Financial Statements. That contract to build a 1,550 mile fiber route system is in dispute as discussed in Note 20 of the Notes to Consolidated Financial Statements. In 2002, network construction projects provided no revenue, compared to $87 million and $68 million in 2001 and 2000, respectively.

As revenue from the Broadband segment is primarily generated by usage-based and monthly service fees, the operations of the segment follow no particular seasonal pattern. However, this segment received approximately 57%, 64% and 67% of its revenue in 2002, 2001 and 2000, respectively, from interexchange carriers that have or are capable of constructing their own network facilities but utilize the Company's broadband transport, switched voice and network construction services to augment their own networks. CBAD contributed interexchange carrier revenue included in the amounts above of 4% to the Broadband segment in 2002 and 3% in 2001 and 2000. Remaining revenue in the segment is generated by business enterprise customers through the purchase of broadband transport, data and Internet, switched voice and IT consulting services.

BCI faces significant competition from other fiber-based telecommunications companies such as AT&T Corp., WorldCom, Inc., Sprint Corporation, Level 3 Communications, Inc., Qwest Communications International Inc., and several emerging and recapitalized competitors. These competitors attempt to compete on the basis of price, quality, service and product breadth.

Local

The Local segment provides local telephone service, network access, data transport, high-speed and dial-up Internet access, inter-lata toll, as well as other ancillary products and services to customers in southwestern Ohio, northern Kentucky and southeastern Indiana. This market consists of approximately 2,400 square miles located within approximately a 25-mile radius of Cincinnati, Ohio. Services are provided through the Company's CBT subsidiary, which has operated as the incumbent local exchange carrier ("ILEC") in the Greater Cincinnati area for the past 129 years. As of January 1, 2002, the digital subscriber line ("DSL") and

dial-up Internet operations of ZoomTown, formerly reported in the Other segment, were merged with the operations of CBT and are reflected in the Local segment in all periods presented.

The Local segment produced $849 million, $832 million and $792 million, or 39%, 37% and 40%, of consolidated Company revenue in 2002, 2001 and 2000, respectively. The Local segment produced $285 million, $267 million and $262 million of consolidated operating income in 2002, 2001 and 2000, respectively.

CBT's service offerings are generally classified into three major categories: local service, network access, and other services. Local service revenue is primarily from end-user charges for use of the public switched telephone network and for value-added services such as custom calling features. These services are provided to business and residential customers and represented 55% of CBT's revenue in 2002. Network access represented 24% of CBT's revenue in 2002 and came from interexchange carriers for access to CBT's local communications network and business customers for customized access arrangements. Other services provided the remaining 21% of CBT's revenue in 2002 and consisted of the sale and installation of telecommunications equipment, Internet access, inside wire installation and maintenance, the sale of BCI's services and other ancillary services.

CBT has successfully leveraged its embedded network investment to provide value–added services and product bundling packages, resulting in additional revenue with minimal incremental costs. All of the network access lines subscribed to CBT are served by digital switches and have the ISDN and Signaling System 7 capability necessary to support enhanced features such as Caller ID, Call Trace and Call Return. The network also includes approximately 2,800 route miles of fiber-optic cable, with synchronous optical network ("SONET") rings linking Cincinnati's downtown with other area business centers. These SONET rings offer increased reliability and redundancy to CBT's major business customers.

In order to maintain its network, CBT relies on supplies from certain key external vendors and a variety of other sources. Since the majority of CBT's revenue results from use of the public switched telephone network, its operations follow no particular seasonal pattern. CBT's franchise area is granted under regulatory authority, and is subject to increasing competition from a variety of companies. CBT is not aware of any regulatory initiative that would restrict the franchise area in which it is currently able to operate. A significant portion of revenue is derived from pricing plans that require regulatory overview and approval. In recent years, these regulated pricing plans have resulted in decreasing or fixed rates for some services, offset by price increases and enhanced flexibility for other services.

As of December 31, 2002, approximately 42 companies were certified to offer telecommunications services in CBT's local franchise area and had interconnection agreements with CBT. CBT seeks to maintain a competitive advantage over these carriers through its service quality, network capabilities, innovative products and services, creative product bundling, customer billing and value pricing.

CBT had approximately 1,012,000 network access lines in service on December 31, 2002, a 2% and 4% reduction in comparison to 1,032,000 and 1,049,000 access lines in service at December 31, 2001 and 2000, respectively. Approximately 69% of CBT's network access lines serve residential customers and 31% serve business customers. The sale of higher-bandwidth digital and optical services, measured in voice-grade equivalents, increased 13% and 19% in 2002 and 2001, respectively. In addition, CBT's ZoomTown.com DSL service is available to approximately 85% of its network access lines and has penetrated approximately 9.3% of these addressable network access lines.

Wireless

The Wireless segment includes the operations of Cincinnati Bell Wireless LLC ("CBW"), a venture with AT&T Wireless Services ("AWS") in which the Company owns 80.1% and AWS owns the remaining 19.9%. The

Wireless segment provides advanced wireless digital personal communications services and sales of related communications equipment to customers in its Greater Cincinnati and Dayton, Ohio operating areas. Services are provided over CBW's regional wireless network and the AWS national wireless network.

CBW's operating territory included a licensed population ("licensed pops") of approximately 3.4 million and served approximately 470,000 subscribers as of December 31, 2002, representing a licensed pop penetration level of 13.6%. CBW was the sixth wireless carrier to enter the Cincinnati market in May of 1998. As of December 31, 2002, CBW had a market share of approximately 27% in its operating territory. CBW maintained an average monthly churn rate of 1.7%, 1.6% and 1.4% for postpaid customers in 2002, 2001 and 2000, respectively. CBW maintained an average monthly churn rate of 4.7%, 3.3% and 2.0% for prepaid customers in 2002, 2001 and 2000, respectively.

Revenue for the Wireless segment comes primarily from two sources: provision of wireless communications services and the sale of handsets and accessories. In 2002, approximately 95% of revenue for the segment was from services and the remaining 5% was generated by equipment sales. This composition of revenue compares to approximately 94% and 6%, respectively, in 2001 and 93% and 7%, respectively, in 2000. In total, the Wireless segment contributed 12%, 11% and 9% of consolidated revenue in 2002, 2001 and 2000, respectively. The Wireless segment produced $69 million and $38 million in operating income in 2002 and 2001, respectively, and a $3 million operating loss in 2000.

Service revenue is generated primarily through subscriber use of CBW's wireless communications network. This network is maintained by CBW in the Greater Cincinnati and Dayton, Ohio operating areas. The Company utilizes AWS' national wireless network for wireless calls beyond these areas. Service revenue is generated through a variety of rate plans, which typically include a fixed number of minutes for a flat monthly rate, with additional minutes being charged at a per-minute-of-use rate. Revenue is also generated when subscribers of other wireless providers initiate calls while roaming in CBW's service area. However, CBW incurs significant expenses when its own wireless subscribers use their handsets in the operating territories of other wireless providers. CBW's roaming expense of $35 million, $34 million, and $31 million exceeded its roaming revenue of $18 million, $15 million, and $13 million in 2002, 2001 and 2000, respectively.

Approximately 86% of total service revenue was generated by postpaid subscribers who pay a monthly access fee and usage fees in arrears. The remaining 14% of service revenue was generated by CBW's i-wireless SM prepaid service. CBW's prepaid service allows subscribers to purchase a specific number of minutes or text messages, in advance, at a fixed price.

Sales of handsets and accessories take place primarily at CBW's retail locations, which consist of stores and kiosks in high-traffic shopping malls and commercial buildings in the Greater Cincinnati and Dayton, Ohio areas. Sales also take place in the retail stores of major electronic retailers pursuant to agency agreements. CBW sells handsets and accessories from a variety of vendors. CBW maintains a supply of equipment and does not envision any shortages that would compromise its ability to add customers. Unlike service revenue (which is a function of wireless handset usage), equipment sales are subject to seasonality, as customers often purchase handsets and accessories as gifts during the holiday season in the Company's fourth quarter. In order to attract customers, CBW typically sells handsets for less than direct cost, a common practice in the wireless industry.

The Wireless segment offers its services over a digital wireless network using Time Division Multiple Access ("TDMA") technology. CBW also relies on the AWS national network for calls outside of CBW's Greater Cincinnati and Dayton, Ohio operating areas. The Company believes that AWS will maintain its national digital wireless network in a form and manner that will allow CBW to attract and retain customers.

CBW is considering implementing the Global System for Mobile Communications and General Packet Radio Service ("GSM/GPRS") technology. Several competitors and the Company's partner, AWS, have announced plans to begin, or have begun, using GSM/GPRS or a comparable technology in their national networks. This new technology will run in parallel with the existing TDMA technology for the foreseeable future such that both technologies will be supported simultaneously. TDMA handsets generally are not usable with GSM/GPRS technology and vice versa. However, as the technologies run in parallel, there is no need to replace handsets of existing TDMA subscribers at any one point in time. GSM/GPRS technology provides enhanced wireless data communication.

Rates and pricing for this segment are determined according to marketplace conditions. As such, rates can and will be influenced by the pricing plans of as many as six active wireless service competitors. The postpaid product experienced net deactivations totaling 5,200 subscribers during the second half of 2002. This reduction in postpaid subscribership is due to slower market growth and the Company's decision to spend less aggressively on sales and marketing. In 2002, CBW's sales and marketing expense was reduced by $25 million, or 41%, compared to 2001.

As this venture is jointly owned with AWS, income or losses generated by the Wireless segment are shared between the Company and AWS in accordance with respective ownership percentages of 80.1% for the Company and 19.9% for AWS. As a result, 19.9% of the net income or loss of the Wireless segment is reflected as minority interest expense or income in the Company's Consolidated Statements of Operations and Comprehensive Income (Loss). Refer to Note 8 of the Notes to Consolidated Financial Statements for a detailed discussion of minority interest.

Other

The Other segment combines the operations of Cincinnati Bell Any Distance ("CBAD") and Cincinnati Bell Public Communications Inc. ("Public"). CBAD resells voice long distance service on the BCI network to businesses and residential customers in the Greater Cincinnati and Dayton, Ohio operating areas. Public provides public payphone services in a regional area consisting of fourteen states. The Other segment produced revenue of $80 million, $78 million and $60 million, in 2002, 2001 and 2000, respectively. The Other segment constituted approximately 4% of consolidated revenue in 2002 and 3% of consolidated revenue in both 2001 and 2000. The Other segment produced operating income of $2 million in 2002 and produced operating losses of $4 million and $25 million in 2001 and 2000, respectively.

During the first quarter of 2002, the Company sold substantially all of the assets of its Cincinnati Bell Directory ("CBD") subsidiary, whose financial results were previously reported in the Other segment. Prior years' revenue, costs and expenses, assets and liabilities, and cash flows have been restated to reflect the disposition of CBD as a discontinued operation. For a detailed discussion of the sale of CBD and its treatment as a discontinued operation refer to Note 14 of the Notes to Consolidated Financial Statements. In addition, the results of operations of the Company's former Cincinnati Bell Supply subsidiary, formerly reported in the Other segment, have been reflected in discontinued operations since this business was sold in the second quarter of 2000.

Also during the first quarter of 2002, the Company completed the realignment of its business segments as described in Note 3 of the Notes to Consolidated Financial Statements. The Company's web hosting operations provided by ZoomTown, previously reported in the Other segment, were assumed by BCI and are now reported in the Broadband segment. The Company's DSL and dial-up Internet operations provided by ZoomTown, also previously reported in the Other segment, were merged into CBT and are now reported in the Local segment.

Prior year amounts for the Broadband, Local and Other segments have been recast to conform to the current presentation and to reflect the transfer of these operations.

Cincinnati Bell Any Distance

In January 2001, the Company officially established the CBAD subsidiary to assume the Cincinnati-based marketing activities for the former Cincinnati Bell Long Distance ("CBLD") and to resell long distance services on the BCI network to businesses and residential customers in the Greater Cincinnati and Dayton, Ohio areas. The remaining portion of CBLD's business, which included non-Cincinnati area customers, was then merged into BCI. Accordingly, revenue and expenses for the Any Distance service provided by CBAD in the Cincinnati area are reported as a component of the Other segment while revenue and expenses associated with non-Cincinnati area customers of the former CBLD are reported in the results of the Broadband segment. In 2002, CBAD produced $69 million in revenue for the Other segment, representing approximately 3% of consolidated revenue compared to $63 million and 3% of consolidated revenue in 2001 and $46 million and 2% of consolidated revenue in 2000. Of the 1,012,000 access lines of CBT in the greater Cincinnati area, approximately 420,000 residential users and 115,000 business users subscribed to Any Distance as of December 31, 2002. Since the Company began offering the service in January of 2000, in the Greater Cincinnati area, Any Distance has achieved a consumer market share of approximately 69% and a business market share of approximately 43% based on the number of access lines.

Cincinnati Bell Public Communications Inc.

Public provides public payphone services to customers in a regional area consisting of fourteen states. Public had approximately 7,700, 9,200 and 8,400 stations in service and generated approximately $14 million, $15 million, and $14 million in revenue in 2002, 2001 and 2000, respectively, or less than 1% of consolidated revenue in each year. The decline in stations in service from 2001 to 2002 was the result of the removal of unprofitable stations due to declining usage as the penetration of wireless communications continues to increase.

BUSINESS OUTLOOK

Evolving technology, consumer preferences, legislation, regulatory initiatives and convergence of communications technology are causes of increasing competition. As the range of communications services and the equipment available to provide and access such services continue to increase, competition has intensified. In addition, the difficult economic environment and limited access to capital markets could continue to cause customers to default on payments and reduce purchases commensurate with demand and to cause vendors to cease providing services and equipment. These developments could make it difficult for the Company to maintain and grow revenue, operating margins and cash flow.

The Company's subsidiaries face intense competition in their markets, principally from larger companies. These subsidiaries attempt to differentiate themselves by leveraging the strength and recognition of the Company's brand equity, by providing customers with high quality service, and by developing and marketing customized bundled services.

BCI faces significant competition from other fiber-based telecommunications companies such as AT&T Corp., WorldCom, Inc., Sprint Corporation, Level 3 Communications, Inc. and Qwest Communications International Inc. and several emerging and recapitalized competitors. Broadwing Technology Solutions ("BTS"), a subsidiary of BCI, competes with Intranet hardware vendors, wiring vendors, and other information technology consulting businesses. The web hosting operations of BTS face competition from nationally known web hosting providers.

CBT's current and potential competitors include other ILECs, wireless services providers, interexchange carriers, competitive local exchange carriers ("CLEC's"), cable operators, Internet access providers and others. As of December 31, 2002, approximately 42 companies were certified to offer telecommunications services in CBT's local franchise area and had interconnection agreements with CBT. CBT seeks to maintain a competitive advantage over these carriers through its service quality, network capabilities, innovative products and services, creative product bundling, customer billing and value pricing.

CBW is one of six active wireless service providers in the Cincinnati and Dayton, Ohio metropolitan market areas. Rates and pricing for CBW's services are determined according to marketplace conditions. As such, rates can and will be influenced by pricing plans of as many as five active wireless service competitors, including Cingular, Sprint PCS, T-Mobile, Verizon, and Nextel. CBW's market share decreased to approximately 27% as of December 31, 2002, from 29% as of December 31, 2001, as net activations were less than the overall growth of the market which was due to a stronger focus on profitability and cash flow rather than pure subscriber growth. CBW's market share increased to approximately 29% as of December 31, 2001, from 26% as of December 31, 2000, due to growth of subscribers over that period.

Cincinnati Bell Any Distance has captured substantial market share in the Greater Cincinnati area since the introduction of its Any Distance offering in January 2000, but faces intense competition from long distance providers and other resellers such as AT&T Corp., Worldcom, Inc., Sprint Corporation and several emerging competitors. Margins on long distance rates continue to fall as providers attempt to maintain their subscriber base through substantial advertising and customer acquisition costs.

The Company intends to continue to utilize its investment in its local communications network and its regional wireless network to provide new and incremental product and service offerings to its customers in the Greater Cincinnati and Dayton, Ohio markets.

Risk Factors

The Company is highly leveraged

The Company is highly leveraged and has significant debt service obligations. As of December 31, 2002, the Company had outstanding indebtedness of $2,558 million and a total shareowners' deficit of $2,548 million. As of December 31, 2002, the Company had the ability to borrow an additional $164 million under its revolving credit facility, subject to compliance with certain conditions. In March 2003, the Company completed an amendment to its credit facility, which included the extension of revolving credit maturity to 2005 and 2006, and the acceleration of a portion of the maturities of term loans from banking institutions from 2004 into 2003.

The Company's substantial debt could have important consequences, including the following:

- the Company will be required to use a substantial portion of its cash flow from operations to pay principal and interest on its debt, thereby reducing the availability of cash flow to fund working capital, capital expenditures, strategic acquisitions, investments and alliances and other general corporate requirements;

- the Company's interest expense could increase if interest rates in general increase because a substantial portion of its debt bears interest at floating rates;

- the Company's substantial leverage could increase its vulnerability to general economic downturns and adverse competitive and industry conditions and could place the Company at a competitive disadvantage compared to those of its competitors that are less leveraged;

- the Company's debt service obligations could limit its flexibility to plan for, or react to, changes in

its business and the industries in which it operates;

- the Company's level of debt may restrict it from raising additional financing on satisfactory terms to fund working capital, capital expenditures, strategic acquisitions, investments and joint ventures and other general corporate requirements; and

- a potential failure to comply with the financial and other restrictive covenants in the Company's debt instruments, which, among other things, require it to maintain specified financial ratios could, if not cured or waived, have a material adverse effect on the Company's ability to fulfill its obligations and on its business or prospects generally.

Servicing indebtedness requires a significant amount of cash, and the Company's ability to generate cash depends on many factors beyond its control

The Company expects to obtain the cash to make payments on its credit facility and other indebtedness and to fund working capital, capital expenditures and other general corporate requirements from operations, additional sources of debt financing and borrowings under its credit facility. The Company's ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond the Company's control. The Company cannot be assured that its business will generate sufficient cash flow from operations, that additional sources of debt financing will be available to it or that future borrowings will be available to it under the credit facilities, in each case, in amounts sufficient to enable it to service its indebtedness or to fund its other liquidity needs. If the Company cannot service its indebtedness, it will have to take actions such as reducing or delaying capital expenditures, strategic acquisitions, investments and joint ventures, selling assets, restructuring or refinancing indebtedness or seeking additional equity capital, which may adversely affect its customers and affect their willingness to remain customers. There can be no assurances that any of these remedies could, if necessary, be effected on commercially reasonable terms, or at all. In addition, the terms of existing or future debt instruments may restrict the Company from adopting any of these alternatives.

The Company depends on the receipt of dividends or other intercompany transfers from its subsidiaries

If a payment default occurs under the credit facility, the Company's subsidiaries will be prohibited from paying dividends and making other distributions to the Company to service its debt while such payment default continues. In addition, if a bankruptcy, insolvency or similar default or a non-payment event of default occurs under the amended and restated credit facility, the Company's subsidiaries will be prohibited from paying such dividends or making other distributions to the Company for up to 179 days after the credit facility's agent delivers a blockage notice to it. In addition, BCI is subject to restrictions under terms of its debt and preferred stock instruments and Cincinnati Bell Telephone to potential regulatory obligations, which restrict their ability to distribute funds to Broadwing. If the Company's subsidiaries were to be prohibited from paying dividends and making distributions to the Company, it would have a material adverse effect on the Company and the trading price of the Broadwing Common Stock.

The Company's creditors and preferred stockholders will have claims to the assets and earnings of these subsidiaries that are superior to claims of the holders of Broadwing Common Stock. Accordingly, in the event of the Company's dissolution, bankruptcy, liquidation or reorganization, amounts may not be available for payments on the Broadwing Common Stock until after the payment in full of the claims of creditors of the Company's subsidiaries.

There can be no assurances that the Company will be successful in its efforts to complete the sale of substantially all of the assets of its Broadband business

On February 22, 2003, certain of the Company's subsidiaries entered into a definitive agreement to sell substantially all of the assets of its Broadband segment, excluding the information technology consulting assets, to C III for up to $129 million in cash and the assumption of certain long-term operating and contractual commitments. The sale is subject to certain closing conditions, including approval by the FCC and relevant

state public utility commissions. The Company expects to close the sale in 2003; however, there can be no assurances that the sale will be completed.

If the sale of the Broadband segment is completed, substantially all of the operating assets of certain of BCI's subsidiaries will have been sold and BCI will have retained considerable long-term operating contractual commitments.

BCI conducts substantially all of its operations through its subsidiaries and is dependent upon dividends or other intercompany transfers of funds from its subsidiaries in order to meet its obligations. After the completion of the sale of the Broadband segment, the only remaining BCI subsidiary with operating assets will be BTS, an information technology consulting subsidiary. In 2002, BTS generated $164 million in revenue, or 15% of BCI's total revenue. Furthermore, upon the completion of the sale of the Broadband segment, BCI will retain certain long-term operating contractual commitments.

There can be no assurances that BCI will be able to generate sufficient cash from its remaining operations or that additional sources of financing will be available to it to enable it to service the long-term operating contractual commitments remaining after the sale of the Broadband segment or to fund its other liquidity needs.

Servicing indebtedness requires a significant amount of cash, and BCI's ability to generate cash depends on many factors beyond its control; if the Company is unable to finance BCI's operations, BCI may be forced to seek protection from its creditors by filing for bankruptcy

BCI expects to obtain needed cash from operations and, to the limited extent still allowed under various credit documents, from third party borrowings and intercompany loans from the Company. BCI's ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control. BCI cannot be assured that its business will generate sufficient cash flow from operations, that additional sources of funding will be available to it or that future borrowings will be available to it in amounts sufficient to enable it to service its indebtedness or to fund its other liquidity needs.

The terms of the Mezzanine Financing and Amended and Restated Credit Agreement contain certain financial and non-financial covenants including restrictions on the Company's ability to make investments in BCI. Specifically, Broadwing and its other subsidiaries may not make investments in or fund the operations of BCI beyond an aggregate amount of $118 million after October 1, 2002. As of February 28, 2003, the remaining available investment was $58 million. If BCI requires funds in excess of the amounts described above in order to finance its operations, there can be no assurances that the required lenders will consent to Broadwing investing additional funds to allow BCI to meet its obligations.

If the Company is unable to fund BCI through closing of the sale of the Broadband segment to C III and meet its remaining obligations going forward after the sale or is unable to close the sale, BCI may explore alternative transactions or sources of financing, including borrowing money or raising equity. There can be no assurances that any such transactions could be consummated on acceptable terms, or at all. The uncertainty of

BCI's liquidity combined with the funding constraints discussed above, has prompted the Company's independent accountants to issue a going concern explanatory paragraph in their audit report filed along with the stand alone annual financial statements of BCI. The going concern explanatory paragraph means that, in the opinion of the Company's independent accountants, there is substantial doubt about BCI's ability to continue to operate as a going concern. If BCI is unable to finance its operations through the closing of the asset sale and meet its remaining obligations, or if a sale is not consummated, it may be forced to seek protection from its creditors under the United States Bankruptcy Code.

The Company depends on the credit facility to provide liquidity.

The Company depends on the credit facility to provide for financing requirements in excess of amounts generated by operations.

In November 1999, the Company obtained a credit facility of $1.8 billion from a group of lending institutions. The credit facility was increased to $2.1 billion in January 2000 and again to $2.3 billion in June 2001. Total availability under the credit facility decreased to $1.825 billion as of December 31, 2002 following a $335 million prepayment of the outstanding term debt facilities in the first quarter of 2002 (with proceeds from the sale of substantially all of the assets of CBD), $5 million in scheduled repayments of the term debt facilities and $135 million in scheduled amortization of the revolving credit facility.

In March 2003, the Company completed an amendment to the credit facility, which included the extension of revolving credit maturity to 2005 and 2006, and the acceleration of a portion of the maturities of term loans from banking institutions from 2004 into 2003. As of March 26, 2003, the credit facilities consisted of $644 million in revolving credit maturing on March 1, 2006, $516 million in term loans from banking institutions, maturing in various amounts during 2003 and 2004, and $444 million in term loans from non-banking institutions, maturing in various amounts between 2003 and 2007.

However, the ability to borrow from the credit facility is predicated on the Company's and its subsidiaries' compliance with covenants that have been negotiated with the lenders. As a result of the significant capital the Company has invested in BCI as well as the effect the weak U.S. economy and telecommunications industry has had on the Company's and its subsidiaries' businesses, the Company is highly leveraged and it is uncertain whether the Company will be able to remain in compliance with these covenants. Failure to satisfy these covenants could severely constrain the Company's ability to borrow under the credit facility. As of December 31, 2002, Broadwing was in compliance with all of the covenants of the credit facility.

The credit facility and other indebtedness impose significant restrictions on the Company

The Company's debt instruments impose, and the terms of any future debt may impose, operating and other restrictions on the Company. These restrictions will affect, and in many respects will limit or prohibit, among other things, the Company and its subsidiaries' ability to:

- incur additional indebtedness;
- create liens;
- make investments;
- enter into transactions with affiliates;
- sell assets;
- guarantee indebtedness;
- declare or pay dividends or other distributions to shareholders;
- repurchase equity interests;
- redeem debt that is junior in right of payment to such indebtedness;
- enter into agreements that restrict dividends or other payments from subsidiaries;

- issue or sell capital stock of certain of its subsidiaries; and

- consolidate, merge or transfer all or substantially all of its assets and the assets of its subsidiaries on a consolidated basis.

In addition, the Company's credit facility includes other and more restrictive covenants and prohibits the Company from prepaying other debt and preferred stock while debt under the credit facility is outstanding. The agreements governing the credit facility also require the Company to achieve specified financial and operating results and maintain compliance with specified financial ratios. The Company is highly leveraged and it is uncertain whether it will continue to remain in compliance with these agreements.

The restrictions contained in the terms of the credit facility and its other debt instruments could:

- limit the Company's ability to plan for or react to market conditions or meet capital needs or otherwise restrict the Company's activities or business plans; and

- adversely affect the Company's ability to finance its operations, strategic acquisitions, investments or alliances or other capital needs or to engage in other business activities that would be in its interest.

A breach of any of these restrictive covenants or the Company's inability to comply with the required financial ratios could result in a default under the credit facility.

Increased Competition Could Affect Profitability and Cash Flow

There is substantial competition in the telecommunications industry. Competition may intensify due to the efforts of existing competitors to address difficult market conditions through reduced pricing, bundled offerings or otherwise, as well as a result of the entrance of new competitors and the development of new technologies, products and services. Price competition in the Company's Broadband segment has been intense and may further intensify. If the Company cannot offer reliable, value-added services on a price competitive basis in any of its markets, it could be adversely impacted by competitive forces. In addition, if the Company does not keep pace with technological advances or fails to respond timely to changes in competitive factors in the industry, it could lose market share or experience a decline in its revenue and profit margins.

BCI faces significant competition from companies such as AT&T Corp., WorldCom, Inc., Sprint Corporation, Level 3 Communications, Inc., Qwest Communications International Inc., and several emerging and recapitalized competitors. The significant capacity of these competitors could result in decreasing prices even if the demand for higher-bandwidth services increases. In addition, some competitors are experiencing financial difficulties or are in bankruptcy reorganization. Competitors in financial distress or competitors emerging from bankruptcy with lower cost capital structures, substantial excess fiber capacity in most markets, and forecasted demand for broadband services not being realized as a result of the state of the economic and financial difficulties experienced by many telecommunications carriers' could exacerbate downward pricing pressure in the telecommunications industry.

CBT faces competition from other ILEC's, CLEC's, wireless service providers, interexchange carriers, cable providers and Internet access providers. The Company believes CBT will face greater competition as more competitors emerge and focus resources on the Greater Cincinnati metropolitan area.

CBW is one of six active wireless service providers in the Cincinnati and Dayton metropolitan market areas, including Cingular, Sprint PCS, T-Mobile, Verizon, and Nextel. The Company anticipates that competition will cause the market prices for wireless products and services to decline in the future. CBW's ability to compete will depend, in part, on its ability to anticipate and respond to various competitive factors affecting the telecommunications industry. Furthermore, there has been a trend in the wireless communications industry

towards consolidation of wireless service providers through joint ventures, reorganizations and acquisitions. The Company expects this consolidation to lead to larger competitors who have greater resources or who offer more services than CBW.

The Company's other subsidiaries operate in a largely local or regional area, and each of these subsidiaries faces significant competition. CBAD's competitors include large national long distance carriers such as AT&T Corp., Worldcom Inc., and Sprint Corporation. Public competes with several other public payphone providers, some of which are national in scope and offer lower prices for coin-based local calling services. Public has continued to be adversely impacted by the growing popularity of wireless communications.

The effect of the foregoing competition could have a material adverse impact on the Company's businesses, financial condition and results of operations. This could result in increased reliance on borrowed funds and could adversely impact the Company's ability to maintain its optical, wireline and wireless networks.

Network Utilization is Dependent on Maintaining Rights-of-Way and Permits

The utilization of the Company's networks depends on maintaining rights-of-way and required permits from railroads, utilities, governmental authorities and third-party landlords on satisfactory terms and conditions. The Company cannot guarantee that it will be able to maintain all of the existing rights and permits. Although the Company expects to maintain and renew its existing agreements, the loss of a substantial number of existing rights and permits would have a material adverse impact on the Company's business, financial condition and results of operations. For portions of the Company's network that it leases or purchases use rights from third parties, the Company must rely on such third parties' maintenance of all necessary rights-of-way and permits. Some agreements that the Company may rely on to use portions of other companies' networks could be terminated if associated rights-of-way were terminated.

Significant Capital Expenditures Will be Required to Maintain the Network

Capital expenditures of $844 million in 2000 decreased to $649 million in 2001, and decreased again in 2002 to $176 million. The Company could incur significant additional capital expenditures as a result of unanticipated expenses, regulatory changes and other events that impact the business. If the Company fails to adequately maintain its networks or expand them to meet customer needs there could be a material adverse impact on the Company's business, financial condition and results of operations.

Regulatory Initiatives May Impact the Company's Profitability

Several of the Company's subsidiaries are subject to regulatory oversight of varying degrees at both the state and federal levels. Regulatory initiatives that would put the Company at a competitive disadvantage or mandate lower rates for its services could result in lower profitability and cash flow for the Company. Also, CBW's FCC licenses to provide wireless services are subject to renewal and revocation. Although the FCC has routinely renewed wireless licenses in the past, the Company cannot be assured that challenges will not be brought against those licenses in the future. Revocation or non-renewal of CBW's licenses could result in lower operating results and cash flow for the Company.

The Company's Restructuring Initiative is Critical to Its Success

In October 2002, the Company initiated a restructuring of Broadwing Communications that is intended to reduce annual expenses by approximately $200 million compared to 2002 and enable the Broadband segment to become cash flow positive. The plan includes initiatives to reduce the workforce by approximately 500 positions; reduce line costs by approximately 25% through network grooming, optimization, and rate

negotiations; and exit the international wholesale voice business. In addition, CBT initiated a restructuring to realign sales and marketing to better focus on enterprise customers. The plan includes initiatives to reduce the workforce by approximately 38 positions. The Company recorded a cash restructuring charge of approximately $15 million during the fourth quarter of 2002 related to employee severance benefits and contract terminations. There can be no assurances that any of the actions under the restructuring plan will be successful. If the Company fails to successfully implement these restructuring initiatives, the Company's business, financial condition and results of operations could be adversely affected.

BCI's Broadband Business Relies, in part, on Portions of Competitors' Networks

The Company uses network resources owned by other companies for portions of its network. The Company obtains the right to use such network portions through operating leases and IRU agreements in which the Company pays for the right to use such other companies' fiber assets and through agreements in which the Company exchanges the use of portions of its network for the use of portions of such other companies' networks. In several of those agreements, the counter party is responsible for network maintenance and repair. In the event a counter party to a lease, IRU or an exchange suffers financial distress or bankruptcy, the Company may not be able to enforce its rights to use such network assets or, even if the Company could continue to use such network assets, the Company could incur material expenses related to their maintenance and repair. The Company also could incur material expenses if it were required to locate alternative network assets. The Company cannot give assurance that it would be successful in obtaining reasonable alternative network assets if needed. Failure to obtain usage of alternative network assets, if necessary, could have a material adverse impact on the Company's business, financial condition and results of operations.

Attracting and Retaining Highly Qualified Employees Is Necessary for Competitive Advantage

The Company seeks to achieve competitive advantage by hiring and retaining highly skilled personnel. The Company believes this is of particular importance in an industry that depends on innovation and execution in order to attract and retain customers. If the Company fails to attract or retain these skilled personnel, the Company's financial condition and results of operations could be materially impacted.

The Company's Success Depends on the Introduction of New Products and Services

The Company's success depends on being able to anticipate the needs of current and future enterprise, carrier and residential customers. The Company seeks to meet these needs through new product introductions, service quality, technological superiority and the ability to bundle services together in packages that are attractive to its customers. Failure of the Company to anticipate the needs of these customers and to introduce the new products and services necessary to attract or retain these customers could have a material adverse impact on the Company's business, financial condition and results of operations.

Continuing Softness in the Economy is Having a Disproportionate Effect in the Telecommunications Industry

Beginning in 2001, the business environment for the telecommunications industry deteriorated significantly and rapidly and remains weak. This was primarily due to: the general weakness in the U.S. economy, which was exacerbated by the events of September 11, 2001, and concerns regarding terrorism; pressure on prices for broadband services due to substantial excess fiber capacity in most markets; and forecasted demand for broadband services not being realized as a result of the state of the economy, the bankruptcy or liquidation of a substantial number of Internet companies and financial difficulties experienced by many telecommunications customers. The Company expects these trends to continue, including reduced business from financially troubled customers and downward pressure on prices due to reduced demand and overcapacity. If these trends

do continue, there could be a material adverse impact on the Company's business, financial condition and results of operations.

A Significant Portion of the Company's Revenue Is Derived from Telecommunications Carriers

Eight of the Company's top ten customers, which as a group accounted for approximately 18% of total revenue in 2002, are large telecommunications carriers. Several customers have been impacted by negative industry trends. Four of the Company's largest customers, who accounted for approximately 8% of revenue in 2002, were in Chapter 11 bankruptcy proceedings. Non-IRU revenue from these customers approximated 4% of consolidated revenue in 2002. The remaining revenue from these customers, approximating 4% of consolidated revenue, was generated by the amortization of IRU agreements and the early termination of two IRUs, for which consideration had been previously received. In addition, interexchange carriers generated approximately 57% of Broadband segment revenue in 2002. Most of the Company's arrangements with large customers do not provide the Company with guarantees that customer usage will be maintained at current levels. Industry pressures have caused telecommunications carriers to look aggressively for ways to cut costs, which has resulted in reduced demand and reduced prices. In addition, construction of their own facilities by certain of the Company's customers, construction of additional facilities by competitors or further consolidation in the telecommunications industry involving the Company's customers could lead such customers to reduce or cease their use of the Company's network. To the extent these large customers cease to employ the Company's network to deliver their services, or cannot pay outstanding accounts receivable balances, the Company could experience a material adverse impact on its business, financial condition and results of operations.

Terrorist Attacks and Other Acts of Violence or War May Affect the Financial Markets and the Company's Business, Financial Condition and Results of Operations

As a result of the September 11, 2001 terrorist attacks and subsequent events, there has been considerable uncertainty in world financial markets. The full effect of these events, as well as concerns about future terrorist attacks, could adversely affect the Company's ability to obtain financing on terms acceptable to it, or at all, to finance the Company's capital expenditures or working capital.

Terrorist attacks or war may negatively affect the Company's operations and financial condition. There can be no assurance that there will not be further terrorist attacks against the United States of America or U.S. businesses or armed conflict involving the United States of America. These attacks or armed conflicts may directly impact the Company's physical facilities or those of its customers and vendors. These events could cause consumer confidence and spending to decrease or result in increased volatility in the United States and world financial markets and economy. They could result in an economic recession in the United States or abroad. Any of these occurrences could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company is Dependent on Limited Sources of Supply for Certain Key Network Components

Where possible and practical, the Company utilizes commercially available technologies and products from a variety of vendors. However, the Company relies on one supplier, Corvis, for its advanced optical switching and transport equipment on the core of its long-haul network. There can be no assurance that the Company will be able to obtain such equipment from Corvis in the future. If the Company cannot obtain adequate replacement equipment or service from Corvis, or an acceptable alternate vendor, the Company could experience a material adverse impact on its business, financial condition and results of operations. Corvis is also the majority owner of C III, the entity that has entered into a definitive agreement to purchase substantially all of the assets Company's Broadband segment.

Network Failure and Transmission Delays and Errors Could Expose the Company to Potential Liability

The Company's network utilizes a variety of communication equipment, software, operating protocols and components of others' networks for the high-speed transmission of data and voice traffic among various locations. Such equipment, software and physical locations could malfunction, suffer physical damage or otherwise become impaired. The Company is held to high quality and delivery standards in its customer contracts. Network failures or delays in data delivery could cause service interruptions resulting in losses to the Company's customers. Failures or delays could expose the Company to claims by its customers that could have a material impact on the financial condition and operating results of the Company's business.

The Company Expects to Experience Significant Change in the Wireless Communications Industry

The wireless communications industry is experiencing significant technological change. This includes the increasing pace of digital upgrades, evolving industry standards, ongoing improvements in the capacity and quality of digital technology, shorter development cycles for new products and changes in customer needs and preferences. In addition, uncertainty exists as to the pace and extent that customer demand for wireless services will continue to increase. As a result, the prospects of the Company's wireless business and those of the industry remain uncertain.

The Company's Share Price May be Volatile

The Company's share price may fluctuate substantially as a result of periodic variations in the actual or anticipated financial results of the Company's business or other companies in the telecommunications industry or markets served by the Company. In addition, the stock market has experienced price and volume fluctuations that have affected the market price of many telecommunications stocks and have often been unrelated or disproportionate to the operating performance of some of these companies. Fluctuations such as these have affected and are likely to continue to affect the share price of the Company's common stock. In addition, many of the risks described in this section could materially and adversely affect the Company's share price.

Furthermore, securities class action litigation has often been instituted against companies following periods of volatility and decline in the share price of such companies' securities. In 2002, several purported class action lawsuits were filed against the Company. The Company intends to defend these claims vigorously. However, such litigation could result in substantial costs and have a material impact on the financial condition and operating results of the Company's business. The Company could be required to pay substantial damages, including punitive damages if the Company were to lose any of these lawsuits.

Capital Additions

The capital additions of the Company have historically been for its fiber-optic transmission facilities, telephone plant in its local service area, and development of the infrastructure for its wireless business.

The following is a summary of capital additions for the years 1998 through 2002:

$ in millions	Local Telephone Operations	Fiber-Optic Transmission Facilities	Wireless Infrastructure	Other	Total Capital Additions
2002	$ 80.3	$ 64.9	$ 29.5	$ 1.2	$ 175.9
2001	$ 121.4	$ 472.0	$ 52.0	$ 3.1	$ 648.5
2000	$ 157.4	$ 599.9	$ 84.2	$ 2.2	$ 843.7
1999	$ 152.2	$ 166.2	$ 55.9	$ 6.7	$ 381.0 *
1998	$ 134.9	—	$ 2.2	$ 6.3	$ 143.4

* Includes capital additions for the Broadband segment from the November 9, 1999 closing date of the Merger until the end of the year. On a pro forma basis in 1999, total capital additions were $819 million. The difference between pro forma and as-reported capital additions, or $438 million, is attributable to "fiber-optic transmission facilities" and is not reflected in the above table.

Employees

At December 31, 2002, the Company had approximately 4,600 employees. CBT had approximately 1,900 employees covered under a collective bargaining agreement with the Communications Workers of America, which is affiliated with the AFL-CIO. This collective bargaining agreement expires in May 2005.

Business Segment Information

The amount of revenue, intersegment revenue, operating income (loss), assets, capital additions and depreciation and amortization attributable to each of the Company's business segments for the years ended December 31, 2002, 2001 and 2000 are set forth in Note 16 of the Notes to Consolidated Financial Statements that are contained in Item 8 of this Report on Form 10-K, "Financial Statements and Supplementary Schedules."

Item 2. Properties

Broadwing Inc. and its subsidiaries own or maintain telecommunications facilities in 39 states. Principal office locations are in Cincinnati, OH; Austin, TX; Reston, VA; and Indianapolis, IN.

The property of the Company is principally composed of its nationwide optical transmission system, telephone plant in its local telephone franchise area (i.e., Greater Cincinnati), and the infrastructure associated with its wireless business in the Greater Cincinnati and Dayton, Ohio operating areas. Each of the Company's subsidiaries maintains some investment in furniture and office equipment, computer equipment and associated operating system software, leasehold improvements and other assets. Facilities equipment and access circuits leased as part of an operating lease arrangement are expensed as incurred and are not included in the totals below.

With regard to its local telephone operations, substantially all of the central office switching stations are owned and situated on land owned by the Company. Some business and administrative offices are located in rented facilities, some of which are treated as capitalized leases and included in the "Buildings and leasehold improvements" caption below.

Fiber-optic transmission facilities consist largely of fiber-optic cable, conduit, optronics, rights-of-way and structures to house the equipment. The wireless infrastructure consists primarily of transmitters, receivers, towers, and antennae.

The gross investment in property, plant and equipment, at December 31, 2002 and 2001 is comprised of the following ($ in millions):

	2002	2001
Land and rights-of-way	$ 6.3	$ 159.3
Buildings and leasehold improvements	190.9	393.0
Telephone plant	2,020.4	1,962.3
Transmission facilities	116.4	2,162.7
Furniture, fixtures, vehicles and other	154.3	205.3
Construction in process	39.5	257.1
Total	$ 2,527.8	$ 5,139.7

The gross investment in property, plant, and equipment includes $72.9 million and $78.1 million of assets accounted for as capital leases in 2002 and 2001, respectively. These assets are included in the captions "Buildings and leasehold improvements", "Telephone plant", "Transmission facilities" and "Furniture, fixtures, vehicles and other".

The Company's Broadband segment recorded a non-cash impairment charge of $2.2 billion to state both tangible and intangible assets at estimated fair market value as of December 31, 2002. The impairment charge related to tangible property, plant and equipment of the Broadband segment totaled $1,902 million.

Properties of the Company are divided between operating segments as follows:

	2002	2001
Broadband	2.2 %	53.2 %
Local	83.8 %	40.5 %
Wireless	13.3 %	6.0 %
Other	0.7 %	0.3 %
Total	100.0 %	100.0 %

Item 3. Legal Proceedings

The information required by this Item is included in Note 20 of the Notes to Consolidated Financial Statements that are contained in Item 8 of this Report on Form 10-K, “Financial Statements and Supplementary Data.”

Item 4. Submission of Matters to a Vote of the Security Holders

None.

PART II

Item 5 . Market for the Registrant's Common Equity and Related Security Holder Matters.

Market Information

The Company's common shares (symbol: BRW) are listed on the New York Stock Exchange and on the Cincinnati Stock Exchange. As of March 20, 2003, there were approximately 94,000 holders of record of the 218,952,904 outstanding common shares of the Company. The high and low daily closing prices during each quarter for the last two fiscal years are listed below:

Quarter		1st	2nd	3rd	4th
2002	High	$ 10.55	$ 8.60	$ 3.43	$ 4.26
	Low	$ 5.55	$ 2.09	$ 1.80	$ 1.15
2001	High	$ 28.75	$ 26.95	$ 25.38	$ 16.92
	Low	$ 18.82	$ 16.38	$ 14.68	$ 7.79

Dividends

The Company discontinued dividend payments on its common shares effective after the second quarter 1999 dividend payment in August 1999. The Company does not intend to pay dividends on its common shares in the foreseeable future. Furthermore, the Company's future ability to pay dividends is restricted by certain covenants and agreements pertaining to outstanding indebtedness. The Company is required to pay dividends on its 6% preferred shares. The Company converted to a cash pay option on its BCI's 12% preferred shares on November 16, 1999, and subsequently made its first cash payment on February 15, 2000. Dividends on the 12% preferred shares are accounted for in the caption "Minority interest expense (income)" in the Consolidated Statements of Operations and Comprehensive Income (Loss). In 2002, BCI's board of directors voted to defer the third and fourth quarter 2002 cash payment of the quarterly dividend on the 12% preferred shares, in accordance with the terms of the security. The Company continued to accrue the dividend in accordance with the terms of the security. The status of future quarterly dividend payments on the 12% preferred shares will be determined quarterly by the board of directors, but the Company does not expect to pay dividends in the foreseeable future.

Equity Compensation Plans

Plan Category	Number of securities to be issued upon exercise of stock options	Weighted-average exercise price of outstanding stock options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	36,486,755	$ 14.80	13,513,245
Equity compensation plans not approved by security holders	—	$ —	—
Total	36,486,755	$ 14.80	13,513,245

Item 6 . Selected Financial Data

The Selected Financial Data should be read in conjunction with the Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this document. The information contained in the table below has been recast to give effect to the sale of substantially all of the assets of Cincinnati Bell Directory and the assets of Cincinnati Bell Supply. Refer to Note 14 of the Notes to Consolidated Financial Statements for a detailed discussion of the reporting of discontinued operations.

($ in millions, except per share amounts)	2002	2001	2000	1999	1998
Operating Data					
Revenue	$ 2,155.9	$ 2,271.6	$ 1,973.7	$ 1,030.1	$ 791.6
Operating expenses, excluding restructuring and other charges (credits)	2,011.4	2,247.3	1,978.1	921.0	655.6
Restructuring, impairment and other charges (credits) (a)	2,238.0	245.4	(0.8)	10.9	(1.1)
Operating income (loss)	(2,093.5)	(221.1)	(3.6)	98.2	137.1
Interest expense (b)	164.2	168.1	163.6	61.6	24.1
Loss (gain) on investments (c)	10.7	(11.8)	356.3	—	—
Income (loss) from continuing operations before income taxes, extraordinary items and cumulative effect of change in accounting principle	(2,325.5)	(412.3)	(584.9)	25.4	83.3
Net income (loss)	$ (4,222.3)	$ (286.2)	$ (377.1)	$ 31.4	$ 149.9
Earnings (loss) from continuing operations per common share (d)					
Basic	$ (11.18)	$ (1.50)	$ (1.95)	$ 0.06	$ 0.41
Diluted	$ (11.18)	$ (1.50)	$ (1.95)	$ 0.05	$ 0.40
Dividends declared per common share	$ —	$ —	$ —	$ 0.20	$ 0.40
Weighted average common shares outstanding (millions)					
Basic	218.4	217.4	211.7	144.3	136.0
Diluted	218.4	217.4	211.7	150.7	138.2
Financial Position					
Property, plant and equipment, net	$ 867.9	$ 3,059.3	$ 2,978.6	$ 2,510.9	$ 697.8
Total assets (e)	1,467.6	6,312.0	6,477.6	6,505.4	1,041.8
Long-term debt (b)	2,354.7	2,702.0	2,507.0	2,136.0	366.8
Total debt (b)	2,558.4	2,852.0	2,521.0	2,145.2	553.0
Minority Interest (f)	443.9	435.7	433.8	434.0	—
Redeemable preferred stock (g)	—	—	—	228.6	—
Shareowners' equity (deficit) (e)	(2,548.3)	1,678.4	2,021.5	2,132.8	142.1
Other Data					
Cash flow provided by operating activities	$ 192.6	$ 259.5	$ 328.4	$ 314.3	$ 205.9
Capital expenditures	175.9	648.5	843.7	381.0	143.4

(a) See Note 1, 2, and 3 of Notes to Consolidated Financial Statements.

(b) See Note 5 of Notes to Consolidated Financial Statements.

(c) See Note 4 of Notes to Consolidated Financial Statements.

(d) See Note 10 of Notes to Consolidated Financial Statements.
(e) See Note 1 and 2 of Notes to Consolidated Financial Statements.

(f) See Note 8 of Notes to Consolidated Financial Statements.

(g) See Note 9 of Notes to Consolidated Financial Statements.

Item 7 . Management's Discussion and Analysis of Financial Condition and Results of Operations

"Management's Discussion and Analysis of Financial Condition and Results of Operations" which follows should be read in conjunction with the "Private Securities Litigation Reform Act of 1995 Safe Harbor Cautionary Statement", "Risk Factors," Consolidated Financial Statements and accompanying Notes to Consolidated Financial Statements.

Broadwing Inc. and its majority-owned subsidiaries over which it exercises control ("the Company"), is a

full-service local and national provider of data and voice communications services, and a regional provider of wireless communications services. The Company provides services on a national level by combining its national optical network and Internet backbone and its local network with a well-regarded brand name and reputation for service. The Company operates in four business segments: Broadband, Local, Wireless and Other. A further discussion of these segments and their operating results is discussed in Item 1, "Business", and in the individual segment discussions which begin on page 35 of this Report on Form 10-K.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses. The Company continually evaluates its estimates, including but not limited to those related to revenue recognition, bad debts, investments, intangible assets, income taxes, fixed assets, access line costs, restructuring, reciprocal compensation, pensions, other postretirement benefits, contingencies and litigation. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the facts and circumstances. Actual results may differ from these estimates under different assumptions or conditions.

The Company believes the following critical accounting policies impact its more significant judgments and estimates used in the preparation of its consolidated financial statements. For a more detailed discussion of the application of these and other accounting policies, refer to Note 1 of the Notes to Consolidated Financial Statements.

Revenue Recognition – The Company recognizes revenue as services are provided. Local service revenue is billed monthly, in advance, with revenue being recognized when earned. Both switched voice and data and Internet product revenue are billed monthly in arrears, while the revenue is recognized as the services are provided. While customers are billed in advance for month-to-month broadband transport services, revenue is recognized as the services are provided. Revenue from product sales is generally recognized upon performance of contractual obligations, such as shipment, delivery, installation or customer acceptance. Indefeasible right-of-use agreements, or IRUs, represent the lease of network capacity or dark fiber and are recorded as unearned revenue at the earlier of the acceptance of the applicable portion of the network by the customer or the receipt of cash. The buyer of IRU services typically pays cash upon execution of the contract, and the associated IRU revenue is then recognized over the life of the agreement as services are provided, beginning on the date of customer acceptance. In the event the buyer of an IRU terminates a contract prior to the contract expiration and releases the Company from the obligation to provide future services, the remaining unamortized unearned revenue is recognized in the period in which the contract is terminated.

For long-term construction contracts, the Company recognizes revenue and the associated cost of that revenue using the percentage of completion method of accounting. This method of accounting relies on estimates of total expected contract revenue and costs. The method is used as the Company can make reasonably dependable estimates of revenue and costs applicable to various stages of a contract. As the financial reporting

of these contracts depends on estimates that are continually assessed throughout the terms of the contracts, revenue recognized is subject to revision as the contract nears completion. Revisions in estimates are reflected in the period in which the facts that give rise to the revision become known. Revisions have the potential to impact both revenue and cost of services and products. Construction projects are considered substantially complete upon customer acceptance.

Pricing of local services is generally subject to oversight by both state and federal regulatory commissions. Such regulation also covers services, competition and other public policy issues. Different interpretations by regulatory bodies may result in adjustments to revenue in future periods. The Company monitors these proceedings closely and adjusts revenue accordingly.

Since its merger with IXC Communications Inc. ("IXC") in November 1999 ("the Merger"), the Company has not entered into any significant fair value fiber exchange agreements. For certain preacquisition fiber exchange agreements with other carriers, the Company recognizes the fair value of revenue earned and the related expense in offsetting amounts over the life of the agreement. In no instances has the Company recognized revenue upon consummation of any such fiber exchange agreements or capitalized any expenses associated therewith.

Deferred Tax Asset - As of December 31, 2002, the Company had approximately $822 million of federal operating loss tax carryforwards with a related tax benefit of $288 million. In addition, the Company had approximately $139 million in deferred tax assets related to state and local operating loss tax carrryforwards. The Company evaluates all positive and negative evidence available in determining whether there is reasonable assurance that its deferred tax assets will be realized. In performing this evaluation, the Company considers future taxable income projections, expirations of loss carry forwards and ongoing prudent and feasible tax planning strategies. Based on this evaluation as of December 31, 2002, which included the uncertainty regarding the future operations of the Company's Broadband segment, the Company determined that realization of certain deferred tax assets (including federal and state operating loss carryforwards) was not considered to be more likely than not, and therefore provided a valuation allowance, which amounted to $1,189 million as of December 31, 2002. The valuation allowance was recorded as a component of income tax expense in the fourth quarter of 2002. The Company is pursuing several alternatives and the resolution of uncertainties related to BCI that may result in the realization of these reserved tax assets.

Allowances for Doubtful Accounts – The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. The Company determines the estimate of the allowance for doubtful accounts based on a variety of factors including the length of time receivables are past due, the financial health of customers, and historical experience. If the financial condition of the Company's customers were to deteriorate or other circumstances occur that result in an impairment of customers' ability to make payments, additional allowances may be required.

Depreciation – The Company uses the straight line method to depreciate its property, plant, and equipment. Due to rapid changes in technology, significant judgment is required in determining the estimated useful life of telecommunications plant and equipment.

Goodwill and Indefinite-Lived Intangible Assets — Goodwill represents the excess of the purchase price consideration over the fair value of assets acquired recorded in connection with purchase business combinations, primarily the merger with IXC, in November 1999. Indefinite-lived intangible assets consist primarily of FCC licenses of the Wireless segment. Upon the adoption of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142") on January 1, 2002, the Company recorded a goodwill impairment charge of $2,008.7 million, net of tax, and ceased amortization of remaining goodwill and indefinite-lived intangible assets as discussed in Note 2.

Pursuant to SFAS 142, goodwill and intangible assets not subject to amortization are tested for impairment annually, or when events or changes in circumstances indicate that the asset might be impaired. For goodwill, a two-step impairment test is performed. The first step compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying value of a reporting unit exceeds its fair value, then the second step of the impairment test is performed to measure the amount of impairment loss. The second step compares the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. The implied fair value is determined by allocating the fair value of a reporting unit to all of the assets and liabilities of that unit as if the reporting unit had been acquired in a business combination. The excess of the fair value of a reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. If the carrying amount of the reporting unit goodwill is in excess of the implied fair value of that goodwill, then an impairment loss is recognized equal to that excess. For indefinite-lived intangible assets, the impairment test consists of a comparison of the fair value of the intangible asset with its carry value. If the carrying value of an indefinite-lived asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess.

In 2001 and 2000, goodwill was amortized on a straight-line basis over estimated useful lives of 30 to 40 years, with the vast majority being amortized over 30 years. Indefinite lived intangible assets were amortized on a straight-line basis over estimated useful lives of 2 to 40 years.

Impairment of Long-lived Assets, Other than Goodwill and Indefinite lived Intangibles - As of December 31, 2002, the Company had fixed assets with a net carrying value of $868 million. The Company reviews the carrying value of long-lived assets, other than goodwill and indefinite lived assets discussed above, when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss is recognized when the estimated future undiscounted cash flows expected to result from the use of an asset (or group of assets) and its eventual disposition are less than its carrying amount. An impairment loss is measured as the amount by which the asset's carrying value exceeds its estimated fair value.

During the fourth quarter of 2002, the Company performed an impairment assessment of its Broadband segment long-lived assets. This assessment considered all of the contemplated strategic alternatives for the Broadband segment, including a potential sale of assets, using a probability-weighted approach. Based on this assessment, it was determined that the long-lived assets of the Company's Broadband segment unit were impaired and, accordingly, the Company recorded a $2.2 billion non-cash impairment charge to reduce the carrying value of these assets. Of the total charge, $1,902 million related to tangible fixed assets and $298 million related to finite-lived intangible assets.

Pension and Postretirement Benefits – The Company calculates net periodic pension and postretirement expenses and liabilities on an actuarial basis under the provisions of Statement of Financial Accounting Standards No. 87, "Employers' Accounting for Pensions" ("SFAS 87") and Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" ("SFAS 106"). The actuarial assumptions attempt to anticipate future events and are used in calculating the expense and liability related to these plans. Key actuarial assumptions are presented in Note 12 of the Notes to Consolidated Financial Statements.

The most significant of these numerous assumptions, which are reviewed annually, include the discount rate, expected long-term rate of return on plan assets and health care cost trend rates. The discount rate is selected based on current market interest rates on high-quality, fixed-rate debt instruments at December 31 of each year. The health care cost trend rate is based on actual claims experience and future projections of medical cost trends. The actuarial assumptions used may differ materially from actual results due to the changing market and economic conditions and other changes. Revisions to and variations from these estimates would impact both costs of services and products and selling, general and administrative expenses.

The expected long-term rate of return on plan assets, developed using the building block approach, is based on the participant's benefit horizons; the mix of investments held directly by the plans, which is generally 60% equities and 40% bonds; and the current view of expected future returns, which is influenced by historical averages. The assumed long-term rate of return on plan assets and the market-related value of plan assets are used to calculate the expected return on plan assets. The required use of an expected versus actual long-term rate of return on plan assets may result in recognized pension income that is greater or less than the actual returns of those plan assets in any given year. Over time, however, the expected long-term returns are designed to approximate the actual long-term returns and therefore result in a pattern of income and expense recognition that more closely matches the pattern of the services provided by the employees. For the market-related value of plan assets, the Company uses a calculated value that recognizes changes in asset fair values in a systematic and rational manner. A five-year-moving-average value is used for equities and high-yield bonds due to the volatility of these types of investments and fair value is used for low-yield bonds. Differences between actual and expected returns are recognized in the market related value of plan assets over five years.

The Company recognized pretax income of $8 million, $7 million and $10 million in 2002, 2001 and 2000, respectively, related to its pension plans. In addition, the Company recognized pretax expense of $13 million, $11 million and $10 million in 2002, 2001 and 2000, respectively, related to its postretirement health and life benefits. The Company's cash flows from operations included uses of cash of $12 million, $11 million and $12 million related to its pension and postretirement plans in 2002, 2001 and 2000, respectively.

Changes in actual asset return experience and discount rate assumptions can impact the Company's stockholders' equity. Actual asset return experience results in an increase or decrease in the asset base and this effect in conjunction with a decrease in the pension discount rate may result in a plan's assets being less than a plan's accumulated benefit obligation ("ABO"). The ABO is the present value of benefits earned to date and is based on past compensation levels. The Company is required to show in its consolidated balance sheet a net liability that is at least equal to the ABO less the market value of plan assets. This liability is referred to as an additional minimum pension liability ("AML"). An AML, which is recorded and updated on December 31 each year, is reflected as a long-term pension liability with the offset in accumulated other comprehensive income (loss) in the equity section of the consolidated balance sheet (on a net of tax basis) and/or as an intangible asset to the degree a company has unrecognized prior service costs.

The key assumptions used in developing the 2002 pension and postretirement plan expense were the discount rate of 7.25% and expected long-term rate of return on plan asset of 8.25%. Holding all other assumptions constant, a decrease in the discount rate of 25 basis points or a decline in assets of 1% or some combination thereof, would have caused an AML equity charge of approximately $34 million, net of tax. A decrease in the discount rate or asset value in 2003 could have a similar impact. For 2003 pension and postretirement expense, the Company will use a discount rate of 6.50% and a long-term rate of return on plan assets of 8.25%.

During 2002, the value of the assets held in the Company's pension and postretirement trusts decreased approximately 22% as general equity market conditions deteriorated and benefit payments continued. The asset decline is expected to increase the Company's 2003 non-cash operating expenses by approximately $20 million. The Company does not expect to make cash funding contributions to the pension trust in 2003, but anticipates a cash contribution of approximately $8 million in 2004.

Restructuring – During 2002 and 2001, the Company recorded restructuring charges representing direct costs of exiting certain product lines, including certain contractual lease commitments, and involuntary employee terminations. These charges were recorded in accordance with EITF 94-3 "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (Including Certain Costs Incurred in a Restructuring)" and represent the Company's best estimate of undiscounted liabilities at the date the charges were taken. Adjustments for changes in assumptions are recorded in the period such changes become known.

Changes in assumptions, especially as they relate to contractual lease commitments, could have a material effect on the restructuring liabilities and consolidated results of operations.

Results of Operations

During the first quarter of 2002, the Company sold substantially all of the assets of its Cincinnati Bell Directory ("CBD") subsidiary, which was previously reported in the Other segment. Prior year revenue, costs and expenses, assets and liabilities, and cash flows have been recast to reflect the disposition of CBD as a discontinued operation. In 2001 and 2000, the treatment of CBD as a discontinued operation reduced previously reported consolidated revenue by $79 million and $90 million, respectively, and reduced consolidated operating income by $46 million and $42 million, respectively. See a detailed discussion of the sale of CBD and its treatment as a discontinued operation in Note 14 of the Notes to Consolidated Financial Statements.

Also during the first quarter of 2002, the Company completed the realignment of its business segments as described in Note 16 of the Notes to Consolidated Financial Statements. The Company's web hosting operations provided by ZoomTown, previously reported in the Other segment, were assumed by and are reported in the Broadband segment. The Company's DSL and dial-up Internet operations provided by ZoomTown, also previously reported in the Other segment, were merged into CBT and are reported in the Local segment. Prior year amounts for the Broadband, Local, and Other segments have been recast to conform to the current presentation and to reflect the transfer of these operations.

Consolidated Overview

A tabular presentation of the financial results for 2002, 2001 and 2000 that are referred to in this discussion can be found in the Consolidated Statements of Operations and Comprehensive Income (Loss) on page 62 of this Report on Form 10-K .

2002 Compared to 2001

Revenue

Consolidated revenue totaled $2,156 million in 2002, which was $116 million, or 5%, less than 2001. Broadband segment revenue decreased $130 million, or 11%, to $1,068 million in 2002 compared to 2001. Approximately $86 million of the decrease was attributable to network construction, as the Company decided to exit that business as part of the November 2001 restructuring plan discussed in Note 3 of the Consolidated Financial Statements. The decline of switched voice services contributed much of the remaining decrease, as rates and volume fell due to intense competition. The decreases were partially offset by non-recurring, non-cash revenue of $59 million resulting from the termination of two IRU contracts in conjunction with two customers' bankruptcies and a reduction in uncollectible revenue due to tighter credit and collection policies. Excluding the non-recurring, non-cash IRU revenue, Broadband segment revenue decreased 12% in the fourth quarter of 2002 compared to the third quarter of 2002. The Company expects the revenue deterioration to continue as carrier customers groom their networks to attempt to synchronize their supply with the demand in the marketplace.

Local revenue increased $17 million, or 2%, to $849 million during 2002. Revenue growth was attributable to high-speed data and Internet services such as DSL, value-added services such as custom calling features, and the sale of broadband products on the Broadwing Communications ("BCI") network. The growth was partially

offset by a decrease in residential and business revenue as access lines decreased in 2002 compared to 2001, and a $9 million increase in uncollectible revenue due to large carrier customer bankruptcies.

Wireless revenue grew $12 million, or 5%, to $260 million in 2002. The revenue growth was the result of higher postpaid service revenue from a larger average subscriber base. This increase was offset partially by a decrease in handset revenue and a decrease in prepaid revenue driven by declining usage.

Other segment revenue increased $2 million, or 2%, to $80 million in 2002 compared to 2001. Cincinnati Bell Any Distance ("CBAD") produced revenue growth of 8% based on the growth of its "Any Distance" long distance service offering. Revenue from Public declined 9% versus 2001, as payphone usage continued to decline with further penetration of wireless communications and an increase in uncollectible revenue due to a large carrier customer bankruptcy.

Intercompany eliminations increased $17 million, or 20%, to $101 million in 2002 compared to 2001 as revenue from the sale of broadband products in the Greater Cincinnati, Ohio area continued to increase. For segment reporting purposes, the Local segment reports revenue for services provided by the Broadband segment in the Greater Cincinnati area. The Local segment records a corresponding cost of service related to such broadband revenue equal to 80% of the revenue. The Broadband segment records revenue equal to the cost recorded in the Local segment. The revenue recorded by the Broadband segment is eliminated in consolidation.

Costs and Expenses

Cost of services and products totaled $1,028 million in 2002 compared to $1,131 in the prior year, a decrease of $103 million or 9%. Costs of services and products of the Broadband segment decreased nearly $105 million due the exit of network construction and a decrease in switched voice services usage consistent with the decline in revenue. The decreases were offset partially by a non-recurring charge of $13 million for costs associated with the termination of an uncompleted network construction contract and an increase in IT consulting costs related to increased equipment revenue. The termination of the uncompleted network construction project is discussed in further detail in Note 20 of the Notes to Consolidated Financial Statements. Local segment costs increased $8 million in 2002 compared to 2001, as the cost of national broadband products increased along with revenue, but was partially offset by efficiencies gained through the merger of the DSL and dial-up Internet operations of ZoomTown with CBT. The remainder of the increase in cost of services and products over 2001 was incurred by the Other segment, which experienced higher costs associated with increased minutes of use from CBAD.

Selling, general and administrative ("SG&A") expenses of $487 million in 2002 decreased $75 million, or 13%, compared to 2001. The Broadband segment's SG&A decreased nearly $29 million, primarily due to lower employee headcount resulting from the November 2001 restructuring (discussed in Note 3 of the Consolidated Financial Statements) and a decrease in marketing expenses, partially offset by an increase in bad debt expense due to continued industry deterioration. SG&A in the Wireless segment decreased $26 million in 2002 compared to 2001, primarily due to a reduction in promotional spending related to handset subsidies as postpaid gross subscriber additions were 37% below 2001. The remaining decrease was the result of cost reductions from the November 2001 restructuring and a decrease in customer acquisition costs in the Other segment.

Depreciation expense increased by 7%, or $30 million, to $471 million in 2002 compared to $441 million in 2001. The increase was primarily driven by the Broadband segment and reflects the completion of the build out of its national optical network and placement of those assets into service. The Local and Wireless segments generated the remainder of the increase as they continued to maintain and enhance their networks. In the fourth quarter of 2002, the Company recorded a non-cash asset impairment charge of $2.2 billion related to the Broadband unit's tangible and intangible assets (refer to Note 1 of the Notes to the Consolidated Financial

Statements) and intends to classify the Broadband assets as held for sale as of March 1, 2003. As such, the Company expects depreciation expense to decrease by approximately $290 million in 2003. Additionally, due to the adoption of Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143") in 2003 (refer to Note 1 of the Notes to the Consolidated Financial Statements), the Company expects depreciation expense to decrease by approximately $6 million in 2003 compared to 2002 at CBT.

Amortization expense of $25 million in 2002 relates to intangible assets acquired in connection with various acquisitions. Amortization expense in 2002 decreased by $88 million compared to 2001 due to the Company ceasing amortization of goodwill upon the adoption of SFAS 142 on January 1, 2002. An adjusted presentation of amortization expense and the impact on net income is provided in Note 2 of the Notes to Consolidated Financial Statements. Additionally, the Company wrote-down approximately $298 million of intangible assets in 2002 in association with the $2.2 billion non-cash asset impairment charge recorded at the Broadband segment discussed in Note 1 of the Notes to the Consolidated Financial Statements. As such, the Company expects amortization expense in 2003 of less than $1 million.

In October 2002, the Company initiated a restructuring of BCI that is intended to reduce annual expenses by approximately $200 million compared to 2002 and enable the Broadband segment to become cash flow positive. The plan includes initiatives to reduce the workforce by approximately 500 positions; reduce line costs by approximately 25% through network grooming, optimization, and rate negotiations; and exit the wholesale international voice business. In addition, CBT initiated a restructuring to realign sales and marketing to better focus on enterprise customers. The plan includes initiatives to reduce the workforce by approximately 38 positions. The Company recorded a cash restructuring charge of approximately $15 million during the fourth quarter of 2002. The Company expects to complete the plan by June 30, 2003.

In September 2002, the Company recorded restructuring charges of $10 million. The restructuring charges consisted of $5 million related to employee separation benefits and $5 million related to contractual terminations associated with the Company's exit of a product line. The restructuring costs include the cost of employee separation benefits, including severance, medical and other benefits, related to three employees, including the former CEO, of the Company. As of December 31, 2002, the restructuring has been completed and closed. Total cash expenditures in connection with the restructuring during 2002 amounted to $9 million.

In 2002, the restructuring activities for the November 2001 Restructuring Plan were completed, except for certain lease obligations, which are expected to continue through December 31, 2005. An additional $17 million in restructuring costs were incurred in the first quarter of 2002 relating to costs for employee termination benefits and termination of a contractual commitment with a vendor, which were actions contemplated in the original plan for which an amount could not be reasonably estimated in 2001. Additionally, during fourth quarter of 2002, $1 million of previously recorded restructuring charges were reversed due to a change in estimate related to the termination of contractual obligations. Refer to Note 3 of the Notes to Consolidated Financial Statements for a detailed discussion of the November 2001 Restructuring Plan.

In February 2001, the Company initiated a reorganization of the activities of several of its Cincinnati-based subsidiaries, including CBT, CBAD, Cincinnati Bell Wireless LLC ("CBW") and Cincinnati Bell Public Communications ("Public") in order to create one centralized "Cincinnati Bell" presence for its customers. Total restructuring costs of $9 million were recorded in the first quarter of 2001. During the third quarter of 2002, the Company reversed $2 million of restructuring expense previously recorded due to an expected lease termination that did not occur. This restructuring plan resulted in cash outlays of $6 million and non-cash items of $1 million. As of December 31, 2002, the restructuring was completed and closed.

In the third quarter of 2002, the restructuring activities for the 1999 Restructuring Plan were completed. Refer to Note 3 of the Notes to Consolidated Financial Statements for a detailed discussion on the 1999 Restructuring Plan. The remaining reserve balance of $0.5 million related to facility closure costs was reversed in the third quarter of 2002, as it was not required.

Based on certain indicators, including a potential asset sale, the Company performed an impairment analysis of the assets of its Broadband segment in the fourth quarter of 2002. The Company's impairment analysis indicated that the carrying value of the assets was not recoverable. Accordingly, the Company wrote down the assets to estimated fair market value, resulting in a non-cash impairment charge of $2.2 billion. Refer to Note 1 of the Notes to Consolidated Financial Statements.

Operating loss increased by $1,873 million to $2,094 million in 2002 compared to $221 million in 2001. The increase in the loss was due to the asset impairment charge of approximately $2.2 billion related to the Broadband segment. Excluding the asset impairment charge of $2.2 billion in 2002 and $152 million in 2001, operating income increased to $107 million from an operating loss of $69 million recorded in 2001. The increase was primarily due to a reduction in amortization expense related to the adoption of SFAS 142, a reduction in restructuring expenses, a reduction in SG&A expenses at the Broadband and Wireless segments, offset by an increase in depreciation expense.

Minority interest expense includes the accrual of dividends and accretion on the 12% preferred stock of BCI and the 19.9% minority interest of AT&T Wireless Services Inc. ("AWS") in the net income of the Company's CBW subsidiary. Because AWS's minority interest in the net income of CBW is recorded as an expense, the improved profitability of CBW drove an increase in minority interest expense from $51 million in 2001 to $58 million in 2002. Although the Company announced the deferral of the August 15 thand November 15 thcash dividend payments on the 12% preferred stock of BCI, the Company continues to accrue the dividends in accordance with the terms of the security. A detailed discussion of minority interest is provided in Note 8 of the Notes to Consolidated Financial Statements.

Interest expense and other financing costs of $164 million in 2002 decreased $4 million, or 2%, compared to $168 million recorded in 2001. The decrease was the result of lower interest rates, as the London Interbank Offering Rate ("LIBOR") decrease more than offset increases due to credit downgrades. In addition, lower outstanding debt, substantially as a result of a pay down using the proceeds received from the sale of CBD, contributed to the decrease in interest expense. These decreases were partially offset by a reduction in the amount of interest capitalized due to the completion of the optical network and an increase in other financing costs related to several amendments to the credit facility consummated during 2002. As a result of amendments to the Company's credit facility, the supplemental indenture to 6% Notes and the Mezzanine Financing, all completed in March 2003, and the exchange of the BCI 12.5% preferred stock and BCI 9% senior subordinated notes for common stock of the Company expected to be completed in 2003, the Company expects a slight increase in interest expense in 2003 compared to 2002. A detailed discussion of interest expense and indebtedness is presented in Note 5 of the Notes to Consolidated Financial Statements.

The Company recorded an $11 million non-cash write down on investments during the year, reflecting a $23 million decrease compared to a $12 million net gain on investments in 2001. The non-cash net loss recorded in 2002 was due to an other than temporary decline in value of one of the Company's cost-based investments. The net gain in 2001 was comprised of a $17 million gain from the sale of the Company's investment in PSINet, a $24 million gain from the Company's investment in Corvis, and a $3 million mark-to-market adjustment of Anthem Inc. shares. These gains were offset by $26 million in impairment write-downs of the Company's cost-based investments and $6 million of mark-to-market adjustments and losses on the sale of Applied Theory shares. Refer to Note 4 of the Notes to Consolidated Financial Statements for a detailed discussion of investments.

Other income of less than $1 million in 2002 decreased $20 million compared to 2001. Other income in 2001 was primarily due to the receipt of $20 million of common shares of Anthem Inc. as the result of Anthem's demutualization.

The Company had income tax expense of $106 million in 2002 compared to the ($97) million benefit recorded in 2001, due substantially to the establishment of a valuation allowance of $1,093 million against certain federal and state deferred tax assets (including net operating loss carryforwards), offset partially by the tax effect of the $2.2 billion asset impairment. The effective rate of negative (4.6%) in 2002 was 28 points lower than the effective rate of 23.4% in the same period of 2001. The decrease in the rate was due to the net effect of the cessation of amortization of goodwill in 2002 and the establishment of a valuation allowance against certain federal and state deferred tax assets. Refer to Note 11 of the Notes to Consolidated Financial Statements.

Income from discontinued operations reflects the net income of CBD in 2002 and 2001. Substantially all of the assets of this business were sold on March 8, 2002 for $345 million cash and a 2.5% equity interest in the newly formed company. Income from discontinued operations totaled $218 million in 2002 compared to $30 million in 2001, as the net gain from the sale of substantially all of the assets of CBD of $212 million was recorded in 2002. A detailed discussion of discontinued operations is provided in Note 14 of the Notes to Consolidated Financial Statements.

Effective January 1, 2002, the Company recorded a $2,009 million expense as a cumulative effect of a change in accounting principle, net of taxes, related to the adoption of SFAS 142. The write down of goodwill, finalized in the second quarter of 2002, was related to the fair value of goodwill associated with the Broadband business acquired in 1999. Refer to Note 2 of the Notes to Consolidated Financial Statements for a detailed discussion of the adoption of SFAS 142.

The Company reported a net loss of $4,222 million in 2002 compared to a net loss of $286 million in 2001. The loss per share of $19.38 in 2002 was $18.02 larger than the loss per share of $1.36 in 2001. The 2002 period included a loss per share of $9.20 related to the cumulative effect of a change in accounting principle, net of taxes, for the adoption of SFAS 142. The 2002 and 2001 periods included income from discontinued operations per share of $1.00 and $0.14, respectively. Excluding discontinued operations and the cumulative effect of a change in accounting principle, the Company reported a loss per share from continuing operations of $11.18 in 2002 compared to a loss per share from continuing operations of $1.50 for 2001.

The $9.68 increase in loss per share from continuing operations was due to the increase in asset impairment charges, which contributed $6.10 per share, an increase in the deferred tax asset valuation allowance, which contributed $4.84 per share and higher depreciation expense of $0.09 per share. These increases in loss per share from continuing operations were partially offset by the cessation of goodwill amortization resulting from the adoption of SFAS 142, which contributed $0.40 per share; and the decrease in restructuring, which contributed $0.17 per share.

2001 Compared to 2000

Revenue

Consolidated revenue totaled $2,272 million in 2001, which was $298 million, or 15%, greater than 2000. Data, wireless and Internet services generated the majority of revenue growth, with the Broadband and Wireless segments producing 65% and 23%, respectively, of the revenue growth in 2001.

Broadband segment revenue of $1,198 million during 2001 was $193 million, or 19%, greater than 2000. Nearly 40% of the 2001 revenue growth in the Broadband segment came from IT consulting while an additional 38% was generated by the broadband transport line of business. These increases more than offset a decline in switched voice services. Despite 19% revenue growth over 2000, results during the last two quarters of 2001 indicated a slowing of momentum, as revenue declined sequentially in both the third and fourth quarters.

The Local segment produced revenue totaling $832 million in 2001, a 5%, or $40 million, increase over 2000. High-speed data and Internet services, value-added services such as custom calling features, equipment sales and related installation and maintenance and the sale of broadband products contributed nearly all of the revenue growth. The Wireless segment produced revenue of $248 million in 2001, representing growth of $68 million, or 38% over 2000. These increases resulted primarily from a larger subscriber base. Other segment revenue grew $18 million during 2001 compared to 2000, which was primarily the result of continued success of CBAD's "Any Distance" long distance offering.

Costs and Expenses

Cost of services and products of $1,131 million in 2001 represented an increase of $192 million, or 20%, over 2000. The Broadband segment incurred $160 million of the increase, resulting from higher access charges and transmission leases as the customer base grew, higher information technology hardware and consulting expenses and higher network construction costs. The Local segment also incurred $20 million in cost increases over 2000, primarily due to cost of materials for equipment sales, sale of national broadband products and customer care expenses related to high-speed Internet access service, all of which were driven by the increase in revenue in the segment. The remainder of the increase over 2000 was incurred by the Wireless and Other segments, each of which experienced higher costs associated with increased subscribership at the Company's CBW and CBAD subsidiaries.

Selling, general and administrative ("SG&A") expenses of $562 million in 2001 decreased $18 million, or 3%, in comparison to 2000. The decrease was primarily due to a decline in amounts spent by the Broadband, Local and Other segments for advertising in 2000 not repeated in 2001.

Depreciation expense increased by 27%, or $95 million, during 2001 compared to 2000. The increase was primarily driven by the Broadband segment and reflects the build out of its national optical network. The remainder of the increase was incurred by the Local and Wireless segments as they continued to enhance their networks. Amortization expense of $114 million in 2001 relates to purchased goodwill and other intangible assets and was virtually unchanged in comparison to 2000.

In November 2001, the Company approved restructuring plans which included initiatives to consolidate data centers, reduce the expense structure, exit the network construction business, eliminate other nonstrategic operations and merge certain dial-up Internet and DSL operations into other operations. Total restructuring and other costs of $232 million were recorded in 2001 related to these initiatives. The $232 million consisted of restructuring liabilities of $84 million and related non-cash asset impairments of $148 million. The restructuring-related liabilities of $84 million were comprised of $21 million related to involuntary employee separation benefits (including severance, medical insurance and other benefits) for 902 employees and $63 million related to lease and other contractual terminations. In total, the Company expects this restructuring plan to result in cash outlays of $79 million and non-cash items of $153 million. Through December 31, 2001, the Company utilized $10 million of the $84 million reserve, of which approximately $7 million was cash expended. The Company expects to realize approximately $88 million in annual capital expenditure and expense savings from this restructuring plan relative to expenses and capital expenditures incurred in 2001. Refer to Note 3 of the Notes to Consolidated Financial Statements for a detailed discussion of restructuring and asset impairments.

In February 2001, the Company initiated a reorganization of the activities of several of its Cincinnati-based subsidiaries, including CBT, CBAD, CBW and Public in order to create one centralized "Cincinnati Bell" presence for its customers. Total restructuring costs of $9 million were recorded in the first quarter pertaining to the February 2001 restructuring plan and consisted of $2 million related to lease terminations and $7 million related to involuntary employee separation benefits (including severance, medical insurance and other benefits) for 114 employees. Through December 31, 2001, approximately $7 million of the expenses had been incurred, of which approximately $6 million was cash expended. The Company expects to realize approximately $7 million in annual savings from this restructuring plan relative to expenses incurred in 2000.

Primarily as a result of the November 2001 restructuring charge and higher depreciation in the Broadband segment, operating income declined by $210 million during 2001. The decrease was partially offset by improvements in the Local and Wireless segments and in the Company's CBAD subsidiary.

Minority interest expense includes dividends and accretion on the 12% preferred stock of BCI and the 19.9% minority interest of AWS in the net income of the Company's Cincinnati Bell Wireless LLC venture. As a result of the improved profitability of the wireless venture, minority interest expense grew to $51 million in 2001 from $44 million in 2000, representing an increase of 16%. Refer to Note 8 of the Notes to Consolidated Financial Statements for a detailed discussion of minority interest.

The Company recorded a $4 million equity-share loss on its Applied Theory investment during 2001 versus $16 million in 2000. The decline in the losses is due to the Company's discontinued use of equity method of accounting during the second quarter of 2001 because its ownership percentage in Applied Theory had dropped below 20% and it no longer held a seat on Applied Theory's board of directors. As a result, the Company no longer had significant influence over the operations of Applied Theory. As of December 31, 2001, the Company no longer held an investment in Applied Theory.

Interest expense and other financing costs of $168 million in 2001 increased $5 million, or 3%, compared to 2000. The increase was the net effect of a $22 million increase due to higher debt levels and a $17 million decrease due to lower interest rates. Refer to Note 5 of the Notes to Consolidated Financial Statements for a detailed discussion of interest expense and indebtedness.

The Company realized a $12 million net gain on investments during 2001, reflecting a $368 million improvement from a loss of $356 million in 2000. The net gain in 2001 was comprised of a $17 million gain from the sale of the Company's investment in PSINet, a $24 million gain from the Company's investment in Corvis, and a $3 million mark-to-market adjustment of Anthem Inc. shares. These gains were offset by $26 million in impairment write-downs of the Company's cost-based investments and $6 million of mark-to-market adjustments and losses on the sale of Applied Theory shares. In 2000 the Company incurred a $356 million loss on investments as the result of $405 million in realized losses on the PSINet, Applied Theory and ZeroPlus.com investments, offset by $49 million in realized gains on the sale of the Company's investment in PurchasePro.com. Refer to Note 4 of the Notes to Consolidated Financial Statements for a detailed discussion of investments.

Other income of $20 million in 2001 increased $18 million from the $2 million loss recognized in 2000, primarily due to the receipt of $20 million of common shares as the result of the demutualization of Anthem Inc.

The income tax benefit of $97 million in 2001 represented a decrease in benefit of $85 million compared to the 2000 benefit of $182 million. This resulted primarily from a decrease in pretax losses of $173 million and from

the establishment of a valuation allowance against certain state and local tax benefits due to uncertainty as to the ultimate realization of the benefits.

The Company reported a net loss of $286 million in 2001 compared to a loss of $377 million in 2000. The loss per share of $1.36 was $0.46 less than the $1.82 loss in 2000. However, 2001 included charges from the February and November restructuring initiatives, net gains on investments, income from discontinued operations and a non-recurring gain from the receipt of common shares related to the demutualization of Anthem. Similarly, 2000 included non-recurring net losses on the disposition of minority investments and income from discontinued operations. Excluding these non-recurring items, the Company reported a loss of $0.86 per share in 2001 versus a loss of $0.93 per share in 2000. The basic and diluted loss per share from continuing operations of $1.50 in 2001 was $0.45 lower than the loss per share of $1.95 in 2000 as significant investment losses in 2000 were only partially offset by an increase in restructuring charges in 2001.

Discussion of Operating Segment Results

The financial information presented has been recast to reflect the sale of substantially all of the assets of CBD and the inclusion of the results of ZoomTown's web hosting business with the Broadband segment and the DSL and dial-up Internet operations with the Local segment. Refer to Note 3 and Note 14 of the Notes to Consolidated Financial Statements for detailed presentation of these items.

For segment reporting purposes, the Local segment reports revenue for services provided by the Broadband segment in the Greater Cincinnati area. The Local segment records a corresponding cost of service related to such broadband revenue equal to 80% of the revenue. The Broadband segment records revenue equal to the cost recorded in the Local segment. The cost recorded by the Local segment and revenue recorded by the Broadband segment are eliminated in consolidation.

Broadband

The Broadband segment provides nationwide data and voice communications services through the Company's BCI subsidiary. On February 22, 2003, certain of the Company's subsidiaries entered into a definitive agreement to sell substantially all of the operating assets of the Broadband unit, excluding Broadwing Technology Solutions (discussed in Note 21of the Notes to Consolidated Financial Statements).

Revenue for the Broadband segment is generated by broadband transport (which includes revenue from IRU's), switched voice services, data and Internet services (including web hosting), information technology consulting and network construction and other services. These services are generally provided over the Company's national optical network, which comprised approximately 18,700 route miles of fiber-optic transmission facilities. On January 1, 2002, as part of the Company's November 2001 restructuring plan (refer to Note 3 of the Notes to Consolidated Financial Statements), ZoomTown's web hosting activities were merged into Broadwing Communications and are reflected in the data and Internet product line of the Broadband segment in all periods presented. The Company recorded a non-cash impairment charge of approximately $2.2 billion in the fourth quarter of 2002 to write down the Broadband unit's tangible and intangible assets to estimated fair market value in accordance with Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144").

($ in millions)	2002	2001	2002 vs. 2001	2002 vs. 2001	2000	2001 vs. 2000	2001 vs. 2000
Revenue							
Broadband transport	$ 461.6	$ 466.5	$ (4.9)	(1%)	$ 393.2	$ 73.3	19 %
Switched voice services	328.6	380.5	(51.9)	(14%)	408.6	(28.1)	(7%)
Data and Internet	132.9	121.9	11.0	9 %	69.7	52.2	75 %
IT consulting	143.7	141.3	2.4	2 %	65.8	75.5	115 %
Network construction and other services	1.3	87.4	(86.1)	(99%)	67.3	20.1	30 %
Total revenue	1,068.1	1,197.6	(129.5)	(11%)	1,004.6	193.0	19 %
Costs and Expenses:							
Cost of services and products	655.6	760.1	(104.5)	(14%)	599.8	160.3	27 %
Selling, general and administrative	301.0	329.6	(28.6)	(9%)	323.5	6.1	2 %
Depreciation	291.1	273.4	17.7	6 %	197.1	76.3	39 %
Amortization	24.8	110.7	(85.9)	(78%)	109.8	0.9	1 %
Restructuring	32.6	73.9	(41.3)	(56%)	—	73.9	100 %
Asset Impairments and other	2,200.6	152.0	2,048.6	n/m	—	152.0	100 %
Total costs and expenses	3,505.7	1,699.7	1,806.0	106 %	1,230.2	469.5	38 %
Operating loss	$ (2,437.6)	$ (502.1)	$ (1,935.5)	n/m	$ (225.6)	(276.5)	123 %
Operating margin	(228.2)%	(41.9)%		n/m	(22.5)%		(19) pts

2002 Compared to 2001

Revenue

Broadband transport services consist of long-haul transmission of data, voice and Internet traffic over dedicated circuits. Revenue from the broadband transport category is mainly generated by private line monthly recurring revenue. However, approximately 44%, 29% and 14% of broadband transport revenue in 2002, 2001 and 2000, respectively, was provided by IRU agreements.

Broadband transport revenue decreased $5 million in 2002, or 1%, to $462 million compared to 2001. The decrease was due to lower dedicated optical and digital circuit revenue as demand from both established and emerging carriers continued to decline. This decrease was substantially offset by $59 million in non-recurring, non-cash revenue from the termination of IRU contracts with two of the Company's customers who filed for Chapter 11 bankruptcy protection. The Company expects the revenue deterioration to continue as carriers groom their networks in an attempt to synchronize their supply with the demand in the marketplace. Broadband products sold in the Local segment's franchise area contributed revenue to the Broadband segment of $28 million in 2002 and $12 million in 2001. The Company's largest IRU contract, which contributed $104 million to broadband transport revenue and Broadband segment operating income in 2002, will expire in May 2003 and contribute $43 million in revenue and operating income in 2003.

Switched voice services revenue decreased 14% in 2002 compared to 2001, from $381 million to $329 million. The decrease in revenue was the result of the Company's continued focus on higher margin business and declining rates and volume due to intense competition, partially offset by a reduction in uncollectible revenue due to tightened credit policies. CBAD resells voice long distance in its local franchise area, which contributed

switched voice revenue to the Broadband segment of $43 million in 2002 and $41 million in 2001. The Company initiated a restructuring plan in the fourth quarter of 2002, which included exiting the international switched wholesale voice business. Based on this plan, the Company expects switched voice service revenue to decline going-forward. The international switched wholesale voice business accounted for $75 million and $94 million of revenue during 2002 and 2001, respectively.

Data and Internet revenue increased $11 million, or 9%, over 2001 on the strength of demand for dedicated IP and ATM/frame relay services. These increases were partially offset by a decrease in equipment sales, a decrease in revenue related to the exit of the bundled Internet access product (refer to Note 20 of the Notes to the Consolidated Financial Statements), and a decrease in data collocation revenue, as the Company closed eight of its eleven data centers as part of its November 2001 restructuring.

IT consulting revenue grew $2 million, or 2%, during 2002 compared to 2001. The growth was attributable to increased sales of hardware and consulting services. Revenue from services and hardware sales comprised 21% and 79%, respectively, of total IT consulting revenue during both 2002 and 2001.

Network construction and other services revenue decreased $86 million, or 99%, during 2002 compared to 2001. As further discussed in Note 3 of the Notes to Consolidated Financial Statements, the Company's November 2001 restructuring plan included plans to exit the network construction business upon completion of a large project. The contract for that project is in dispute as discussed in Note 20 of the Notes to Consolidated Financial Statements.

Costs and Expenses

Cost of services and products primarily reflects access charges paid to local exchange carriers and other providers, transmission lease payments to other carriers, costs incurred for network construction projects and personnel and hardware costs for IT consulting. In 2002, cost of services and products amounted to $656 million, a 14% decrease compared to the $760 million incurred during 2001. The decrease was driven primarily by lower switched voice services and network construction activity, and cost reductions implemented as part of the November 2001 restructuring plan. The decreases were partially offset by an increase in local access charges associated with the Company's continued penetration of enterprise customer accounts and a non-recurring charge of $13 million for costs associated with the termination of the Company's uncompleted network construction contract currently under dispute. Refer to Note 20 of the Notes to Consolidated Financial Statements for a detailed discussion of this contract.

SG&A expenses decreased 9% to $301 million in 2002 compared to 2001. The decrease was due primarily to a decrease in employee costs, as headcount was approximately 660 lower at December 31, 2002 than at December 31, 2001, and lower marketing expenses. These decreases were offset by a decrease in capitalized overhead costs associated with the completion of the Company's national optical network.

Depreciation expense of $291 million increased $18 million, or 6% in 2002 compared to 2001 as a result of placing assets related to the optical network overbuild into service. The Company recorded a non-cash impairment charge of $2.2 billion in the fourth quarter of 2002 related to the Broadband unit's tangible and intangible assets (refer to Note 1 of the Notes to Consolidated Financial Statements) and intends to classify the Broadband assets as held for sale as of March 1, 2003. As such, the Company expects depreciation expense to decrease by approximately $290 million in 2003.

Amortization expense, which in 2001 primarily related to the amortization of goodwill as a result of the Merger, decreased 78% to $25 million in 2002 from $111 million in 2001. Upon adoption of SFAS 142 as required on January 1, 2002, the Company stopped amortizing goodwill. In addition, the Company recorded an asset impairment charge as described in Note 1 of the Notes to Consolidated Financial Statements of approximately

$298 million related to intangible assets in the fourth quarter. Therefore, the Company expects immaterial amortization expense in 2003 related to the Broadband segment.

During the first quarter of 2002, the Broadband segment recorded restructuring charges of $16 million resulting from employee separation benefits and costs to terminate contractual obligations, which were actions contemplated in the November 2001 restructuring plan for which an amount could not be reasonably estimated at that time. During the fourth quarter of 2002, a $1 million reversal was made to the restructuring reserve due to a change in estimate related to the termination of contractual obligations. In total, the Company expects the November 2001 restructuring plan to result in cash outlays of $88 million and non-cash items of $149 million. The Company completed the plan as of December 31, 2002, except for certain lease obligations, which are expected to continue through December 31, 2005. Refer to Note 3 of the Notes to Consolidated Financial Statements.

During the third quarter of 2002, the Broadband segment recorded restructuring charges of $5 million. The restructuring charges related to contractual terminations associated with the Company's exit of a product line. Refer to Note 20 of the Notes to Consolidated Financial Statements.

In October 2002, the Company initiated a restructuring of BCI that is intended to reduce annual expenses by approximately $200 million compared to 2002 and enable BCI to become cash flow positive. The plan includes initiatives to reduce the workforce by approximately 500 positions; reduce line costs by approximately 25% through network grooming, optimization, and rate negotiations; and exit the international wholesale voice business. The Broadband segment recorded a cash restructuring charge of approximately $13 million during the fourth quarter of 2002 for employee severance and contract termination costs. BCI expects to complete the plan by June 30, 2003.

Based on certain indicators, including a potential asset sale, the Company performed an impairment analysis of the assets of its Broadband segment in the fourth quarter of 2002. The impairment analysis indicated that the carrying value of the assets was not recoverable. Accordingly, the Broadband segment wrote down the assets to estimated fair market value, resulting in a non-cash impairment charge of $2.2 billion.

The operating loss of $2,438 million recorded in 2002 represents a $1,936 million increase over the $502 million operating loss in 2001. The increase in the operating loss is due to the asset impairment charge of approximately $2.2 billion, offset slightly by the decrease in amortization and restructuring charges noted above.

2001 Compared to 2000

Revenue

Broadband transport revenue increased $73 million in 2001, growing 19% to $466 million compared to 2000. Approximately two-thirds of the increase was driven by the renegotiation of IRU contracts with one of the Company's customers. In order for these contracts to survive the customer's bankruptcy, the contracts were adjusted to reduce the services provided, update the operations and maintenance fees to a current market rate and shorten the lives of the agreements. Revenue also increased due to sales to new and existing customers, but the increases were partially offset by circuit disconnections during the second half of the year. Broadband products sold in the Local segment's franchise area contributed revenue of $12 million in 2001 compared to less than a million in 2000.

Switched voice services revenue decreased 7% in 2001 compared to 2000, from $409 million to $381 million. This was the result of a continued focus on data services and a de-emphasis of sales of voice services to lower

margin customers. At the same time, the Company made an effort to minimize sales to less creditworthy customers in the wake of increasing bankruptcies in the wholesale segment of this market. CBAD resells voice long distance in CBT's local franchise area, which contributed switched voice revenue to the Broadband segment of $41 million in 2001 and $33 million in 2000.

Data and Internet revenue increased $52 million, or 75%, in 2001 compared to 2000 as revenue continued to increase on the strength of demand for dedicated IP and ATM/frame relay services partially offset by a decrease in equipment sales. These increases were further supplemented by additional collocation and web hosting revenue. Despite the growth in collocation revenue, the Company's November 2001 restructuring plan included the closure of eight of the Company's eleven data centers due to actual growth failing to meet expectations.

IT consulting revenue grew $76 million, or 115%, during 2001 compared to 2000. Of this growth, approximately $60 million was attributable to increased sales of hardware, while the remaining growth was the result of increased sales of consulting services.

Network construction and other services revenue increased $20 million, or 30%, during 2001 compared to 2000 as a result of a large, joint-use construction project. The increase was partially offset by the nonrecurring receipt of warrants associated with a field trial of optical equipment in 2000. In November 2001, the Company announced its intention to exit the construction business upon completion of one remaining contract as discussed in Note 3 of the Notes to Consolidated Financial Statements. That contract is in dispute as discussed in Note 20.

Costs and Expenses

Cost of services and products primarily reflects access charges paid to local exchange carriers and other providers, transmission lease payments to other carriers, costs incurred for network construction projects and personnel and hardware costs for IT consulting. In 2001, cost of services and products amounted to $760 million, a 27% increase over the $600 million incurred during 2000. These increases were driven primarily by incremental costs needed to support the revenue growth, as described above, in broadband transport, data and Internet, information technology consulting services and network construction.

SG&A expenses increased 2% to $330 million in 2001 compared to 2000. Increased employee expenses attributable to higher headcount during the first half of the year were almost entirely offset by lower advertising expenses and efforts to decrease consulting and contracted labor services.

Depreciation expense of $273 million increased $76 million, or 39% in 2001 compared to 2000 as a result of placing assets related to the optical network into service. Amortization expense, which primarily related to the amortization of goodwill as a result of the Merger, increased 1% to $111 million in 2001 from $110 million in 2000.

In November 2001, the Company approved restructuring plans which included initiatives to close eight of the Company's eleven data centers, reduce the expense structure, exit the network construction business and other non-strategic operations; and consolidate web hosting operations of the Other segment into the Broadband segment. The Broadband segment recorded restructuring and other costs of $222 million in 2001 related to these initiatives. The $222 million consisted of restructuring liabilities in the amount of $74 million and related non-cash asset impairments in the amount of $148 million. The restructuring-related liabilities of $74 million were comprised of $11 million related to involuntary employee separation benefits (including severance, medical insurance and other benefits) for 760 employees of the Broadband segment and approximately $63 million related to lease and other contractual terminations. In total, the Company expects this restructuring plan to result in cash outlays of $74 million and non-cash items of $148 million. Through December 31, 2001, the

Broadband segment had utilized $4 million of the $73 million reserve, nearly all of which was cash expended. The Company expects the Broadband segment to realize approximately $77 million in annual expense and capital expenditure savings from this restructuring plan relative to expenses incurred in 2001. Refer to Note 3 of the Notes to Consolidated Financial Statements.

The operating loss of $502 million recorded in 2001 represents a $277 million increase over the $226 million operating loss in 2000. The higher loss is due to the increase in depreciation associated with the optical network assets placed in service and to the November 2001 restructuring charges, offset slightly by an improvement in gross profit.

Local

The Local segment provides local telephone service, network access, data transport, high-speed and dial-up Internet access, inter-lata toll and other ancillary products and services to customers in southwestern Ohio, northern Kentucky and southeastern Indiana. These services are provided by the Company's CBT subsidiary. As of January 1, 2002, the DSL and dial-up Internet operations of ZoomTown, formerly reported in the Other segment, were merged with the operations of CBT and are reflected in the Local segment in all periods presented.

($ in millions)	2002	2001	$ Change 2002 vs. 2001	% Change 2002 vs. 2001	2000	$ Change 2001 vs. 2000	% Change 2001 vs. 2000
Revenue							
Local service	$ 468.1	$ 465.3	$ 2.8	1 %	$ 452.8	$ 12.5	3 %
Network access	201.9	205.4	(3.5)	(2)%	199.9	5.5	3 %
Other services	178.5	161.0	17.5	11 %	138.9	22.1	16 %
Total revenue	848.5	831.7	16.8	2 %	791.6	40.1	5 %
Costs and Expenses:							
Cost of services and products	290.1	282.5	7.6	3 %	262.9	19.6	7 %
Selling, general and administrative	126.6	130.3	(3.7)	(3)%	142.2	(11.9)	(8%)
Depreciation	146.7	140.3	6.4	5 %	125.0	15.3	12 %
Restructuring	(0.5)	12.1	(12.6)	n/m	—	12.1	100 %
Asset Impairments	0.3	—	0.3	100 %	—	—	n/m
Total costs and expenses	563.2	565.2	(2.0)	—	530.1	35.1	7 %
Operating income	$ 285.3	$ 266.5	$ 18.8	7 %	$ 261.5	$ 5.0	2 %
Operation margin	33.6 %	32.0 %		+2 pts	33.0 %		(1) pts

2002 Compared to 2001

Local service revenue increased $3 million, or 1%, in 2002 compared to 2001. Revenue growth from value-added services and DSL, was offset by declining business and residential access line revenue. Access lines decreased to 1,012,000 as of December 31, 2002, a 2% decrease from the 1,032,000 lines in service as of December 31, 2001. The Company's Complete Connections bundled service offering added 53,000 subscribers in 2002, bringing total subscribership to 289,000, or 29% of access lines as of December 31, 2002. Of the 289,000 total Complete Connections subscribers, nearly 30,000 have chosen CBT's all-inclusive product bundling offer, Complete Connections Universal, which includes a combination of local services and custom

calling features, long distance, wireless, dial-up and high-speed Internet access, and home security. CBT continued to expand the Company's DSL high-speed data transport service with subscribership growing to 75,000, a 23% increase over 2001. CBT is able to provision DSL high-speed data transport service across the vast majority of its local network infrastructure, as 85% of its access lines are loop-enabled for DSL transport.

Network access revenue decreased by $4 million, or 2%, to $202 million in 2002 compared to 2001 as carrier customers continued to reduce their capacity requirements and as an increase in uncollectible revenue resulted from carrier customer bankruptcies.

Other services revenue grew 11%, or $18 million, to $179 million in 2002 compared to 2001. The increase was attributable to the sale of national broadband services utilizing the Broadband segment's national optical network and increases in equipment sales and related installation and maintenance. Revenue attributable to the sale of broadband services totaled $35 million and $14 million in 2002 and 2001, respectively. The Company has agreed to continue to market broadband services purchased from the buyer of the broadband network going forward after closing of the sale. While having a minimal impact on operating income, the Company expects the marketing arrangement to decrease Local segment revenue by approximately $29 million in 2003 based on 2002 revenue.

Costs and Expenses

Cost of services and products of $290 million in 2002 increased $8 million, or 3%, compared to 2001. CBT incurred increases in the cost of services for national broadband products as revenue for the product increased. Cost of services for national broadband products increased $16 million to $28 million in 2002 compared to 2001. These increases were substantially offset by efficiencies gained through the merger of the DSL and dial-up Internet operations of ZoomTown with CBT.

SG&A expenses decreased 3%, or $4 million, in 2002 compared to 2001, primarily due to a 7% reduction in headcount and improved cost management.

Depreciation expense of $147 million increased $6 million, or 5%, in 2002 compared to 2001 as a result of asset additions related to the continued construction of the regional network infrastructure. Due to the adoption of SFAS 143 in 2003 (refer to Note 1 of the Notes to Consolidated Financial Statements), the Company expects depreciation expense to decrease by approximately $6 million in 2003 in the Local segment.

In October 2002, CBT initiated a restructuring to realign sales and marketing to better focus on enterprise customers. The plan includes initiatives to reduce the workforce by approximately 38 positions and resulted in restructuring charges of $1 million related to employee separation benefits. In 2002, the restructuring activities for the February 2001 Restructuring Plan were completed and the remaining reserve balance of $2 million related to a lease termination that did not occur was reversed. Refer to Note 3 of the Notes to Consolidated Financial Statements.

As a result of above, operating income increased $19 million, or 7%, to $285 million in 2002 and operating margin increased two points over 2001 to 34%.

2001 Compared to 2000

Revenue

Local service revenue grew 3% during 2001 to $465 million and contributed 31% of the total revenue growth of the segment compared to 2000. The Company's Complete Connections calling service bundle added over

55,000 subscribers during the year, bringing total residential subscribership to 236,000, or 35% of all residential households in CBT's operating area as of December 31, 2001. Of the Complete Connections subscribers, nearly 24,000 have chosen the most comprehensive bundle, Complete Connections Universal. CBT continued to expand the Company's DSL high-speed data transport service with subscribership growing to 61,000 as of December 31, 2001, a 54% increase over 2000. CBT is able to provision DSL high-speed data transport service across the vast majority of its local network infrastructure, as 84% of its access lines were loop-enabled for DSL transport as of December 31, 2001.

Network access revenue of $205 million increased $6 million, or 3%, compared to 2000 as a result of a 19% increase in digital and optical services, measured in voice-grade equivalents ("VGEs"), offset slightly by a

decrease in rates.

Other services revenue grew 16%, or $22 million, to $161 million in 2001 compared to 2000. The increase in this category was attributable to Internet access services, equipment sales and related installation and maintenance, and the sale of national broadband products supplied by the Broadband segment. Revenue attributable to the sale of broadband services totaled $14 million in 2001 and less than a million in 2000. The Company's Internet access service (FUSE) added 26,000 new subscribers during the year, bringing total subscribership at the end of 2001 to approximately 100,000.

Costs and Expenses

Cost of services and products of $283 million during 2001 increased by $20 million, or 7%, compared to 2000. CBT incurred increases totaling $39 million during 2001 in the cost of materials for equipment sales, sales of national broadband products and customer care expenses related to high-speed data transport service as related revenue increased over 2000. Cost of services for national broadband products increased to $12 million in 2001 compared to less than a million in 2000. These increases were offset by reductions of $19 million in labor costs due to lower headcount and in reciprocal compensation expense as a result of negotiated settlements and regulatory rulings.

SG&A expenses decreased 8%, or $12 million, primarily due to an $8 million reduction in advertising expenses associated with a bundled product offering promotional campaign in 2000 not repeated in 2001. Reduced headcount also contributed to the decrease.

Depreciation expense of $140 million increased $15 million, or 12%, during the year as a result of asset additions related to the construction of the regional network infrastructure.

In November 2001, the Company's management approved restructuring plans which included initiatives to consolidate data centers, reduce the expense structure, exit the network construction business, eliminate other nonstrategic operations and merge certain dial-up Internet and DSL operations into other operations. The Local segment recorded restructuring and other costs of $4 million in 2001 related to these initiatives. The restructuring-related liabilities of $4 million were related to involuntary employee separation benefits (including severance, medical insurance and other benefits) and lease terminations. Through December 31, 2001, the Local segment had utilized $1 million of the $4 million reserve. Refer to Note 3 of the Notes to Consolidated Financial Statements.

In February 2001, the Company initiated a reorganization of the activities of several of its Cincinnati-based subsidiaries, CBT, CBAD, CBW and Public in order to create one centralized "Cincinnati Bell" presence for its customers. The Local segment recorded restructuring costs of $8 million pertaining to the February 2001 restructuring plan and consisted of $2 million related to lease terminations and $6 million related to involuntary employee separation benefits (including severance, medical insurance and other benefits) for 114 employees.

The Company expects to realize approximately $7 million in annual savings from this restructuring plan relative to expenses incurred in 2000. Refer to Note 3 of the Notes to Consolidated Financial Statements.

As a result of above, operating income increased $5 million, or 2%, to $267 million in 2001 and operating margin increased one margin point over 2000.

Wireless

The Wireless segment consists of the operations of CBW, a venture in which the Company owns 80.1% and AWS owns the remaining 19.9%. The Wireless segment provides advanced digital personal communications services and sales of related communications equipment to customers in the Greater Cincinnati and Dayton, Ohio operating area. Services are provided over CBW's regional wireless network and AWS's national wireless network.

($ in millions)	2002	2001	$ Change 2002 vs. 2001	% Change 2002 vs. 2001	2000	$ Change 2001 vs. 2000	% Change 2001 vs. 2000
Revenue							
Service	$ 246.5	$ 232.6	$ 13.9	6 %	$ 167.1	$ 65.5	39 %
Equipment	13.9	15.4	(1.5)	(10)%	12.9	2.5	19 %
Total revenue	260.4	248.0	12.4	5 %	180.0	68.0	38 %
Costs and Expenses:							
Cost of services and products	106.5	102.5	4.0	4 %	80.2	22.3	28 %
Selling, general and administrative	53.5	79.5	(26.0)	(33)%	81.3	(1.8)	(2%)
Depreciation	30.6	25.3	5.3	21 %	18.2	7.1	39 %
Amortization	0.7	3.0	(2.3)	(77)%	3.0	—	—
Total costs and expenses	191.3	210.3	(19.0)	(9%)	182.7	27.6	15 %
Operating income (loss)	$ 69.1	$ 37.7	$ 31.4	83 %	$ (2.7)	$ 40.4	n/m
Operating margin	26.5 %	15.2 %		+11 pts		(1.5) %	+17 pts

2002 Compared to 2001

Revenue

Wireless segment revenue grew 5%, or $12 million, to $260 million in 2002 compared to 2001. Service revenue for the postpaid product contributed approximately $16 million to revenue growth as the average subscriber base grew 16% in 2002. The increase was offset by a decrease in service revenue for the prepaid product and lower equipment sales.

Postpaid subscribership remained flat at 311,000 as of December 31, 2002, and represented 18% of the total postpaid market share within the Greater Cincinnati and Dayton, Ohio metropolitan areas. Average revenue per user ("ARPU") from postpaid subscribers of $59 in 2002 decreased approximately $2 compared to 2001 due to pricing pressure from increasing competition, higher penetration rates among lower usage subscribers and lowered usage as a result of the difficult economic environment. Average monthly customer churn remained low in the face of aggressive competition at 1.73% for postpaid subscribers in 2002 compared to 1.56% in 2001. Postpaid revenue decreased 5% in the fourth quarter of 2002 compared to the third quarter of 2002, due to a

decrease in minutes of use, decrease in subscribership, and decrease in market share. The postpaid product experienced net deactivations totaling 5,200 subscribers during the second half of 2002. Subscribership declined from 314,000 at the end of the third quarter of 2002 to 311,000 at the end of the fourth quarter of 2002.

Prepaid revenue declined 5%, or $2 million, compared to 2001 due to a decline in minutes of use. Subscribership to CBW's i-wireless SM prepaid product grew from approximately 151,000 subscribers at the end of 2001 to approximately 159,000, or approximately 9% of the prepaid wireless market, at the end of 2002. i-wireless SM represents an efficient use of CBW's wireless network, as these subscribers generally make use of the network during off-peak periods. In addition, the cost per gross addition ("CPGA") of $64 for i-wireless SM subscribers during 2002 was only 18% of the CPGA for postpaid subscribers during 2002.

Equipment revenue declined nearly $2 million, or 10%, in 2002 due to a decrease in gross activations compared to 2001.

Costs and Expenses

Cost of services and products consists largely of incollect expense (whereby CBW incurs costs associated with its subscribers using service while in the territories of other wireless service providers), network operations costs, interconnection expenses and cost of equipment sold. These costs were nearly $107 million during 2002, or 41% of revenue. In total, cost of services and products increased 4% during 2002, or $4, million compared to 2001, due to an increase in the related revenue.

SG&A expenses include the cost of customer acquisition, which consists primarily of the subsidy of customer handsets, advertising, distribution and promotional expenses. These costs decreased by $26 million, or 33%, in 2002, compared to 2001. The substantial decrease resulted from a decrease in handset subsidies due to fewer handset promotions in 2002 than in 2001 and a decrease in gross activations. SG&A expenses continued to decrease significantly as a percentage of total revenue, declining from 32% of revenue in 2001 to 21% of revenue in 2002 as the Company continued to focus on profitability and cash flow.

Depreciation expense of $31 million increased $5 million, or 21%, in 2002 compared to 2001 as a result of asset additions related to the continued construction of the regional network infrastructure.

The Wireless segment continued significant operating income improvements as the Company optimized its network investment and benefited from an embedded customer base and low customer churn. In 2002, operating income of $69 million represented a $31 million, or 83%, improvement over 2001. Additionally, operating margin in 2002 increased 11 points from 2001 to nearly 27%.

2001 Compared to 2000

Revenue

Wireless segment revenue grew 38%, or $68 million, to $248 million in 2001 compared to 2000, with revenue growth of approximately $66 million attributable to higher service revenue for both postpaid and prepaid products. Postpaid revenue accounted for approximately 68% of the revenue growth during 2001 while prepaid provided 29% of the growth. The remaining growth for the segment in 2001 was provided by equipment sales due to increased subscribership as the result of successful marketing campaigns.

Approximately 123,000 net subscribers were added in 2001, with nearly 56% of the growth, or 69,000 subscribers, coming from the postpaid product and the remainder from the prepaid product. At year-end, total subscribership stood at approximately 462,000, a 36% increase compared to the end of 2000. Subscribership of 462,000 represented nearly 14% of the total population within the Greater Cincinnati and Dayton, Ohio metropolitan areas. Subscribership to CBW's i-wireless SM prepaid product grew from approximately 97,000 subscribers at the end of 2000 to approximately 151,000 at the end of 2001. This is significant because i-wireless SM represents an efficient use of CBW's wireless network. These subscribers generally make use of the network during off-peak periods. The CPGA for i-wireless SM subscribers was less than half that of postpaid subscribers.

ARPU from postpaid subscribers of $61 in 2001 decreased approximately $5 in comparison to 2000 due to pricing pressure from increasing competition and higher penetration rates among lower usage subscribers. Average monthly customer churn remained low in the face of aggressive competition and was at 1.56% for postpaid subscribers.

Costs and Expenses

Cost of services and products consists largely of incollect expense (whereby CBW incurs costs associated with its subscribers using their handsets while in the territories of other wireless service providers), network operations costs, interconnection expenses and cost of equipment sold. These costs were 41% of revenue during 2001, an improvement from the 45% incurred during 2000. In total, costs of services and products increased 28% in 2001 compared to 2000 to $103 million due primarily to increased subscribership and associated interconnection charges, incollect expense, customer care and operating taxes. Gross profit and gross profit margin also improved, increasing to $146 million and 59%, respectively. Gross profit margin of 59% in 2001 increased by four points compared to 2000.

SG&A expenses include the cost of customer acquisition, which consists primarily of the subsidy of customer handsets, advertising, distribution and promotional expenses. These costs decreased by nearly $2 million in 2001 compared to 2000, or 2%, as net subscribers added in 2001 decreased compared to 2000. In 2001, the CPGA for postpaid customers was $352, or 3% more than the $342 incurred in 2000. SG&A expenses continued to decrease as a percentage of total revenue, decreasing from 45% of revenue in 2000 to 32% in 2001 as CBW continued to leverage the Company's established brand name in its local market.

Depreciation expense of $25 million increased $7 million, or 39%, in 2001 compared to 2000 as a result of increased assets related to the continued maintenance and construction of the regional network infrastructure.

The Wireless segment continued significant operating income improvements as CBW leveraged its network investment and benefited from an embedded customer base, low customer churn and ongoing promotional efforts. In 2001, operating income of $38 million represented a $40 million improvement over 2000. Additionally, operating margin increased 17 margin points to 15% in 2001 compared to 2000.

Other

The Other segment is comprised of the operations of the CBAD and Public subsidiaries. CBAD resells BCI voice long distance and Public provides public payphone services. During the first quarter of 2002, the Company sold substantially all of the assets of its CBD subsidiary, which was previously reported in the Other segment. During the second quarter of 2000, the Company sold its Cincinnati Bell Supply ("CBS") subsidiary, which was also previously reported in the Other segment. Revenue, costs and expenses, assets and liabilities, and cash flows have been recast in all periods presented to reflect the disposition of CBD and CBS as

discontinued operations. See a detailed discussion of the sales of CBD and CBS and their treatment as discontinued operations in Note 14 of the Notes to Consolidated Financial Statements.

On January 1, 2002, as part of the Company's November 2001 restructuring plan, ZoomTown's web hosting activities were merged into BCI and are reported in the Broadband segment in all periods presented. In addition, ZoomTown's DSL and dial-up Internet operations were assumed by CBT and the results are reflected in the Local segment in all periods presented. A detailed discussion of the segment realignment and CBD disposition is presented in Notes 3 and 16, respectively, of the Notes to Consolidated Financial Statements.

($ in millions)	2002	2001	$ Change 2002 vs. 2001	% Change 2002 vs. 2001	2000	$ Change 2001 vs. 2000	% Change 2001 vs. 2000
Revenue	$ 79.9	$ 78.2	$ 1.7	2 %	$ 59.8	$ 18.4	31 %
Costs and Expenses:							
Cost of services and products	63.4	58.5	4.9	8 %	50.3	8.2	16 %
Selling, general and administrative	12.9	21.1	(8.2)	(39)%	28.9	(7.8)	(27)%
Depreciation	1.8	1.8	—	—	5.5	(3.7)	(67)%
Amortization	0.1	—	0.1	100 %	0.7	(0.7)	(100%)
Restructuring	—	0.5	(0.5)	(100)%	(1.4)	1.9	n/m
Total costs and expenses	78.2	81.9	(3.7)	(5)%	84.0	(2.1)	(3%)
Operating income (loss)	1.7	(3.7)	5.4	(146)%	(24.2)	20.5	(85)%
Operating margin	2.1 %	(4.7)%		+7 pts	(40.5)%		+36 pts

2002 Compared to 2001

Revenue

Other segment revenue increased 2% to $80 million in 2002 compared to $78 million in 2001. CBAD revenue increased by 8%, or $5 million, in 2002 compared to 2001 based primarily on the growth of its "Any Distance" long distance service offering. Any Distance had 555,000 subscribers as of December 31, 2002 in the Cincinnati and Dayton, Ohio operating area, representing residential and business market shares of approximately 69% and 42% of total access lines, respectively. Revenue from Public declined 11%, or $2 million, versus 2001, somewhat offsetting the revenue increase from CBAD, as payphone usage continued to decline as a result of further penetration of wireless communications.

Costs and Expenses

Cost of services and products totaled $63 million in 2002, representing an 8% increase over 2001. The increase in cost of services was due primarily to increased access charges and personnel costs of CBAD as volume continued to grow. In 2002, approximately $43 million, or 89%, of CBAD costs were for access charges reported as purchases from the Broadband segment compared to approximately $41 million, or 93%, in 2001.

SG&A expenses decreased $8 million, or 39%, during 2002 compared to 2001. Nearly all of the decrease was due to the relatively high advertising costs incurred to acquire customers at CBAD during 2001, which was not repeated in 2002.

Operating income improved to $2 million in 2002, a $5 million increase compared to the operating loss reported in 2001. Operating margin experienced a similar improvement, increasing from negative 5% in 2001 to positive 2% in 2002, a seven point increase. Improvements during 2002 were the result of decreased advertising and payroll expenses at CBAD.

2001 Compared to 2000

Revenue

Other segment revenue in 2001 increased $18 million over 2000 to $78 million. CBAD produced 92% of the revenue growth, or $17 million, based on the continued success of its "Any Distance" long distance service offering. Any Distance had 534,000 subscribers as of December 31, 2001 in Cincinnati and Dayton, Ohio, representing residential and business market shares of approximately 67% and 38% of total access lines, respectively. Revenue from Public contributed the remaining revenue growth, increasing by approximately $1 million, or 10%, as the unit won contracts to place more public payphone units.

Costs and Expenses

Cost of services and products totaled $59 million in 2001, a 16%, or $8 million increase versus 2000. The entire increase in cost of services was due to increased access charges at CBAD as volume continued to grow. In 2001, approximately $41 million, or 93%, of CBAD costs were costs for access charges reported as purchases from the Broadband segment compared to approximately $33 million, or 91%, in 2000.

In 2001, gross profit margin for the segment increased nine points to approximately 25% as the gross profit margin at both CBAD and Public improved. Gross profit margin improved at CBAD as it began to leverage its initial expenditures for the Any Distance offering, while improvements at Public resulted from increased revenue and tightly controlled costs.

SG&A expenses decreased $8 million, or 27%, in 2001 compared to 2000. Nearly all of the decrease was due to the relatively high customer acquisition costs at CBAD incurred in 2000 as part of the introduction of the Any Distance offering not repeated in 2001.

Depreciation expense of $2 million decreased $4 million, or 67%, during 2001 due to the transfer of CBAD assets to the Broadband segment at the beginning of 2001.

Operating loss improved to negative $4 million in 2001, a $21 million increase from 2000. Operating margin experienced a similar improvement, increasing from negative 42% in 2000 to negative 5% in 2001. As described above, these improvements were primarily the result of increased subscribership and decreased start-up costs and marketing expenses at CBAD in 2001 compared to 2000.

Financial Condition, Liquidity, and Capital Resources

Capital Investment, Resources and Liquidity

As the Company's businesses mature and capital spending decreases, investments in its local, wireless, DSL and broadband networks will be focused on maintenance, strategic expansion and revenue-generating initiatives undertaken to add customers to the Company's networks and to retain current customers.

In November 1999, the Company obtained a $1.8 billion credit facility from a group of lending institutions. This credit facility was increased to $2.1 billion in January 2000 and increased again to $2.3 billion in June 2001. The total credit facility decreased to $1.825 billion as of December 31, 2002 following a $335 million prepayment of the outstanding term debt facilities in the first quarter of 2002 (resulting from the sale of substantially all of the assets of CBD), $5 million in scheduled repayments of the term debt facilities and $135 million in scheduled amortization of the revolving credit facility. At December 31, 2002, the Company had drawn approximately $1.648 billion from the credit facility, and had outstanding letters of credit totaling $13 million, leaving $164 million in additional borrowing availability under its revolving credit facility. The credit facility borrowings have been used by the Company to refinance its debt and debt assumed as part of the Merger, to fund its capital expenditure program and other working capital needs in addition to funding operating losses of the Broadband segment. The amount refinanced included approximately $404 million borrowed in order to redeem the majority of the outstanding 9% Senior Subordinated Notes of IXC (the "9% Notes") assumed during the Merger as part of a tender offer and $391 million in outstanding bank debt of IXC assumed as part of the Merger. The tender offer for the 9% Notes was required under the terms of the bond indenture by the change in control provision contained in the indenture governing the 9% Notes. As further discussed below, in March 2003, the Company completed an amendment to the credit facility, which included the extension of revolving credit maturity to 2005 and 2006, and the acceleration of a portion of the maturities of term loans from banking institutions from 2004 into 2003.

On February 22, 2003, certain of the Company's subsidiaries entered into a definitive agreement to sell substantially all of the assets of its Broadband segment, excluding the information technology consulting business, for up to $129 million in cash and the assumption of certain long term operating contractual commitments. The sale is subject to certain closing conditions, including approval by the Federal Communications Commission ("FCC") and relevant state public utility commissions.

Prior to obtaining the credit facility amendment in March 2003, the Company's credit facility capacity was scheduled to decrease throughout 2003 from $1.825 billion to approximately $1.476 billion due to $124 million of scheduled amortization of the term debt facilities and $225 million of scheduled amortization of the revolving credit facility. As of December 31, 2002, the Company's debt maturities totaled $195 million in 2003 and $995 million in 2004 (for complete debt maturity schedule, refer to the table below).

On March 26, 2003, the Company issued $350 million of mezzanine financing through Senior Subordinated Discount Notes Due 2009 (the "Mezzanine Financing"). Proceeds from the Mezzanine Financing, net of fees, were used to pay down borrowings under the Company's credit facility. Interest on the Mezzanine Financing will be payable semi-annually on June 30 and December 31, whereby 12% is paid in cash and 4% is accreted on the aggregate principal amount. In addition, purchasers of the Mezzanine Financing received 17.5 million common stock warrants, each to purchase one share of Broadwing Common Stock. The Mezzanine Financing is expected to increase interest expense by approximately $42 million in 2003 compared to 2002.

In conjunction with the Mezzanine Financing, the Company's credit facility was also amended and restated ("Amended and Restated Credit Agreement") to, among other things, extend the revolving commitment, revise the financial covenants and allow for the sale of substantially all of the assets of the Broadband segment. As a result of the terms of the amendment the total borrowing

capacity will decrease from $1.825 billion as of December 31, 2002 to approximately $1.343 billion as of December 31, 2003 due to $262 million of scheduled repayments of the term debt facilities and a $220 million prepayment of the outstanding term debt and revolving credit facility from the Mezzanine Financing proceeds. The Company believes that its borrowing availability under the amended credit facility will provide the Company with sufficient liquidity for the foreseeable future. After the credit facility amendment, the Company's debt maturities total $285 million in 2003 and $287 million in 2004.

In March 2003, the Company entered into a supplemental indenture to its 6% Convertible Subordinated Notes Due 2009. The supplemental indenture allows for the sale of substantially all of the assets of the Company's Broadband segment, provides that a bankruptcy of BCI would not constitute an event of default, amends the definition of change in control by increasing the ownership threshold deemed to be a change in control from 20% of outstanding shares to 45% of outstanding shares and includes covenants restricting the ability of the Company to incur debt and consummate certain asset dispositions. The supplemental indenture also increases the paid-in-kind interest by 2% from March 2003 through redemption in July 2009, resulting in a per annum interest rate of 9%. Interest expense will be paid in cash semi-annually on January 21 and July 21 of each year at a rate of 6% per annum, commencing on January 21, 2005. The additional 2% will accrete, or be added to the principal balance, through the redemption date in July 2009. This supplemental indenture is expected to increase interest expense by approximately $12 million annually in 2003, up to approximately $20 million annually by 2009.

The Mezzanine Financing and amended and restated credit agreement contain certain financial and non-financial covenants, including restrictions on the Company's ability to make investments in BCI. Specifically, Broadwing and its other subsidiaries may not make investments in or fund the operations of BCI beyond an aggregate amount of $118 million after October 1, 2002. This restriction does not apply to guarantees by Broadwing of BCI borrowings under the credit facilities, liens on assets of Broadwing securing BCI borrowings under the credit facilities, scheduled interest payments made or guaranteed by Broadwing in respect of BCI borrowings under the credit facilities, and certain other items. As of February 28, 2003, the Company had the ability to invest an additional $58 million in BCI to fund operations and extinguish remaining obligations based on these provisions. The uncertainty of BCI's available liquidity resulting from these funding constraints has prompted the Company's independent accountants to issue a going concern explanatory paragraph in their audit report filed along with the stand alone annual financial statements of BCI. The going concern explanatory paragraph means that, in the opinion of the Company's independent accountants, there is substantial doubt about BCI's ability to continue to operate as going concern. If BCI is unable to finance its operations through the closing of the asset sale and meet its remaining obligations, or if a sale is not consummated, it may be forced to seek protection from its creditors through bankruptcy proceedings.

At December 31, 2002, the short-term debt on the balance sheet consisted of approximately $204 million of principal payments, $172 million of which was related to the credit facility and $20 million of which was related to CBT bond payments due during the next twelve months. The remaining balance of short-term debt of $12 million was related to the current portion of capital leases and other short-term debt. Upon completion of the amendment and restatement of the Company's credit facility in March 2003, and the pay down using proceeds of the Mezzanine Financing, the 2003 maturities increased to $285 million, which the Company expects to have the ability to retire through borrowings from its revolving credit facility and cash flows generated by its operations.

As of December 31, 2002, the interest rates charged on borrowings from the credit facility could range from 150 to 350 basis points above LIBOR, and were between 275 and 325 basis points above LIBOR, or 4.13% and 4.63%, respectively, as a result of the Company's credit rating. The Company incurs banking fees in association with this credit facility that range from 37.5 basis points to 75 basis points, applied to the unused amount of borrowings under the revolving credit facility. During 2002, these fees amounted to approximately $1 million. Upon completion of the credit facility amendment in March 2003, interest rates charged on borrowings from the credit

facility increased to 425 basis points above LIBOR on revolving credit borrowings and 375 basis points above LIBOR for term debt borrowings. The Company expects interest expense related to this amendment and restatement to increase by approximately $5 million in 2003 compared to 2002. The banking fees applied to the unused amount of revolving credit facility borrowings increased to 62.5 basis points.

The Company is subject to financial covenants in association with the credit facility. These financial covenants require that the Company maintain certain debt to EBITDA (as defined in the Amended and Restated Credit Agreement), debt to capitalization, senior secured debt to EBITDA and interest coverage ratios. This facility also contains certain covenants which, among other things, may restrict the Company's ability to incur additional debt or liens; pay dividends; repurchase Company common stock; sell, transfer, lease, or dispose of assets, make investments or merge with another company. The Company was in compliance with all covenants set forth in its credit facility and the indentures governing its other debt as of December 31, 2002. The March 2003 Amended and Restated Credit Agreement subjects the Company to an additional covenant related to annual capital expenditures and eliminated the debt to capitalization financial covenant. If the Company were to violate any of its covenants and was unable to obtain a waiver, it would be considered a default. If the Company were in default on its credit facility, no additional borrowings under the credit facility would be available until the default was waived or cured. Refer to Note 5 of the Notes to Consolidated Financial Statements contained in this report for a discussion of the Company's debt and the related covenants.

In December 2001, the Company obtained an amendment to its credit facility to exclude the charges associated with the November 2001 Restructuring Plan from the covenant calculations and to amend certain defined terms. In March 2002, the Company obtained an amendment for certain financial calculations and consent to its credit facility to allow for the sale of substantially all of the assets of CBD, exclude charges related to SFAS 142 (refer to Notes 1 and 2 of the Notes to Consolidated Financial Statements), increase its ability to incur additional indebtedness and amend certain defined terms. In December 2002, the Company obtained a waiver to exclude charges related to SFAS 144 from its covenant calculations through March 30, 2003. In March 2003, as discussed above, the Company amended its credit facility to, among other things, exclude charges related to SFAS 144 going forward.

In February 2002, the Company's corporate credit rating was downgraded by Moody's Investors Service to Ba3 from its previous level of Ba1. In March 2002, the Company's corporate credit rating was downgraded by Standard and Poor's and Fitch Rating Service to BB from its previous level of BB+. In December 2002, Standard and Poor's downgraded the Company's corporate credit rating to B- from BB. In January 2003, Moody's downgraded the Company's corporate credit rating to B1 from Ba3 and CBT's credit rating to Ba2 from Ba1. These downgrades resulted in additional interest expense of 175 basis points on up to $1.33 billion of borrowings under the Company's credit facility. In the past, the credit facility was secured only by a pledge of the stock certificates of certain subsidiaries of the Company. Upon the initial downgrades, the Company became obligated to provide certain subsidiary guarantees and liens on the assets of the Company and certain subsidiaries in addition to the pledge of the stock certificates of the subsidiaries.

In May 2002, the Company obtained an amendment to its credit facility to exclude certain subsidiaries from the obligation to secure the credit facility with subsidiary guarantees and asset liens, extend the time to provide required collateral and obtain the ability to issue senior unsecured indebtedness and equity under specified terms and conditions. The amendment also placed additional restrictions on the Company under the covenants related to indebtedness and investments, required the Company to transfer its cash management system to a wholly-owned subsidiary and further increased the interest rates on the total credit facility by 50 basis points.

As of the date of this filing, the Company maintains the following credit ratings:

Entity	Description	Standard and Poor's	Fitch Rating Service	Investor Service
BRW	Corporate Credit Rating	B-	BB-	B1
CBT	Corporate Credit Rating	B-	BB+	Ba2
	Outlook	negative	stable	negative

The Company does not have any downgrade triggers that would accelerate the maturity dates of its debt. However, further downgrades of the Company's credit rating could adversely impact the cost of future debt facilities. Based on the balances of the Company's variable rate outstanding long-term debt as of December 31, 2002, a 1% increase in the Company's average borrowing rates would result in approximately $18 million in incremental interest expense. Upon issuance of the Mezzanine Financing on March 26, 2003, which replaced variable rate indebtedness with fixed rate indebtedness, a 1% increase in the average borrowing rate would result in approximately $16 million in incremental interest expense. Due to the Company's credit rating, which is below Baa3 and BBB- as rated by Moody's and Standard & Poor's, respectively, the Company is obligated by its credit facility covenants to use 75% of any annual excess cash flows, as defined in its March 2003 Amended and Restated Credit Agreement, to reduce its outstanding borrowings. If the Company is unable to meet the covenants of its various debt agreements, the payment of the underlying debt could be accelerated. Additionally, the Company is currently obligated by its credit facility to use the net cash proceeds received from certain asset sales or issuances of debt by the Company or any of its subsidiaries to reduce its outstanding borrowings.

As part of the November 2001 Restructuring Plan, the Company announced its intention to exit several data centers, reduce network costs and consolidate office space. To the extent the Company can sublease or negotiate lease terminations, contractual obligations could decrease. During 2002, the Company negotiated contract terminations, which reduced future commitments by approximately $90 million. The buyer of substantially all of the Broadband assets, C III, has agreed to assume approximately $3 million in capital lease commitments and approximately $316 million in operating lease obligations including the network related commitments. Refer to Note 21 of the Notes to the Consolidated Financial Statements.

The following table summarizes the Company's contractual obligations as of December 31, 2002:

Contractual Obligations ($ in millions)

	Payments Due by Period				
	Total	< 1 Year	1-3 Years	4-5 Years	Thereafter
Debt	$ 2,519.4	$ 194.7	$ 1,020.0	$ 476.1	$ 828.6
Capital Leases, excluding interest	39.0	9.0	9.3	4.7	16.0
Noncancelable Operating Lease Obligations	484.4	107.2	163.3	78.1	135.8
Unconditional Purchase Obligations	248.3	45.8	90.0	90.0	22.5
Total	$ 3,291.1	$ 356.7	$ 1,282.6	$ 648.9	$ 1,002.9

Upon receipt of the Mezzanine Financing and credit facility amendment in March 2003, the Company's debt maturity schedule was revised. The following table reflects the Company's revised debt maturity schedule as of December 31, 2002, based on the funding of the Mezzanine Financing and credit facility amendment:

Contractual Obligations ($ in millions)

	Payments Due by Period				
	Total	< 1 Year	1-3 Years	4-5 Years	Thereafter
Debt	$ 2,519.4	$ 285.1	$ 287.1	$ 768.5	$ 1,178.7
Capital Leases, excluding interest	39.0	9.0	9.3	4.7	16.0
Noncancelable Operating Lease Obligations	484.4	107.2	163.3	78.1	135.8
Unconditional Purchase Obligations	248.3	45.8	90.0	90.0	22.5
Total	$ 3,291.1	$ 447.1	$ 549.7	$ 941.3	$ 1,353.0

As of December 31, 2001, the Company had equity ownership in Anthem Inc., due to receipt of shares from the demutualization of Anthem Inc. in 2001. In January 2002, the Company sold its entire investment in Anthem for total net proceeds of approximately $23 million. Additionally in 2002, the Company wrote down one of its cost-based investments by $11 million due to an "other than temporary" decline in value.

In July 2002, the Company announced that its Broadwing Communications subsidiary would defer the August 15, 2002 cash dividend payment on its 12% preferred stock, in accordance with the terms of the security, conserving $12 million in cash during the third quarter of 2002. In October 2002, the November dividend was also deferred, conserving an additional $12 million in cash during the fourth quarter of 2002. The dividends continued to accrue, and therefore continue to be presented as minority interest expense on the Company's Consolidated Statements of Operations and Comprehensive Income (Loss). The status of future quarterly dividend payments on the 12% preferred stock will be determined quarterly by the Broadwing Communications' board of directors, but the Company does not intend to pay dividends in the foreseeable future.

In addition, in March 2003, the Company reached an agreement with holders of more than two-thirds of BCI's 12 percent preferred stock and 9 percent senior subordinated notes to exchange these instruments for common stock of the Company. In order to consummate the exchange offers, the Company expects to issue approximately 26 million new shares of Broadwing Inc. common stock assuming 100% redemption of the outstanding instruments, which represents an increase of 11 percent in the number of shares.

Balance Sheet

The following comparisons are relative to December 31, 2001.

The change in cash and cash equivalents, short-term investments, investments in other entities and long-term debt is further explained in the preceding discussion of capital investment, resources and liquidity or in the cash flow discussion below. The decrease in accounts receivable was primarily the result of an increase in allowance for doubtful accounts due to carrier customer bankruptcies. The decrease in assets and liabilities from discontinued operations was due to the sale of the Company's CBD subsidiary in March 2002 (further described in Note 14 to the Consolidated Financial Statements). The decrease of $2,009 million in goodwill was due to the write-down of goodwill associated with the adoption of SFAS 142 and further described in Note 2 of the Notes to Consolidated Financial Statements. The decrease in net property plant, and equipment and other intangibles was due to the $2.2 billion asset impairment charge of the Broadband segment as further discussed in Note 1 of the Notes to the Consolidated Financial Statements. Additionally, the decrease in net property, plant and equipment was due to the depreciation of assets of $471 million exceeding capital additions of $176 million.

Deferred income tax assets decreased by $271 million due primarily to the net effect of an increase of approximately $878 million related to the $2.2 billion asset impairment, more than offset by the establishment of a valuation allowance of $1,107 million against certain federal and state deferred tax assets of BCI, including net operating loss carryforwards.

Accounts payable decreased $48 million, or 27%, primarily due to decreases in capital spending. The decrease in current unearned revenue is primarily due to amortization of an IRU contract that will expire in May 2003, which generated revenue of $104 million in 2002. The decrease in noncurrent unearned revenue of $139 million was due to scheduled amortization of outstanding IRU agreements, and $59 million due to non-recurring decreases related to two IRU contract terminations in 2002 as a result of customers' bankruptcies, offset partially by consideration received for an additional contract entered into during 2002. The buyer of IRU services typically pays cash upon execution of the contract. The Company's policy and practice is to amortize these amounts into revenue over the life of the contract. The increase in short-term debt of $54 million is due to the increase in scheduled maturity of debt related to the credit facility, which becomes due in 2003. The decrease in long-term debt of $347 million was due to the prepayment of term debt of the Company's credit facility as a result of the sale of substantially all of the assets of CBD and the reclassification of the 2003 maturities, which was somewhat offset by additional borrowings to fund the Company's capital expenditures and other working capital needs. Refer to Note 5 of the Notes to Consolidated Financial Statements for a detailed discussion of debt.

Accumulated other comprehensive loss increased by $3 million due to an additional minimum pension liability adjustment of approximately $6 million, partially offset by $3 million due to an increase in the value of interest rate swaps, which carry fixed interest rates to hedge risk associated with variable interest on the credit facility. Refer to Note 6 of the Consolidated Financial Statements for a detailed discussion of financial instruments and Note 12 of the Consolidated Financial Statements for a detailed discussion of employee pension plans.

Cash Flow

In 2002, cash provided by operating activities totaled $193 million, $67 million lower than the $260 million generated during 2001, partially due to an increase in working capital requirements and a reduction in cash flow from CBD, which was sold in March 2002.

The Company's investing activities included outflows for capital expenditures and inflows from the sale of equity investments. Capital expenditures during 2002 totaled $176 million, $473 million lower than the $649 million incurred during 2001. The decrease is due to completion of the optical overbuild of the national network, completion of the wireless network footprint and installation of DSL-enabling equipment at CBT. In 2002, the Company received proceeds of $345 million as a result of the sale of substantially all of the assets of CBD and $23 million from the sale of its entire equity stake in Anthem Inc.

Approximately $10 million in preferred stock dividends were paid to the Broadwing Inc. 6% preferred shareowners during 2002. Approximately $25 million was paid to the holders of BCI's 12% preferred stock and is included in the "Minority interest expense" caption in the Consolidated Statements of Operations and Comprehensive Income (Loss). As a result of BCI's decision to defer the August 15, 2002 and November 15, 2002 cash dividend payments on its 12% preferred stock, the Company conserved approximately $25 million in cash during the second half of 2002. The dividends were accrued, and therefore continued to be presented as minority interest expense in the Consolidated Statements of Operations and Comprehensive Income (Loss). In addition, the Company repaid a net $299 million of its credit facility during 2002, using the proceeds from the sale of substantially all of the assets of CBD, as discussed above, partially offset by additional borrowings.

Refer to Notes 5 and 8 of the Notes to Consolidated Financial Statements for a detailed discussion of debt and minority interest, respectively.

As of December 31, 2002, the Company held approximately $45 million in cash and cash equivalents. In addition to cash on hand, the primary sources of cash will be cash generated by operations and borrowings from the Company's credit facility. The primary uses of cash will be for funding the maintenance and strategic expansion of the local, broadband and wireless networks; interest and principal payments on the Company's credit facility, 7% corporate bonds, and CBT notes; dividends on the 6% cumulative convertible preferred stock; working capital; and operations of the Broadband business up to a maximum of $91 million, as of December 31, 2002, due to the restrictions placed on the Company in connection with the Mezzanine Financing and credit facility amendment and restatement (Refer to Note 21 of the Notes to the Consolidated Financial Statements for a detailed discussion).

Regulatory Matters and Competitive Trends

Federal – The Telecommunications Act of 1996 (the "1996 Act"), including the rules subsequently adopted by the FCC to implement the 1996 Act, can be expected to impact CBT's in-territory local exchange operations in the form of greater competition.

State – At the state level, CBT conducts local exchange operations in portions of Ohio, Kentucky and Indiana and, consequently, is subject to regulation by the Public Utilities Commissions ("PUC") in those states. In Ohio, the PUC has concluded a proceeding to establish permanent rates that CBT can charge to competitive local exchange carriers for unbundled network elements, although some elements will remain subject to interim rates indefinitely. The Kentucky commission recently initiated a similar case to establish rates for unbundled network elements in Kentucky. The establishment of these rates is intended to facilitate market entry by competitive local exchange carriers.

The Ohio PUC has required SBC Communications Inc. ("SBC") and Verizon Communications Inc. ("Verizon") to offer competitive local exchange services in several Ohio markets, including the Cincinnati market, as a condition to the approval of their respective mergers involving Ameritech Corp. and GTE Corp. Both SBC and Verizon have entered into interconnection agreements with CBT. During 2002, Verizon began offering service on a resale basis, while SBC has not yet entered the Cincinnati market.

CBT is currently subject to an Alternative Regulation Plan ("Alt Reg Plan") in Ohio. The current Alt Reg Plan gives CBT pricing flexibility in several competitive service categories in exchange for CBT's commitment to freeze certain basic residential service rates during the term of the Alt Reg Plan. The term of the current Alt Reg Plan will expire on June 30, 2003. Prior to expiration of the current Plan, CBT will be required to extend its existing Plan, initiate a proceeding to establish a new Alt Reg Plan or adopt a generic Alt Reg Plan developed by the Ohio PUC. On March 1, 2003, CBT filed a letter of intent with the PUC seeking to extend its current Alt Reg Plan. Failure to obtain approval of a new Alt Reg Plan with similar pricing flexibility could have an adverse impact on CBT's operations.

Commitments and Contingencies

Contingencies

In the normal course of business, the Company is subject to various regulatory proceedings, lawsuits, claims and other matters. Such matters are subject to many uncertainties and outcomes that are not predictable with assurance.

In 2002, several purported class action lawsuits were filed in the United States District Court for the Southern District of Ohio on behalf of purchasers of the securities of the Company between January 17, 2001 and May 20, 2002, inclusive (the "Class Period"). The complaints alleged that the Company, its former Chief Executive Officer ("CEO"), its current CEO, and several board members violated federal securities laws arising out of allegedly issuing material misrepresentations during the Class Period which resulted in artificially inflating the market price of the Company's securities. The Company intends to defend these claims vigorously.

In June 2000, Broadwing Communications entered into a long-term construction contract to build a 1,550-mile fiber route system for a customer. During the second quarter of 2002, the customer alleged a breach of contract and requested the Company to cease all construction activities, requested a refund of $62 million in progress payments previously paid to the Company, and requested conveyance of title to all routes constructed under the contract. Subsequently, the Company notified the customer that such purported termination was improper and constituted a material breach under the terms of the contract, causing the Company to terminate the contract. As a result of the contract termination during the second quarter of 2002, the Company expensed $13 million in both costs incurred under the contract and estimated shutdown costs, which have been reflected in cost of services and products in the Consolidated Statements of Operations and Comprehensive Income (Loss). In addition, the Company's balance sheet included $51 million in unbilled accounts receivable (including both signed change orders and claims) at December 31, 2002 related to this contract. Based on information available as of December 31, 2002, the Company believes it is due significant amounts outstanding under the contract, including unbilled accounts receivable. The Company expects this matter to be resolved through arbitration during 2003. The timing and outcome of these issues are not currently predictable. An unfavorable outcome could have a material adverse effect on the financial condition and results of operations of the Company.

Commitments

The Company leases certain facilities and equipment used in its operations. Total rental expenses (excluding access circuit leases) were approximately $41 million, $42 million and $32 million in 2002, 2001 and 2000, respectively.

In 2000, BCI entered into a purchase commitment with Corvis Corporation, a Columbia, Maryland-based manufacturer of optical network equipment. The agreement specified that the Company would purchase $200 million in optical network equipment from Corvis Corporation over a two-year period beginning in July 2000. As of December 31, 2002 and 2001, the Company's remaining purchase commitment was zero and $20 million, respectively. In 2000, the Company also entered into a separate agreement giving it the right to purchase Series H preferred stock at $80.53 per share, which had a fair value $30 million, and $5 million of the common stock of Corvis at the initial public offering price. The Company subsequently exercised these rights during the second and third quarters of 2000. The established prices for these Corvis equity purchases reflect the contemporaneous fair value of the equity, as evidenced by independent third party investor purchases of this equity in the same timeframe.

In 2001, BCI entered into an agreement with Teleglobe Inc. ("Teleglobe"), a Reston, Virginia-based telecommunications company which stated that the Company would purchase $90 million of services and equipment from Teleglobe over four years. In September 2002, in response to Teleglobe's bankruptcy filing, the Company terminated the agreement for a payment of $4 million to Teleglobe, which released the Company from $63 million of future commitments (refer to Note 1 of the Notes to the Consolidated Financial Statements).

In 2001 and 2000, BCI entered into agreements with two vendors to provide bundled Internet access to the Company's customers based on a monthly maintenance fee. In March 2002, BCI terminated its contract with one of the vendors as part of its fourth quarter 2001 restructuring (refer to Note 3 to the Consolidated Financial

Statements). This contract termination reduced the Company's future commitments by approximately $60 million. In September 2002, BCI terminated its remaining contract (refer to Note 3 to the Consolidated Financial Statements), which eliminated the remaining $13 million of future commitments related to bundled Internet access.

In 1998, the Company (then known as Cincinnati Bell) entered a ten-year contract with Convergys Corporation ("Convergys"), a provider of billing, customer service and other services, which remains in effect until June 30, 2008. The contract states that Convergys will be the primary provider of certain data processing, professional and consulting, technical support and customer support services for the Company. In return, the Company will be the exclusive provider of local telecommunications services to Convergys. The Company's annual commitment is $45 million per year. As of December 31, 2002, the Company has satisfied its annual commitments to date, as it incurred charges of $45 million, $54 million and $55 million in 2002, 2001, and 2000, respectively.

BCI has certain contractual obligations to utilize network facilities, including access lines from various interexchange and local exchange carriers. These contracts are based on a fixed monthly rate with terms on certain agreements extending through 2021. As of December 31, 2002, BCI had committed to approximately $230 million in operating leases related to network utilization. The buyer of substantially all of the Broadband assets has agreed to assume approximately $3 million in capital lease commitments and approximately $316 million in operating lease obligations including the network related commitments. Refer to Note 21 of the Notes to the Consolidated Financial Statements.

Recently Issued Accounting Standards

In June 2001, the FASB issued Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143"). This statement deals with the costs of closing facilities and removing assets. SFAS 143 requires entities to record the fair value of a legal liability for an asset retirement obligation in the period it is incurred. This cost is initially capitalized and amortized over the remaining life of the underlying asset. Once the obligation is ultimately settled, any difference between the final cost and the recorded liability is recognized as a gain or loss on disposition. SFAS 143 is effective for fiscal years beginning after June 15, 2002. The Company expects to record a one-time increase to net income as a change in accounting principle as of January 1, 2003 of approximately $135 million pretax related to excess depreciation previously recorded at the Local segment. Historically, the Local segment recorded excess depreciation in accordance with regulatory requirements, straight line over the lives of the assets, related to estimated removal cost. In addition, the Company expects the Local segment's depreciation expense to decrease by approximately $6 million pretax and cost of services to increase by approximately $2 million pretax annually compared to 2002. The Company expects to record a liability at fair value, with an offsetting asset, of approximately $4 million in 2003 related to the Wireless segment and the Other segment. The asset will be depreciated straight line over the remaining lives of the assets, while the interest component of the liability will be accreted over the remaining lives of the assets.

In June 2002, the FASB issued Statement of Financial Accounting Standards No. 146, "Accounting for Exit or Disposal Activities" ("SFAS 146"). SFAS 146 addresses the recognition, measurement, and reporting of costs that are associated with exit and disposal activities, including costs related to terminating contracts that are not capital leases and termination benefits that involuntarily terminated employees receive in certain instances. SFAS 146 supersedes Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)" ("EITF 94-3") and requires liabilities associated with exit and disposal activities to be expensed as incurred. SFAS 146 is effective for exit or disposal activities that are initiated after December 31, 2002.

In December 2002, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard No. 148 "Accounting for Stock-Based Compensation-Transition and Disclosure" ("SFAS 148"). SFAS 148 amends FASB Statement No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123") to provide for alternative methods of transition for an entity that voluntarily changes to the fair value based method of accounting for stock-based employee compensation and requires disclosure of the impact in interim financial information. In addition, it amends the disclosure provisions of SFAS 123 to require prominent disclosure about the effects on reported net income of an entity's accounting policy decisions with respect to stock-based employee compensation. The Company adopted the disclosure provisions of SFAS 148 in December 2002, but currently does not intend to adopt SFAS 123 and therefore, has not selected a transition approach.

In November 2002, the FASB issued Financial Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" ("FIN 45"). FIN 45 elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees that it has issued. It also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. FIN 45 does not prescribe a specific approach for subsequently measuring the guarantor's recognized liability over the term of the related guarantee. FIN 45 is effective for all guarantees issued or modified after December 31, 2002, irrespective of the guarantor's fiscal year. The Company is currently evaluating the impact, if any, that FIN 45 will have on its future consolidated financial statements, but could be required to record a liability for indemnifications related to the sale of substantially all of the assets of its Broadband business discussed further in Note 21 of the Notes to Consolidated Financial Statements.

In December 2002, the Financial Accounting Standards Board ("FASB") issued Financial Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46"). This interpretation of Accounting Research Bulletin No. 51, "Consolidated Financial Statements" ("ARB 51"), addresses consolidation by business enterprises of variable interest entities. ARB 51 requires that an enterprise's consolidated financial statements include subsidiaries in which the enterprise has a controlling financial interest. This Interpretation requires existing unconsolidated variable interest entities to be consolidated by their primary beneficiaries if the entities do not effectively disperse risks among parties involved. FIN 46 is effective in the first fiscal year or interim period beginning after June 15, 2003, for variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. As the Company does not have any variable interest entities, FIN 46 is expected to have no impact on the Company's consolidated financial statements.

Business Development

In order to enhance shareowner value, the Company actively reviews opportunities for acquisitions, divestitures and strategic partnerships. On February 22, 2003, certain of the Company's subsidiaries entered into a definitive agreement to sell substantially all of the assets of the Broadband segment, excluding Broadwing Technology Solutions, for up to $129 million and the assumption of certain operating contractual commitments as further discussed in Note 21 of the Notes to Consolidated Financial Statements.

Item 7A. Qualitative and Quantitative Disclosures about Market Risk

The Company is exposed to the impact of interest rate fluctuations. To manage its exposure to interest rate fluctuations, the Company uses a combination of variable rate short-term and fixed rate long-term financial instruments. The Company employs derivative financial instruments to manage its exposure to fluctuations in interest rates. The Company does not hold or issue derivative financial instruments for trading purposes or enter into interest rate transactions for speculative purposes. For a more detailed discussion of the Company's use of financial instruments, refer to Note 6 of the Notes to Consolidated Financial Statements.

As of December 31, 2002 the Company was, however, required by terms of its credit facility to engage in interest rate swaps once certain thresholds were exceeded with regard to floating rate debt as a percentage of the Company's total debt. The Company exceeded this threshold during 2000 and, accordingly, entered into a series of interest rate swap agreements on notional amounts totaling $130 million. The Company continued to exceed the above noted threshold in 2001 and increased the notional amount to $490 million. As of December 31, 2002, the Company held interest rate swaps with notional amounts totaling $400 million, a decrease of $90 million due to agreements that expired during the year that were not renewed. These agreements will expire throughout 2003. The purpose of these agreements is to hedge against changes in market interest rates to be charged on the Company's borrowings under its credit facility. The March 2003 credit facility amendment and restatement eliminated the requirement to maintain a certain threshold of fixed rate debt as a percentage of the Company's total debt.

Swap agreements involve the exchange of fixed and variable rate interest payments and do not represent an actual exchange of the notional amounts between the parties. Because the notional amounts are not exchanged, the notional amounts of these agreements are not indicative of the Company's exposure resulting from these derivatives. The amounts to be exchanged between the parties are primarily the result of the swap's notional amount and the fixed and floating rate percentages to be charged on the swap. In accordance with Statement of Financial Accounting Standard SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"), interest rate differentials associated with the Company's interest rate swaps are recorded as an adjustment to interest payable or receivable with the offset to interest expense over the life of the swap. The swap agreements were a liability with a fair value of $7.2 million recorded on the balance sheet as of December 31, 2002, and a $4.5 million tax-effected amount recorded in other comprehensive income.

Potential nonperformance by counterparties to the swap agreements exposes the Company to a certain amount of credit risk due to the possibility of counterparty default. Because the Company's only counterparties in these transactions are financial institutions that are at least investment grade, it believes the risk of counterparty default is minimal.

Interest Rate Risk Management – The Company's objective in managing its exposure to interest rate changes is to limit the impact of interest rate changes on earnings and cash flows and to lower its overall borrowing costs.

The following table sets forth the face amounts, maturity dates and average interest rates for the fixed- and floating-rate debt held by the Company at December 31, 2002 (excluding capital leases and interest rate swaps):

($ in millions)	2003	2004	2005	2006	2007	Thereafter	Total	Fair Value
Fixed-rate debt:	$ 22.6	—	$ 20.0	—	—	$ 828.7	$ 871.3	$ 606.1
Average interest rate on fixed-rate debt	6.3 %	—	6.3 %	—	—	6.8 %	6.7 %	—
Floating-rate debt:	$ 172.1	$ 994.9	$ 4.9	$ 403.1	$ 73.1	—	$ 1,648.1	$ 1,648.1
Average interest rate on floating-rate debt	4.6 %	4.6 %	4.3 %	4.2 %	4.6 %	—	4.5 %	—

Item 8. Financial Statements and Supplementary Schedules

Index to Consolidated Financial Statements
Consolidated Financial Statements:
Report of Management
Report of Independent Accountants
Consolidated Statements of Operations and Comprehensive Income (Loss)
Consolidated Balance Sheets
Consolidated Statements of Cash Flows
Consolidated Statements of Shareowners' Equity (Deficit)
Notes to Consolidated Financial Statements
Financial Statement Schedule:
For each of the three years in the period ended December 31, 2002:
II - Valuation and Qualifying Accounts

Financial statements and financial statement schedules other than that listed above have been omitted because the required information is contained in the financial statements and notes thereto, or because such schedules are not required or applicable.

Report of Management

The management of Broadwing Inc. is responsible for the information and representations contained in this report. Management believes that the financial statements have been prepared in accordance with generally accepted accounting principles and that the other information in this report is consistent with those statements. In preparing the financial statements, management is required to include amounts based on estimates and judgments that it believes are reasonable under the circumstances.

In meeting its responsibility for the reliability of the financial statements, management maintains a system of internal accounting controls, which is continually reviewed and evaluated. Our internal auditors monitor compliance with the system of internal controls in connection with their program of internal audits. However, there are inherent limitations that should be recognized in considering the assurances provided by any system of internal accounting controls. Management believes that its system provides reasonable assurance that assets are safeguarded and that transactions are properly recorded and executed in accordance with management's authorization, that the recorded accountability for assets is compared with the existing assets at reasonable intervals, and that appropriate action is taken with respect to any differences. Management also seeks to assure the objectivity and integrity of its financial data by the careful selection of its managers, by organization arrangements that provide an appropriate division of responsibility, and by communications programs aimed at assuring that its policies, standards and managerial authorities are understood throughout the organization.

The financial statements have been audited by PricewaterhouseCoopers LLP, independent accountants. Their audit was conducted in accordance with auditing standards generally accepted in the United States of America. The Audit and Finance Committee of the Board of Directors, which is composed of five directors who are not employees, meets periodically with management, the internal auditors and PricewaterhouseCoopers LLP to review their performance and responsibilities and to discuss auditing, internal accounting controls and financial reporting matters. Both the internal auditors and the independent accountants periodically meet alone with the Audit and Finance Committee and have access to the Audit and Finance Committee at any time.

/s/ Kevin W. Mooney
Kevin W. Mooney
Chief Executive Officer
/s/ Thomas L. Schilling
Thomas L. Schilling
Chief Financial Officer

Report of Independent Accountants

To the Board of Directors and the

Shareowners of Broadwing Inc.

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Broadwing Inc. ("the Company") and its subsidiaries at December 31, 2002 and 2001, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 2 to the consolidated financial statements, on January 1, 2002, the Company changed the manner in which it accounts for goodwill and other intangible assets upon adoption of the accounting guidance of Statement of Financial Accounting Standards No. 142. In addition, as discussed in Note 1 to the consolidated financial statements, the Company adopted SEC Staff Accounting Bulletin No. 101 in 2000 and changed its method of accounting for certain revenue and related costs.

/s/ PricewaterhouseCoopers LLP
Cincinnati, Ohio
March 27, 2003

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

(Millions of Dollars, Except Per Share Amounts)

The accompanying notes are an integral part of the financial statements.

	Year Ended December 31		
	2002	2001	2000
Revenue			
Costs and Expenses	$ 2,155.9	$ 2,271.6	$ 1,973.7
Cost of services and products (excluding depreciation of $373.9, $353.4, and $258.7, respectively, included below)	1,027.7	1,130.9	939.0
Selling, general and administrative	487.4	561.6	579.6
Depreciation	471.0	441.2	346.0
Amortization	25.3	113.6	113.5
Restructuring	37.1	93.4	(0.8)
Asset Impairments and other	2,200.9	152.0	—
Total costs and expenses	4,249.4	2,492.7	1,977.3
Operating Loss	(2,093.5)	(221.1)	(3.6)
Minority interest expense	57.6	51.3	44.1
Equity loss in unconsolidated entities	—	4.0	15.5
Interest expense and other financing costs	164.2	168.1	163.6
Loss (gain) on investments	10.7	(11.8)	356.3
Other expense (income), net	(0.5)	(20.4)	1.8
Loss from continuing operations before income taxes, discontinued operations and cumulative effect of change in accounting principle	(2,325.5)	(412.3)	(584.9)
Income tax expense (benefit)	105.7	(96.5)	(181.6)
Loss from continuing operations before discontinued operations and cumulative effect of change in accounting principle	(2,431.2)	(315.8)	(403.3)
Income from discontinued operations, net of taxes of $119.7, $16.3, $16.0, respectively	217.6	29.6	27.0
Loss before cumulative effect of change in accounting principle	(2,213.6)	(286.2)	(376.3)
Cumulative effect of change in accounting principle, net of taxes of $5.8 and $0.0, respectively	(2,008.7)	—	(0.8)
Net Loss	(4,222.3)	(286.2)	(377.1)
Dividends applicable to preferred stock	10.4	10.4	8.1
Net Loss Applicable to Common Shareowners	$ (4,232.7)	$ (296.6)	$ (385.2)
Net Loss	$ (4,222.3)	$ (286.2)	$ (377.1)
Other comprehensive income (loss), net of tax:			
Unrealized gain (loss) on interest rate swaps	2.9	(7.4)	—
Unrealized gain (loss) on investments	—	(85.9)	85.9
Unrealized gain on cash flow hedges	—	17.0	—
Reclassification adjustment - investments and gain on cash flow hedges	—	(17.0)	(170.0)
Additional minimum pension liability adjustment	(6.0)	(0.1)	(0.1)
Total other comprehensive loss	(3.1)	(93.4)	(84.2)

Comprehensive Loss	$ (4,225.4)	$ (379.6)	$ (461.3)
Basic and Diluted Earnings (Loss) Per Common Share			
Loss from continuing operations	$ (11.18)	$ (1.50)	$ (1.95)
Income from discontinued operations, net of taxes	1.00	0.14	0.13
Cumulative effect of change in accounting principle, net of taxes	(9.20)	—	—
Net Loss per Common Share	$ (19.38)	$ (1.36)	$ (1.82)
Weighted Average Common Shares Outstanding (millions)			
Basic and Diluted	218.4	217.4	211.7

CONSOLIDATED BALANCE SHEETS

(Millions of Dollars, Except Per Share Amounts)

	As of December 31	
	2002	2001
Assets		
Current assets		
Cash and cash equivalents	$ 44.9	$ 30.0
Restricted Cash	7.0	—
Short-term investments	—	22.7
Receivables, less allowances of $53.0 and $36.4	290.6	310.9
Materials and supplies	32.2	39.7
Deferred income tax benefits	11.3	16.7
Prepaid expenses and other current assets	23.8	30.0
Assets from discontinued operations	—	21.4
Total current assets	409.8	471.4
Property, plant and equipment, net	867.9	3,059.3
Goodwill, net of accumulated amortization of $3.3 and $164.1	40.9	2,048.6
Other intangibles, net	66.9	396.3
Deferred income tax benefits	—	227.9
Other noncurrent assets	82.1	108.5
Total assets	$ 1,467.6	$ 6,312.0
Liabilities and Shareowners' Equity (Deficit)		
Current liabilities		
Short-term debt	$ 203.7	$ 150.0
Accounts payable	129.4	177.6
Current portion of unearned revenue and customer deposits	108.9	178.3
Accrued taxes	84.4	110.9
Accrued restructuring	41.1	78.6
Other current liabilities	169.6	215.0
Liabilities from discontinued operations	—	11.9
Total current liabilities	737.1	922.3
Long-term debt, less current portion	2,354.7	2,702.0
Unearned revenue, less current portion	276.5	415.9
Deferred income tax liabilities	37.2	—
Other noncurrent liabilities	166.5	157.7
Total liabilities	3,572.0	4,197.9
Minority interest	443.9	435.7
Commitments and contingencies	—	—
		—
Shareowners' Equity (Deficit) 6% Cumulative Convertible Preferred Stock, 2,357,299 shares authorized, 155,250 (3,105,000 depository shares) issued and outstanding at December 31, 2002 and 2001	129.4	129.4
Common shares, $.01 par value; 480,000,000 shares authorized; 226,598,844 and 225,873,352 shares issued; 218,690,375 and 218,067,552 outstanding at December 31, 2002 and 2001	2.3	2.3
Additional paid-in capital	2,365.1	2,365.8
Accumulated deficit	(4,885.6)	(663.3)
Accumulated other comprehensive loss	(13.8)	(10.7)
Common shares in treasury, at cost: 7,908,469 and 7,805,800 shares at December 31, 2002 and 2001	(145.7)	(145.1)
Total shareowners' equity (deficit)	(2,548.3)	1,678.4
Total liabilities and shareowners' equity (deficit)	$ 1,467.6	$ 6,312.0

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of Dollars)

	Year Ended December 31		
	2002	2001	2000
Cash Flows from Operating Activities			
Net loss	$ (4,222.3)	$ (286.2)	$ (377.1)
Adjustments to reconcile net loss to net cash provided by operating activities Cumulative effect of change in accounting principle, net of tax	2,008.7	—	0.8
Gain from sale discontinued operations, net of taxes	(211.8)	—	(0.7)
Depreciation	471.0	441.2	346.0
Amortization	25.3	113.6	113.5
Asset impairments	2,200.9	152.0	—
Tax valuation allowance	1,092.5	35.8	30.1
Provision for loss on receivables	55.6	88.4	71.1
Noncash interest expense	47.4	37.0	38.7
Minority interest expense	57.6	51.3	44.1
Equity loss in unconsolidated entities	—	4.0	15.5
Loss (gain) on investments, net	10.7	(11.8)	356.3
Deferred income tax expense (benefit)	(946.4)	(117.0)	(212.5)
Tax benefits from employee stock option plans	2.5	19.5	40.2
Income from insurance demutualization	—	(19.7)	—
Other, net	0.7	6.2	(9.9)
Changes in operating assets and liabilities			
Increase in receivables	(35.7)	(94.3)	(175.5)
(Increase) decrease in prepaid expenses and other current assets	4.9	(20.3)	6.0
(Decrease) increase in accounts payable	(59.8)	(66.6)	74.6
(Decrease) increase in accrued and other current liabilities	(66.5)	53.4	53.3
Decrease in unearned revenue	(198.0)	(82.8)	(20.1)
Increase in other assets and liabilities, net	(37.8)	(41.0)	(62.5)
Net cash provided by (used in) discontinued operations	(6.9)	(3.2)	(3.5)
Net cash provided by operating activities	192.6	259.5	328.4
Cash Flows from Investing Activities			
Capital expenditures	(175.9)	(648.5)	(843.7)
Proceeds from sale of investments	23.3	115.4	58.5
Purchase of equity securities	—	(1.5)	(80.5)
Other, net	—	—	2.5
Proceeds from the sale of discontinued operations	345.0	—	11.3
Net cash provided by (used in) investing activities	192.4	(534.6)	(851.9)
Cash Flows from Financing Activities			
Issuance of long-term debt	151.0	508.0	884.0
Repayment of long-term debt	(470.0)	(203.3)	(404.0)

Short-term borrowings (repayments), net	(6.9)	2.4	(1.9)
Debt issuance costs	(9.2)	(2.6)	—
Purchase of Broadwing shares for treasury and employee benefit plans	(0.6)	—	—
Issuance of common shares — exercise of stock options	0.8	22.5	64.2
Minority interest and preferred stock dividends paid	(35.2)	(59.8)	(61.7)
Net cash provided (used in) by financing activities	(370.1)	267.2	480.6
Net increase (decrease) in cash and cash equivalents	14.9	(7.9)	(42.9)
Cash and cash equivalents at beginning of period	30.0	37.9	80.8
Cash and cash equivalents at end of period	$ 44.9	$ 30.0	$ 37.9

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF SHAREOWNERS' EQUITY (DEFICIT)

(Millions of Dollars)

($and shares in millions)	6% Cumulative Convertible Preferred Shares		Common Shares		Treasury Shares		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance at January 1, 2000	0.2	$ 129.4	208.7	$ 2.1	(7.8)	$ (145.1)	$ 1,979.5	$ —	$ 166.9	$ 2,132.8
Shares issued under employee plans	—	—	5.0	—	—	—	130.0	—	—	130.0
Net loss	—	—	—	—	—	—	—	(377.1)	—	(377.1)
Depository share conversion	2.9	—	—	—	—	—	—	—	—	—
Additional minimumpension liability adjustment, net of taxes of $0.0	—	—	—	—	—	—	—	—	(0.1)	(0.1)
Unrealized loss on investments, net of reclassification adjustments and net of taxes of $54.4	—	—	—	—	—	—	—	—	(84.1)	(84.1)
Restricted stock amortization	—	—	0.1	—	—	—	3.6	—	—	3.6
Dividends on 6% preferred shares	—	—	—	—	—	—	(12.3)	—	—	(12.3)
Redemption of 7% convertible preferred stock	—	—	9.5	0.1	—	—	228.6	—	—	228.7
Balance at December 31, 2000	3.1	129.4	223.3	2.2	(7.8)	(145.1)	2,329.4	(377.1)	82.7	2,021.5
Shares issued under employee plans	—	—	2.3	0.1	—	—	40.7	—	—	40.8
Net loss	—	—	—	—	—	—	—	(286.2)	—	(286.2)
Additional minimumpension liability adjustment, net of taxes of $0.0	—	—	—	—	—	—	—	—	(0.1)	(0.1)
Unrealized loss on investments, net of reclassification adjustments and net of taxes of $46.2	—	—	—	—	—	—	—	—	(85.9)	(85.9)
Unrealized loss on interest rate swaps, net of taxes of $4.0	—	—	—	—	—	—	—	—	(7.4)	(7.4)
Restricted stock amortization	—	—	0.3	—	—	—	6.1	—	—	6.1
Dividends on 6% preferred shares	—	—	—	—	—	—	(10.4)	—	—	(10.4)
Balance at December 31, 2001	3.1	129.4	225.9	2.3	(7.8)	(145.1)	2,365.8	(663.3)	(10.7)	1,678.4
Shares issued (purchased) under employee plans	—	—	0.2	—	(0.1)	(0.6)	3.3	—	—	2.7
Net loss	—	—	—	—	—	—	—	(4,222.3)	—	(4,222.3)
Additional minimumpension liability adjustment, net of taxes of $3.3	—	—	—	—	—	—	—	—	(6.0)	(6.0)
Unrealized gain on interest rate swaps, net of taxes of ($1.6)	—	—	—	—	—	—	—	—	2.9	2.9
Restricted stock amortization	—	—	0.5	—	—	—	6.4	—	—	6.4
Dividends on 6% preferred shares	—	—	—	—	—	—	(10.4)	—	—	(10.4)
Balance at December 31, 2002	3.1	$ 129.4	226.6	$ 2.3	(7.9)	$ (145.7)	$ 2,365.1	$ (4,885.6)	$ (13.8)	$ (2,548.3)

The accompanying notes are an integral part of the financial statements.

Notes to Consolidated Financial Statements

1. Description of Business, Liquidity, and Accounting Policies

Description of Business — Broadwing Inc. ("the Company") provides diversified telecommunications services through businesses in four segments: Broadband, Local, Wireless, and Other. On November 9, 1999, the Company merged with IXC Communications, Inc. ("IXC") in a transaction accounted for as a purchase (the "Merger"). Accordingly, IXC's operations (since renamed Broadwing Communications) have been included in the consolidated financial statements for all periods presented.

The Company completed the realignment of its business segments during the first quarter of 2002. The Company's web hosting operations provided by ZoomTown.com ("ZoomTown"), previously reported in the Other segment, were merged into the Company's Broadwing Communications Inc. ("BCI") subsidiary and are now reported in the Broadband segment in all periods presented. ZoomTown's DSL and dial-up Internet operations, also previously reported in the Other segment, were merged into Cincinnati Bell Telephone ("CBT") and are reported in the Local segment in all periods presented. In addition, during the first quarter of 2002, the Company sold substantially all of the assets of Cincinnati Bell Directory ("CBD"), which was previously reported in the Other segment. Accordingly, the historical results of operations of the Broadband, Local, and Other segments have been recast to reflect the transfer and disposition of these operations.

Basis of Consolidation — The consolidated financial statements include the consolidated accounts of Broadwing Inc. and its majority-owned subsidiaries over which it exercises control. Investments in which the Company has the ability to exercise significant influence, but which it does not control, are accounted for using the equity method. For equity method investments, the Company's share of income is calculated according to the Company's equity ownership. Any differences between the carrying amount of an investment and the amount of the underlying equity in the net assets of the investee are amortized over the expected life of the asset. Significant intercompany accounts and transactions have been eliminated in the consolidated financial statements.

Liquidity and Financial Resources — As of December 31, 2002, the amount of available borrowings to the Company under its credit facility were $163.9 million. On March 26, 2003, the Company issued $350 million of mezzanine financing through Senior Subordinated Discount Notes Due 2009 (the "Mezzanine Financing"). Proceeds from the Mezzanine Financing, net of fees, were used to pay down borrowings under the Company's credit facility. In conjunction with the Mezzanine Financing, the Company's credit facility was also amended and restated ("Amended and Restated Credit Agreement") to, among other things, extend the revolving commitment, revise the financial covenants and allow for the sale of substantially all of the assets of the Broadband segment. As a result of the terms of the amendment, the total borrowing capacity will decrease from $1.825 billion as of December 31, 2002 to approximately $1.343 billion as of December 31, 2003 due to $262 million of scheduled repayments of the term debt facilities and a $220 million prepayment of the outstanding term debt and revolving credit facility from the Mezzanine Financing proceeds. The Company believes that its borrowing availability under the amended credit facility will provide sufficient liquidity for the foreseeable future. However, the terms of the Mezzanine Financing and amended credit facility limit the Company's ability to make future investments in or fund the operations of BCI. Specifically, the Company and its other subsidiaries may not make investments in or fund the operations of BCI beyond an aggregate amount of $118 million after October 1, 2002. As of February 28, 2003, the Company had the ability to invest an additional $58 million in BCI based on these provisions. The uncertainty of BCI's available liquidity resulting from these funding constraints, has prompted the Company's independent accountants to include a going concern explanatory paragraph in their audit report filed along with the stand alone annual financial statements of BCI. The going concern explanatory paragraph means that, in the opinion of the Company's independent accountants, there is substantial doubt about BCI's ability to continue to operate as

going concern. If BCI is unable to finance its operations through closing of the asset sale and meet its remaining obligations, or if a sale is not consummated, it may be forced to seek protection from its creditors through bankruptcy proceedings.

Use of Estimates — Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates.

Cash Equivalents — Cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less.

Restricted Cash — Restricted Cash consists of cash equivalents held in escrow related to the Mezzanine Financing (refer to Note 21), which the Company can access only upon certain triggering events.

Unbilled Receivables — Unbilled receivables arise from local, broadband and wireless services rendered but not yet billed, in addition to network construction revenue that is recognized under the percentage-of-completion method. Network construction receivables are billable upon achievement of contractual milestones or upon completion of contracts. As of December 31, 2002 and 2001, unbilled receivables totaled $91 million and $95 million, respectively. Unbilled receivables of $51 million and $45 million at December 31, 2002 and 2001, respectively, include both claims and signed change orders related to a construction contract that was terminated during the second quarter of 2002. The Company believes such amounts are valid and collectible receivables. Refer to Note 20 for a detailed discussion of this construction contract.

Allowance for Uncollectible Accounts Receivable – The Company establishes provisions for uncollectible accounts receivable using both percentages of aged accounts receivable balances to reflect the historical average of credit losses and specific provisions for certain large, potentially uncollectible balances. The Company believes that its allowance for potential losses is adequate based on the methods above. However, if one or more of the Company's larger customers were to default on its accounts receivable obligations or general economic conditions in the United States of America deteriorated, the Company could be exposed to potentially significant losses in excess of the provisions established.

Materials and Supplies — Materials and supplies consist of wireless handsets and other materials and supplies, which are carried at the lower of average cost or market.

Property, Plant and Equipment — Property, plant and equipment is generally stated at cost. However, a significant portion of the property, plant and equipment of the Broadband segment was recorded at fair market value on the November 9, 1999 date of the Merger. The Company's provision for depreciation of telephone plant is determined on a straight-line basis using the whole life and remaining life methods. Provision for depreciation of other property is based on the straight-line method over the estimated useful life. Repairs and maintenance expense items are charged to expense as incurred. Telephone plant is retired at its original cost, net of cost of removal and salvage, and is charged to accumulated depreciation. Upon the adoption of Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143") effective beginning in the first quarter of 2003, cost of removal for telephone plant will be included in costs of products and services.

Goodwill and Indefinite-Lived Intangible Assets — Goodwill represents the excess of the purchase price consideration over the fair value of assets acquired recorded in connection with purchase business combinations, primarily the merger with IXC, in November 1999. Indefinite-lived intangible assets consist primarily of FCC licenses of the Wireless segment. Upon the adoption of Statement of Financial Accounting Standards No. 142,

"Goodwill and Other Intangible Assets" ("SFAS 142") on January 1, 2002, the Company recorded a goodwill impairment charge of $2,008.7 million, net of tax, and ceased amortization of remaining goodwill and indefinite-lived intangible assets as discussed in Note 2.

Pursuant to SFAS 142, goodwill and intangible assets not subject to amortization are tested for impairment annually, or when events or changes in circumstances indicate that the asset might be impaired. For goodwill, a two-step impairment test is performed. The first step compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying value of a reporting unit exceeds its fair value, then the second step of the impairment test is performed to measure the amount of impairment loss. The second step compares the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. The implied fair value is determined by allocating the fair value of a reporting unit to all of the assets and liabilities of that unit as if the reporting unit had been acquired in a business combination. The excess of the fair value of a reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. If the carrying amount of the reporting unit goodwill is in excess of the implied fair value of that goodwill, then an impairment loss is recognized equal to that excess. For indefinite-lived intangible assets, the impairment test consists of a comparison of the fair value of the intangible asset with its carrying value. If the carrying value of an indefinite-lived asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess.

In 2001 and 2000, goodwill was amortized on a straight-line basis over estimated useful lives of 30 to 40 years, with the vast majority being amortized over 30 years. Indefinite lived intangible assets were amortized on a straight-line basis over estimated useful lives of 2 to 40 years.

Other Intangible Assets — Intangible assets subject to amortization expense consist primarily of acquired customer relationships, pension related intangible assets, and roaming and trade name agreements acquired by the Wireless segment. These intangible assets are amortized on a straight-line basis over their estimated useful lives ranging from 2 to 40 years.

Impairment of Long-lived Assets, Other than Goodwill and Indefinite lived Intangibles – The Company reviews the carrying value of long-lived assets, other than goodwill and indefinite lived assets discussed above, when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss is recognized when the estimated future undiscounted cash flows expected to result from the use of an asset (or group of assets) and its eventual disposition are less than its carrying amount. An impairment loss is measured as the amount by which the asset's carrying value exceeds its fair value.

During the fourth quarter of 2002, the Company performed an impairment assessment of its Broadband segment assets as a result of the restructuring plan implemented during the quarter and the strategic alternatives being explored, including the potential sale of the Broadband business. This assessment considered all of the contemplated strategic alternatives for the Broadband segment, including a potential sale of assets, using a probability-weighted approach. Based on this assessment, it was determined that the long-lived assets of the Company's Broadband segment were impaired and the Company recorded a $2.2 billion non-cash impairment charge to reduce the carrying value of these assets. Of the total charge, $1,901.7 million related to tangible fixed assets and $298.3 million related to finite-lived intangible assets.

Other Assets— Deferred financing costs are costs incurred in connection with obtaining long-term financing; such costs are amortized as interest expense over the terms of the related debt agreements. Certain costs incurred with the connection and activation of customers are amortized on a straight-line basis over the average customer life. The funded status of certain pension plans of the Company requires recognition of a prepaid asset as further described in Note 12.

Investments — Investments in publicly traded companies over which the Company does not exercise significant influence are reported at fair value in accordance with Statement of Financial Accounting Standard No. 115, "Accounting for Certain Investments in Debt and Equity Securities" ("SFAS 115"). The Company reviews its investments for impairment whenever the fair value of the individual investment is less than its cost basis. An impairment loss is recognized if the decline in fair value is deemed to be "other than temporary." The Company uses the average cost basis to determine the gain or loss on an investment transaction.

Revenue Recognition — Local, wireless and broadband transport service revenue is billed monthly, in advance, with revenue being recognized when earned. Both switched voice and data and Internet product revenue are billed monthly in arrears, while the revenue is recognized as the services are provided. Revenue from product sales and certain services is generally recognized upon performance of contractual obligations, such as shipment, delivery, installation or customer acceptance. The Company modified its revenue recognition policies on January 1, 2000, to be in conformity with the Securities and Exchange Commission's ("SEC") Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" ("SAB 101"). Accordingly, service activation revenue is deferred and recognized over the appropriate service life for the associated service.

Indefeasible right-of-use agreements ("IRU") represent the lease of network capacity or dark fiber and are recorded as unearned revenue at the earlier of the acceptance of the applicable portion of the network by the customer or the receipt of cash. The buyer of IRU services typically pays cash upon execution of the contract, and the associated IRU revenue is then recognized over the life of the agreement as services are provided, beginning on the date of customer acceptance. In the event the buyer of an IRU terminates a contract prior to the contract expiration and releases the Company from the obligation to provide future services, the remaining unamortized unearned revenue is recognized in the period in which the contract is terminated. In 2002, the Company recognized non-cash, non-recurring revenue and operating income related to IRU terminations with bankrupt customers to whom the Company was no longer obligated to provide services, totaling $58.7 million (net of a $4.25 million termination payment discussed in Note 20). IRU and related maintenance revenue are included in the broadband transport category of the Broadband segment.

Construction revenue and estimated profits are recognized according to the percentage of completion method on a cost incurred to total costs estimated at completion basis. The method is used because the Company can make reasonably dependable estimates of revenue and costs applicable to various stages of a contract. As the financial reporting of these contracts depends on estimates that are continually assessed throughout the terms of the contracts, revenue recognized is subject to revision as the contracts near completion. Revisions in estimates are reflected in the period in which the facts that give rise to the revision become known and could impact revenue and costs of services and products. Construction projects are considered substantially complete upon customer acceptance. In November 2001, the Company announced its intention to exit the construction business upon completion of one remaining contract. That contract was terminated in 2002 and is currently in dispute as discussed in Note 20.

Advertising — Costs related to advertising are expensed as incurred and amounted to $14 million, $39 million, and $64 million in 2002, 2001 and 2000, respectively.

Fiber Exchange Agreements — In connection with the development of its optical network, the Company entered into various agreements to exchange fiber usage rights. The Company accounts for agreements with other carriers to exchange fiber asset service contracts either for capacity or services by recognizing the fair value of the revenue earned and expense incurred. Exchange agreements accounted for non-cash revenue and expense, in equal amounts, of $8 million, $12 million and $19 million in 2002, 2001 and 2000, respectively, with no impact on operating or net income (loss).

Income Taxes — The income tax provision consists of an amount for taxes currently payable and an expense (or benefit) for tax consequences deferred to future periods. In evaluating the carrying value of its deferred tax assets, the Company considers prior operating results, future taxable income projections, expiration of tax loss carryforwards and ongoing prudent and feasible tax planning strategies.

Stock-Based Compensation — The Company accounts for stock-based compensation plans under the recognition and measurement principles of APB Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"), and related interpretations. Compensation cost is measured under the intrinsic value method. Stock-based employee compensation cost is not reflected in net loss, as all options granted under these plans had an exercise price equal to the market value of the underlying common stock on the date of grant. The following table illustrates the effect on net loss and earnings (loss) per share if the company had applied the fair value recognition provisions of FASB Statement No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"), to stock-based employee compensation in all periods presented.

	Year ended December 31		
($ in millions except per share amounts)	**2002**	**2001**	**2000**
Net loss applicable to common shareowners:			
As reported	$ (4,232.7)	$ (296.6)	$ (385.2)
Deduct: Total stock-based employee compensation expense determined under fair value, net of related taxes	(30.1)	(24.4)	(17.8)
Total pro forma net loss	$ (4,262.8)	$ (321.0)	$ (403.0)
Diluted loss per share:			
As reported	$ (19.38)	$ (1.36)	$ (1.82)
Pro forma	$ (19.47)	$ (1.48)	$ (1.90)

The weighted average fair values at the date of grant for the Company options granted to employees were $3.52, $7.40 and $12.75 during 2002, 2001 and 2000, respectively. Such amounts were estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2002	**2001**	**2000**
Expected dividend yield	—	—	—
Expected volatility	120.7 %	68.7 %	48.9 %
Risk-free interest rate	3.1 %	4.1 %	5.1 %
Expected holding period - years	3	3	4

Derivative Financial Instruments — In the normal course of business, the Company employs derivative financial instruments to manage its exposure to fluctuations in interest rates and share prices on minority equity investments. The Company does not hold or issue derivative financial instruments for trading purposes. Interest rate differentials associated with the Company's interest rate swaps are recorded as an adjustment to interest payable or receivable with an offset to interest expense over the life of the swap. The forward sale of equity investments is accounted for by recording a current asset and current liability at the time of execution of the forward sale contract. Once the forward contract is settled, the gain or loss on the hedged investment is reclassified from other comprehensive income to a realized gain or loss and the current asset and current liability are reversed. A more comprehensive discussion of financial instruments is included in Note 6.

Pension and Postretirement Benefits – The Company calculates net periodic pension and postretirement expenses and liabilities on an actuarial basis under the provisions of Statement of Financial Accounting Standards No. 87, "Employers' Accounting for Pensions" ("SFAS 87") and Statement of Financial Accounting

Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" ("SFAS 106"). The actuarial assumptions attempt to anticipate future events and are used in calculating the expense and liability related to these plans. Key actuarial assumptions are presented in Note 12 of the Notes to Consolidated Financial Statements.

The most significant of these numerous assumptions, which are reviewed annually, include the discount rate, expected long-term rate of return on plan assets and health care cost trend rates. The discount rate is selected based on current market interest rates on high-quality, fixed-rate debt securities. The expected long-term rate of return on plan assets, developed using the building block approach, is based on the participant's benefit horizons; the mix of investments held directly by the plans, which is generally 60% equities and 40% bonds; and the current view of expected future returns, which is influenced by historical averages. The health care cost trend rate is based on actual claims experience and future projections of medical cost trends. The actuarial assumptions used may differ materially from actual results due to the changing market and economic conditions and other changes. Revisions to and variations from these estimates would impact both costs of services and products and selling, general and administrative expenses.

Reclassifications — Certain prior year amounts have been reclassified to conform to the current classifications with no effect on financial results.

Recently Issued Accounting Standards — In June 2001, the FASB issued Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143"). This statement deals with the costs of closing facilities and removing assets. SFAS 143 requires entities to record the fair value of a legal liability for an asset retirement obligation in the period it is incurred. This cost is initially capitalized and amortized over the remaining life of the underlying asset. Once the obligation is ultimately settled, any difference between the final cost and the recorded liability is recognized as a gain or loss on disposition. SFAS 143 is effective for fiscal years beginning after June 15, 2002. The Company expects to record a one-time increase to net income as a change in accounting principle as of January 1, 2003 of approximately $135 million pretax related to excess depreciation previously recorded at the Local segment. Historically, the Local segment recorded excess depreciation in accordance with regulatory requirements, straight line over the lives of the assets, related to estimated removal cost. In addition, the Company expects the Local segment's depreciation expense to decrease by approximately $6 million pretax and cost of services to increase by approximately $2 million pretax annually compared to 2002. The Company expects to record a liability at fair value, with an offsetting asset, of approximately $4 million in 2003 related to the Wireless segment and the Other segment. The asset will be depreciated straight line over the remaining lives of the assets, while the interest component of the liability will be accreted over the remaining lives of the assets.

In June 2002, the FASB issued Statement of Financial Accounting Standards No. 146, "Accounting for Exit or Disposal Activities" ("SFAS 146"). SFAS 146 addresses the recognition, measurement, and reporting of costs that are associated with exit and disposal activities, including costs related to terminating contracts that are not capital leases and termination benefits that involuntarily terminated employees receive in certain instances. SFAS 146 supersedes Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)" ("EITF 94-3") and requires liabilities associated with exit and disposal activities to be expensed as incurred. SFAS 146 is effective for exit or disposal activities of the Company that are initiated after December 31, 2002.

In December 2002, the FASB issued Statement of Financial Accounting Standard No. 148 "Accounting for Stock-Based Compensation-Transition and Disclosure" ("SFAS 148"). SFAS 148 amends SFAS 123 to provide for alternative methods of transition for an entity that voluntarily changes to the fair value based method of accounting for stock-based employee compensation and requires disclosure of the impact in interim financial information. In addition, it amends the disclosure provisions of SFAS 123 to require prominent

disclosure about the effects on reported net income of an entity's accounting policy decisions with respect to stock-based employee compensation. The Company adopted the disclosure provisions SFAS 148 in December 2002, but currently does not intend to adopt SFAS 123 and therefore, has not selected a transition approach.

In November 2002, the FASB issued Financial Interpretation No. 45 "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" ("FIN 45"). FIN 45 elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees that it has issued. It also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. FIN 45 does not prescribe a specific approach for subsequently measuring the guarantor's recognized liability over the term of the related guarantee. FIN 45 is effective for all guarantees issued or modified after December 31, 2002, irrespective of the guarantor's fiscal year. The Company is currently evaluating the impact, if any, that FIN 45 will have on its future consolidated financial statements, but could be required to record a liability for indemnifications related to the sale of substantially all of the assets of its Broadband business discussed further in Note 21.

In December 2002, FASB issued Financial Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46"). This interpretation of Accounting Research Bulletin No. 51, "Consolidated Financial Statements" ("ARB 51"), addresses consolidation by business enterprises of variable interest entities. ARB 51 requires that an enterprise's consolidated financial statements include subsidiaries in which the enterprise has a controlling financial interest. FIN 46 requires existing unconsolidated variable interest entities to be consolidated by their primary beneficiaries if the entities do not effectively disperse risks among parties involved. FIN 46 is effective in the first fiscal year or interim period beginning after June 15, 2003, for variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. As the Company does not have any variable interest entities, FIN 46 is expected to have no impact on the Company's consolidated financial statements.

2. Goodwill and Intangible Assets

On June 29, 2001 the FASB issued SFAS 142, which required cessation of the amortization of goodwill and indefinite-lived intangible assets and annual impairment testing of those assets. Intangible assets that have finite useful lives continue to be amortized. The Company adopted SFAS 142 on January 1, 2002, as required. The Company completed the initial impairment test for its Wireless and Broadband segments, during the first quarter of 2002, which indicated that goodwill of its Broadband segment was impaired as of January 1, 2002. In the second quarter of 2002, the Company recorded an impairment charge of $2,008.7 million, net of taxes, effective as of January 1, 2002. The impairment charge is reflected as a cumulative effect of change in accounting principle, net of taxes, in the Consolidated Statements of Operations and Comprehensive Income (Loss).

The following table reconciles the Company's 2002, 2001 and 2000 net loss, adjusted to exclude amortization of goodwill and indefinite lived intangible assets pursuant to SFAS 142, to the 2002, 2001 and 2000 reported amounts:

	Year Ended December 31,		
($ in millions, except per common share amounts)	2002	2001	2000
Loss before cumulative effect of change in accounting principle	$ (2,213.6)	$ (286.2)	$ (376.3)
Add back: Goodwill amortization, net of tax	—	73.2	77.6
Add back: Assembled workforce amortization, net of tax	—	5.2	5.9
Add back: FCC License amortization, net of tax	—	0.5	0.5
Adjusted loss before cumulative effect of change in accounting principle	$ (2,213.6)	$ (207.3)	$ (292.3)
Net loss applicable to common shareowners	$ (4,232.7)	$ (296.6)	$ (385.2)
Add back: Goodwill amortization, net of tax	—	73.2	77.6
Add back: Assembled workforce amortization, net of tax	—	5.2	5.9
Add back: FCC License amortization, net of tax	—	0.5	0.5
Adjusted net loss applicable to common shareowners	$ (4,232.7)	$ (217.7)	$ (301.2)
Basic and diluted loss per common share			
Loss before cumulative effect of change in accounting principle	$ (10.18)	$ (1.36)	$ (1.82)
Add back: Goodwill amortization	—	0.34	0.37
Add back: Assembled workforce amortization	—	0.03	0.03
Add back: FCC License amortization	—	—	—
Adjusted loss before cumulative effect of change in accounting principle	$ (10.18)	$ (0.99)	$ (1.42)
Basic and diluted loss per common share			
Net loss applicable to common shareowners	$ (19.38)	$ (1.36)	$ (1.82)
Add back: Goodwill amortization	—	0.34	0.37
Add back: Assembled workforce amortization	—	0.03	0.03
Add back: FCC License amortization	—	—	—
Adjusted net loss applicable to common shareowners	$ (19.38)	$ (0.99)	$ (1.42)

The following table details the components of the carrying amount of other intangible assets. Indefinite-lived intangible assets consist primarily of FCC licenses of the Wireless segment. Intangible assets subject to amortization expense consist primarily of acquired customer relationships and intangible assets associated with pension plans. The Company adopted Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"), on January 1, 2002 as required. In the fourth quarter of 2002, the Company recorded a non-cash intangible asset impairment charge of $298.3 million, related to its Broadband segment (refer to Note 1):

($ in millions)	December 31, 2002	December 31, 2001
Indefinite-lived intangible assets, excluding goodwill	$ 35.7	$ 35.7
Intangible assets subject to amortization:		
Gross carrying amount	442.4	441.3
Reclassification of assembled workforce	(24.0)	—
Asset impairment	(298.3)	—
Accumulated amortization	(88.9)	(80.7)
Net carrying amount	31.2	360.6
Total other intangible assets	$ 66.9	$ 396.3

	Year Ended December 31, 2002	2001	2000
Amortization expense of finite-lived other intangible assets	$ 25.3	$ 38.7	$ 34.1

The estimated intangible asset amortization expense for each of the fiscal years 2003 through 2007 is less than $1 million.

The following table presents a rollforward of the activity related to goodwill by segment:

	Year Ended December 31, 2002				Year Ended December 31, 2001			
($ in millions)	Broadband	Wireless	Other	Total	Broadband	Wireless	Other	Total
Goodwill, beginning of year	$ 2,007.7	$ 40.1	$ 0.8	$ 2,048.6	$ 2,007.7	$ 40.1	$ 0.8	$ 2,048.6
Reclassification of assembled workforce	4.1	—	—	4.1	—	—	—	—
Impairment charge	(2,011.8)	—	—	(2,011.8)	—	—	—	—
Goodwill, end of year	$ —	$ 40.1	$ 0.8	$ 40.9	$ 2,007.7	$ 40.1	$ 0.8	$ 2,048.6

3. Restructuring and Other Charges

October 2002 Restructuring Charge

In October 2002, the Company initiated a restructuring of Broadwing Communications that is intended to reduce annual expenses by approximately $200 million compared to 2002 and enable the Broadband business to become cash flow positive. The plan includes initiatives to reduce the workforce by approximately 500 positions; reduce line costs by approximately 25% through network grooming, optimization, and rate negotiations; and exit the international wholesale voice business. In addition, CBT initiated a restructuring to realign sales and marketing to better focus on enterprise customers. The plan includes initiatives to reduce the workforce by approximately 38 positions. The Company recorded restructuring charges of $14.7 million, consisting of $9.4 million related to employee separation benefits and $5.3 million related to contractual terminations. As of December 31, 2002, 459 employee separations had been completed which utilized reserves of $5.9 million, of which all was cash. The Company expects to complete the restructuring plan for both CBT and BCI by June 30, 2003.

The following table illustrates the activity in this reserve since its inception:

Type of costs ($ in millions)	Initial Charge	Utilizations	Balance December 31, 2002
Employee separations	$ 9.4	$ (5.9)	$ 3.5
Terminate contractual obligations	5.3	—	5.3
Total	$ 14.7	$ (5.9)	$ 8.8

September 2002 Restructuring Charge

During the third quarter of 2002, the Company recorded restructuring charges of $9.6 million. The restructuring charges consisted of $4.6 million related to employee separation benefits and $5.0 million related to contractual terminations associated with the Company's exit of a product line (for a further discussion of the contractual termination, refer to Note 20). The restructuring costs include the cost of employee separation benefits, including severance, medical and other benefits, related to three employees including the former CEO of the Company. The Company utilized the total reserve of $9.6 million, of which $9.1 million was cash expenditures. This restructuring is complete and closed.

The following table illustrates the activity in this reserve since its inception:

Type of costs ($ in millions)	Initial Charge	Utilizations	Balance December 31, 2002
Employee separations	$ 4.6	$ (4.6)	$ —
Terminate contractual obligations	5.0	(5.0)	—
Total	$ 9.6	$ (9.6)	$ —

November 2001 Restructuring Plan

In November 2001, the Company adopted a restructuring plan which included initiatives to consolidate data centers, reduce the Company's expense structure, exit the network construction business, eliminate other nonstrategic operations and merge the digital subscriber line ("DSL") and certain dial-up Internet operations into the Company's other operations. Total restructuring and impairment costs of $232.3 million were recorded in 2001 related to these initiatives. The $232.3 million consisted of restructuring liabilities in the amount of $84.2 million and related non-cash asset impairments in the amount of $148.1 million. The restructuring charge was comprised of $21.4 million related to involuntary employee separation benefits, $62.5 million related to lease and other contractual terminations and $0.3 million relating to other exit costs.

During the first quarter of 2002, the Company recorded additional restructuring charges of $16.5 million resulting from employee separation benefits and costs to terminate contractual obligations, which were actions contemplated in the original plan for which an amount could not be reasonably estimated at that time. During fourth quarter of 2002, a $1 million reversal was made to the restructuring reserve due to a change in estimate related to the termination of contractual obligations. In total, the Company expects this restructuring plan to result in cash outlays of $94.7 million and non-cash items of $153.1 million. The Company completed the plan as of December 31, 2002, except for certain lease obligations, which are expected to continue through December 31, 2005.

The restructuring costs include the cost of involuntary employee separation benefits, including severance, medical and other benefits, related to 863 employees across all areas of the Company. As of December 31, 2002, all employee separations had been completed which utilized reserves of $22.4 million, $17.6 million of which was cash. Total cash expenditures during 2002 amounted to $56.4 million. In connection with the restructuring plan, the Company performed a review of its long-lived assets to identify any potential impairments in accordance with Statement of Financial Accounting Standard No. 121, "Accounting for Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" ("SFAS 121"). The Company recorded a $148.1 million charge as an expense of operations according to SFAS 121, resulting from the write-off of certain assets related to the closing of data centers, consolidation of office space and curtailment of other Company operations.

The following table illustrates the activity in this reserve since November of 2001:

Type of costs ($ in millions):	Initial Charge	Utilizations	Balance December 31, 2001	Utilizations	Adjustments	Balance December 31, 2002
Employee separations	$ 21.4	$ (7.8)	$ 13.6	$ (14.6)	$ 1.0	$ —
Terminate contractual obligations	62.5	(2.4)	60.1	(42.4)	14.4	32.1
Other exit costs	0.3	—	0.3	(0.4)	0.1	—
Total	$ 84.2	$ (10.2)	$ 74.0	$ (57.4)	$ 15.5	$ 32.1

February 2001 Restructuring Plan

In February 2001, the Company initiated a reorganization of the activities of several of its Cincinnati-based subsidiaries, including CBT, Cincinnati Bell Any Distance ("CBAD"), Cincinnati Bell Wireless ("CBW") and Cincinnati Bell Public Communications ("Public") in order to create one centralized "Cincinnati Bell" presence for its customers. Total restructuring costs of $9.4 million were recorded in the first quarter of 2001 and consisted of $2.5 million related to lease terminations and $6.9 million related to involuntary employee separation benefits (including severance, medical insurance and other benefits) for 114 employees. Of the total charge, $0.4 million in contractual terminations were related to CBD, which is presented as a discontinued

operation. During 2002, a $2.1 million reversal was made to the restructuring reserve due to an expected lease termination that did not occur. In total, the Company expects this restructuring plan to result in cash outlays of $6.4 million and non-cash items of $0.9 million. As of December 31, 2002, this restructuring was completed and closed. Total cash expenditures in 2002 amounted to $0.2 million.

The following table illustrates the activity in this reserve since February of 2001:

Type of costs ($ in millions):	Initial Charge	Utilizations	Adjustments	Balance December 31, 2001	Utilizations	Adjustments	Balance December 31, 2002
Employee separations	$ 6.9	$ (6.3)	$ 0.1	$ 0.7	$ (0.7)	$ —	$ —
Terminate contractual obligations	2.5	(0.3)	—	2.2	(0.1)	(2.1)	—
Total	$ 9.4	$ (6.6)	$ 0.1	$ 2.9	$ (0.8)	$ (2.1)	$ —

1999 Restructuring Plan

In December 1999, the Company initiated a restructuring plan to integrate operations of the Company and Broadwing Communications, improve service delivery, and reduce the Company's expense structure. Total restructuring costs and asset impairments of $18.6 million were recorded in 1999 related to these initiatives. The $18.6 million consisted of $7.7 million relating to Broadwing Communications (recorded as a component of the purchase price allocation) and $10.9 million relating to the Company (recorded as a cost of operations). The $10.9 million relating to the Company consisted of restructuring and other liabilities in the amount of $9.5 million and related asset impairments in the amount of $1.4 million.

The restructuring costs recorded in 1999 included the costs of involuntary employee separation benefits related to 347 employees (263 Broadwing Communications employees and 84 employees from other subsidiaries of the Company). As of March 31, 2001, all employee separations had been completed for a total cash expenditure of $9.1 million. Employee separation benefits included severance, medical and other benefits, and primarily affected customer support, infrastructure, and the Company's long distance operations. The restructuring plans also included costs associated with the closure of a variety of technical and customer support facilities, the decommissioning of certain switching equipment, and the termination of contracts with vendors.

The following table illustrates activity in this reserve since December 31, 1999:

Type of costs ($ in millions):	Balance December31, 1999	Utilizations	Adjustments	Balance December31, 2000	Utilizations	Adjustments	Balance December 31,2001	Utilizations	Adjustments	Balance December 31, 2002
Employee separations	$ 7.8	$ (8.9)	$ 1.2	$ 0.1	$ (0.2)	$ 0.1	$ —	$ —	$ —	$ —
Facility closure costs	4.4	(0.7)	(1.5)	2.2	(0.9)	—	1.3	(0.8)	(0.5)	—
Relocation	0.2	—	(0.2)	—	—	—	—	—	—	—
Other exit costs	4.4	(3.2)	0.3	1.5	(1.5)	—	—	—	—	—
Total	$ 16.8	$ (12.8)	$ (0.2)	$ 3.8	$ (2.6)	$ 0.1	$ 1.3	$ (0.8)	$ (0.5)	$ —

Net restructuring credits of $0.8 million recorded in operations during 2000 consisted of $0.7 million in additional employee severance offset by a $1.5 million reversal related to lease terminations. An offsetting reduction of $0.6 million in adjustments was recorded at Broadwing Communications and was applied to goodwill as part of the purchase allocation associated with the Merger. This consisted of $0.4 million in additional employee separations and $0.2 million in additional exist costs. The adjustment of $0.1 million in 2001 is related to additional severance in excess of the initial estimate.

Total cash expenditures during 2002 amounted to $0.8 million. These restructuring activities were completed and closed in the third quarter of 2002, and the remaining reserve of $0.5 million related to facility closure costs was reversed as it was not needed.

4. Investments

Investments in Equity Method Securities

As of December 31, 2000, the market value of the Company's investment in Applied Theory Communications Inc. (a New York-based Internet service provider) was approximately $11.7 million, following the recording of an impairment charge on this security at the end of 2000. This impairment charge was recorded because the Company believed that the decrease in value of Applied Theory shares was "other than temporary."

The Company recorded a $4.0 million decrease in the value of the Applied Theory investment in 2001 as a result of the Company's use of the equity method of accounting. During 2001, the Company sold its shares of this investment and discontinued equity method accounting in May 2001 due to a decrease in its ownership percentage to less than 20%, the resignation of the Company's seat on Applied Theory's board of directors and the Company's belief that it no longer exerted significant influence over the operations of Applied Theory.

In accordance with SFAS 115, the Company reclassified this investment to a trading security in 2001. As such, fluctuations in the market value of Applied Theory were reflected in the Consolidated Statements of Operations and Comprehensive Income (Loss) under the caption "Loss (gain) on investments." Accordingly, the Company recognized pretax losses of $5.9 million, representing the difference between the market value and the Company's recorded basis of the investment. This investment was completely liquidated during 2001, generating proceeds of $1.8 million.

Investments in Marketable Securities

On November 2, 2001, Anthem Inc. ("Anthem"), a mutual insurance company in which the Company held various medical and vision insurance policies for coverage of its employees, converted from a mutual company to a publicly owned company in a transaction known as a demutualization. As a mutual company, the owners of Anthem were the policyholders. Upon demutualization, the Company was entitled to receive 459,223 shares, which represented the Company's ownership interest in the newly created stock enterprise. In 2001, the Company recorded a gain of $19.7 million based on the fair market value of the stock on the date of receipt in the Consolidated Statements of Operations and Comprehensive Income (Loss) under the heading "Other expense (income), net."

At December 31, 2001, the Company's investment in Anthem was classified as a "trading" security under the provisions of SFAS 115 and classified as a short-term investment on the balance sheet because it was the Company's intent to sell all shares of Anthem on the open market during January 2002. In accordance with SFAS 115, an increase of $3.0 million in Anthem's market value through December 31, 2001 was included in the Consolidated Statements of Operations and Comprehensive Income (Loss) under the caption "Loss (gain) on investments." In January 2002, the Company sold its entire investment in Anthem generating cash proceeds of $23.3 million and an additional gain of $0.6 million.

The Company's investment in Corvis Corporation, which was acquired in 2000, totaled zero at December 31, 2002 and 2001 and $190 million at December 31, 2000. The unrealized holding gain on Corvis included in "Other Comprehensive Income" as of December 31, 2000 totaled $132 million ($86 million, net of tax). The market value of the investment declined during 2001 by $69 million, net of taxes, before the Company completely hedged its exposure to this investment as described in Note 6. Therefore, upon delivery of the shares, the Company reclassified the remaining $17 million after tax ($26 million pretax) gain from "Other

Comprehensive Income" to "Loss (gain) on investments." Proceeds received from the complete liquidation of the holdings totaled $82 million in 2001.

The Company's investment in ZeroPlus.com, which was acquired in 1999, totaled $0.6 million as of December 31, 2000 and zero at the end of 2001. In 1999, the Company recorded a pretax unrealized holding gain of $13 million ($9 million net of tax). The market value of this investment declined throughout 2000. The change in the net unrealized holding gain, reflected in "Other Comprehensive Income (Loss)" over this period, was a pretax loss of $23 million ($15 million net of tax). There were no unrealized holding gains or losses as of December 31, 2000 as the Company recognized an "other than temporary" impairment of $10 million during the year. The Company liquidated its entire position in this security during 2001 for a realized loss of $0.6 million, receiving minimal proceeds.

The Company's investment in PSINet totaled $15 million as of December 31, 2000 and zero as of December 31, 2001 as the Company liquidated its entire investment through settlement of a forward sale (refer to Note 6) and sale of shares in the open market. The Company received proceeds of $28 million and recorded a realized pretax gain of $17 million in 2001 related to these transactions. The cost basis was calculated based on the related cost. There was no unrealized gain or loss related to the investment included in "Other Comprehensive Income" as of December 31, 2000 or 2001. During 1999, the Company recorded a pretax unrealized holding gain of $85 million, which was completely reversed during 2000 as the value of the investment declined. During 2000, the Company determined that its investment had been impaired and that the impairment was "other than temporary." Accordingly, the Company recorded a realized pretax loss totaling $342 million.

The Company's investment in PurchasePro, acquired in 1999, was liquidated in 2000 generating a realized pretax gain of $49 million, based on the related cost. Proceeds from the sale totaled $50 million during 2000.

Investments in Other Securities

The Company periodically enters into certain equity investments for the promotion of business and strategic objectives. A portion of these investments is in securities, which do not have readily determinable fair market values. These investments are recorded at cost based on specific identification. The carrying value of cost method investments was approximately $8 million and $16 million as of December 31, 2002 and 2001, respectively. The Company reviews these investments on a regular basis using external valuations and cash flow forecasts as factors in determining the existence of an "other than temporary" impairment. In the fourth quarter of 2002, the Company recorded a loss of $11 million on a cost based investment as the investment was determined to be "other than temporarily" impaired.

5. Debt

The Company's debt consisted of the following as of the dates below:

($ in millions)	December 31 2002	2001
Short-term debt:		
Capital lease obligations, current portion	$ 9.0	$ 11.2
Bank notes, current portion	172.1	118.8
Current maturities of long-term debt	20.0	20.0
Other short-term debt	2.6	—
Total short-term debt	$ 203.7	$ 150.0
Long-term debt:		
Bank notes, less current portion	$ 1,476.0	$ 1,828.2
9% Senior subordinated notes (Broadwing Communications)	46.0	46.0
6% Convertible subordinated debentures	502.8	470.5
Cincinnati Bell Telephone notes, less current portion	249.5	269.5
7% Senior secured notes	49.6	49.5
Capital lease obligations, less current portion	30.0	37.5
12% Senior notes (Broadwing Communications)	0.8	0.8
Total long-term debt	$ 2,354.7	$ 2,702.0

Average balances of short-term debt and related interest rates for the last three years are as follows:

($ in millions)	2002	2001	2000
Average amounts of short-term debt outstanding during the year*	$ 87.7	$ 83.9	$ 12.4
Maximum amounts of short-term debt at any month-end during the year	$ 203.7	$ 150.0	$ 17.8
Weighted average interest rate during the year**	4.4 %	5.2 %	8.4 %

* Amounts represent the average month-end face amount of notes.

** Weighted average interest rates are computed by multiplying the average monthly interest rate by the month-end face amount of the notes.

Bank Notes (Broadwing Inc.)

In November 1999, the Company obtained a $1.8 billion credit facility from a group of lending institutions. This credit facility was increased to $2.1 billion in January 2000 and increased again to $2.3 billion in June 2001. The total credit facility availability decreased to $1.825 billion as of December 31, 2002 following a $335 million prepayment of the outstanding term debt facilities in the first quarter of 2002 (resulting from the sale of substantially all of the assets of CBD), $5 million in scheduled repayments of the term debt facilities and $135 million in scheduled amortization of the revolving credit facility. As of December 31, 2002, the credit facility availability consisted of $765 million in revolving credit, maturing in various amounts during 2003 and 2004, $569 million in term loans from banking institutions, maturing in various amounts during 2003 and 2004,

and $491 million in term loans from non-banking institutions, maturing in various amounts between 2003 and 2007.

At December 31, 2002, the Company had drawn approximately $1.648 billion from the credit facility in order to refinance its existing debt and debt assumed as part of the Merger and fund its capital investment program and working capital needs. The amount refinanced included approximately $404 million borrowed in order to redeem a large portion of the outstanding 9% Senior Subordinated Notes assumed during the Merger as part of a tender offer and $391 million in outstanding debt of IXC assumed during the Merger. The tender offer was required under the change in control provision of the indenture governing the 9% Senior Subordinated Notes. At December 31, 2002, the Company had outstanding letters of credit totaling $13 million, leaving $164 million in additional borrowing capacity under the credit facility.

The Company is subject to financial covenants in association with the credit facility. These financial covenants require that the Company maintain certain debt to EBITDA (as defined in the credit facility agreement), senior secured debt to EBITDA, debt to capitalization, and interest coverage ratios. The facility also contains covenants, which, among other things, restrict the Company's ability to incur additional debt or liens; pay dividends; repurchase Company common stock; sell, lease, transfer or dispose of assets; make investments; and merge with another company. As of December 31, 2002, the Company was in compliance with all of the covenants of the credit facility.

In December 2001, the Company obtained an amendment to the credit facility to exclude substantially all of the charges associated with the November 2001 restructuring plan (refer to Note 3) from the covenant calculations. In March 2002, the Company obtained an additional amendment to allow for the sale of substantially all of the assets of CBD, exclude charges related to SFAS 142 (refer to Note 2), increase its ability to incur additional indebtedness and amend certain defined terms.

Historically, the credit facility was secured only by a pledge of stock certificates of certain subsidiaries of the Company. Upon downgrades of the Company's corporate credit rating in the first quarter of 2002, the Company became obligated to provide certain subsidiary guarantees and liens on the assets of the Company and certain subsidiaries in addition to the pledge of the stock certificates of the subsidiaries. In May 2002, the Company obtained an amendment to the credit facility to exclude certain subsidiaries from the obligation to secure the credit facility with subsidiary guarantees and asset liens, extend the time to provide required collateral and obtain the ability to issue senior unsecured indebtedness and equity under specified terms and conditions. The amendment also placed additional restrictions on the Company under the covenants related to indebtedness and investments, required the Company to transfer its cash management system to a wholly-owned subsidiary and increased the interest rates on the total credit facility by 50 basis points. In December 2002, the Company obtained a waiver to exclude charges related to SFAS 144 from its pertinent covenant calculations through March 30, 2003. In March 2003, as discussed in Note 21, the Company amended its credit facility to, among other things, exclude charges related to SFAS 144 going forward.

The interest rates charged on borrowings from this credit facility as of December 31, 2002 can range from 150 to 350 basis points above the London Interbank Offering Rate ("LIBOR") and were at 275 to 325 basis points above LIBOR, or 4.13% to 4.63%, as of December 31, 2002, respectively, based on the Company's credit rating. The Company incurs commitment fees in association with this credit facility ranging from 37.5 basis points to 75 basis points of the unused amount of borrowings of the revolving credit facility. In 2002, these commitment fees amounted to approximately $1 million.

9% Senior Subordinated Notes (Broadwing Communications)

In 1998, the former IXC (now Broadwing Communications) issued $450 million of 9% senior subordinated notes due 2008 ("the 9% notes"). In January 2000, $404 million of these 9% notes were redeemed through a tender offer as a result of the change of control provision of the related indenture. Accordingly, $46 million of the 9% notes remain outstanding at December 31, 2002.

The 9% notes are general unsecured obligations of Broadwing Communications and are not guaranteed by Broadwing Inc. The 9% notes are subordinate in right of payment to all existing and future senior indebtedness of Broadwing Communications and its subsidiaries. The 9% notes indenture includes a limitation on the amount of indebtedness that Broadwing Communications can incur based upon the maintenance of either debt to operating cash flow or debt to capital ratios. The 9% notes indenture also provides that if Broadwing Communications incurs any additional indebtedness secured by liens on its property or assets that are subordinate to or equal in right of payment with the 9% notes, then Broadwing Communications must secure the outstanding 9% notes equally and ratably with such indebtedness. As of December 31, 2002, Broadwing Communications had the ability to incur additional debt.

6% Convertible Notes (Broadwing Inc.)

In July 1999, Broadwing Inc. entered into an agreement with Oak Hill Capital Partners, L.P.pursuant to which Oak Hill Partners agreed to purchase $400 million of Broadwing's 6% Convertible Subordinated Notes Due 2009 (the "6% Notes"). The original indenture stated that prior to July 21, 2004, cash interest would not accrue or be payable on the 6% Notes, but the 6% Notes will accrete on a daily basis, compounded semi-annually on January 21 and July 21 of each year, at the rate of 6% per annum. The original indenture also stated that after July 21, 2004, the interest would be paid in cash on the accreted value of the 6% Notes semi-annually on January 21 and July 21 of each year, commencing on January 21, 2005. As of December 31, 2002, the Company had recorded $102.8 million in cumulative, non-cash interest expense and has adjusted the carrying amount of the 6% Notes accordingly. During the years ended December 31, 2002, 2001, and 2000, non-cash interest expense totaled $32 million, $31 million, and $28 million, respectively, related to the 6% Notes. At the option of the holder, the 6% Notes are convertible into Broadwing Common Stock at an initial conversion price of $29.89 per common share.

The commencement of, or consent to, any involuntary or voluntary bankruptcy proceeding with respect to Broadwing, or any of its significant subsidiaries would constitute an event of default under the 6% Notes, pursuant to which the accreted value and all accrued interest on the 6% Notes would automatically become immediately due and payable.

Cincinnati Bell Telephone Notes

CBT has $270 million in corporate notes outstanding that are guaranteed by Broadwing Inc. These notes, which are not guaranteed by other subsidiaries of Broadwing Inc., have original maturities of 30 to 40 years and mature at various intervals between 2003 and 2028. In August 2002, $20 million of the CBT notes matured and were retired by the Company. As of December 31, 2002, $249.5 million ($250 million face amount, net of unamortized discount of $0.5 million) was considered long-term indebtedness. Interest rates on this indebtedness range from 6.24% to 7.27%. These notes also contain a covenant that provides that if CBT incurs certain liens on its property or assets, CBT must secure the outstanding notes equally and ratably with the indebtedness or obligations secured by such liens.

7% Senior Secured Notes (Broadwing Inc.)

In 1993, Broadwing Inc. issued $50 million of 7% senior secured notes due 2023 (the "7% notes"). The indenture related to these 7% notes does not subject the Company to restrictive financial covenants. However, the 7% notes do contain a covenant that provides that if the Parent Company Broadwing Inc. incurs certain liens on its property or assets, Broadwing Inc., excluding its subsidiaries, must secure the outstanding notes equally and ratably with the indebtedness or obligations secured by such liens. The 7% notes are secured with the assets of the Parent Company Broadwing Inc., excluding its subsidiaries. By virtue of the lien granted under the Company's bank credit facility, assets of the Parent Company Broadwing Inc., with a negative net book value, have been pledged as collateral. As of December 31, 2002, $49.6 million ($50 million face amount, net of unamortized discount of $0.4 million) of the 7% notes remain outstanding.

Capital Lease Obligations

The Company leases facilities and equipment used in its operations, some of which are required to be capitalized in accordance with Statement of Financial Accounting Standard No. 13, "Accounting for Leases" ("SFAS 13"). SFAS 13 requires the capitalization of leases meeting certain criteria, with the related asset being recorded in property, plant and equipment and an offsetting amount recorded as a liability. The Company had $39.0 million in total indebtedness relating to capitalized leases as of December 31, 2002, $30.0 million of which was considered long-term.

12 % Senior Notes (Broadwing Communications)

As of December 31, 2002, Broadwing Communications had outstanding $0.8 million of 12% senior notes maturing in 2005. These notes are not guaranteed by Broadwing Inc.

Other Short-Term Debt

The Company maintains a short-term revolving vendor financing arrangement for its IT Consulting business, which had an outstanding balance of $2.6 million as of December 31, 2002. The Company has the ability to borrow up to $6.0 million under this arrangement, which is secured by an irrevocable $2.0 million letter of credit against its revolving credit facility. The interest rate charged on the borrowings is variable based on the prime rate and was 6.0% as of December 31, 2002. The agreement expires on June 21, 2003.

Debt Maturity Schedule

The following table summarizes the Company's annual maturities of debt and minimum payments under capital leases for the five years subsequent to December 31, 2002, and thereafter:

($ in millions)	Long-Term Debt	Capital Leases	Total Debt
Year of Maturity			
2003	$ 194.7	$ 9.0	$ 203.7
2004	995.0	5.9	1,000.9
2005	25.0	3.4	28.4
2006	403.0	2.4	405.4
2007	73.1	2.3	75.4
Thereafter (net of unamortized discount of $0.9 million)	828.6	16.0	844.6
	2,519.4	39.0	2,558.4
Less current portion	194.7	9.0	203.7
Total long-term debt	$ 2,324.7	$ 30.0	$ 2,354.7

Interest expense recognized on the Company's debt is as follows:

($ in millions) Year ended December 31	2002	2001	2000
Interest expense:			
Long-term debt	$ 155.6	$ 159.6	$ 157.1
Short-term debt	3.5	2.5	1.1
Other	5.1	6.0	5.4
Total	$ 164.2	$ 168.1	$ 163.6

The decrease in interest expense on long-term debt is due to lower average debt levels resulting primarily from the sale of CBD, reclassification of long-term debt to short-term debt, and lower average interest rates in 2002 compared to 2001. Interest on long-term debt is net of the capitalization of $9 million, $24 million, and $25 million in interest expense in 2002, 2001 and 2000, respectively. Interest on short-term debt increased in 2002 compared to 2001 as the result of $81.1 million of the credit facility, previously classified as long-term, becoming current at different intervals throughout the year. Additionally, short-term debt related to the credit facility was zero in the first half of 2001 compared to an average balance of approximately $50 million in the first half of 2002. These increases in short-term interest were partially offset by lower interest rates in 2002. Other interest expense pertains primarily to capitalized leases, which decreased in 2002 as a result of a decrease in capital lease obligations.

6. Financial Instruments

The Company adopted Statement of Financial Accounting Standard SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133") on January 1, 2001. SFAS 133 requires that all derivative instruments be recognized on the balance sheet at fair value. Fair values are determined based on quoted market prices of comparable instruments, if available, or on pricing models using current assumptions. On the date the financial instrument is entered into, the Company designates it as either a fair value or cash flow hedge.

Upon adoption of SFAS 133 on January 1, 2001, offsetting transition adjustments related to the PSINet forward sale and the underlying six million shares of PSINet (further described below) were reclassified from other comprehensive income (loss) to net loss. Accordingly, there was no net cumulative effect adjustment to either net loss or other comprehensive income (loss) related to these items.

As of December 31, 2002, the Company's derivative contracts consisting solely of interest rate contracts have been determined to be highly effective cash flow hedges. In accordance with SFAS 133, unrealized gains and losses of highly effective cash flow hedges are recorded in other comprehensive income (loss) until the underlying transaction is executed.

Interest Rate Contracts

From time to time the Company enters into interest rate swap agreements with the intent of limiting its exposure to movements in interest rates. Interest rate swap agreements are contractual agreements between two parties for the exchange of interest payment streams on a notional principal amount at an agreed upon fixed or floating rate, for a defined time period. These agreements are hedges against movements in the LIBOR rate, which determines the rate of interest paid by the Company on debt obligations under its credit facility (refer to Note 5). Realized gains and losses from the interest rate swaps are recognized as an adjustment to interest expense in each period. The interest rate swap agreements in place as of December 31, 2002 expire throughout 2003. At December 31, 2002, the interest rate swaps on notional amounts of $400 million were a liability with a fair value of $7.2 million, resulting in inception-to-date, after-tax net losses in other comprehensive income (loss) ("OCI") of $4.5 million. During 2002, the fair value of the interest rate swaps increased, causing a decrease to the associated liability carried on the balance sheet to $7.2 million from a liability of $11.5 million at December 31, 2001. Accordingly, a year-to-date, after-tax net gain of $2.9 million was recognized in OCI.

Marketable Equity Forward Contracts

From time to time the Company enters into forward contracts on the sale of marketable equity securities held in the Company's investment portfolio. It is the Company's intent to manage its exposure to fluctuations in U.S. equity markets related to these investments. Forward contracts are contractual agreements between two parties for the sale of borrowed shares to be settled by delivery of the equivalent number of shares owned by the Company at an agreed upon future date.

Corvis Corporation - During the first half of 2001, the Company entered into a forward sale contract with a financial institution to hedge its investment in eight million shares of Corvis Corporation in order to minimize its exposure to share price fluctuations on shares for which sales in the open market were restricted. In the first quarter, the Company received a $42.7 million prepayment in connection with the forward sale contract, which was accounted for as a note payable and collateralized by 2.6 million of the forward sold shares.

During the third quarter of 2001, the Company delivered eight million shares in settlement of the forward sale, receiving additional proceeds of $39.2 million, for a total of $81.9 million. The $42.7 million note payable was repaid and the Company recognized a gain of approximately $26 million ($17 million net of tax) upon settlement of the entire transaction.

PSINet - In June and July 1999, Broadwing Communications received approximately $111.8 million representing amounts from a financial institution in connection with two prepaid forward sale contracts on six million shares of PSINet common stock. This amount was accounted for as notes payable and was collateralized by six million shares of PSINet common stock owned by the Company. Given the significant decline in the value of PSINet common stock during 2000, the Company adjusted the carrying value of this liability to approximately $3 million during the fourth quarter of 2000. This adjustment resulted in an

unrealized gain on the liability that substantially offset the unrealized loss recorded in "Other comprehensive income (loss)" on the underlying six million shares of PSINet being hedged.

In 2001, the Company designated this arrangement as a fair value hedge with both the underlying shares reclassified to trading securities under SFAS 115 and related forward sale liability subject to mark-to-market adjustments through the income statement each period. During the first quarter of 2001, the Company settled the forward sale liability for approximately 5.8 million shares of PSINet common stock. The difference between the six million shares collateralized and the 5.8 million shares required to settle the liability were sold in the open market, generating a pretax gain of $0.5 million.

7. Concentration of Credit Risk and Major Customers

The Company may be subject to credit risk due to concentrations of receivables from companies that are communications providers, Internet service providers and cable television companies. The Company performs ongoing credit evaluations of customers' financial condition and typically does not require significant collateral.

Revenue from the Company's ten largest customers accounted for approximately 20%, 23%, and 22% of total revenue in 2002, 2001 and 2000 respectively. Four of the Company's ten largest customers were in Chapter 11 bankruptcy proceedings as of December 31, 2002. Total revenue from these four customers approximated 8% of consolidated revenue during 2002. Revenue from these bankrupt customers generated by the amortization of IRU agreements and the early termination of two IRUs (refer to Note 1) approximated 4% of consolidated revenue during in 2002. In addition, a significant portion of the Company's total revenue is derived from telecommunications carriers. Revenue from telecommunications carriers accounted for 33% of total revenue in 2002 and 39% of total revenue in 2001 and 2000.

As discussed in Note 1 and Note 20, the Company had an unbilled account receivable of $50.5 million, as of December 31, 2002, from a single customer that was in dispute.

8. Minority Interest

	December 31	
($ in millions)	**2002**	**2001**
Minority interest consists of:		
Broadwing Communications 12% Exchangeable Preferred Stock	$ 414.4	$ 417.8
Minority Interest in Cincinnati Bell Wireless held by AWS	27.7	15.5
Other	1.8	2.4
Total	$ 443.9	$ 435.7

As of December 31, 2002, Broadwing Communications had 395,210 shares of 12% Junior Exchangeable Preferred Stock ("12% Preferreds") that were carried on the Company's balance sheet at $414.4 million. The 12% Preferreds are mandatorily redeemable on August 15, 2009 at a price equal to their liquidation preference of $1,000 a share, plus accrued and unpaid dividends, which amounted to $426.1 million at December 31, 2002 including accrued dividends of $30.9 million. Through November 15, 1999, dividends on the 12% Preferreds were being effected through additional shares of the 12% Preferreds. On November 16, 1999, the Company converted to a cash pay option for these dividends. Dividends on the 12% Preferreds are classified as "Minority interest expense" in the Consolidated Statements of Operations and Comprehensive Income (Loss) and were $49.4 million in 2002, 2001 and 2000. At the Merger date, and as part of purchase accounting, the

12% Preferreds were adjusted to a fair market value exceeding the redemption value. As such, the accretion of the difference between the new carrying value and the mandatory redemption value is treated as an offsetting reduction to minority interest expense over the remaining life of the preferred stock.

In 2002, Broadwing Communications Inc. announced that it would defer the August 15, 2002 and November 15, 2002 cash dividend payments on its 12% preferred stock, in accordance with the terms of the security, conserving $24.7 million in cash during the third and fourth quarters of 2002. The dividend will accrue, and therefore will continue to be presented as minority interest expense on the Company's Consolidated Statements of Operations and Comprehensive Income (Loss). The status of future quarterly dividend payments on the 12% preferred stock will be determined quarterly by the Broadwing Communications' board of directors.

AT&T Wireless Services Inc. ("AWS") maintains a 19.9% ownership in CBW. The balance is adjusted as a function of AWS's 19.9% share of the net income (or loss) of CBW, with an offsetting amount being reflected in the Consolidated Statements of Operations and Comprehensive Income (Loss) under the caption "Minority interest expense."

9. Common and Preferred Shares

Common Shares

The par value of the Company's common shares is $.01 per share. At December 31, 2002 and 2001, common shares outstanding were 218.7 million and 218.1 million, respectively. In July 1999, the Company's Board of Directors approved a share repurchase program authorizing the repurchase of up to $200 million of common shares of the Company. The 218.7 million shares of Company common shares outstanding at December 31, 2002, are net of approximately 7.9 million shares that were repurchased by the Company under its share repurchase program and certain management deferred compensation arrangements for a total cost of $145.7 million.

Preferred Share Purchase Rights Plan

In the first quarter of 1997, the Company's Board of Directors adopted a Share Purchase Rights Plan by granting a dividend of one preferred share purchase right for each outstanding common share to shareowners of record at the close of business on May 2, 1997. Under certain conditions, each right entitles the holder to purchase one-thousandth of a Series A Preferred Share. The rights cannot be exercised or transferred apart from common shares, unless a person or group acquires 15% or more or 20% or more for certain groups of the Company's outstanding common shares. The rights will expire May 2, 2007, if they have not been redeemed. The plan was amended in 2002. Under the original plan, no single entity was allowed to hold 15% of Broadwing's outstanding shares. The amendment increased the allowed threshold from 15% to 20% for an investment adviser within the meaning of the Investment Advisers Act of 1940, and/or its affiliates.

Preferred Shares

The Company is authorized to issue 1,357,299 voting preferred shares without par value and 1,000,000 nonvoting preferred shares without par value.

In connection with the Merger, the Company issued 155,250 voting shares of 6% cumulative convertible preferred stock at stated value. These shares were subsequently deposited into a trust in which the underlying 155,250 shares are equivalent to 3,105,000 depository shares. Shares of this preferred stock can be converted at

any time at the option of the holder into common stock of the Company at a conversion rate of 1.44 shares of Company common stock per depository share of 6% convertible preferred stock. Dividends on the 6% convertible preferred stock are payable quarterly in arrears in cash, or common stock in certain circumstances if cash payment is not legally permitted. The liquidation preference on the 6% preferred shares is $1,000 per share (or $50 per depository share).

Also in connection with the Merger, the Company issued approximately 1,074,000 shares of 7% junior convertible preferred stock due 2007 valued at $234.5 million. Pursuant to the Company's March 21, 2000 redemption offer, the outstanding preferred shares were converted into common shares of the Company at a rate of 8.945 common shares for each preferred share, creating approximately 9.5 million additional common shares in April of 2000. Approximately 100 preferred shares were redeemed for an immaterial amount of cash in order to complete the Company's obligations related to this preferred stock.

10. Earnings (Loss) Per Common Share from Continuing Operations

Basic earnings (loss) per common share from continuing operations ("EPS") is based upon the weighted average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution that would occur if common stock equivalents were exercised, but only to the extent that they are considered dilutive to the Company's earnings. The following table is a reconciliation of the numerators and denominators of the basic and diluted EPS computations for earnings (loss) from continuing operations for the following periods:

	Year Ended December 31		
(except per share amounts)	**2002**	**2001**	**2000**
Numerator:			
Loss from continuing operations before discontinued operations and cumulative effect of change in accounting principle	$ (2,431.2)	$ (315.8)	$ (403.3)
Preferred stock dividends	10.4	10.4	8.1
Numerator for EPS and EPS assuming dilution - loss applicable to common shareowners	$ (2,441.6)	$ (326.2)	$ (411.4)
Denominator:			
Denominator for basic EPS - weighted average common shares outstanding	218.4	217.4	211.7
Potential dilution:			
Stock options	—	—	—
Stock-based compensation arrangements	—	—	—
Denominator for diluted EPS per common share	218.4	217.4	211.7
Basic and Diluted EPS from continuing operations	$ (11.18)	$ (1.50)	$ (1.95)

Because the effect of their inclusion in the EPS calculation would be anti-dilutive, approximately 0.7 million additional shares related to "in-the-money" stock options and restricted stock are not included in the denominator of the EPS calculation. The total number of potential additional shares outstanding related to stock options, restricted stock and the assumed conversion of the Company's 6% convertible preferred stock and 6% convertible subordinated debentures was approximately 58 million, 51 million and 47 million at December 31, 2002, 2001 and 2000, respectively, if all stock options currently outstanding were exercised and all convertible securities were to convert.

11. Income Taxes

Income tax provision (benefit) from continuing operations consists of the following:

	Year ended December 31		
($ in millions)	2002	2001	2000
Current:			
Federal	$ (38.1)	$ (15.8)	$ 0.3
State and local	(1.9)	0.9	0.9
Total current	(40.0)	(14.9)	1.2
Investment tax credits	(0.4)	(0.4)	(0.4)
Deferred:			
Federal	(767.7)	(78.7)	(147.0)
State and local	(178.7)	(38.3)	(65.5)
Total deferred	(946.4)	(117.0)	(212.5)
Valuation allowance	1,092.5	35.8	30.1
Total	$ 105.7	$ (96.5)	$ (181.6)

Federal income tax refunds have been reflected as a current benefit, similar amounts have been reclassified in the prior year to reflect a consistent presentation.

The following is a reconciliation of the statutory federal income tax rate with the effective tax rate applied to continuing operations for each year:

	2002	2001	2000
U.S. federal statutory rate	35.0 %	35.0 %	35.0 %
State and local income taxes, net of federal income tax benefit	5.2	6.3	7.0
Change in valuation allowance	(44.3)	(6.1)	(3.2)
Amortization of nondeductible intangible assets	—	(6.1)	(4.2)
Dividends on 12% exchangeable preferred stock	(0.7)	(3.9)	(2.8)
Other differences, net	0.2	(1.8)	(0.8)
Effective rate	(4.6) %	23.4 %	31.0 %

The total income tax expense (benefit) realized by the Company consists of the following:

	Year ended December 31		
($ in millions)	2002	2001	2000
Income tax provision (benefit) related to:			
Continuing operations	$ 105.7	$ (96.5)	$ (181.6)
Discontinued operations	119.7	16.3	15.6
Other comprehensive loss	(1.7)	(50.2)	(54.4)
Cummulative effect of change in accounting principle	(5.8)	—	—
Total income tax provision (benefit)	$ 217.9	$ (130.4)	$ (220.4)

The Company recognized an income tax benefit from the exercise of certain stock options in 2002, 2001, and 2000 of $2.5 million, $19.5 million and $40.2 million, respectively. This benefit resulted in a decrease in current income taxes payable and an increase in additional paid in capital.

The components of the Company's deferred tax assets and liabilities are as follows:

	Year Ended December 31	
($ in millions)	**2002**	**2001**
Deferred tax assets:		
Net operating loss carryforwards	$ 426.5	$ 300.7
Depreciation and amortization	582.2	—
Unearned revenue	86.4	159.0
Investments	—	55.0
Restructuring related items	24.3	108.4
Other	76.8	69.7
Total deferred tax assets	1,196.2	692.8
Valuation allowance	(1,189.0)	(82.4)
Net deferred income tax assets	7.2	610.4
Deferred tax liabilities:		
Depreciation and amortization	—	352.2
Investments	10.2	—
Other	22.9	13.6
Total deferred tax liabilities	33.1	365.8
Net deferred tax asset (liability)	$ (25.9)	$ 244.6

As of December 31, 2002, the Company had approximately $822.0 million of federal operating loss tax carryforwards, with a deferred tax asset value of $287.7 million, and $138.8 million in deferred tax assets related to state and local operating loss tax carryforwards. Tax loss carryforwards will generally expire between 2010 and 2021. U.S. tax laws limit the annual utilization of tax loss carryforwards of acquired entities. These limitations should not materially impact the utilization of the tax carryforwards.

The Company had a valuation allowance of $1,189.0 million and $82.4 million for the years ended December 31, 2002 and 2001, respectively. The valuation allowance is necessary due to the uncertainty of the ultimate realization of such future benefits.

In evaluating the amount of valuation allowance required, the Company considered prior operating results, future taxable income projections, expiration dates of net operating loss carryforwards and ongoing prudent and feasible tax planning strategies. Based upon this evaluation, which included the uncertainty surrounding the Company's Broadband segment, the Company determined that the realization of certain deferred tax assets (including federal and state tax loss carryforwards) were not considered to be more likely than not, and therefore provided a valuation allowance. In the event that the Company determines that it is more likely than not that the deferred assets will be realized, an adjustment to the deferred tax asset would be recorded, which would positively impact net income in the period such determination was made. The Company is pursuing several alternatives and the resolution of uncertainties related to BCI that may result in the realization of these reserved tax assets.

12. Employee Benefit Plans

Pension and Postretirement Plans

The Company sponsors three noncontributory defined benefit pension plans: one for eligible management employees, one for nonmanagement employees and one supplementary, nonqualified, unfunded plan for certain senior executives.

The management pension plan is a cash balance plan in which the pension benefit is determined by a combination of compensation-based credits and annual guaranteed interest credits. The nonmanagement pension plan is also a cash balance plan in which the pension benefit is determined by a combination of service and job-classification-based credits and annual interest credits. Benefits for the supplementary plan are based on years of service and eligible pay. Funding of the management and nonmanagement plans is achieved through contributions to an irrevocable trust fund. The contributions are determined using the aggregate cost method. The Company uses the projected unit credit cost method for determining pension cost for financial reporting purposes.

The Company also provides health care and group life insurance benefits for retirees with a service pension. The Company funds certain group life insurance benefits through Retirement Funding Accounts and funds health care benefits and other group life insurance benefits using Voluntary Employee Benefit Association ("VEBA") trusts. It is the Company's practice to fund amounts as deemed appropriate from time to time. Contributions are subject to IRS limitations developed using the aggregate cost method. The associated plan assets are primarily equity securities and fixed income investments. The Company recorded an accrued postretirement benefit liability of approximately $55 million and $51 million at December 31, 2002 and 2001, respectively, which is included in the caption titled "Other noncurrent liabilities" on the Consolidated Balance Sheets.

The following information relates to all Company noncontributory defined-benefit pension plans, post-retirement health care, and life insurance benefit plans. Pension and post-retirement benefit costs are as follows:

	Pension Benefits			Postretirement and Other Benefits		
($ in millions) Year ended December 31	**2002**	**2001**	**2000**	**2002**	**2001**	**2000**
Service cost (benefits earned during the period)	$ 11.4	$ 11.7	$ 5.5	$ 1.4	$ 1.3	$ 1.2
Interest cost on projected benefit obligation	31.2	31.4	32.0	15.2	15.4	15.4
Expected return on plan assets	(45.7)	(46.4)	(43.3)	(8.8)	(10.1)	(11.0)
Curtailment loss	0.2	3.9	0.1	—	—	—
Amortization of:						
Transition (asset)/obligation	(2.4)	(2.4)	(2.4)	4.2	4.8	4.8
Prior service cost	3.2	3.1	2.0	0.6	0.3	0.3
Net gain	(5.9)	(8.0)	(3.7)	—	(0.3)	(1.0)
Actuarial (income) expense	$ (8.0)	$ (6.7)	$ (9.8)	$ 12.6	$ 11.4	$ 9.7

At December 31, 2002, the Company maintained a prepaid pension asset of approximately $66 million related to one of its pension plans. During 2002, the value of the assets held in the Company's pension and postretirement trusts decreased approximately 22% as general equity market conditions deteriorated and benefit payments continued. The asset decline is expected to increase the Company's 2003 non-cash operating expenses by approximately $20 million. The Company does not expect to make cash funding contributions to the pension trust in 2003, but anticipates a cash contribution of approximately $8 million in 2004.

Reconciliation of the beginning and ending balance of the plans' funded status were:

	Pension Benefits		Postretirement and Other Benefits	
($ in millions) Year ended December 31	**2002**	**2001**	**2002**	**2001**
Change in benefit obligation:				
Benefit obligation at January 1	$ 458.8	$ 439.6	$ 209.4	$ 210.0
Service cost	11.4	11.7	1.4	1.3
Interest Cost	31.2	31.4	15.2	15.4
Amendments (gain) loss	2.7	14.6	10.4	(6.9)
Actuarial loss	25.6	16.3	23.8	8.5
Benefits paid	(50.3)	(56.9)	(21.7)	(18.9)
Curtailment (gain) loss	(2.0)	2.1	-	-
Benefit obligation at December 31	$ 477.4	$ 458.8	$ 238.5	$ 209.4
Change in plan assets:				
Fair value of plan assets at January 1	$ 517.2	$ 611.1	$ 114.4	$ 129.2
Actual return on plan assets	(62.2)	(40.6)	(12.9)	(3.2)
Employer contribution	3.2	3.6	8.3	7.3
Benefits paid	(50.3)	(56.9)	(21.7)	(18.9)
Fair value of plan assets at December 31	$ 407.9	$ 517.2	$ 88.1	$ 114.4
Reconciliation to Balance Sheet:				
Funded (unfunded) status	$ (69.5)	$ 58.4	$ (150.4)	$ (95.0)
Unrecognized transition (asset) obligation	(5.2)	(7.5)	42.1	46.3
Unrecognized prior service cost	32.5	33.2	11.9	2.1
Unrecognized net (gain loss)	86.9	(50.6)	41.3	(4.2)
	$ 44.7	$ 33.5	$ (55.1)	$ (50.8)

The combined net prepaid benefit expense consists of:

	Pension Benefits	
($ in millions) Year ended December 31	**2002**	**2001**
Prepaid benefit cost	$ 66.2	$ 59.6
Accrued benefit liability	(53.6)	(31.8)
Intangible asset	19.1	0.7
Accumulated other comprehensive income	13.0	5.0
Net amount recognized	$ 44.7	$ 33.5

At December 31, 2002 and 2001, respectively, pension plan assets include $5 million and $13 million in Company common stock.

The following are the weighted average assumptions as of December 31:

	Pension Benefits			Postretirement and Other Benefits		
	2002	2001	2000	2002	2001	2000
Discount rate - projected benefit obligation	6.50 %	7.25 %	7.50 %	6.50 %	7.25 %	7.50 %
Expected long-term rate of return on Pension and VEBA plan assets	8.25 %	8.25 %	8.25 %	8.25 %	8.25 %	8.25 %
Expected long-term rate of return on retirement fund account assets	—	—	—	8.00 %	8.00 %	8.00 %

The assumed health care cost trend rate used to measure the postretirement health benefit obligation at December 31, 2002, was 7.69% and is assumed to decrease gradually to 4.81% by the year 2006. In addition, a one-percentage point change in assumed health care cost trend rates would have the following effect on the post-retirement benefit costs and obligation:

($ in millions)	1% Increase	1% Decrease
2002 service and interest costs	$ 0.5	$ (0.5)
Post-retirement benefit obligation at December 31, 2002	$ 8.3	$ (7.3)

Savings Plans

The Company sponsors several defined contribution plans covering substantially all employees. The Company's contributions to the plans are based on matching a portion of the employee contributions, on a percentage of employee earnings, or on net income for the year in 2000. Company and employee contributions are invested in various investment funds at the direction of the employee. Total Company contributions to the defined contribution plans were $8.8 million, $10.3 million, and $7.2 million for 2002, 2001, and 2000, respectively.

13. Stock-Based Compensation Plans

During 2002 and in prior years, certain employees and directors of the Company were granted stock options and other stock-based awards under the Company's Long-Term Incentive Plan ("Company LTIP"). In addition, during 2001, the Company converted a special equity bonus plan based on share price appreciation, to a stock appreciation rights plan under the Company LTIP. The plan, created for a limited number of individuals involved in the Merger, granted 574,000 stock appreciation rights with a strike price of $16.7813 and a cap of $25.4063. Under the Company LTIP, options are granted with exercise prices that are no less than market value of the stock at the grant date. Generally, stock options and stock appreciation rights have ten-year terms and vesting terms of three to five years. The number of shares authorized and available for grant under this plan were approximately 50.0 million and 13.5 million, respectively, at December 31, 2002.

Presented below is a summary of the status of outstanding Company stock options issued to employees, options issued in the Merger and related transactions (shares in thousands):

	Shares	Weighted Average Exercise Price
Company options held by employees at January 1, 2000	28,702	$ 15.81
Granted to employees	6,409	$ 30.84
Exercised	(4,745)	$ 14.17
Forfeited/expired	(3,607)	$ 22.74
Company options held by Employees at December 31, 2000	26,759	$ 18.54
Granted to employees	14,207	$ 15.96
Exercised	(2,266)	$ 9.52
Forfeited/expired	(4,931)	$ 23.09
Company options held by Employees at December 31, 2001	33,769	$ 17.40
Granted to employees	8,142	$ 3.71
Exercised	(219)	$ 3.71
Forfeited/expired	(5,205)	$ 18.55
Company options held by Employees at December 31, 2002	36,487	$ 14.80

The following table summarizes the status of Company stock options outstanding and exercisable at December 31, 2002 (shares in thousands):

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Shares	Weighted Average Remaining Contractual Life in Years	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
$1.44 to $9.65	14,552	8.66	$ 6.56	3,332	$ 7.78
$9.90 to $16.78	11,129	5.92	$ 15.54	8,615	$ 15.21
$17.50 to $24.94	9,187	7.29	$ 23.18	6,367	$ 23.06
$24.97 to $38.19	1,619	6.95	$ 36.20	861	$ 36.22
Total	36,487	7.40	$ 14.80	19,175	$ 17.47

In 2002, there were no restricted stock awards. During 2001 and 2000 restricted stock awards were 65,000 shares and 362,184 shares, respectively. The weighted average market value of the shares on the grant date was $24.41 in 2001 and $25.54 in 2000. Restricted stock awards generally vest within one to five years. Total compensation expense for restricted stock awards during 2002, 2001, and 2000 was $3.8 million, $6.1 million, and $3.8 million, respectively.

In January 1999, the Company announced stock option grants to each of its then existing employees (approximately 3,500). According to the terms of this program, stock option grant recipients remaining with the Company until January 2002 could exercise their options to purchase up to 500 common shares each at an exercise price of $16.75. This plan also includes a provision for option grants to employees hired after the January 1999 grant date, in smaller amounts and at an exercise price based on the month of hire (e.g., employees hired during 2001 received options to purchase up to 300 common shares of the Company). Grant recipients must exercise their options within ten years of the date of grant. The Company does not expect a significant amount of dilution as a result of this grant.

In December 2001, the Company announced an additional stock option grant to a majority of its management employees. Each eligible employee was granted 300 options to purchase common shares at an exercise price of

$9.645. The options vest over a period of three years and expire ten years from the date of grant. The Company does not expect a significant amount of dilution as a result of this grant.

14. Discontinued Operations

On March 8, 2002, the Company sold substantially all of the assets of its CBD subsidiary to a group of investors for $345 million in cash and a 2.5% equity stake in the newly formed entity. CBD published Yellow Pages directories and sold directory advertising and informational services in Cincinnati Bell Telephone's local service area. In the first quarter of 2002, the Company recorded a pre-tax gain of $328.3 million ($211.8 million, net of taxes), in the Consolidated Statements of Operations and Comprehensive Income (Loss) under the caption "Income from discontinued operations, net of taxes."

On May 23, 2000, the Company completed the sale of its Cincinnati Bell Supply ("CBS") subsidiary.

The Consolidated Financial Statements and the Company's Other segment have been restated to reflect the dispositions of CBD and CBS as discontinued operations under SFAS 144 and APB 30, respectively. Accordingly, revenue, costs, expenses, assets, liabilities and cash flows of CBD and CBS have been reported as "Income from discontinued operations, net of taxes," "Assets of discontinued operations," "Liabilities of discontinued operations," "Net cash provided by (used in) discontinued operations," "Gain from sale of discontinued operations, net of taxes", or "Proceeds from sale of discontinued operations, net of taxes" for all periods presented.

Selected financial information for the discontinued operations is as follows:

	2002	2001	2000
Results of Operations:			
Revenue	$ 15.7	$ 78.9	$ 89.6
Income from discontinued operations prior to sale	9.0	45.9	41.9
Gain on sale of discontinued operations	328.3	—	1.1
Income tax provision *	119.7	16.3	16.0
Income from discontinued operations, net of tax	$ 217.6	$ 29.6	$ 27.0

* 2002 includes $116.5 expense on disposition of discontinued operations

The effective tax rates for discontinued operations in 2002, 2001, and 2000 were 35.5%, 36%, and 37%, respectively.

15. Additional Financial Information

Balance Sheet

($ in millions) Year ended December 31	2002	2001	Depreciable Lives (Years)
Property, plant and equipment:			
Land and rights of way	$ 6.3	$ 159.3	20 - Indefinite
Buildings and leasehold improvements	190.9	393.0	2 - 40
Telephone plant	2,020.3	1,962.3	3 - 29
Transmission facilities	116.4	2,162.7	2 - 20
Furniture, fixtures, vehicles, and other	154.3	205.3	8 - 20
Construction in process	39.5	257.1	—
Subtotal	2,527.7	5,139.7	
Less: Accumulated depreciation	(1,659.8)	(2,080.4)	
Property, plant and equipment, net*	$ 867.9	$ 3,059.3	

($ in millions) Year ended December 31	2002	2001	Amortization Lives (Years)
Other intangibles:			
Assembled workforce	$ —	$ 24.0	2 - 4
Installed customer base	—	399.0	2 - 20
Pension related	19.1	0.7	2 - 40
FCC License	38.4	38.4	Indefinite
Roaming and Tradename Agreements	14.1	14.1	2 - 40
Other intangibles	0.2	3.4	2 - 40
Subtotal	71.8	479.6	
Less: Accumulated amortization	(4.9)	(83.3)	
Other intangibles, net	$ 66.9	$ 396.3	

Other current liabilities:		
Accrued payroll and benefits	$ 24.1	$ 31.6
Accrued interest	10.1	12.2
Accrued cost of service	32.7	58.2
Accrued insurance	16.2	14.3
Dividends payable	30.9	6.2
Other current liabilities	55.6	92.5
Total	$ 169.6	$ 215.0
Accumulated other comprehensive income (loss):		
Unrealized loss on interest rate swaps	$ (4.5)	$ (7.4)
Additional minimum pension liability	(9.3)	(3.3)
Total	$ (13.8)	$ (10.7)

Statement of Cash Flows

($ in millions) Year ended December 31	2002	2001	2000
Cash paid (received) for:			
Interest (net of amount capitalized)	$ 124.8	$ 142.6	$ 124.9

Income taxes (net of refunds)	$ (40.3)	$ (17.9)	$ (36.6)
Noncash investing and financing activities:			
Interest Expense	$ 47.4	$ 37.0	$ 38.7
Accretion of 12% exchangeable preferred stock	$ 3.5	$ 3.2	$ 4.1

* Includes $27.2 and $37.4, respectively, of assets accounted for as capital leases, net of accumulated depreciation of $45.7 and $40.7, respectively, included in 'Buildings and leasehold improvements,' 'Telephone plant Transmission facilities,' and 'Furniture, fixtures, vehicles and other.'

16. Business Segment Information

The Company is organized on the basis of products and services. The Company's segments are strategic business units that offer distinct products and services and are aligned with specific subsidiaries of the Company. The Company operates in the four business segments, Broadband, Local, Wireless, and Other as described below.

The Company completed the realignment of its business segments during the first quarter of 2002, as described in Note 3. The Company's web hosting operations provided by ZoomTown previously reported in the Other segment, were merged into the Company's Broadwing Communications Inc. subsidiary and are now reported in the Broadband segment. ZoomTown's DSL and dial-up Internet operations, also previously reported in the Other segment, were merged into CBT and are now reported in the Local segment. In addition, during the first quarter of 2002, the Company sold substantially all of the assets of CBD, which was previously reported in the Other segment. Accordingly, the historical results of operations of the Broadband, Local, and Other segments have been recast to reflect the transfer and disposition of these operations.

The Broadband segment provides data and voice telecommunication services nationwide through the Company's Broadwing Communications subsidiary. These services are provided over approximately 18,700 route miles of fiber-optic transmission facilities. Broadband segment revenue is generated by broadband transport through private line and IRU agreements, Internet services utilizing technology based on Internet protocol ("IP"), and switched voice services provided to both wholesale and retail customers. The Broadband segment also offers data collocation, web hosting, information technology consulting ("IT consulting"), network construction and other services.

The Local segment provides local telephone service, network access, DSL and dial-up Internet access, data transport services and switched long distance, as well as other ancillary products and services to customers in southwestern Ohio, northern Kentucky and southeastern Indiana. This market consists of approximately 2,400 square miles located within an approximately 25-mile radius of Cincinnati, Ohio. Services are provided through the Company's CBT subsidiary.

The Wireless segment includes the operations of the CBW subsidiary; a venture in which the Company owns 80.1% and AWS owns the remaining 19.9%. This segment provides advanced wireless digital personal communications and sales of related communications equipment to customers in the Greater Cincinnati and Dayton, Ohio operating areas.

The Other segment combines the operations of CBAD and Public. CBAD resells voice long distance service and Public provides public payphone services.

For segment reporting purposes, the Local segment reports revenue for services provided by the Broadband segment in the Greater Cincinnati area. The Local segment records a corresponding cost of service related to such broadband revenue equal to 80% of the revenue. The Broadband segment records revenue equal to the cost recorded in the Local segment. The cost recorded by the Local segment and revenue recorded by the Broadband segment are eliminated in consolidation.

Certain corporate administrative expenses have been allocated to segments based upon the nature of the expense and the relative size of the segment. The Company's business segment information is as follows:

($ in millions)	Year Ended December 31, 2002	2001	2000
Revenue			
Broadband	$ 1,068.1	$ 1,197.6	$ 1,004.6
Local	848.5	831.7	791.6
Wireless	260.4	248.0	180.0
Other	79.9	78.2	59.8
Intersegment	(101.0)	(83.9)	(62.3)
Total Revenue	$ 2,155.9	$ 2,271.6	$ 1,973.7
Intersegment Revenue			
Broadband	$ 72.1	$ 53.1	$ 34.3
Local	28.3	29.5	26.4
Wireless	0.3	0.9	1.0
Other	0.3	0.4	0.6
Total Intersegment Revenue	$ 101.0	$ 83.9	$ 62.3
Operating Income (Loss)			
Broadband	$ (2,437.6)	$ (502.1)	$ (225.6)
Local	285.3	266.5	261.5
Wireless	69.1	37.7	(2.7)
Other	1.7	(3.7)	(24.2)
Corporate and Eliminations	(12.0)	(19.5)	(12.6)
Total Operating Loss	$ (2,093.5)	$ (221.1)	$ (3.6)
Assets			
Broadband	$ 239.1	$ 4,977.7	$ 4,994.2
Local	767.4	790.8	856.4
Wireless	379.3	382.8	356.2
Other	17.1	16.1	11.6
Corporate and Eliminations	64.7	144.6	259.2
Total Assets	$ 1,467.6	$ 6,312.0	$ 6,477.6
Capital Additions			
Broadband	$ 64.9	$ 472.0	$ 599.9
Local	80.3	121.4	157.4
Wireless	29.5	52.0	84.2
Other	0.9	2.0	0.9
Corporate and Eliminations	0.3	1.1	1.3
Total Capital Additions	$ 175.9	$ 648.5	$ 843.7
Depreciation and Amortization			
Broadband	$ 315.9	$ 384.1	$ 306.9
Local	146.7	140.3	125.0
Wireless	31.3	28.2	21.2
Other	1.9	1.8	6.2
Corporate and Eliminations	0.5	0.4	0.2
Total Depreciation and Amortization	$ 496.3	$ 554.8	$ 459.5

17. Fair Value of Financial Instruments

The following methods and assumptions were used to estimate, where practicable, the fair value of each class of financial instruments:

Cash and cash equivalents, and short-term debt — The carrying amount approximates fair value because of the short-term maturity of these instruments.

Accounts receivable and accounts payable — The carrying amounts approximate fair value.

Marketable securities — The fair values of marketable securities are based on quoted market prices.

Long-term debt — The fair value is estimated based on year-end closing market prices of the Company's debt and of similar liabilities. The carrying amounts at December 31, 2002 and 2001 were $2,325 million and $2,665 million, respectively. The estimated fair values at December 31, 2002 and 2001 were $2,060 million and $2,449 million, respectively.

Convertible preferred stock — The fair value of the 12% Exchangeable Preferred Stock at December 31, 2002 and 2001, respectively, was $27.7 million and $245 million, based on the trading value on those dates.

Interest rate risk management —The Company is exposed to the impact of interest rate changes. The Company's objective is to manage the impact of interest rate changes on earnings and cash flows and to lower its overall borrowing costs. The Company continuously monitors the ratio of variable to fixed interest rate debt to maximize its total return. As of December 31, 2002, including the impact of interest rate swaps, which expire throughout 2003, approximately 51% of debt was fixed-rate debt and approximately 49% were bank loans with variable interest rates.

18. Supplemental Guarantor Information

CBT, a wholly owned subsidiary of the Parent Company, has registered debt outstanding that is guaranteed by the Parent Company but not by other subsidiaries of the Parent Company. Substantially all of the Parent Company's income and cash flow is generated by its subsidiaries. Generally, funds necessary to meet the Parent Company's debt service obligations are provided by distributions or advances from its subsidiaries.

The following information sets forth the consolidating balance sheets of the Company as of December 31, 2002 and 2001 and the consolidating statements of operations and cash flows for the three years then ended:

Condensed Consolidating Statements of Operations

($ in millions)

	For the year ended December 31, 2002				
	Parent (Guarantor)	CBT	Other (Non-guarantors)	Discontinued Operations and Eliminations	Total
Revenue	$ —	$ 848.5	$ 1,408.4	$ (101.0)	$ 2,155.9
Operating costs and expenses	12.1	563.2	3,775.1	(101.0)	4,249.4
Operating income (loss)	(12.1)	285.3	(2,366.7)	-	(2,093.5)
Equity in earnings (loss) of subsidiaries and discontinued operations	(4,343.9)	—	—	4,343.9	—
Interest expense	137.8	22.1	81.9	(77.6)	164.2
Other expense (income), net	(28.6)	(2.9)	21.7	77.6	67.8
Income (loss) before income taxes, discontinued operations and cumulative effect of change in accounting principle	(4,465.2)	266.1	(2,470.3)	4,343.9	(2,325.5)
Income tax expense (benefit)	(242.9)	95.1	40.0	213.5	105.7
Income (loss) from continuing operations before discontinued operations and cumulative effect of change in accounting principle	(4,222.3)	171.0	(2,510.3)	4,130.4	(2,431.2)
Income from discontinued operations, net	—	—	—	217.6	217.6
Cumulative effect of a change in accounting principle, net of tax	—	—	2,008.7	—	2,008.7
Net income (loss)	$ (4,222.3)	$ 171.0	$ (4,519.0)	$ 4,348.0	$ (4,222.3)

	For the year ended December 31, 2001				
	Parent (Guarantor)	CBT	Other (Non-guarantors)	Discontinued Operations and Eliminations	Total
Revenue	$ —	$ 831.7	$ 1,524.0	$ (84.1)	$ 2,271.6
Operating costs and expenses	22.5	565.2	1,992.1	(87.1)	2,492.7
Operating income (loss)	(22.5)	266.5	(468.1)	3.0	(221.1)
Equity in earnings (loss) of subsidiaries and discontinued operations	(176.2)	—	—	176.2	—
Interest expense	163.0	23.7	83.8	(102.4)	168.1
Other expense (income), net	(54.5)	(0.3)	(24.5)	102.4	23.1
Income (loss) before income taxes, discontinued operations and cumulative effect of change in accounting principle	(307.2)	243.1	(527.4)	179.2	(412.3)
Income tax expense (benefit)	(21.0)	85.9	(161.4)	-	(96.5)
Income (loss) from continuing operations before discontinued operations and cumulative effect of change in accounting principle	(286.2)	157.2	(366.0)	179.2	(315.8)
Income from discontinued operations, net	—	—	—	29.6	29.6
Cumulative effect of a change in accounting principle, net of tax	—	—	—	—	—
Net income (loss)	$ (286.2)	$ 157.2	$ (366.0)	$ 208.8	$ (286.2)

	For the year ended December 31, 2000				
	Parent (Guarantor)	CBT	Other (Non-guarantors)	Discontinued Operations and Eliminations	Total
Revenue	$ -	$ 791.6	$ 1,244.7	$ (62.6)	$ 1,973.7
Operating costs and expenses	14.0	530.1	1,497.2	(64.0)	1,977.3
Operating income (loss)	(14.0)	261.5	(252.5)	1.4	(3.6)
Equity in earnings (loss) of subsidiaries and discontinued operations	(286.3)	—	—	286.3	—
Interest expense	153.7	22.9	91.8	(104.8)	163.6
Other expense (income), net	(57.8)	0.4	370.0	105.1	417.7
Income (loss) before income taxes, discontinued operations and cumulative effect of change in accounting principle	(396.2)	238.5	(714.6)	287.4	(584.9)
Income tax expense (benefit)	(19.1)	82.7	(245.2)	-	(181.6)
Income (loss) from continuing operations before discontinued operations and cumulative effect of change in accounting principle	(377.1)	155.8	(469.4)	287.4	(403.3)
Income from discontinued operations, net	—	—	—	27.0	27.0
Cumulative effect of a change in accounting principle, net of tax	—	(0.8)	—	—	(0.8)
Net income (loss)	$ (377.1)	$ 155.0	$ (469.4)	$ 314.4	$ (377.1)

Condensed Consolidating Balance Sheets

($ in millions)

	December 31, 2002				
	Parent (Guarantor)	CBT	Other (Nonguarantors)	Discontinued Operations and Eliminations	Total
Cash and cash equivalents	$ 38.6	$ 2.6	$ 3.7	$ -	$ 44.9
Restricted cash	7.0	—	—	—	7.0
Receivables, net	—	87.1	203.5	—	290.6
Other current assets	4.7	43.4	19.8	(0.6)	67.3
Intercompany receivables - current	—	64.7	—	(64.7)	—
Assets from discontinued operations	—	—	—	—	—
Total current assets	50.3	197.8	227.0	(65.3)	409.8
Property, plant and equipment, net	1.7	560.8	305.4	—	867.9
Goodwill and other intangibles, net	19.1	—	88.7	—	107.8
Investments in subsidiaries and other entities	(2,310.9)	—	7.4	2,311.9	8.4
Other noncurrent assets	93.0	8.8	15.4	(43.5)	73.7
Intercompany receivables - noncurrent	1,740.2	—	—	(1,740.2)	—
Total assets	$ (406.6)	$ 767.4	$ 643.9	$ 462.9	$ 1,467.6
Short-term debt	$ 172.1	$ 26.8	$ 4.8	$ —	$ 203.7
Accounts payable	1.7	50.8	76.9	—	129.4
Other current liabilities	36.4	78.5	284.9	4.2	404.0
Intercompany payables - current	—	—	—	—	-
Liabilities from discontinued operations	—	—	—	—	-
Total current liabilities	210.2	156.1	366.6	4.2	737.1
Long-term debt, less current portion	1,835.4	278.9	240.4	-	2,354.7
Other noncurrent liabilities	96.1	74.8	357.6	(48.3)	480.2
Intercompany payables - noncurrent			1,804.9)	(1,804.9)	—
Total liabilities	2,141.7	509.8	2,769.5	(1,849.0)	3,572.0
Minority interest	—	—	29.5	414.4	443.9
Mezzanine financing	—	—	414.4	(414.4)	-
Shareowners' equity (deficit)	(2,548.3)	257.6	(2,569.5)	2,311.9	(2,548.3)
Total liabilities and shareowners' equity (deficit)	$ (406.6)	$ 767.4	$ 643.9	$ 462.9	$ 1,467.6

	December 31, 2001				
	Parent (Guarantor)	CBT	Other) (Nonguarantors	Discontinued Operations and Eliminations	Total
Cash and cash equivalents	$ 17.3	$ —	$ 12.7	$ —	$ 30.0
Receivables, net	—	100.2	210.7	—	310.9
Other current assets	6.3	45.4	54.9	2.5	109.1
Intercompany receivables - current	—	15.3	—	(15.3)	—
Assets from discontinued operations	—	—	—	21.4	21.4
Total current assets	23.6	160.9	278.3	8.6	471.4
Property, plant and equipment, net	2.1	622.2	2,435.0	—	3,059.3
Goodwill and other intangibles, net	0.7	—	2,444.2	—	2,444.9
Investments in subsidiaries and other entities	2,305.1	—	15.2	(2,304.0)	16.3

Other noncurrent assets	116.8	7.7	250.2	(54.6)	320.1
Intercompany receivables - noncurrent	1,783.0	—	-	(1,783.0)	—
Total assets	$ 4,231.3	$ 790.8	$ 5,422.9	$ (4,133.0)	$ 6,312.0
Short-term debt	$ 118.8	$ 28.0	$ 3.2	$ —	$ 150.0
Accounts payable	1.9	49.2	126.5	—	177.6
Other current liabilities	36.5	92.9	444.1	9.3	582.8
Intercompany payables - current	—	—	—	—	—
Liabilities from discontinued operatons	—	—	—	11.9	11.9
Total current liabilities	157.2	170.1	573.8	21.2	922.3
Long-term debt, less current portion	2,306.3	304.2	91.5	-	2,702.0
Other noncurrent liabilities	89.4	62.1	484.2	(62.1)	573.6
Intercompany payables - noncurrent	—	-	1,798.4	(1,798.4)	—
Total liabilities	2,552.9	536.4	2,947.9	(1,839.3)	4,197.9
Minority interest	—	—	17.8	417.9	435.7
Mezzanine financing	—	—	417.9	(417.9)	—
Shareowners' equity (deficit)	1,678.4	254.4	2,039.3	(2,293.7)	1,678.4
Total liabilities and shareowners' equity (deficit)	$ 4,231.3	$ 790.8	$ 5,422.9	$ (4,133.0)	$ 6,312.0

Condensed Consolidating Statements of Cash Flows

($ in millions)

	For the year ended December 31, 2002				
	Parent (Guarantor)	CBT	Other (Non-guarantors)	Discontinued Operations and Eliminations	Total
Cash flows provided by (used in) operating activities	$ 4.1	$ 326.8	$ (20.6)	$ (117.7)	$ 192.6
Capital expenditures	(0.2)	(80.3)	(95.4)	—	(175.9)
Proceeds from sale of discontinued operation	—	—	—	345.0	345.0
Other investing activities	—	—	23.3	—	23.3
Cash flows provided by (used in) investing activities	(0.2)	(80.3)	(72.1)	345.0	192.4
Issuance of long-term debt/(capital contributions)	486.9	(217.3)	108.7	(227.3)	151.0
Repayment of long-term debt	(450.0)	(20.0)	—	—	(470.0)
Short-term borrowings and capital leases, net	—	(6.6)	(0.3)	—	(6.9)
Issuance of common shares - exercise of stock options	0.8	—	—	—	0.8
Other financing activities	(20.3)	—	(24.7)	—	(45.0)
Cash flows provided by (used in) financing activities	17.4	(243.9)	83.7	(227.3)	(370.1)
Increase (decrease) in cash and cash equivalents	21.3	2.6	(9.0)	—	14.9
Beginning cash and cash equivalents	17.3	—	12.7	—	30.0
Ending cash and cash equivalents	$ 38.6	$ 2.6	$ 3.7	$ —	$ 44.9

	For the year ended December 31, 2001				
	Parent (Guarantor)	CBT	Other (Non-guarantors)	Discontinued Operations and Eliminations	Total
Cash flows provided by (used in) operating activities	$ (8.0)	$ 332.7	$ (91.3)	$ 26.1	$ 259.5
Capital expenditures	(1.1)	(121.4)	(526.0)	—	(648.5)
Other investing activities	—	(0.2)	114.1	—	113.9
Cash flows provided by (used in) investing activities	(1.1)	(121.6)	(411.9)	—	(534.6)
Issuance of long-term debt/(capital contributions)	210.9	(213.5)	536.3	(25.7)	508.0
Repayment of long-term debt	(200.1)	-	(3.2)	—	(203.3)
Short-term borrowings and capital leases, net	0.4	2.4	—	(0.4)	2.4
Issuance of common shares - exercise of stock options	22.5	-	—	—	22.5
Other financing activities	(13.1)	-	(49.3)	—	(62.4)
Cash flows provided by (used in) financing activities	20.6	(211.1)	483.8	(26.1)	267.2
Increase (decrease) in cash and cash equivalents	11.5	—	(19.4)	—	(7.9)
Beginning cash and cash equivalents	5.8	—	32.1	—	37.9
Ending cash and cash equivalents	$ 17.3	$ —	$ 12.7	$ —	$ 30.0

	For the year ended December 31, 2000				
	Parent (Guarantor)	CBT	Other (Non-guarantors)	Discontinued Operations and Eliminations	Total
Cash flows provided by (used in) operating activities	$ (45.2)	$ 308.1	$ (24.0)	$ 89.5	$ 328.4
Proceeds from sale of discontinued operations	—	—	—	11.3	11.3
Capital expenditures	(1.3)	(157.4)	(685.0)	—	(843.7)
Other investing activities	0.3	—	(19.8)	—	(19.5)
Cash flows provided by (used in) investing activities	(1.0)	(157.4)	(704.8)	11.3	(851.9)
Issuance of long-term debt/(capital contributions)	(33.9)	(150.7)	1,169.4	(100.8)	884.0
Repayment of long-term debt	-	—	(404.0)	—	(404.0)
Short-term borrowings and capital leases, net	9.6	—	(11.5)	—	(1.9)
Issuance of common shares - exercise of stock options	64.2	—	—	—	64.2
Other financing activities	(12.5)	—	(49.2)	—	(61.7)
Cash flows provided by (used in) financing activities	27.4	(150.7)	704.7	(100.8)	480.6
Increase (decrease) in cash and cash equivalents	(18.8)	—	(24.1)	—	(42.9)

Beginning cash and cash equivalents		24.6		—		56.2		—		80.8
Ending cash and cash equivalents	$	5.8	$	—	$	32.1	$	—	$	37.9

19. Quarterly Financial Information (Unaudited)

($ in millions except per common share amounts)	First	Second	Third	Fourth	Total
2002					
Revenue	$ 537.4	$ 552.5	$ 562.9	$ 503.1	$ 2,155.9
Operating income (loss)	8.9	35.9	60.7	(2,199.0)	(2,093.5)
Income (loss) from:					
Continuing operations before discontinued operations and cumulative effect of change in accounting principle	(33.5)	(18.3)	4.0	(2,383.4)	(2,431.2)
Income (loss) from discontinued operations	217.8	(0.2)	—	—	217.6
Cumulative effect of change in accounting principle	(2,008.7)	-	—	—	(2,008.7)
Net Income (loss)	$ (1,824.4)	$ (18.5)	$ 4.0	$ (2,383.4)	$ (4,222.3)
Basic and diluted earnings (loss) per common share	$ (8.38)	$ (0.10)	$ 0.01	$ (10.92)	$ (19.38)

($ in millions except per common share amounts)	First	Second	Third	Fourth	Total
2001					
Revenue	$ 558.8	$ 588.8	$ 578.0	$ 546.0	$ 2,271.6
Operating income (loss)	7.5	16.4	6.6	(251.6)	(221.1)
Loss from:					
Continuing operations before discontinued operations	(40.4)	(35.4)	(35.6)	(204.4)	(315.8)
Income from discontinued operations	6.4	6.7	7.7	8.8	29.6
Net loss	$ (34.0)	$ (28.7)	$ (27.9)	$ (195.6)	$ (286.2)
Basic and diluted loss per common share	$ (0.17)	$ (0.14)	$ (0.14)	$ (0.91)	$ (1.36)

In the fourth quarter of 2001, the Company incurred a pretax charge included in operating income of $232 million related to restructuring activities and asset impairments. The net effect of these restructuring charges reduced earnings per share by $0.69 in the fourth quarter.

In the first quarter of 2002, the Company sold substantially all of the assets of its CBD subsidiary. The above table has been recast to present the income of CBD as income from discontinued operations. The net effect of the gain from the sale of CBD's asset decreased loss per share by $0.97 in the first quarter.

In the first quarter of 2002, the Company incurred a charge of $2 billion, net of tax, associated with the adoption of SFAS 142 and presented as a cumulative effect of change in accounting principle (refer to Note 2). The net effect of the goodwill write-down increased loss per share by $9.21 in the first quarter.

Due to the cessation of goodwill amortization in 2002 in accordance with SFAS 142, each quarter contributed approximately $0.10 earnings per share.

In the second 2002 the Company incurred a non-recurring charge of $13.3 million for costs associated with the termination of the Company's uncompleted network construction contract further discussed in Note 20. The effect of the charge increased loss per share by $0.04 in the second quarter.

In the second and third quarter of 2002, the Company terminated IRU contracts with two customers (refer to Note 1), which contributed $18 million and $41 million of revenue and operating income and $0.05 and $0.14 earnings per share in the second and third quarter, respectively.

In the fourth quarter of 2002, the Company recorded a $2.2 billion non-cash pretax asset impairment charge to reduce the carrying value of the Broadband unit's assets to estimated fair market value. The effect of the impairment charge increased loss per share by $6.54.

In the fourth quarter of 2002, the Company recorded a valuation allowance related to its deferred tax assets of $912.8 million as a component of income tax expense. The effect of the valuation allowance increased loss per share by $4.18.

20. Commitments and Contingencies

Lease Commitments and Contractual Obligations

The Company leases certain circuits, facilities and equipment used in its operations. Total operating lease rental expenses (excluding circuit leases) were approximately $41 million, $42 million and $32 million in 2002, 2001, and 2000, respectively.

At December 31, 2002, the total minimum annual lease commitments and purchase obligations, excluding interest, under noncancelable leases and contractual obligations are as follows:

($ in millions)	Operating Leases	Capital Leases	Unconditional Purchase Obligations	Total
2003	$ 107.2	$ 9.0	$ 45.8	$ 162.0
2004	93.9	5.9	45.0	144.8
2005	69.4	3.5	45.0	117.9
2006	50.3	2.4	45.0	97.7
2007	27.8	2.3	45.0	75.1
Thereafter	135.8	16.0	22.5	174.3
Total	$ 484.4	$ 39.1	$ 248.3	$ 771.8

Contingencies

In the normal course of business, the Company is subject to various regulatory proceedings, lawsuits, claims and other matters. Such matters are subject to many uncertainties and outcomes that are not predictable with assurance.

During 2002, several purported class action lawsuits were filed in the United States District Court for the Southern District of Ohio on behalf of purchasers of the securities of the Company between January 17, 2001 and May 20, 2002, inclusive (the "Class Period"). The complaints alleged that the Company, its former Chief Executive Officer ("CEO"), its current CEO, and several board members violated federal securities laws arising out of allegedly issuing material misrepresentations to the market during the Class Period which resulted in artificially inflating the market price of the Company's securities. The Company intends to defend these claims vigorously.

In June 2000, BCI entered into a long-term construction contract to build a 1,550-mile fiber route system. During the second quarter of 2002, the customer alleged a breach of contract and requested the Company to cease all construction activities, requested a refund of $62 million in progress payments previously paid to the Company, and requested conveyance of title to all routes constructed under the contract. Subsequently, the Company notified the customer that such purported termination was improper and constituted a material breach under the terms of the contract, causing the Company to terminate the contract. As a result of the contract termination, the Company expensed $13 million in both costs incurred under the contract and estimated shutdown costs during the second quarter of 2002, which have been reflected in cost of services and products in the Consolidated Statements of Operations and Comprehensive Income (Loss). In addition, the Company's balance sheet included $51 million in unbilled accounts receivable (including both signed change orders and claims) at December 31, 2002 related to this contract. Based on information available as of December 31, 2002, the Company believes it is due significant amounts outstanding under the contract, including unbilled accounts receivable. The Company expects this matter to be resolved through arbitration. The timing and outcome of these issues are not currently predictable. An unfavorable outcome could have a material effect on the financial condition and results of operations and results of operations of the Company.

Commitments

In 2000, BCI entered into a purchase commitment with Corvis Corporation, a Columbia, Maryland-based manufacturer of optical network equipment. The agreement specifies that the Company will purchase $200 million in optical network equipment from Corvis Corporation over a two-year period beginning in July 2000. As of December 31, 2002 and 2001, the Company's remaining purchase commitment was zero and $20 million, respectively. In 2000, the Company also entered into a separate agreement giving it the right to purchase Series H preferred stock at $80.53 per share, which had a fair value $30 million, and $5 million of the common stock of Corvis at the initial public offering price. The Company subsequently exercised these rights during the second and third quarters of 2000. The established prices for these Corvis equity purchases reflect the contemporaneous fair value of the equity, as evidenced by independent third party investor purchases of this equity in the same timeframe.

In 2001, BCI entered into an agreement with Teleglobe Inc. ("Teleglobe"), a Reston, Virginia-based telecommunications company which stated that the Company would purchase $90 million of services and equipment from Teleglobe over four years. In September 2002, the Company terminated the agreement for a payment of $4.25 million to Teleglobe, which released the Company from $63.0 million of future commitments (refer to Note 1).

In 2001 and 2000, BCI entered into agreements with two vendors to provide bundled Internet access to the Company's customers based on a monthly maintenance fee. These services were previously purchased from other vendors on a usage basis. In March 2002, BCI terminated its contract with one of the vendors as part of its fourth quarter 2001 restructuring (refer to Note 3). This contract termination reduced the Company's future commitments by approximately $60 million. In September 2002, BCI terminated its remaining contract as part of its third quarter restructuring (refer to Note 3), which eliminated the remaining $13 million of future commitments related to bundled Internet access.

In 1998, the Company (then known as Cincinnati Bell) entered a ten-year contract with Convergys Corporation ("Convergys"), a provider of billing, customer service and other services, which remains in effect until June 30, 2008. The contract states that Convergys will be the primary provider of certain data processing, professional and consulting, technical support and customer support services for the Company. In return, the Company will be the exclusive provider of local telecommunications services to Convergys. The Company's annual commitment is $45 million per year. As of December 31, 2002, the Company has satisfied its annual

commitments to date, as it incurred charges of $45 million, $54 million and $55 million in 2002, 2001, and 2000 respectively.

BCI has contractual obligations to utilize network facilities from various interexchange and local exchange carriers. These contracts are based on a fixed monthly rate with terms extending on certain contracts through 2021. As of December 31, 2002, BCI had committed to approximately $230 million in operating leases related to network utilization. The buyer of substantially all of the Broadband assets, as discussed in Note 21, has agreed to assume approximately $3 million in capital lease commitments and approximately $316 million in operating lease obligations, including the obligations associated with network utilization.

21. Subsequent Events

On February 22, 2003, certain of the Company's subsidiaries entered into a definitive agreement to sell substantially all of the assets of its Broadband segment, excluding the information technology consulting assets, to C III Communications ("C III"), for up to $129 million in cash and the assumption of certain long-term operating contractual commitments. The contractual commitments to be assumed include approximately $3 million in capital lease commitments and approximately $316 million in operating lease obligations. The sale is subject to certain closing conditions, including approval by the Federal Communications Commission ("FCC") and relevant state public utility commissions. The Company expects to close the sale in 2003. The Company will retain a 3% minority interest in the new company. The carrying value of the current and long-lived assets to be purchased totaled $102.7 million and $40.8 million, respectively as of December 31, 2002. The carrying value of the current and long-term liabilities to be assumed totaled $179.7 million and $293.2 million, respectively, as of December 31, 2002.

On March 26, 2003, the Company issued $350 million of mezzanine financing through Senior Subordinated Discount Notes Due 2009 (the "Mezzanine Financing"). Proceeds from the Mezzanine Financing, net of fees, were used to pay down borrowings under the Company's credit facility. Interest on the Mezzanine Financing will be payable semi-annually on June 30 and December 31, whereby 12% is paid in cash and 4% is accreted on the aggregate principal amount. In addition, purchasers of the Mezzanine Financing will receive 17.5 million common stock warrants, each to purchase one share of Broadwing Common Stock at $3.00 each.

In conjunction with the Mezzanine Financing, the Company's credit facility was also amended and restated to, among other things, extend the revolving commitment, revise the financial covenants and allow for the sale of substantially all of the assets of the Broadband segment. As a result of the terms of the amendment the total borrowing capacity will decrease from $1.825 billion as of December 31, 2002 to approximately $1.343 billion as of December 31, 2003 due to $262 million of scheduled repayments of the term debt facilities and a $220 million prepayment of the outstanding term debt and revolving credit facility from the Mezzanine Financing proceeds. The Company believes that its borrowing availability under the amended credit facility will provide the Company with sufficient liquidity for the foreseeable future. After the credit facility amendment, the Company's debt maturities total $285.1 million in 2003 and $287.1 million in 2004

In March 2003, the Company entered into a supplemental indenture to its 6% Notes. The supplemental indenture allows for the sale of substantially all of the assets of the Company's Broadband segment, provides that a bankruptcy of Broadwing Communications would not constitute an event of default, amends the definition of change in control by increasing the ownership threshold deemed to be a change in control from 20% of outstanding shares to 45% of outstanding shares and includes covenants restricting the ability of the Company to incur debt and consummate certain asset dispositions. The supplemental indenture also increases the paid-in-kind interest by 2% from March 2003 through redemption in July 2009, resulting in a per annum interest rate of 9%. Interest expense will be paid in cash semi-annually on January 21 and July 21 of each year at a rate of 6% per annum, commencing on

January 21, 2005. The additional 2% will accrete, or be added to the principal balance, through the redemption date in July 2009.

In addition, in March 2003, the Company reached an agreement with holders of more than two-thirds of BCI's 12 percent preferred stock and 9 percent senior subordinated notes to exchange these instruments for common stock of the Company. In order to consummate the exchange offers, the Company expects to issue approximately 26 million new shares of Broadwing Inc. common stock, assuming 100% redemption of the outstanding instruments, which represents an increase of 11 percent in the number of shares.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

No disagreements with accountants on any accounting or financial disclosure or auditing scope or procedure occurred during the period covered by this report.

PART III

Item 10. Directors and Executive Officers of the Registrant

The information required by Item 405 of Regulation S-K regarding directors of Broadwing Inc. can be found in the Proxy Statement for the Company's 2003 Annual Meeting of Shareholders, dated April 4, 2003, and incorporated herein by reference.

Executive Officers of the Registrant:

The names, ages and positions of the executive officers of the Company as of December 31, 2002 are as follows:

Name	Age	Title
Kevin W. Mooney (a)(b)	44	Chief Executive Officer
John F. Cassidy (a)	48	Chief Operating Officer of the Company and President, Cincinnati Bell
Jeffrey C. Smith	51	Chief Human Resources Officer, General Counsel and Corporate Secretary
Thomas L. Schilling	39	Chief Financial Officer
Mary E. McCann	40	Senior Vice President, Internal Controls
Michael W. Callaghan	55	Senior Vice President, Corporate Development
David A. Torline	53	Chief Information Officer

(a) Member of the Board of Directors

(b) Member of the Executive Committee

Officers are elected annually but are removable at the discretion of the Board of Directors.

KEVIN W. MOONEY, Chief Executive Officer and Director of the Company since September 2002, Chief Operating Officer of the Company from November 2001 to September 2002; Executive Vice President and Chief Financial Officer of the Company from September 1998 to November 2001; Senior Vice President and Chief Financial Officer of Cincinnati Bell Telephone from January 1998 to September 1998; Vice President and Controller of the Company, 1996-1998; Vice President of Financial Planning and Analysis of the Company, 1994-1996; Director of Financial Planning and Analysis of the Company, 1990-1994.

JOHN F. CASSIDY, Chief Operating Officer and Director of the Company and President of Cincinnati Bell since September 2002, President and Chief Operating Officer of Cincinnati Bell since May 2000; President of

Cincinnati Bell Enterprises since August, 1999; President of Cincinnati Bell Wireless since 1996; Senior Vice President, National Sales & Distribution of Rogers Cantel in Canada from 1992-1996; Vice President, Sales and Marketing, Ericsson Mobile Communications from 1990-1992; Vice President, Sales and Marketing, General Electric Company from 1988-1990.

JEFFREY C. SMITH, Chief Human Resources Officer of the Company since November 2001; General Counsel and Corporate Secretary of the Company since February 2001; Chief Legal/Administrative Officer of the Company since November 1999; Senior Vice President of IXC Communications, Inc. from September1997 until November 1999; Vice President, General Counsel and Secretary of IXC Communications, Inc. from January 1997 until September 1997; Vice President Planning and Development for Times Mirror Training, a subsidiary of Times Mirror, from August 1994 to December 1996. Served in a variety of legal capacities, including five years as General Counsel to the Baltimore Sun newspaper and Associate General Counsel and Assistant Secretary at Times Mirror from 1985 through August 1994. Prior to 1985, employed for seven years in private law practice as a trial and business attorney.

THOMAS L. SCHILLING, Chief Financial Officer of the Company since July 2002; Senior Vice President and Chief Financial Officer of Broadwing Communications from 1999-2002; Chief Financial Officer of AutoTrader.com from 1998-1999; Managing Director of MCI Systemhouse from 1997-1998; Director of Finance of MCI Communications from 1995-1997.

MARY E. McCANN, Senior Vice President, Internal Controls of the Company since July 2002; Senior Vice President, Corporate Finance of the Company from December 2001 to July 2002; Vice President, Controller of the Company from February 1999 to December 2001; Director of Financial Planning of Cincinnati Bell Telephone from April 1998 to February 1999; Manager of Financial Reporting and Analysis of Cincinnati Bell Telephone from August 1996 to April 1998; Senior Financial Analyst from May 1995 to August 1996.

MICHAEL W. CALLAGHAN, Senior Vice President, Corporate Development of the Company since March 1999; Vice President, Corporate Development of Convergys Corporation, 1998-1999; Vice President, Corporate Development of the Company, 1994-1998; Corporate Director of Video and Interactive Services of Ameritech from 1991-1994; President of Scripps Howard Cable, 1984-1991.

DAVID A. TORLINE, Chief Information Officer of the Company since November 1999; Vice President, Information Technology of Cincinnati Bell Telephone from January 1995 to November 1999; President, Cincinnati Bell Supply, a former subsidiary of the Company, from October 1992 to January 1995; Director, Corporate Development of Cincinnati Bell Inc., from October 1989 to October 1992.

Items 11 and 12. Executive Compensation and Security Ownership of Certain Beneficial Owners and Management

The information required by these items can be found in the Proxy Statement for the Company's 2003 Annual Meeting of Shareholders dated April 4, 2003 and incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

Not Applicable.

Item 14. Internal Controls and Procedures

Within the 90 days prior to the date of this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer

and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective. The Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic Securities and Exchange Commission filings. No significant deficiencies or material weaknesses were identified in the evaluation and therefore, no corrective actions were taken. There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

Item 15. Exhibits and Reports on Form 8-K

Exhibits

Exhibits identified in parenthesis below, on file with the Securities and Exchange Commission ("SEC"), are incorporated herein by reference as exhibits hereto.

Exhibit Number	DESCRIPTION
(3)(a)	Amended Articles of Incorporation of Broadwing Inc. (Exhibit (3)(a) to Form 10-Q for the three months ended June 30, 2000, File No. 1-8519)
(3)(b)	Amended Regulations of the registrant. (Exhibit 3.2 to Registration Statement No. 2-96054)
(4)(a)	Provisions of the Amended Articles of Incorporation and the Amended Regulations of the registrant which define the rights of holders of Common Shares and the Preferred Shares are incorporated by reference to such Amended Articles filed as Exhibit (3)(a) hereto and such Amended Regulations filed as Exhibit (3)(b) hereto.
(4)(b)(i)	Rights Agreement dated as of April 29, 1997, between the Company and The Fifth Third Bank which includes the form of Certificate of Amendment to the Amended Articles of Incorporation of the Company as Exhibit A, the form of Rights Certificate as Exhibit B and the Summary of Rights to Purchase Preferred Stock as Exhibit C (Exhibit 4.1 to the Company's Registration Statement on Form 8-A filed on May 1, 1997)
(4)(b)(ii)	Amendment No. 1 to the Rights Agreement dated as of July 20, 1999, between the Company and The Fifth Third Bank (Exhibit 1 to Amendment No. 1 of the Company's Registration Statement on Form 8-A filed on August 6, 1999)
(4)(b)(iii)	Amendment No. 2 to the Rights Agreement dated as of November 2, 1999, between the Company and The Fifth Third Bank (Exhibit 1 to Amendment No. 2 of the Company's Registration Statement on Form 8-A filed on November 8, 1999)
4)(b)(iv)	Amendment No. 3 to the Rights Agreement dated as of June 10, 2002, between the

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	Company and The Fifth Third Bank (Exhibit 1 to Amendment No. 3 of the Company's Registration Statement on Form 8-A filed on July 2, 2002)
(4)(c)(i)	Indenture dated July 1, 1993, between Cincinnati Bell Inc., Issuer, and The Bank of New York, Trustee, in connection with $50,000,000 of Cincinnati Bell Inc. 7 1/4% Notes Due June 15, 2023. (Exhibit 4-A to Form 8-K, date of report July 12, 1993, File No. 1-8519)
(4)(c)(ii)	Indenture dated as of October 27, 1993, among Cincinnati Bell Telephone Company, as Issuer, Cincinnati Bell Inc., as Guarantor, and The Bank of New York, as Trustee. (Exhibit 4-A to Form 8-K, date of report October 27, 1993, File No. 1-8519)
(4)(c)(iii)	Indenture dated as of November 30, 1998 among Cincinnati Bell Telephone Company, as Issuer, Cincinnati Bell Inc., as Guarantor, and The Bank of New York, as Trustee. (Exhibit 4-A to Form 8-K, date of report November 30, 1998, File No. 1-8519)
(4)(c)(iv)	Investment Agreement dated as of July 21, 1999, among Cincinnati Bell, Oak Hill Capital Partners L.P. and certain related parties of Oak Hill (Exhibit 4.9 to Form S-4 filed on September 13, 1999, File No. 1-8519)
(4)(c)(v)(1)	Indenture dated as of July 21, 1999 among Cincinnati Bell Inc., and The Bank of New York, as Trustee (Exhibit 4.10 to Form S-3 filed on November 10, 1999, File No. -8519).
(4)(c)(v)(2)+	First Supplemental Indenture dated as of March 26, 2003, between Broadwing Inc. (f/k/a Cincinnati Bell Inc.), as Issuer, and The Bank of New York, as Trustee.
(4)(c)(vi)+	Indenture dated as of March 26, 2003, by and among Broadwing Inc., as Issuer, Cincinnati Bell Public Communications Inc., ZoomTown.com Inc, Cincinnati Bell Any Distance Inc., Cincinnati Bell Telecommunications Services Inc., Broadwing Financial LLC, Cincinnati Bell Wireless Company, Cincinnati Bell Wireless Holdings LLC and Broadwing Holdings Inc. as Guarantors, and The Bank of New York, as trustee, in connection with $350,000,000 of Broadwing Inc. Senior Subordinated Discount Notes Due 2009.
(4)(c)(vii)+	Warrant Agreement, dated as of March 26, 2003, by and between Broadwing Inc., GS Mezzanine Partners II, L.P., GS Mezzanine Partners II Offshore, L.P., and any other affiliate purchasers.
(4)(c)(viii)+	Exchange and Registration Rights Agreement, dated as of March 26, 2002 by and between Broadwing Inc., GS Mezzanine Partners II, L.P., and any other affiliate purchasers.
(4)(c)(ix)+	Equity Registration Rights Agreement, dated as of March 26, 2003 by and between Broadwing Inc., GS Mezzanine Partners II, L.P., GS Mezzanine Partners II Offshore, L.P., and any other affiliate purchasers.
4(c)(x)(1)+	Purchase Agreement, dated as of March 26, 2003 by and between Broadwing Inc. GS Mezzanine Partners II, L.P., GS Mezzanine Partners II Offshore, L.P., and any other affiliate purchaser of Senior Subordinated Notes due 2009 of Broadwing, Inc.
4(c)(x)(2)+	First Amendment to Purchase Agreement, dated as of March 26, 2003 by and between Broadwing Inc. GS Mezzanine Partners II, L.P., GS Mezzanine Partners II Offshore, L.P., and any other affiliate purchasers of Senior Subordinated Notes due 2009.
(4)(c)(xi)	No other instrument which defines the rights of holders of long term debt of the registrant is filed herewith pursuant to Regulation S-K, Item 601(b)(4)(iii)(A). Pursuant to this regulation, the registrant hereby agrees to furnish a copy of any such instrument to the SEC upon request.
10(i)(1)+	Credit Agreement dated as of November 9, 1999, amended and restated as of March 26, 2003, ("Credit Agreement") among Broadwing Inc. (f/k/a Cincinnati Bell) and Broadwing Communications Services Inc. (f/k/a IXC Communications Services, Inc.) as the Borrowers, the Initial Lenders, Initial Issuing Banks and Swing Line Banks named herein, Bank of America, N.A., as Syndication Agent, Citicorp USA, Inc., as administrative Agent, Credit Suisse First Boston and The Bank of New York, as Co-Documentation Agents, PNC Bank, N.A., as Agent and Salomon Smith Barney Inc. and Banc of America Securities LLC, as Joint Lead Arrangers and Joint Book Managers.

(10)(i)(2)	Asset Purchase Agreement by and among Broadwing Inc., Cincinnati Bell Directory Inc.and CBD Media, Inc. dated as of February 4, 2002. (Exhibit (10)(i)(2) to Form 10-K for the year ended December 31, 2001, File No. 1-8519)
(10)(i)(3)	Asset Purchase Agreement among Broadwing Communications Services Inc. and CIII Communications dated as of February 22, 2003. (Exhibit (99)(i) to Form 8-K, date of report February 28, 2003, File No. 1-8519)
(10)(iii)(A)(1)*	Short Term Incentive Plan of Broadwing Inc., as amended and restated effective July 24,2000. (Exhibit (10)(iii)(A)(1) to Form 10-Q for the three months ended June 30, 2000,File No. 1-8519)
(10)(iii)(A)(2)*	Broadwing Inc. Deferred Compensation Plan for Outside Directors, as amended and restated effective July 24, 2000. (Exhibit (10)(iii)(A)(3) to Form 10-Q for the three months ended June 30, 2000, File No. 1-8519)
(10)(iii)(A)(3)(i)*	Broadwing Inc. Pension Program, as amended and restated effective July 24, 2000. (Exhibit (10)(iii)(A)(4) to Form 10-Q for the three months ended June 30, 2000, File No.1-8519)
(10)(iii)(A)(3)(ii)*	Cincinnati Bell Pension Program, as amended and restated effective March 3, 1997. (Exhibit (10)(iii)(A)(3)(ii) to Form 10-K for 1997, File No. 1-8519)
(10)(iii)(A)(4)*	Broadwing Inc. Executive Deferred Compensation Plan, as amended and restated effective July 24, 2000. (Exhibit (10)(iii)(A)(5) to Form 10-Q for the three months ended June 30, 2000, File No. 1-8519)
(10)(iii)(A)(5)*	Broadwing Inc. 1997 Long Term Incentive Plan, as amended and restated effective July 24, 2000. (Exhibit (10)(iii)(A)(1) to Form 10-Q for the three months ended June 30,

	2000, File No. 1-8519)
(10)(iii)(A)(6)*	Cincinnati Bell Inc. (now known as Broadwing Inc.) 1997 Stock Option Plan for Non-Employee Directors, as revised and restated effective February 1, 1999. (Exhibit (10)(iii)(A)(15) to Form 10-K for 1998, File No. 1-8519)
(10)(iii)(A)(7)*	Cincinnati Bell Inc. (now known as Broadwing Inc.) 1989 Stock Option Plan. (Exhibit (10)(iii)(A)(14) to Form 10-K for 1989, File No. 1-8519)
(10)(iii)(A)(8)*	Employment Agreement effective January 1, 1999 between the Company and Kevin W.Mooney. (Exhibit (10)(iii)(A)(ii) to Form 10-K for 1998, File No. 1-8519)
(10)(iii)(A)(8.1)*	Amendment to Employment Agreement effective September 20, 2002 between the Company and Kevin W. Mooney. (Exhibit (10)(iii)(A)(9.1) to Form 10-Q for the three months ended September, 30, 2002, File 1-8519)
(10)(iii)(A)(8.2)*	Amendment to Employment Agreement effective February 3, 2003 between the Company and Kevin W. Mooney. (Original Amendment to Employment Agreement filed as Exhibit 99.1 to Form 8-K, date of report February 3, 2002, File No. 1-8519)
(10)(iii)(A)(9)*	Employment Agreement effective December 4, 2001 between the Company and Michael W. Callaghan. (Exhibit (10)(iii)(A)(10) to Form 10-K for 2001, File No. 1-8519)
(10)(iii)(A)(9.1)*	Amendment to Employment Agreement effective February 3, 2003 between the Company and Michael W. Callaghan. (Original Amendment to Employment Agreement filed as Exhibit 99.1 to Form 8-K, date of report February 3, 2002, File No. 1-8519)
(10)(iii)(A)(10)*	Employment Agreement dated January 1, 1999 between the Company and John F. Cassidy. (Exhibit (10)(iii)(A)(11.1) to Form 10-Q for the three months ended September, 30, 2002, File 1-8519)
(10)(iii)(A)(11)*	Employment Agreement effective January 1, 2000 between the Company and Jeffrey C. Smith. (Exhibit (10)(iii)(A)(12) to Form 10-Q for the three months ended March 31, 2001, File No. 1-8519)
(10)(iii)(A)(11.1)*	Amendment to Employment Agreement effective September 20, 2000 between the Company and Jeffrey C. Smith. (Exhibit (10)(iii)(A)(12.1) to Form 10-Q for the three months ended September 30, 2002, File No. 1-8519)
(10)(iii)(A)(11.2)*	Amendment to Employment Agreement effective February 3, 2003 between the Company and Jeffrey C. Smith. (Original Amendment to Employment Agreement filed as Exhibit 99.1 to Form 8-K, date of report February 3, 2002, File No. 1-8519)
(10)(iii)(A)(12)*	Employment Agreement effective July 24, 2002 between the Company and Thomas L. Schilling. Exhibit (10)(iii)(A)(13) to Form 10-Q for the three months ended June 30, 2002, File No. 1-8519)
(10)(iii)(A)(12.1)*	Amendment to Employment Agreement effective February 3, 2003 between the Company and Thomas L. Schilling. (Original Amendment to Employment Agreement filed as Exhibit 99.1 to Form 8-K, date of report February 3, 2002, File No. 1-8519)

(99.1)+	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(99.2)+	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(99.3)+	Exchange and Voting Agreement, dated as of March 24, 2003, by and among Broadwing Inc., and the beneficial owners of (or investment managers or advisors for accounts or funds that own) the 9% Senior Subordinated Notes due 2008 of Broadwing Communications Inc., a subsidiary of the Company.
(99.4)+	Exchange and Voting Agreement, dated as of March 24, 2003, by and among Broadwing Inc., and the beneficial owners of (or investment managers or advisors for accounts or funds that own) the 12 1/2% Series B Junior Exchangeable Preferred Stock due 2009 of Broadwing Communications Inc., a subsidiary of the Company.
(12)+	Ratio of Earnings to Fixed Charges.
(21)+	Subsidiaries of the Registrant.
(23)+	Consent of Independent Accountants.
(24)+	Powers of Attorney.

+ Filed herewith.

* Management contract or compensatory plan required to be filed as an exhibit pursuant to Item 14(c) of Form 10-K.

The Company's reports on Form 10-K, 10-Q, and 8-K are available free of charge at the following website: http://www.broadwing.com/. Upon request, the Company will furnish a copy of the Proxy Statement to its security holders without charge, portions of which are incorporated herein by reference. The Company will furnish any other exhibit at cost.

Reports on Form 8-K

Form 8-K, date of report October 29, 2002, reporting that Robert Shingler was appointed President of Broadwing Communications Inc. and announced that Broadwing Communications has deferred cash payment of the quarterly dividend, due November 15, 2002, on its Broadwing Communications subsidiary12% preferred shares, in accordance with the terms of the security.

Form 8-K, date of report December 11, 2002, reporting that William A. Friedlander retired as a Director of the Broadwing Inc. Board of Directors. Effective with Mr. Friedlander's retirement the Board of Directors resolved to reduce the size of the board to eleven members. Additionally, Broadwing signed an agreement with investment funds managed by Goldman, Sachs, & Co. to provide $200 million in financing to Broadwing in the form of Senior Subordinated Discount Notes due in 2009.

Form 8-K, date of report January 13, 2002, reporting the Company issued a press release announcing progress on its five-point restructuring plan and including an increase of Goldman, Sachs, & Co. commitment of $150 million, bringing the total commitment to $350 million.

Form 8-K, date of report February 3, 2003, reporting the Company issued a Press Release announcing amendments to employment agreements with its Chief Executive Officer, Kevin W. Mooney, its Chief Financial Officer, Thomas L. Schilling, its Chief Human Resources Officer, General Counsel and Corporate Secretary, Jeffrey C. Smith and its Senior Vice President of Corporate Development, Michael W. Callaghan. The contract amendments provide incentives for the employees to sell the Broadband business of Broadwing Communications Inc. and to amend the Company's credit facility, as well as provide for their retention through the period of the Company's restructuring. In addition, the press release reported that the Chief Operating Officer of Broadwing Inc., John F. Cassidy, would report directly to the Board of Directors.

Form 8-K, date of report February 25, 2003, reporting the Company issued a press release announcing that it had reached an agreement to sell substantially all the assets of its Broadband business, Broadwing Communications Services Inc., including the Broadwing name, to privately held C III Communications, LLC, for up to $129 million in cash.

Form 8-K, date of report February 28, 2003, reporting the asset purchase agreement among the Company and C III Communications LLC.

Form 8-K, date of report March 28, 2003, reporting the Company issued a press release announcing a comprehensive recapitalization that includes successful completion of an amendment to its bank credit facility for, among other things, the extension of its scheduled maturities, providing the company with sufficient liquidity to meet its obligations until 2006.

Schedule II

BROADWING INC.

VALUATION AND QUALIFYING ACCOUNTS

($ in millions)

	Beginning of Period	Charged to Expenses	To (from) Other Accounts	Deductions	At End of Period
Allowance for Doubtful Accounts					
Year 2002	$ 36.4	$ 55.6	$ —	$ 38.8	$ 53.2
Year 2001	$ 46.5	$ 88.4	$ —	$ 98.5	$ 36.4
Year 2000	$ 50.8	$ 71.1	$ 1.1 (a)	$ 74.3 (b)	$ 46.5
Deferred Tax Valuation Allowance					
Year 2002	$ 82.4	$ 1,092.5	$ (14.1)(d)	$ —	$ 1,189.0
Year 2001	$ 46.6	$ 35.8	$ —	$ —	$ 82.4
Year 2000	$ 17.1	$ 30.1	$ —	$ 0.6 (c)	$ 46.6

(a) Primarily includes amounts previously written off which were credited directly to this account when recovered and an allocation of the purchase price for receivables purchased from interexchange carriers.

(b) Primarily includes amounts written off as uncollectible.

(c) Includes amount reversed when benefit was realized.

(d) Includes amount related to benefits from stock options.

Signatures

Pursuant to the requirements of Section 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.

	BROADWING INC.
March 31, 2003	By /s/ Thomas L. Schilling
	Thomas L. Schilling
	Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature	Title	Date
KEVIN W. MOONEY* Kevin W. Mooney	Chief Executive Officer and Director	
JOHN F. CASSIDY* John F. Cassidy	Chief Operating Officer of the Company; President of Cincinnati Bell, and Director	
LAWRENCE J. BOUMAN* Lawrence J. Bouman	Director	
PHILLIP R. COX* Phillip R. Cox	Director	
J. TAYLOR CRANDALL* J. Taylor Crandall	Director	
KAREN M. HOGUET* Karen M. Hoguet	Director	
DANIEL J. MEYER* Daniel J. Meyer	Chairman of the Board and Director	
MARY D. NELSON* Mary D. Nelson	Director	
CARL REDFIELD* Carl Redfield	Director	
DAVID B. SHARROCK* David B. Sharrock	Director	
JOHN M. ZRNO* John M. Zrno	Director	

*By: /s/ Kevin W. Mooney
Kevin W. Mooney
as attorney-in-fact and on his behalf
as Principle Executive Officer and
Chief Executive Officer

March 31, 2003

Certifications

I, Kevin W. Mooney, Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Broadwing Inc;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a. designed such disclosure controls and procedures 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 annual report is being prepared

b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c. presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

b. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

c. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 31, 2003

/s/ Kevin W. Mooney
Kevin W. Mooney
Chief Executive Officer

Certifications

I, Thomas L. Schilling, Chief Financial Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Broadwing Inc;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a. designed such disclosure controls and procedures 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 annual report is being prepared

b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c. presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 31, 2003

/s/ Thomas L. Schilling
Thomas L. Schilling
Chief Financial Officer

Exhibit 4(c)(iv)(1)

EXECUTION COPY

BROADWING INC.

As Issuer

6% Convertible Subordinated Notes due 2009

FIRST SUPPLEMENTAL INDENTURE

Dated as of March 26, 2003

Supplementing the Indenture dated as of July21, 1999, between Broadwing Inc. (f/k/a Cincinnati Bell Inc.), as Issuer, and The Bank of New York, as Trustee

THE BANK OF NEW YORK

As Trustee

FIRST SUPPLEMENTAL INDENTURE dated as of March26, 2003, among Broadwing Inc. (f/k/a Cincinnati Bell Inc.), an Ohio corporation (the "Company"), The Bank of New York (the "Trustee"), as Trustee under the Indenture referred to herein, and the Holders of the Notes listed on the signature pages hereto.

WHEREAS the Company and the Trustee heretofore executed and delivered an Indenture dated as of July21, 1999 (the "Indenture"), in respect of the Company's $400 million aggregate original issue price of 6% Convertible Subordinated Notes due 2009 (the "Notes");

WHEREAS the Company and Oak Hill Capital Partners, L.P., OHCP Ocean I, LLC, OHCP Ocean III, LLC, OHCP Ocean IV, LLC, OHCP Ocean V, LLC, Oak Hill Securities Fund, L.P., Oak Hill Securities Fund II, L.P. and OHCP AIV I, L.P. (collectively, the "Oak Hill Purchasers") heretofore executed and delivered an Investment Agreement dated as of July 21, 1999 (the "Investment Agreement");

WHEREAS Section 9.2 of the Indenture provides that the Company and the Trustee may amend the Indenture with the consent of the Holders of not less than 51% in aggregate Accreted Value (as defined in the Indenture) of the Notes then outstanding;

WHEREAS Section 15.5 of the Investment Agreement provides that the Company may amend the Investment Agreement with the consent of the Holders of at least 51% of the aggregate Accreted Value of the Notes then outstanding;

WHEREAS the Company desires to amend certain provisions of the Indenture and the corresponding provisions in the Investment Agreement, as set forth in Article I hereof;

WHEREAS the Holders of not less than 51% in aggregate Accreted Value of the Notes outstanding have consented to the amendments effected by this Supplemental Indenture; and

WHEREAS this Supplemental Indenture has been duly authorized by all necessary corporate action on the part of the Company.

NOW, THEREFORE, the Company and the Trustee agree as follows for the equal and ratable benefit of the Holders of the Securities:

ARTICLE I

Amendments

SECTION 1.1. *Amendments to Indenture effective to amend corresponding provisions of Investment Agreement* . The amendments to the Indenture set

forth in this Article I shall be effective to amend the corresponding provisions contained in the Investment Agreement.

SECTION 1.2. *Amendments to Section 1.1 . (a) Amendment to definition of "Accreted Value."* Clause (i) of the definition of "Accreted Value" is hereby deleted in its entirety and replaced with the following:

"(i)If the specified date occurs on one or more of the following dates (each a " Semi-Annual Accrual Date "), the Accreted Value will equal the amount set forth below for such Semi-Annual Accrual Date:

Semi-Annual Accrual Date		Accreted Value
January 21, 2000	$	1,033.75
July 21, 2000		1,068.64
January 21, 2001		1,104.71
July 21, 2001		1,141.99
January 21, 2002		1,180.53
July 21, 2002		1,220.37
January 21, 2003		1,261.56
July 21, 2003		1,313.29
January 21, 2004		1,372.38
July 21, 2004		1,434.14
January21, 2005		1,450.28
July 21, 2005		1,466.59
January21, 2006		1,483.09
July 21, 2006		1,499.77
January21, 2007		1,516.65
July 21, 2007		1,533.71
January21, 2008		1,550.96
July 21, 2008		1,568.41
January21, 2009		1,586.06
July 21, 2009		1,603.90

Notwithstanding the foregoing, if the Company, pursuant to Section2.6, elects the Cash Interest Option, the Accreted Value of the Notes on that Semi-Annual Accrual Date and all subsequent Semi-Annual Accrual Dates shall be reduced by the amount of any such Optional Cash Pay Interest payments."

(b) *Amendment to definition of "Change of Control "*. (i) Clause (iii) of the definition of the "Change of Control" is hereby amended by inserting the following at the end of such clause (iii):

"*provided* that neither the sale of the operating assets of certain Subsidiaries of BCI (the " BCI Sale ") pursuant to the Agreement for the Purchase and Sale of Assets dated as of February 22, 2003, by and between Broadwing Communications Services Inc.,

Broadwing Communications Services of Virginia, Broadwing Communications Real Estate Services LLC, Broadwing Services LLC, IXC Business Services LLC, Broadwing Logistics LLC, Broadwing Telecommunications, Inc., IXC Internet Services, Inc. and MSM Associates, Limited Partnership, on the one side, and C III Communications, LLC and C III Communications Operations, LLC (the " BCI Purchasers "), on the other side, nor any other sale of the operating assets of BCI and/or its Subs as they are constituted on the 16% Notes Closing Date shall constitute a sale of substantially all of the Company's assets;"

(ii) Clause (iv) of the definition of "Change of Control" is hereby deleted in its entirety and replaced with the following:

"(iv)any "person" (as such term is used in Section13(d)(3) of the Exchange Act) or "group" (within the meaning of Rules13d-3 and 13d-5 under the Exchange Act) is or becomes the beneficial owner (as defined in Rules13d-3 and 13d-5 under the Exchange Act, except that such person or group shall be deemed to have "beneficial ownership" of all shares that any such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 45% of either the total economic value of the Company's outstanding Capital Stock or the total voting power of the Voting Securities of the Company;"

(c) *Amendment to definition of "Full Accretion Date."* The definition of "Full Accretion Date" is hereby deleted in its entirety and replaced with: " Full Accretion Date " means July21, 2009."

(d) *Insertion of new definitions.* The following new definitions are hereby inserted into Section1.1 in appropriate alphabetical order:

" " Acquired Debt " means, with respect to any specified Person, (i)Debt of any other Person existing at the time such other Person is merged with or into or became a Restricted Subsidiary of such specified Person, including, without limitation, Debt Incurred in connection with, or in contemplation of, such other Person merging with or into or becoming a Restricted Subsidiary of such specified Person, and (ii)Debt secured by a Lien encumbering any asset acquired by such specified Person at the time such asset is acquired by such specified Person.

" Adjusted EBITDA " means for the applicable period of measurement of the Company and its Restricted Subsidiaries, (i) Consolidated EBITDA for such period minus (ii) Capital Expenditures of the Company and its Restricted Subsidiaries for such period, on a consolidated basis.

" Alternative Mezzanine Debt " is defined in Section 5(1) of the 16% Notes Purchase Agreement.

" Amended Credit Agreement " means the Amendment and Restatment of the Credit Agreement, dated as of November 9, 1999, as amended and restated as of January 12, 2000 and as of the date hereof, as amended, by and among the Company, BCSI, the lenders party thereto from time to time, Bank of America, N.A., as syndication agent, Citicorp USA, Inc., as administrative agent and certain other agents, together with the related documents thereto (including, without limitation, any guarantee agreements and security documents), in each case as such agreement or agreements may be amended (including any amendment and restatement thereof), restated, supplemented, replaced, restructured, waived, Refinanced or otherwise modified from time to time, including any amendment, supplement, modification or agreement adding Subs of the Company as additional borrowers or guarantors thereunder or extending the maturity of, Refinancing, replacing or otherwise restructuring all or any portion of the Debt under such agreement or any successor or replacement agreement, and whether by the same or any other agent, lender or group of lenders or one or more agreements, contracts, indentures or otherwise; provided that, in no event may such agreement be amended (including any amendment and restatement thereof), supplemented, replaced, restructured, Refinanced or otherwise modified to increase the amount of borrowings permitted to be Incurred pursuant to Section4.17(b)(vii).

" Applicable Capital Lease Amount " means $41,300,000 as of September30, 2002, which amount shall increase by $30,000,000 on the 16% Notes Closing Date and on December 31, 2003 and by $15,000,000 on December 31, 2004, up to a maximum aggregate amount of $116,300,000.

" Asset Disposition " means the disposition by the Company or any Restricted Subsidiary of the Company whether by sale, issuance, lease (as lessor (other than under operating leases)), transfer, loss, damage, destruction, condemnation or other transaction (including any merger or consolidation) or series of related transactions of any of the following: (a) any of the Capital Stock of any of the Company's Restricted Subsidiaries, (b) all or substantially all of the assets of the Company or any of its Restricted Subsidiaries (it being understood and agreed that the disposition of the BCI Group or any assets of the BCIGroup does not constitute a disposition of all or substantially all of the assets of the Company or any of its Restricted Subsidiaries) or (c)any other assets of the Company or any of its Restricted Subsidiaries. Notwithstanding the foregoing, Asset Dispositions shall be deemed not to include (i) a transfer of assets by (x) the Company to a Wholly Owned Restricted Subsidiary of the Company, or by a Restricted Subsidiary of the Company to the Company or to another Wholly Owned Restricted Subsidiary of the Company or (y) the Company or a Restricted Subsidiary to CBW; provided that the aggregate amount of all such transfers to CBW shall not exceed 5% of Consolidated Total Assets, (ii) an issuance of Capital Stock by a Sub of the Company to the Company or to a Restricted Subsidiary of the Company, (iii) a Restricted Payment that is permitted by the provisions of Section 5.02 of the 16% Notes Indenture as in effect on the 16% Notes Closing Date, (iv) a Permitted Investment (as defined in the 16% Notes Indenture as in effect on the 16% Notes Closing Date), (v) any conversion of Cash Equivalents into cash or any other form of Cash Equivalents, (vi) any foreclosure on assets, (vii) sales or dispositions of past due accounts receivable or notes

receivable in the Ordinary Course of Business, (viii) transactions permitted under Article 10 hereof, (ix) grants of credits and allowances in the Ordinary Course of Business, (x) operating leases or the sublease of real or personal property or licenses of intellectual property, in each case, on commercially reasonable terms entered into in the Ordinary Course of Business, (xi) trade-ins or exchanges of equipment or other fixed assets, (xii) the sale and leaseback of any assets within 180 days of the acquisition thereof, (xiii) sales of damaged, worn-out or obsolete equipment or assets that, in the Company's reasonable judgment, are no longer either used or useful in the business of the Company or its Subs, (xiv) dispositions of inventory in the Ordinary Course of Business; (xv) the disposition of cash or investment securities in the ordinary course of management of the investment portfolio of the Company and its applicable Subs; (xvi)any sale of CBWAssets; (xvii) sales of assets with a fair market value of less than $250,000; or (xviii) sales of other assets with a fair market value not to exceed $10,000,000 in the aggregate in any fiscal year.

" Asset Sale Offer " has the meaning assigned to that term in Section 4.19(a) .

" Attributable Debt " in respect of a Sale and Leaseback Transaction means, at the time of determination, the present value (discounted at the implicit rate of interest borne by the 16% Notes including any pay-in-kind interest and amortization discount) determined in accordance with GAAP of the obligation of the lessee for net rental payments during the remaining term of the lease included in such Sale and Leaseback Transaction (including any period for which such lease has been extended or may, at the option of the lessor, be extended).

" BCI " means Broadwing Communications Inc., a Delaware corporation.

" BCI Group " means BCI and its Subs.

" BCI Purchasers " has the meaning assigned to that term in the definition of "Change of Control."

" BCI Sale " has the meaning assigned to that term in the definition of "Change of Control."

" BCSI " means Broadwing Communications Services Inc., a Sub of BCI.

" Board " means, as to any Person, the board of directors, the board of advisors (or similar governing body) of such Person.

" Capital Expenditures " means, for any period and with respect to any Person, the aggregate of all expenditures by such Person and its Subs for the acquisition or leasing of fixed or capital assets or additions to fixed or capital assets (including replacements, capitalized repairs and improvements during such period) which should be capitalized under GAAP on a consolidated balance sheet of such Person and its Subs.

" Capitalized Lease Obligation " means, at the time any determination thereof is to be made, an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with GAAP, and the amount of Debt represented by such obligation shall be the capitalized amount of such obligation determined in accordance with GAAP; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease.

" Capital Stock " of any Person means any and all shares, interests, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock but excluding any debt securities including those convertible into such equity.

" Cash Equivalents " means (i) marketable direct obligations issued or unconditionally guaranteed by the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one (1) year from the date of acquisition thereof; (ii) commercial paper maturing no more than one (1) year from the date of acquisition and, issued by a corporation organized under the laws of the United States that has a rating of at least A-1 from S&P or at least P-1 from Moody's; (iii) time deposits maturing no more than thirty (30) days from the date of creation, certificates of deposit, money market deposits or bankers' acceptances maturing within one (1) year from the date of acquisition thereof issued by, or overnight reverse repurchase agreements from, any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia having combined capital, surplus and undivided profits of not less than $250,000,000; (iv) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above entered into with a bank meeting the qualifications described in clause (iii) above; (v) deposits or investments in mutual or similar funds offered or sponsored by brokerage or other companies having membership in the Securities Investor Protection Corporation and having combined capital and surplus of not less than $250,000,000; and (vi) other money market accounts or mutual funds which invest primarily in the securities described above.

" Cash Interest Option " has the meaning assigned to that term in Section2.6 .

" Cash Interest Option Date " has the meaning assigned to that term in Section2.6 .

" Cash Pay Interest " has the meaning assigned to that term in Section2.6 .

" CBT " means Cincinnati Bell Telephone Company, an Ohio corporation.

" CBT Assets " means any assets of CBT (including Capital Stock of the Subs of CBT) and any of its Subs (including Capital Stock of the Subs of such Subs). To the extent any CBT Asset is transferred to another Restricted Subsidiary of the Company in a transaction that does not constitute an Asset Disposition, such asset shall remain a CBT Asset for purposes of this Indenture.

" CBW " means Cincinnati Bell Wireless LLC, an Ohio limited liability company.

" CBW Assets " means any assets of CBW Co. (including Capital Stock of the Subs of CBW and Spectrum Assets) and any of its Subs (including Capital Stock of the Subs of such Subs) but, for the avoidance of doubt, excluding all CBT Assets. To the extent any CBW Asset is transferred to another Restricted Subsidiary of the Company in a transaction that does not constitute an Asset Disposition, such asset shall remain a CBW Asset for purposes of this Indenture.

" CBW Co. " means Cincinnati Bell Wireless Company, an Ohio corporation.

" Centralized Cash Management System " means the cash management system referred to in Section 5.02(f)(ix) of the Amended Credit Agreement as in effect on the 16% Notes Closing Date and described on Schedule5.01(r) thereof.

" Consolidated " or " consolidated " (including the correlative term " consolidating ") or on a "consolidated basis," when used with reference to any financial term in this Indenture (but not when used with respect to any Tax Return or tax liability), means the consolidation for two or more Persons of the amounts signified by such term for all such Persons, with intercompany items eliminated in accordance with GAAP.

" Consolidated Adjusted Debt " means the sum of (a) Debt of the Company and its Restricted Subsidiaries (exclusive of Debt under the Notes and Debt referred to in clauses (iv) (unless such Debt is required to be recorded as liability on the consolidated balance sheet of the Company and its Restricted Subsidiaries in accordance with GAAP) and (viii) of the definition thereof) determined on a consolidated basis in accordance with GAAP, plus (b) the amount of reserves of the Company and its Restricted Subsidiaries then outstanding in excess of $35,000,000 against any income tax liabilities.

" Consolidated Adjusted Debt to Adjusted EBITDA Ratio " means, as of any date of determination, the ratio of (a) Consolidated Adjusted Debt as of such date to (b) Adjusted EBITDA for the applicable four-quarter period ending on the last day of the most recently ended quarter for which consolidated financial statements of the Company and its Restricted Subsidiaries are, or should have been, available in accordance with the Transaction Documents.

" Consolidated EBITDA " means for the applicable period of measurement, the Consolidated Net Income of the Company and its Restricted Subsidiaries on a consolidated basis, plus, without duplication, the following for the Company and its Restricted Subsidiaries to the extent deducted in calculating such Consolidated Net Income: (i) Consolidated Interest Expense for such period, plus (ii) provisions for taxes based on income, plus (iii) total depreciation expense, plus (iv) total amortization expense, plus (v) other non-cash items reducing Consolidated Net Income (excluding any such non-cash item to the extent that it represents an accrual or reserve for potential cash items in any future period or amortization of a prepaid cash item) less other non-cash

items increasing Consolidated Net Income (excluding any such noncash item to the extent it represents the reversal of an accrual or reserve for potential cash item in any prior period), plus (vi) charges taken in accordance with SFAS 142, plus (vii) all net cash extraordinary losses less net cash extraordinary gains, plus (vii) all restructuring charges set forth on Schedule 1.1 (a) to the 16% Notes Indenture on the 16% Notes Closing Date.

" Consolidated EBITDA to Consolidated Interest Ratio " means as of any date of determination the ratio of (a) Consolidated EBITDA to (b) Consolidated Interest Expense, in each case, for the applicable four-quarter period ending on the last day of the most recently ended quarter for which consolidated financial statements of the Company and its Restricted Subsidiaries are, or should have been, available in accordance with the Transaction Documents.

" Consolidated Interest Expense " means for the applicable period of measurement of the Company and its Restricted Subsidiaries on a consolidated basis, the aggregate interest expense for such period determined in accordance with GAAP (including all commissions, discounts, fees and other charges in connection with standby letters of credit and similar instruments) for the Company and its Restricted Subsidiaries on a consolidated basis, but excluding all amortization of financing fees and other charges incurred by the Company and its Restricted Subsidiaries in connection with the issuance of Debt.

" Consolidated Net Income " means for any period the net income (or loss) before provision for dividends on Preferred Stock of the Company and its Restricted Subsidiaries on a consolidated basis for such period determined in conformity with GAAP, but excluding, without duplication, the following clauses (a) through (f) to the extent included in the computations thereof: (a) the income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary of the Company or is merged into or consolidated with the Company or any of its Restricted Subsidiaries or that Person's assets are acquired by the Company or any of its Restricted Subsidiaries; (b) the income (or loss) of any Person (other than the Company or a Restricted Subsidiary) in which such Person has an interest except to the extent of the amount of dividends or other distributions actually paid to the Company or a Restricted Subsidiary (which amount shall be included in Consolidated Net Income); (c) the income of any Restricted Subsidiary of the Company to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary (except to the extent of the amount of dividends or similar distributions actually lawfully paid to the Company or a Restricted Subsidiary); (d) any after tax gains or losses attributable to Asset Dispositions or returned surplus assets of any pension plan; (e) (to the extent not included in clauses (a) through (d) above) (i) any net extraordinary gains or net extraordinary losses or (ii) any net non-recurring gains or non-recurring losses to the extent attributable to Asset Dispositions, the exercise of options to acquire Capital Stock and the extinguishment of Debt; and (f) cumulative effect of a change in accounting principles.

" Consolidated Total Assets " means, as at any date of determination, the aggregate amount of assets reflected on the consolidated balance sheet of the Company and its Restricted Subsidiaries (excluding, however, for the avoidance of doubt the assets of the BCI Group) prepared in accordance with GAAP most recently delivered to the holders of 16% Notes pursuant to Section 4.02 of the 16% Notes Indenture or Section 9 of the 16% Notes Purchase Agreement.

" Credit Documents " means the Amended Credit Agreement, any Secured Hedge Agreement that is secured under (and as defined in) the Amended Credit Agreement, and all certificates, instruments, financial and other statements and other documents and agreements made or delivered from time to time in connection therewith and related thereto.

" Currency Agreement " means any foreign exchange contract, currency swap agreement or other similar agreement or arrangement designed to protect the Company or any Sub of the Company against fluctuations in currency values.

" Debt " means, with respect to any Person, without duplication: (1) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money (including, without limitation, Senior Debt); (ii) the principal of and premium (if any) in respect of indebtedness of such Person evidenced by bonds, debentures, notes or other similar instruments; (iii) all Attributable Debt and all Capitalized Lease Obligations of such Person; (iv) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all obligations under any title retention agreement, in each case to the extent the purchase price is due more than six (6) months from the date the obligation is Incurred (but excluding trade accounts payable and other accrued liabilities arising in the Ordinary Course of Business); (v) all obligations for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction; (vi) Guarantees and other contingent obligations in respect of Debt referred to in clauses (i) through (v) above and clause (viii) below; (vii) all obligations of any other Person of the type referred to in clauses (i) through (v) which are secured by any Lien on any property or asset of such Person, the amount of such obligation being deemed to be the lesser of the fair market value of such property or asset or the amount of the obligation so secured; (viii) all obligations under Currency Agreements and all Interest Swap Obligations of such Person; and (ix) all obligations represented by a Disqualified Capital Stock of such Person. The Debt of any Person shall include the Debt of any partnership or joint venture in which such Person is a general partner or joint venturer, but only to the extent to which there is recourse to such Person for the payment of such Debt.

" Disqualified Capital Stock " means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event (other than an event which would constitute a Change of Control or Asset Disposition), matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof (except, in each case,

upon the occurrence of a Change of Control or Asset Disposition) on or prior to the Stated Maturity of the Notes.

" Distribution Date " means the date on which (a)the Notes become Widely Held or (b) a Positive Credit Event occurs.

" Excess Proceeds " has the meaning assigned to that term in Section4.18(b) .

" Exchange and Registration Rights Agreement " means the Exchange and Registration Rights Agreement dated the date of the 16% Notes Indenture by and among the Company and the 16% Notes Purchasers.

" Exchange Guarantees " means the Guarantees of the 16% Exchange Notes issued in the 16% Notes Registered Exchange Offer.

" Existing Debt " all Debt of the Company and its Restricted Subsidiaries existing as of the 16% Notes Closing Date (after giving effect to the redemption, repurchase, repayment or prepayment of Debt out of the proceeds of the 16% Notes); provided that for purposes of Section 4.17(b) , Existing Debt shall not include Debt of the type permitted to be Incurred by Section 4.17(b)(iii) and (v) .

" fair market value " means, with respect to any asset or property, the price which could be negotiated in an arm's-length transaction between a willing seller and a willing and able buyer. Unless otherwise expressly required elsewhere in this Indenture, fair market value will be determined in good faith (i) for transactions involving an aggregate consideration equal to or less than $30,000,000, by a Responsible Officer of the Company, as evidenced, in the case of any such transaction involving consideration greater than $3,000,000, by an Officers' Certificate and (ii) for transactions involving an aggregate consideration in excess of $30,000,000, by the Board of the Company, as evidenced by a resolution of the Board, and in the case of both clause (i) and (ii), such determination shall be conclusive absent a manifest error.

" Governmental Authority " means (a) the government of the United States of America or any State or other political subdivision thereof, (b) any government or political subdivision of any other jurisdiction in which the Company or any of its Subs conducts all or any part of its business, or which properly asserts jurisdiction over any properties of the Company or any of its Subs or (c) any entity properly exercising executive, legislative, judicial, regulatory or administrative functions of any such government.

" Guarantee " means a guarantee (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Debt.

" Guarantor " means any Restricted Subsidiary of the Company that has provided a guarantee of the Obligations with respect to the 16% Notes.

" Incur " has the meaning assigned to that term in Section4.17(a) .

" Interest Coverage Test " has the meaning assigned to that term in Section4.17(a) .

" Interest Swap Obligations " means the Obligations of any Person pursuant to any arrangement with any other Person, whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying either a floating or a fixed rate of interest on a stated notional amount in exchange for periodic payments made by such other Person calculated by applying a fixed or a floating rate of interest on the same notional amount and shall include, without limitation, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or of which it is a beneficiary.

" Leverage Test " has the meaning assigned to that term in Section4.17(a) .

" Lien " means any lien, mortgage, pledge, security interest, charge, encumbrance or governmental levy or assessment of any kind, whether voluntary or involuntary (including any conditional sale or other title retention agreement and any lease in the nature thereof).

" Maturity ", when used with respect to any 16% Note, means the date on which the principal of such 16% Note becomes due and payable as provided therein or in the 16% Notes Indenture, whether at the 16% Notes Stated Maturity or by declaration of acceleration, call for redemption or otherwise (including in connection with any offer to purchase that the 16% Notes Indenture requires the Company to make).

" Moody's " means Moody's Investors Service, Inc.

" Net Proceeds " means cash proceeds actually received by the Company or any of its Restricted Subsidiaries from any Asset Disposition (including insurance proceeds, awards of condemnation, and payments under notes or other debt securities received in connection with any Asset Disposition), net of (a) the costs of such sale, issuance, lease, transfer or other disposition (including all legal, title and recording tax expenses, commissions and other fees and expenses incurred and all Taxes required to be paid or accrued as a liability under GAAP as a consequence of such sale, lease or transfer), (b) amounts applied to repayment of Debt (other than revolving credit Debt under the Amended Credit Agreement, without a corresponding reduction in the revolving credit commitment) secured by a Lien on the asset or property disposed of, (c) if such Asset Disposition involves the sale of a discrete business or product line, any accrued liabilities of such business or product line required to be paid or retained by the Company or any of its Restricted Subsidiaries as part of such disposition, (d) appropriate

amounts to be provided by the Company or a Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with an Asset Disposition and retained by the Company or such Restricted Subsidiary, as the case may be, after such Asset Disposition, including, without limitation, pension and benefit liabilities, liabilities related to environmental matters or liabilities under any indemnification obligations associated with such Asset Disposition and (e) all distributions and other payments required to be made to minority interest holders in Subs or joint ventures as a result of such Asset Disposition, but only to the extent required by constituent documents of such Sub or such joint venture.

" Obligations " means all obligations for principal, premium (if any), interest, penalties, fees, indemnification, reimbursements, damages and other liabilities payable under the documentation governing any Debt.

" Offer Amount " has the meaning assigned to that term in Section4.19(c) .

" Offer Period " has the meaning assigned to that term in Section4.19(a) .

" Optional Cash Pay Interest" has the meaning assigned to that term in Section2.6 .

" Ordinary Course of Business " means, in respect of any transaction involving the Company or any Restricted Subsidiary of the Company, the ordinary course of such Person's business, as conducted by any such Person in accordance with past practice and undertaken by such Person in good faith.

" Partial Accretion Date" has the meaning assigned to that term in Section2.6 .

" Permitted Adjustments " means, for the purpose of calculating the Leverage Test and the Interest Coverage Test, pro forma adjustments arising out of events (including cost savings resulting from head count reduction, closure of facilities and similar restructuring charges) which are directly attributable to a specific transaction, are factually supportable and are expected to have a continuing impact, which (a) would be permitted by Article 11 of Regulation S-X promulgated under the Securities Act and as interpreted by the staff of the SEC or (b) after the Distribution Date, have been realized or are reasonably expected to be realized within six (6) months following any such transaction; provided that, in either case, such adjustments are set forth in an Officer's Certificate signed by the Company's chief financial officer and another officer which states (i) the amount of such adjustment or adjustments, (ii) that such adjustment or adjustments are based on the reasonable good faith beliefs of the officers executing such Officer's Certificate at the time of such execution and (iii) that any related Incurrence of Debt is permitted pursuant to the Indenture.

" Permitted Asset Swap " means any transfer of properties or assets by the Company or any of its Restricted Subsidiaries in which the consideration received by the transferor consists of like properties or assets to be used in the business of the Company

or its Restricted Subsidiaries in the same or similar manner as such transferred properties or assets; provided that (i) the fair market value (determined in good faith by the Board of the Company) of properties or assets received by the Company or any of its Restricted Subsidiaries in connection with such Permitted Asset Swap is at least equal to the fair market value (determined in good faith by the Board of the Company) of properties or assets transferred by the Company or such Restricted Subsidiary in connection with such Permitted Asset Swap and (ii) the aggregate fair market value of assets transferred by the Company in connection with all Permitted Asset Swaps after the 16% Notes Closing Date does not exceed 10% of Consolidated Total Assets.

" Permitted Refinancing Debt " means any Debt of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to Refinance, other Debt of any such Persons; provided, however, that (i) the principal amount of such Permitted Refinancing Debt does not exceed the principal amount (or, if issued at original issue discount, the aggregate accreted value) plus accrued interest and premium, if any (set forth in the original instrument representing such Debt), of the Debt so exchanged or Refinanced (plus the amount of reasonable fees and expenses incurred in connection therewith); (ii) such Permitted Refinancing Debt has a final maturity date on or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, at the time of such Refinancing, the Debt being exchanged or Refinanced; (iii) if the Debt being exchanged or Refinanced is subordinated in right of payment to the Notes, such Permitted Refinancing Debt is subordinated in right of payment to the Notes on terms at least as favorable to the holders of Notes as those contained in the documentation governing the Debt being exchanged or Refinanced; (iv) such Permitted Refinancing Debt is Incurred by the Person who is the obligor on the Debt being exchanged or Refinanced; and (v) in the case of Permitted Refinancing Debt in respect of the Notes, such Permitted Refinancing Debt will have an effective yield thereon not exceeding 10% per annum. " Permitted Refinancing Debt " shall not include Debt under the Amended Credit Agreement which may be Refinanced in accordance with the definition thereof.

" Positive Credit Event " means the Company having a long-term (a) senior implied debt rating of at least BB+ from S&P and Bal from Moody's and (b)subordinated debt rating of at least BB- from S&P and Ba3 from Moody's; provided that if, after the occurrence of the Positive Credit Event, the Notes are not Widely Held and the Company's senior implied and subordinated debt ratings have been downgraded below the rating levels set forth in this definition of "Positive Credit Event", the provisions of this Indenture applicable prior to the Distribution Date shall govern beginning after such ratings downgrade as if the Distribution Date has not occurred, until such time as the Notes become Widely Held or another Positive Credit Event occurs.

" Preferred Stock " of any Person means any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemptions or upon liquidation, and shall include the 6-3/4% Convertible Preferred Stock of the Company.

" Purchase Date " has the meaning assigned to that term in Section4.19(c) .

" Purchasers " means GS Mezzanine Partners II, L.P., GS Mezzanine Partners II Offshore, L.P., and any other affiliate of GS Mezzanine Partners II, L.P. who purchases the 16% Notes being issued under the 16% Notes Purchase Agreement on the 16% Notes Closing Date and any other person specified as a Purchaser in Schedule1 to the 16% Notes Purchase Agreement.

" Refinance " means, in respect of any security or Debt, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue a security or Debt in exchange or replacement for, such security or Debt in whole or in part. " Refinanced " and " Refinancing " shall have correlative meanings.

" Responsible Company Officer " means the chief executive officer, the president, the chief financial officer, the principal accounting officer or the treasurer (or the equivalent of any of the foregoing) of the Company or any of its Subs or any other officer, partner or member (or person performing similar functions) of the Company or any of its Subs responsible for overseeing the administration of, or reviewing compliance with, all or any portion of the Indenture and 16% Notes Indenture.

" Restricted Subsidiary " of any Person means any Sub of such Person which at the time of determination is not an Unrestricted Subsidiary.

" Sale and Leaseback Transaction " means any direct or indirect arrangement with any Person or to which any such Person is a party, providing for the leasing to the Company or a Restricted Subsidiary of any property, whether owned by the Company or any Restricted Subsidiary at the 16% Notes Closing Date or later acquired, which has been or is to be sold or transferred by the Company or such Restricted Subsidiary to such Person or any other Person from whom funds have been or are to be advanced by such Person on the security of such property.

" Senior Notes " means those certain 7-1/4% Senior Notes due 2023 of the Company issued pursuant to an indenture dated as of July 1, 1993 in the aggregate principal amount of $50,000,000, and any such notes issued in exchange or replacement therefor.

" 16% Notes Closing Date " means the date on which the 16% Notes are issued by the Company.

" 16% Exchange Notes " means any 16% Notes issued pursuant to the 16% Notes Registered Exchange Offer.

" 16% Notes Indenture " means the Indenture dated March26, 2003 between the Company and The Bank of NewYork, as trustee.

" 16% Notes " means the Company's Senior Subordinated Discount Notes due 2009 issued pursuant to the 16% Notes Indenture.

" 16% Notes Purchase Agreement " means the Purchase Agreement, dated as of December9, 2002, by and among the Company, GS Mezzanine Partners II, L.P. and GS Mezzanine Partners II Offshore, L.P.

" 16% Notes Registered Exchange Offer " means the Offer by the Company to holders of the 16% Notes to issue and deliver to such holders, in exchange for their 16% Notes, a like aggregate principal amount at Maturity of 16% Exchange Notes registered under the Securities Act.

" 16% Notes Stated Maturity " when used with respect to any 16% Note or any installment of interest thereon, means the date specified in the 16% Notes Indenture or such 16% Note as the scheduled fixed date on which the accreted value of such 16% Note or such installment of interest is due and payable and shall not include any contingent obligation to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for payment thereof.

" Spectrum Assets " means the E-Block spectrum licenses granted by the Federal Communications Commission or any spectrum license owned by CBW Co. or its successor for which the E-Block may be exchanged.

" S&P " means Standard & Poor's Ratings Service, a division of McGraw-Hill Companies, Inc.

" Sub " means, with respect to any Person, (i) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subs of that Person (or a combination thereof) and (ii) any partnership (A) the sole general partner or the managing general partner of which is such Person or a Sub of such Person or (B) the only general partners of which are such Person or of one or more Subs of such Person (or any combination thereof). Any Person becoming a Sub of the Company after the date of this Supplemental Indenture shall be deemed to have Incurred all of its outstanding Debt on the date it becomes a Sub.

" Subject Transaction " has the meaning assigned to that term in Section4.17(a) .

" Taxes " means all federal, state, local or foreign income, gross receipts, windfall profits, severance, property, production, sales, use, license, excise, franchise, employment, withholding or other taxes, duties or assessments of any kind whatsoever imposed on any Person, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties and includes any liability for Taxes of another Person by contract, as a transferee or successor, under Treasury regulation Section 1.1502-6 or analogous state, local or foreign law provision or otherwise.

" Tax Returns " means all reports and returns (including elections, declarations, disclosures, schedules, estimates and information returns) required to be filed with respect to Taxes.

" Transaction Documents " means the documents listed as Exhibits A through D to the 16% Notes Purchase Agreement.

" Unrestricted Subsidiary " means (i) any member of the BCI Group; provided that after the consummation of the sale of all or substantially all of the assets of BCI's Subs or the consummation of a confirmed plan of reorganization under Chapter 11 of the Federal Bankruptcy Code with respect to BCI, the Company may designate Broadwing Telecommunications Inc. as a Restricted Subsidiary by written notice to the Trustee and the Holders; (ii) any Sub of a Person that at the time of determination shall be or continue to be designated an Unrestricted Subsidiary by the Board of such Person in the manner provided in, and for the purposes of, the 16% Notes Indenture; provided that the Company shall provide written notice to the Trustee and the Holders of any such designation; and (iii) any Sub of an Unrestricted Subsidiary.

" Weighted Average Life to Maturity " means, when applied to any Debt at any date, the number of years obtained by dividing (i) the sum of the products obtained by multiplying (A) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (B) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment, by (ii) the then outstanding principal amount of such Debt.

" Wholly Owned Restricted Subsidiary " of any Person means any Wholly Owned Subsidiary of such Person which at the time of determination is a Restricted Subsidiary of such Person.

" Wholly Owned Subsidiary " of any Person means a Sub of such Person all of the outstanding Capital Stock or other ownership interests of which shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more Wholly Owned Subsidiaries of such Person.

" Widely Held " means, with respect to the Notes, that (a) the Oak Hill Purchasers no longer hold more than 50% of the then outstanding aggregate Accreted Value of the Notes (exclusive of Notes then owned directly or indirectly by the Company, or any of its Subs or Affiliates) and (b) the Company (i) reasonably believes after due inquiry the number of beneficial owners (as defined in Rule 13d-3 under the Exchange act) of the Notes (counting for the purpose of this definition all holders that are Affiliates of each other as one beneficial owner) equals or exceeds twenty-five (25) and (ii) if requested by the Holders of more than 50% of the then outstanding aggregate Accreted Value of the Notes (exclusive of Notes then owned directly or indirectly by the Company, or any of its Subs or Affiliates), delivers to the requesting Holders and the Trustee an Officer's Certificate executed by the Responsible Company Officer describing in reasonable details the grounds for such belief and the procedures used by the Company

to count the number of beneficial owners. For the avoidance of doubt, the Trustee's obligations under clause(ii) of this definition shall be limited solely to keeping such Officers' Certificate on file with the Trustee and in no event shall the Trustee be liable for the contents of such Officers' Certificate nor shall it be required to deliver such Officers' Certificate to the Holders."

SECTION 1.3. ***Amendment to Section 2.6 (Title and Terms)*** **. The first paragraph of Section 2.6 (** ***Title and Terms*** **) of the Indenture is hereby deleted in its entirety and replaced with the following:**

"The Notes shall be known and designated as the 6.75%Convertible Subordinated Notes Due 2009 of the Company. The Company shall pay cash interest on the Notes at the rate and in the manner specified below. Prior to July21, 2004 (the " Partial Accretion Date "), cash interest will not accrue or be payable on the Notes, but the Notes will accrete on a daily basis, compounded semi-annually on January21 and July21 of each year, at the rate of 6.75% per annum of the Accreted Value on the Notes from July21, 1999 through March26, 2003, at the rate of 9.00% per annum of the Accreted Value on the Notes from March27, 2003 through the Partial Accretion Date and at the rate of 2.25% per annum of the Accreted Value on the Notes from the Partial Accretion Date through the Full Accretion Date. On the Partial Accretion Date, the Accreted Value of each $1,000 of original issue price of the Notes will be equal to $1,434.14. On the Full Accretion Date, the Accreted Value of each $1,000 of original issue price of the Notes will be equal to $1,603.90, as adjusted as described in the definition of the term "Accreted Value" if the Company elects the Cash Interest Option (the " Full Accreted Value "). From the Partial Accretion Date, interest on the Notes will accrue on $1,393.65 for each $1,000 of original issue price of Notes at the rate of 6.75% per annum (the " Cash Pay Interest ") from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the Partial Accretion Date. Beginning on the Partial Accretion Date, the Company, at its option, may elect (the " Cash Interest Option "), on any date following the Partial Accretion Date (the " Cash Interest Option Date "), to pay cash interest (the " Optional Cash Pay Interest ") in lieu of all or any accretion on the Notes since the Partial Accretion Date, in which case the Accreted Value of the Notes shall be adjusted as described in the definition of the term "Accreted Value." The Company will pay, in cash, such Cash Pay Interest or Optional Cash Pay Interest, as the case may be, semi-annually, in the case of Cash Pay Interest in arrears, on January21 and July21 of each year (each an " Interest Payment Date "), commencing on (x) January21, 2005, in the case of Cash Pay Interest, or (y) on the Interest Payment Date next succeeding the Cash Interest Option Date, in the case of Optional Cash Pay Interest, or if any such day is not a Business Day on the next succeeding Business Day, to Holders of record at the close of business on the January6 or July6 immediately preceding the Interest Payment Date (a " Regular Record Date "), except that interest not so punctually paid or duly provided for, if any, will be paid to the person in whose name each Note is registered as of the close of business on a special record date to be fixed by the Company (a " Special Record Date " and each Regular Record Date and Special Record Date, a " Record Date "), notwithstanding the subsequent cancellation of this Note prior to such Interest Payment Date. Upon any conversion of

the Notes or any portion thereof into Common Stock following the Partial Accretion Date, only if such conversion occurs (x) following notice by the Company of its option to redeem each Note under Section13.1, (y) in connection with a Change of Control or (z) on or after a Record Date and prior to the applicable Interest Payment Date, the Company will pay, in cash, any accrued and unpaid interest on each Note (or the portion being converted). All accretions and interest payable with respect to the Notes will be computed on the basis of a 360-day year consisting of twelve 30-day months."

SECTION 1.4. *Amendments to Article 4. (a) Insertion of new Section4.17 (Incurrence of Debt and Issuance of Preferred Stock).* A new Section4.17 *(Incurrence of Debt and Issuance of Preferred Stock)* is hereby inserted immediately following Section4.16 *(Forbearance from Restrictions on Rights of Holders of Notes)* as follows:

"SECTION4.17. Incurrence of Debt and Issuance of Preferred Stock .

(a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, Guarantee or otherwise become directly or indirectly liable, contingently or otherwise (including by operation of law), with respect to (collectively, " Incur ") any Debt (including Acquired Debt) and shall not permit any of its Restricted Subsidiaries to issue any Preferred Stock; *provided* , *however* , that the Company and the Guarantors may Incur Debt (including Acquired Debt), and the Company and the Guarantors may guarantee such Debt, if immediately after the Incurrence of such Debt, both (i)prior to the Distribution Date, the Consolidated EBITDA to Consolidated Interest Ratio for the most recent four full fiscal quarter period for which consolidated financial statements of the Company and its Restricted Subsidiaries are, or should have been, available in accordance with the Transaction Documents is 2.00 to 1.00 or greater (this test is referred to herein as the " Interest Coverage Test "), and (ii)the Consolidated Adjusted Debt to Adjusted EBITDA Ratio is less than (A)5.00 to 1.00 if such Incurrence occurs on or prior to December31, 2005 or (B)4.50 to 1.00 if such Incurrence occurs on or after January1, 2006 (the test set forth in sub-paragraph (ii) hereof is referred to herein as " Leverage Test "). For the purpose of the calculation of the Leverage Test (both before and after the Distribution Date) and, prior to the Distribution Date, the Interest Coverage Test, with respect to any period included in such calculation, Consolidated EBITDA, the components of Consolidated Interest Expense, and Consolidated Adjusted Debt and Capital Expenditures shall be calculated with respect to such period by the Company in good faith on a pro forma basis (including and consistent with Permitted Adjustments), giving effect to any acquisition, Asset Disposition or Incurrence or redemption or repayment of Debt that has given rise to the need for such calculation, has occurred during such period or has occurred after such period and on or prior to the date of such calculation (each a " Subject Transaction "), including, with regards to acquisitions and Asset Dispositions, by using the historical financial statements of any business so acquired or to be acquired or sold or to be sold and the consolidated financial statements of the Company and its Restricted Subsidiaries which shall be reformulated as if such Subject Transaction, and any Debt Incurred or redeemed or repaid in connection therewith, had been consummated or Incurred or

redeemed or repaid at the beginning of such period (and assuming that such Debt bears interest during any portion of the applicable measurement period prior to the relevant acquisition at the weighted average of the interest rates applicable to outstanding revolving loans under the Amended Credit Agreement Incurred during such period).

(b) The foregoing provisions shall not apply to:

(i) the Incurrence by the Company and its Restricted Subsidiaries of the Existing Debt (including, without limitation, all pay-in-kind interest under this Indenture);

(ii) the Incurrence by the Company and its Restricted Subsidiaries of the Debt represented by the 16% Notes and the Guarantees (including the Exchange Guarantees) thereof, as the case may be;

(iii) the Incurrence by the Company or any of its Restricted Subsidiaries of Debt represented by (A) Capitalized Lease Obligations, mortgage financings or purchase money Debt, in each case, Incurred for the purpose of financing all or any part of the purchase price or cost of construction, repair, addition to or improvement of property, plant or equipment used in the business of the Company or such Sub, in an aggregate principal amount, together with the principal amount of all Debt incurred pursuant to clause (xx) below, not to exceed (without duplication) the Applicable Capital Lease Amount at any one time outstanding and (B) other short-term purchase money Debt the term of which does not exceed six (6) months, in an aggregate principal amount not to exceed (without duplication) $10,000,000 at any one time outstanding;

(iv) the Incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Debt in exchange for, or the net proceeds of which are used to extend, Refinance, renew, replace, defease or refund, Debt that was permitted by this Indenture to be Incurred by the Company or such Restricted Subsidiary;

(v) the Incurrence by the Company or any of its Restricted Subsidiaries of intercompany Debt (A) between or among the Company and any Wholly Owned Restricted Subsidiaries of the Company and CBW (provided that, in the case of Debt incurred by CBW, such intercompany Debt shall not exceed $300,000,000 at any time outstanding) and (B) consisting of debits and credits among the Company and its Restricted Subsidiaries pursuant to the Centralized Cash Management System; provided, however, that (1) any intercompany Debt which is borrowed by the Company or a Restricted Subsidiary from a Restricted Subsidiary that is not a Guarantor shall be expressly subordinated to the 16% Notes and (2) (x) any subsequent issuance or transfer of Capital Stock that results in any such Debt being held by a Person other than the Company or a Wholly Owned Restricted Subsidiary of the Company or CBW, or (y) any sale or other transfer of any such Debt to a Person other than the Company, a Wholly Owned Restricted Subsidiary of the Company or CBW, or a lender or agent upon exercise

of remedies under a pledge of such Debt under the Credit Documents, shall be deemed, in each case of the foregoing clauses (2)(x) and (y), to constitute an Incurrence of such Debt by the Company or such Restricted Subsidiary, as the case may be;

(vi) the Incurrence by the Company or any of its Restricted Subsidiaries of Interest Swap Obligations that are Incurred for the purpose of fixing or hedging interest rate risk with respect to any floating rate Debt that is permitted by the terms of this Indenture to be outstanding;

(vii) the Incurrence by the Company and its Restricted Subsidiaries of Debt evidenced by the Credit Documents (and the Guarantees thereof by the Company and the Company's Subs) in a principal amount not exceeding $1,705,041,000 less the amount of all term loan repayments and permanent reductions of term and revolving loan commitments actually made under the Amended Credit Agreement; provided that, to the extent that the loans under the Amended Credit Agreement are repaid (and corresponding commitments are permanently reduced) with the proceeds of the New Notes (as defined in the Amended Credit Agreement) other than the 16% Notes and such New Notes were Incurred pursuant to this clause(vii), such repayment shall not reduce the aggregate amount of Debt permitted to be Incurred pursuant to this clause (vii); and, *provided , further* , that, notwithstanding the limitations set forth in this clause (vii), in the event of any permanent reduction or repayment of the Amended Credit Agreement's revolving facility, the Company and its Restricted Subsidiaries shall have the right to obtain additional commitments under, and extend the maturity of, such revolving facility (and Incur additional revolving Debt pursuant to such additional commitments) in an amount not exceeding the amount of such permanent reduction; provided that the aggregate amount of all such additional commitments obtained by the Company and its Restricted Subsidiaries since the date of the 16% Notes Indenture does not exceed $100,000,000;

(viii) the Incurrence by the Company or any of its Restricted Subsidiaries of Debt under Currency Agreements;

(ix) the Incurrence by the Company or any of its Restricted Subsidiaries of Debt arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the Ordinary Course of Business;

(x) the Incurrence by the Company or any of its Restricted Subsidiaries of Debt of the Company or any of its Restricted Subsidiaries represented by letters of credit for the account of the Company or such Restricted Subsidiary, as the case may be, in order to provide security for workers' compensation claims, payment obligations in connection with self-insurance or similar requirements in the Ordinary Course of Business;

(xi) the Incurrence by the Company or any of its Restricted Subsidiaries of Debt in respect of performance bonds, bankers' acceptances, workers' compensation claims, completion guarantees, letters of credit surety or appeal bonds, payment obligations in connection with self-insurance or similar obligations Incurred in the Ordinary Course of Business;

(xii) the Guarantee by the Company or any of its Restricted Subsidiaries of Debt of the Company or a Restricted Subsidiary of the Company that was permitted to be Incurred by another provision of this Section 4.17 ;

(xiii) Debt arising from agreements of the Company or a Restricted Subsidiary of the Company providing for indemnification, adjustment of purchase price or similar obligations, in each case, Incurred in connection with an Asset Disposition permitted by this Indenture or an acquisition or other sale or disposition of assets permitted under the 16% Notes Indenture;

(xiv) Debt arising from agreements of the Company or a Restricted Subsidiary of the Company (including the Exchange and Registration Rights Agreement, and similar contractual undertakings) providing for indemnification and payment of expenses relating to the registration under the Securities Act of the sale of Capital Stock of the Company or the 16% Notes;

(xv) Debt permitted to be Incurred by Section 5.11 of the 16% Notes Indenture;

(xvi) the Incurrence of Debt by the Company as a result of its indemnification obligations permitted pursuant to Sections 5.06(c) and 5.06(d) of the 16% Notes Indenture;

(xvii) endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business;

(xviii) Debt of a Restricted Subsidiary that is not a Guarantor Incurred and outstanding on or prior to the date on which such Restricted Subsidiary was acquired by the Company (other than Debt Incurred in contemplation of, in connection with, as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Sub of or was otherwise acquired by the Company); provided, however, that on the date that such Restricted Subsidiary is acquired by the Company, the Company would have been able to Incur $1.00 of additional Debt pursuant to Section 4.17(a) after giving effect to the Incurrence of such Debt pursuant to this clause (xviii);

(xix) the Incurrence by the Company of unsecured short-term Debt in the Ordinary Course of Business in the form of swing lines of credit and overdraft protection lines of credit in an aggregate principal amount not to exceed

$20,000,000; provided that the amount of Debt permitted to be incurred pursuant to clause (vii) above shall be reduced by the amount of Debt outstanding pursuant to this clause (xix);

(xx) in the case of CBT, the Incurrence by CBT of Debt to finance Capital Expenditures mandated by the Ohio, Indiana or Kentucky Public Utilities Commission; provided that (x) at the time such Capital Expenditures must be made, CBT is not permitted to Incur Debt under any other provision of this Section 4.17 and does not have sufficient internally-generated funds to make such Capital Expenditures and (y) the aggregate amount of such Debt at any one time outstanding, together with all Debt outstanding pursuant to Section 4.17(b)(iii)(A) does not exceed the Applicable Capital Lease Amount;

(xxi) the Incurrence of Attributable Debt with respect to Sale and Leaseback Transactions by CBW and CBT of towers and associated equipment, cabling, antennae and other appurtenances thereto, in each case, used in the operation of CBW's wireless business; provided that the proceeds of such Debt shall be used to prepay Debt under the Amended Credit Agreement in accordance with Section4.18 ;

(xxii) in the case of CBW Co., the incurrence of Debt secured by, and recourse only to, the Spectrum Assets not to exceed $60,000,000 in aggregate principal amount at any time outstanding; provided that the proceeds of such Debt shall be used to prepay Debt under the Amended Credit Agreement;

(xxiii) the Incurrence on the 16% Notes Closing Date of the Alternative Mezzanine Debt in an aggregate original issue price together with the 16% Notes not to exceed $350,000,000;

(xxiv) the Incurrence by the Company and its Restricted Subsidiaries of Debt in an aggregate principal amount not to exceed $50million at any one time; and

(xxv) the Incurrence by the Company and its Restricted Subsidiaries of Debt in an aggregate principal amount not to exceed $100million at any one time outstanding; provided that the aggregate principal amount of Debt incurred and outstanding pursuant to this clause(xxv) shall not exceed the net proceeds received by the Company or its Restricted Subsidiaries since March26, 2003, from the sale of Capital Stock (other than Disqualified Capital Stock or cash pay Preferred Stock having a dividend rate materially in excess of market rates for similar securities issued by similarly situated companies).

(c) For purposes of determining compliance with this Section 4.17 , in the event that an item of Debt meets the criteria of more than one of the categories of Debt described in clauses (i) through (xxv) of the immediately preceding paragraph or is entitled to be Incurred pursuant to Section 4.17(a) , the Company shall, in its sole discretion, classify (or later reclassify) such item of Debt in any manner that complies

with Section 4.17 and will only be required to include the amount and type of such Debt in one of such clauses of Section 4.17(b) or pursuant to Section 4.17(a) . Accrual of interest, accretion of accreted value, amortization of original issue discount, the payment of interest on any Debt in the form of additional Debt with the same terms as the Debt on which such interest is being paid and any other issuance of securities paid-in-kind shall not be deemed to be an Incurrence of Debt for purposes of Section 4.17 . In addition, the Company may, at any time, change the classification of an item of Debt (or any portion thereof) to any other clause of Section 4.17(b) or to Debt properly Incurred under Section4.17(a) provided that the Company would be permitted to Incur such item of Debt (or portion thereof) pursuant to such other clause of Section 4.17(b) or Section4.17(a) , as the case may be, at such time of reclassification.

(d) Notwithstanding paragraphs (a) and (b) above, for so long as any 16% Notes remain outstanding, the Company shall not, and shall not permit any of its Restricted Subsidiaries to, Incur or permit to exist any Debt that is subordinate or junior in ranking in any respect to the 16% Notes, unless such Debt specifically provides that such Debt is to rank *pari passu* with the Notes in right of payment or is expressly subordinated in right of payment to the Notes; provided that the foregoing provisions of this clause (d) shall not apply to Debt Incurred pursuant to Sections 4.17(b) (xxiv) or (xxv) ."

(b) *Insertion of new Section 4.18 (Asset Dispositions)* . A new Section4.18 *(Asset Dispositions)* is hereby inserted immediately following Section 4.17 *(Incurrence of Debt and Issuance of Preferred Stock*) as follows:

"SECTION 4.18. Asset Dispositions .

(a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, consummate any Asset Disposition (provided that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole shall be governed by the provisions of Article 10 and not by the provisions of this Section 4.18) unless all of the following conditions are met: (i) the aggregate fair market value of assets sold or otherwise disposed of in Asset Dispositions in any fiscal year of the Company does not exceed $50,000,000; provided that the limitation of this clause (i) shall not apply to: (1)Asset Dispositions that do not involve CBT Assets, the Net Proceeds of which are applied substantially concurrently with the receipt thereof, in accordance with clause(c) below; (2)Asset Dispositions by CBT of towers and associated equipment, cabling, antennae and other appurtenances thereto, in each case, used in the operations of CBW's wireless business, so long as the Net Proceeds of such Asset Dispositions are applied substantially concurrently with the receipt thereof, in accordance with clause(c) below; and (3)Permitted Asset Swaps; (ii) the consideration received is at least equal to the fair market value of such assets (except as the result of (x) any foreclosure or sale by the lenders under the Credit Documents or (y) Net Proceeds received from an insurer or a Governmental Authority, as the case may be, in the event of loss, damage, destruction or condemnation); (iii) in the case of Asset Dispositions that are not Permitted Asset Swaps, at least 80% of the consideration received is cash or Cash Equivalents; and (iv) prior to

the Distribution Date, no Default or Event of Default then exists or shall result from such Asset Disposition; provided, however, that the amount of (x) any liabilities (as shown on the Company's or such Restricted Subsidiary's most recent balance sheet) of the Company or any Restricted Subsidiary that are assumed by the transferee of any such assets pursuant to any arrangement releasing the Company or such Restricted Subsidiary from further liability and (y) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 90 days after the Asset Disposition (to the extent of the cash received), shall be deemed to be cash for purposes of this provision.

(b) Subject to clause (a)(i) above, within 365 days after the receipt of any Net Proceeds from an Asset Disposition, the Company or the Restricted Subsidiary making such Asset Disposition, as the case may be, may, at its option, apply such Net Proceeds (i) to permanently reduce Senior Debt or any Debt of the Restricted Subsidiaries of the Company, or to purchase the Notes (with the consent of the Holders thereof to the extent required) or Debt ranking *pari passu* with the Notes (and to correspondingly reduce commitments with respect thereto, to the extent applicable) or (ii)to the acquisition of a controlling interest in another business, the making of Capital Expenditures or the investment in or acquisition of other long-term assets, in each case, in the same or a similar line of business as the Company and its Subs engaged in at the time such assets were sold or in a business reasonably related, complementing or ancillary thereto or a reasonable expansion thereof. Pending the final application of any such Net Proceeds, the Company may temporarily reduce revolving credit Debt under the Amended Credit Agreement or otherwise invest such Net Proceeds in any manner that is not prohibited by the 16% Notes Indenture. Any Net Proceeds from Asset Dispositions that are not applied or invested as provided in the first sentence of this paragraph shall be deemed to constitute " Excess Proceeds ." When the aggregate amount of Excess Proceeds exceeds in any fiscal year $5,000,000, the Company shall make an Asset Sale Offer pursuant to Section 4.19 to purchase the maximum Accreted Value of Notes that may be purchased out of the Excess Proceeds, at an offer price in cash in an amount equal to 100% of the outstanding Accreted Value thereof, plus accrued and unpaid interest, thereon to the date of purchase, in accordance with the procedures set forth in Section4.19 ; provided, however, that if the Company elects (or is required by the terms of any other *pari passu* Debt), such Asset Sale Offer may be made ratably to purchase the Notes and other *pari passu* Debt of the Company. Upon completion of such offer to purchase, the amount of Excess Proceeds shall be reset at zero.

(c) Subject to clause (a)(i) above, Net Proceeds from Asset Dispositions in excess of the $50,000,000 per fiscal year limitation set forth in Section4.18 (a)(i) shall be applied, substantially concurrently with the receipt thereof, to permanently reduce Senior Debt. Any such Net Proceeds remaining after all Senior Debt has been permanently repaid shall constitute the Excess Proceeds with respect to which an Asset Sale Offer pursuant to Section 4.19 shall be made as provided in the foregoing clause (b).

(d) Notwithstanding anything herein to the contrary, the Company shall not, and shall not permit any of its Restricted Subsidiaries to, consummate any Asset Disposition involving any Capital Stock of CBT or any of CBT's Restricted Subsidiaries, other than pursuant to a transaction governed by the provisions of Article10 ."

(c) *Insertion of a new Section4.19 (Offer to Purchase by Application of Excess Proceeds)* . A new Section 4.19 *(Offer to Purchase by Application of Excess Proceeds)* is hereby inserted immediately following Section4.18 *(Asset Dispositions)* as follows:

"SECTION 4.19. Offer to Purchase by Application of Excess Proceeds .

(a) In the event that, pursuant to Section 4.18 , the Company shall be required to commence an offer to all Holders to purchase Notes (an " Asset Sale Offer "), it shall follow the procedures specified in this Section 4.19 . Each Asset Sale Offer shall remain open for not less than ten (10) Business Days nor more than sixty (60) days immediately following its commencement, except to the extent that a longer period is required by applicable law (the " Offer Period ").

(b) Upon the commencement of an Asset Sale Offer, the Company shall send, by first class mail, a notice to each of the Holders which shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The Asset Sale Offer shall be made to all Holders. The notice, which shall govern the terms of the Asset Sale Offer, shall state:

(i) that the Asset Sale Offer is being made pursuant to this Section4.19 and Section 4.18 and the length of time the Asset Sale Offer shall remain open,

(ii) the Offer Amount and the Purchase Date;

(iii) that Holders electing to have a Note purchased pursuant to any Asset Sale offer shall be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed to the Company at the address specified in the notice at least three Business Days before the Purchase Date;

(iv) that Holders shall be entitled to withdraw their election if the Company receives, not later than the second Business Day prior to the expiration of the Offer Period, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased; and

(v) other information required to be included pursuant to this Indenture.

(c) On or before the Business Day immediately after the termination of the Offer Period (the " Purchase Date "), the Company shall, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, Notes or portions thereof tendered pursuant to the Asset Sale Offer with an Accreted Value equal to the Accreted Value required to be purchased pursuant to Section 4.18 plus accrued and unpaid interest, if any, thereon to the Purchase Date (the " Offer Amount ") or, if the Accreted Value of Notes tendered is less than the Offer Amount, the Company shall purchase all Notes tendered in response to the Asset Sale Offer. Payment for any Notes so purchased shall be made in the same manner as interest payments are made. The Company shall promptly (but in any case not later than five (5) Business Days after the Purchase Date) mail or deliver by wire transfer to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Company for purchase, and the Company shall promptly issue a new Note and deliver it to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered. Any Note not so accepted shall be promptly mailed or delivered by the Company to the Holder thereof."

SECTION 1.5. *Amendment to Section 6.1 (Events of Default Defined)*. (a) Clause(d) of Section6.1 (*Events of Default Defined*) is hereby deleted in its entirety and replaced with the following:

"(d)prior to the Distribution Date, any representation, warranty, certification or statement made by the Company herein or in any statement or certificate at any time given by or on behalf of the Company in writing pursuant to this Indenture shall be false in any material respect (*provided* that the representations and warranties qualified by materiality or Material Adverse Effect shall not be false in any respect) on the date as of which made; or"

(b) Clause(f) of Section6.1 (*Events of Default Defined*) is hereby amended by inserting the following immediately before the word "or" at the end thereof:

"provided that for purposes of this Section 6.1(f), none of Broadwing Communications Inc. or any of its Subsidiaries shall be deemed to be Significant Subsidiaries;"

(c) Clause(g) of Section6.1 (*Events of Default Defined*) is hereby amended by inserting the following immediately before the word "or" at the end thereof:

"provided that for purposes of this Section 6.1(g), none of Broadwing Communications Inc. or any of its Subsidiaries shall be deemed to be Significant Subsidiaries;"

SECTION 1.6. *Amendment to Section 10.1 (Consolidation and Merger of the Company and Sale or Conveyance Permitted)* . (a)Clause (a) of Section 10.1

(Consolidation and Merger of the Company and Sale or Conveyance Permitted) is hereby deleted in its entirety and replaced with the following:

"(a) the resulting, surviving or transferee Person (the " Successor Company ") shall be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and the Successor Company (if not the Company) shall expressly assume, by a supplemental indenture thereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the Obligations of the Company under the Notes and this Indenture;"

(b) Clause (b) of Section 10.1 *(Consolidation and Merger of the Company and Sale or Conveyance Permitted)* is hereby deleted in its entirety and replaced with the following:

"(b) immediately after giving effect to such transaction (and treating any Debt which becomes an obligation of the Successor Company or any Restricted Subsidiary as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of such transaction), no Event of Default shall have occurred and be continuing under this Indenture; and"

(c) A new clause (c) of Section 10.1 *(Consolidation and Merger of the Company and Sale or Conveyance Permitted)* is hereby inserted immediately following clause (b) of Section 10.1 *(Consolidation and Merger of the Company and Sale or Conveyance Permitted)* as follows:

"(c) immediately after giving effect to such transaction, the Successor Company would be able to Incur an additional $1.00 of Debt pursuant to Section 4.17(a) if it were deemed to be the Company thereunder."

(d)Section 10.1 *(Consolidation and Merger of the Company and Sale or Conveyance Permitted)* is hereby amended by inserting the following sentence at the end thereof:

"Neither the consummation of the BCISale nor any other sale of the operating assets of BCI and/or its Subs shall constitute a sale or conveyance of the property of the Company as an entirety or substantially as an entirety for purposes of this Section 10.1 . "

SECTION 1.7. *Amendment to Section 13.1* (*Optional Redemption*). Clause(a) of Section 13.1 (*Optional Redemption*) is deleted in its entirety and replaced with the following:

"(a)The Company may redeem (the " Optional Redemption ") all of the Notes, or any portion of the Notes in minimum multiples of $100,000,000 of original issue price, at any time on or after July21, 2005, at the following redemption prices (each, an " Optional Redemption Price ") expressed in percentages of the Accreted Value of the Note on the redemption date, plus accrued and unpaid interest to the date of

redemption, subject to the right of the Holder of the Note of record on the relevant record date to receive interest on the relevant Interest Payment Date:

Period	Redemption Price
From July 21, 2005 through July 20, 2006	104.500 %
From July 21, 2006 through July 20, 2007	102.250 %
From July 21, 2007 through July 20, 2008	101.125 %
From July 21, 2008 and thereafter	100.000 %

"

SECTION 1.8. *Trustee's Acceptance* . The Trustee hereby accepts this Supplemental Indenture and agrees to perform the same under the terms and conditions set forth in the Indenture.

ARTICLE II

Exchange of Notes

SECTION 2.1. *Exchange of Notes for New Notes* . Upon the effectiveness of this Supplemental Indenture, the Trustee will exchange (the " Exchange ") any Notes held by it in global form as depositary for a like aggregate original issue price of new Notes in global form in the form of Appendix A hereto (the " New Notes "). Any Holder that holds Notes in certificated form may participate in the Exchange and receive a like aggregate original issue price of New Notes in certificated form by surrendering such Notes at the office or agency maintained by the Company as provided in Section 4.2 of the Indenture and otherwise complying with the procedures set forth in Section 2.8 of the Indenture.

ARTICLE III

Representations and Warranties of the Company

Except as expressly disclosed in the Company SEC Documents (as defined in the Investment Agreement) filed since January1, 2001 and publicly available prior to the date of this Supplemental Indenture, the Company represents and warrants to each Oak Hill Purchaser and the Trustee as follows:

SECTION 3.1. *Organization, Standing And Corporate Power* . Each of the Company and its Subsidiaries is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized and has the requisite corporate or other power, as the case may be, and authority to carry on its business as now being conducted. Each of the Company and its Subsidiaries is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of its business or the ownership, leasing or operation of its properties makes such qualification or licensing necessary, except for those jurisdictions in which the failure to be so qualified or licensed or to be in good standing individually or in the aggregate is not reasonably likely to have a Material Adverse Effect (as defined in the Indenture) on the Company.

SECTION 3.2. *Authority; Noncontravention* . The Company has the requisite corporate power and authority to enter into this Supplemental Indenture and to consummate the transactions contemplated by this Supplemental Indenture. The execution and delivery of this Supplemental Indenture by the Company and the consummation by the Company of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company. This Supplemental Indenture has been duly executed and delivered by the Company and, assuming the due authorization, execution and delivery by each of the other parties hereto, constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles. The execution and delivery of this Supplemental Indenture does not, and the consummation of the transactions contemplated by this Supplemental Indenture and compliance with the provisions hereof will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or loss of a benefit under, or result in the creation of any Lien upon any of the properties or assets of the Company or any of its Subsidiaries under, (i) the Amended Articles of Incorporation or Amended Regulations of the Company or the comparable organizational documents of any of its Subsidiaries, (ii) assuming the consummation of an amendment to the Credit Agreement that permits the consummation of this Supplemental Indenture, any loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument, permit, concession, franchise, license or similar authorization applicable to the Company or any of its Subsidiaries or their respective properties or assets or (iii) subject to the governmental filings and other matters referred to in the following sentence, any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to the Company or any of its Subsidiaries or their respective properties or assets, other than, in the case of clauses (ii) and (iii), any such conflicts, violations, defaults, rights, losses or Liens that individually or in the aggregate are not reasonably likely to (x) have a Material Adverse Effect (as defined in the Indenture) on the Company, (y) impair the ability of the Company to perform its obligations under this Supplemental Indenture, or (z) prevent or materially delay the consummation of the transactions contemplated by this Supplemental Indenture. No consent, approval, order or authorization of, action by or in respect of, or registration,

declaration or filing with, any Governmental Entity is required by or with respect to the Company or any of its Subsidiaries in connection with the execution and delivery of this Supplemental Indenture by the Company or the consummation by the Company of the transactions contemplated hereby, except for (1) such filings under the Exchange Act as may be required in connection with this Supplemental Indenture and the transactions contemplated hereby and except for such consents, approvals, orders or authorizations the failure of which to be made or obtained individually or in the aggregate is not reasonably likely to (x) have a Material Adverse Effect (as defined in the Investment Agreement) on the Company, (y) impair the ability of the Company to perform its obligations under this Supplemental Indenture or (z) prevent or materially delay the consummation of the transactions contemplated hereby.

SECTION 3.3. *Compliance with Applicable Laws.* The Company and its Subsidiaries hold all material permits, licenses, variances, exemptions, orders, registrations and approvals of all Governmental Entities (the "Company Permits") which are required for them to own, lease or operate their assets and to carry on their businesses. The Company and its Subsidiaries are in compliance in all material respects with the terms of the Company Permits and all applicable statutes, laws, ordinances, rules and regulations. No action, demand, requirement or investigation by any Governmental Entities and no suit, action or proceeding by any person, in each case with respect to the Company or any of its Subsidiaries or any of their respective properties, is pending or, to the Knowledge (as defined in the Investment Agreement) of the Company, threatened.

SECTION 3.4. *Brokers* . No broker, investment banker, financial advisor or other person, other than Banc of America Securities LLC, the fees, commissions and expenses of which will be paid by the Company, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission, or the reimbursement of expenses, in connection with the transactions contemplated by this Supplemental Indenture, based upon arrangements made by or on behalf of the Company.

SECTION 3.5. *Transaction Documents.* The copies of the Transaction Documents delivered to the Trustee and the Oak Hill Purchasers by the Company were true, correct and complete copies of such documents when delivered and any amended or supplemented copies of Transaction Documents delivered to the Trustee and the Oak Hill Purchasers by the Company will be true, correct and complete copies of such documents when delivered.

ARTICLE IV

Representations and Warranties of the Oak Hill Purchasers

Each of the Oak Hill Purchasers, severally but not jointly, represents and warrants to the Company and the Trustee as follows:

SECTION 4.1. *Organization, Standing And Corporate Power* . Each such Oak Hill Purchaser is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized.

SECTION 4.2. *Authority; Noncontravention* . Each such Oak Hill Purchaser has the requisite corporate or other power and authority to enter into this Supplemental Indenture and to consummate the transactions contemplated hereby (including the Exchange by such Oak Hill Purchaser of the Notes for New Notes). The execution and delivery of this Supplemental Indenture by the Company and the consummation by such Oak Hill Purchaser of the transactions contemplated by this Supplemental Indenture (including the Exchange by such Oak Hill Purchaser of the Notes for New Notes) have been duly authorized by all necessary corporate or other action on the part of such Oak Hill Purchaser. This Supplemental Indenture has been duly executed and delivered by such Oak Hill Purchaser and, assuming the due authorization, execution and delivery by each of the other parties hereto, constitutes the legal, valid and binding obligation of such Oak Hill Purchaser, enforceable against such Oak Hill Purchaser in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors rights and to general equity principles. No consent, approval, order or authorization of, action by or in respect of, or registration, declaration or filing with, any Governmental Entity is required by or with respect to such Oak Hill Purchaser in connection with the execution and delivery of this Supplemental Indenture by the Oak Hill Purchaser or the consummation by the Oak Hill Purchaser of the transactions contemplated by this Supplemental Indenture (including the Exchange by such Oak Hill Purchaser of the Notes for New Notes), except for (i) filings under the Exchange Act and (ii) such consents, approvals, orders or authorizations the failure of which to be made or obtained individually or in the aggregate is not reasonably likely to (x) have a Material Adverse Effect (as defined in the Investment Agreement) on the Oak Hill Purchaser, (y) impair the ability of the Oak Hill Purchaser to perform its obligations under this Supplemental Indenture (including the Exchange by such Oak Hill Purchaser of the Notes for New Notes) or the or (z) prevent or materially delay the consummation of the transactions contemplated by this Supplemental Indenture (including the Exchange by such Oak Hill Purchaser of the Notes for New Notes).

SECTION 4.3. *Brokers* . No broker, investment banker, financial advisor or other person, the fees, commissions and expenses of which will be paid by such Oak Hill Purchaser, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission, or the reimbursement of expenses, in connection with the transactions contemplated by this Supplemental Indenture, based upon arrangements made by or on behalf of the Oak Hill Purchaser.

SECTION 4.4. *Securities Act Representation* . Such Oak Hill Purchaser is an "accredited investor" as defined in Rule 501 promulgated under Regulation D under the Securities Act. Such Oak Hill Purchaser will acquire the New Notes to be issued pursuant to the Exchange and all the Conversion Shares that may be issued upon conversion thereof for its own account for the purpose of investment and not with a view

to a distribution or resale of any such securities in violation of any applicable Federal or state securities laws. Such Oak Hill Purchaser will not offer to sell, sell or otherwise dispose of any New Notes or Conversion Shares in violation of applicable Federal or state securities laws.

SECTION 4.5. *Present Ownership* . (a) Other than the New Notes to be issued pursuant to the Exchange and the Conversion Shares issuable upon the conversion thereof and the warrants to purchase shares of the Company's Common Stock purchased by such Oak Hill Purchaser pursuant to the 16% Notes Purchase Agreement and the shares of Company Common Stock issuable upon the exercise thereof, such Oak Hill Purchaser does not beneficially own (within the meaning of Rule 13d-3 under the Exchange Act, such term to have such meaning throughout this Agreement) any Voting Securities.

(b) Each Oak Hill Purchaser beneficially owns currently outstanding Notes with an aggregate original issue price set forth next to such Oak Hill Purchaser's name on Schedule4.5 hereto.

ARTICLE V

Miscellaneous

SECTION 5.1. *Interpretation* . Upon execution and delivery of this Supplemental Indenture, the Indenture shall be modified and amended in accordance with this Supplemental Indenture, and all the terms and conditions of both shall be read together as though they constitute one instrument, except that, in case of conflict, the provisions of this Supplemental Indenture will control. The Indenture, as modified and amended by this Supplemental Indenture, is hereby ratified and confirmed in all respects and shall bind every Holder of Notes. In case of conflict between the terms and conditions contained in the Notes and those contained in the Indenture, as modified and amended by this Supplemental Indenture, the provisions of the Indenture, as modified and amended by this Supplemental Indenture, shall control.

SECTION 5.2. *Conflict with Trust Indenture Act* . If any provision of this Supplemental Indenture limits, qualifies or conflicts with any provision of the TIA that is required under the TIA to be part of and govern any provision of this Supplemental Indenture, the provision of the TIA shall control. If any provision of this Supplemental Indenture modifies or excludes any provision of the TIA that may be so modified or excluded, the provision of the TIA shall be deemed to apply to the Indenture as so modified or to be excluded by this Supplemental Indenture, as the case may be.

SECTION 5.3. *Severability* . In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 5.4. *Terms Defined in the Indenture* . All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

SECTION 5.5. *Headings* . The Article and Section headings of this Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part of this Supplemental Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

SECTION 5.6. *Benefits of Supplemental Indenture, etc* . Nothing in this Supplemental Indenture or the Notes, express or implied, shall give to any Person, other than the parties hereto and thereto and their successors hereunder and thereunder and the Holders of the Notes, any benefit of any legal or equitable right, remedy or claim under the Indenture, this Supplemental Indenture or the Notes.

SECTION 5.7. *Successors* . All agreement *s* of the Company in this Supplemental Indenture shall bind its successors. All agreements of the Trustee in this Supplemental Indenture shall bind its successors.

SECTION 5.8. *Trustee Not Responsible for Recitals* . The recitals contained herein shall be taken as the statements of the Company and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture or of the Notes.

SECTION 5.9. *Certain Duties and Responsibilities of the Trustee* . In entering into this Supplemental Indenture, the Trustee shall be entitled to the benefit of every provision of the Indenture relating to the conduct or affecting the liability or affording protection to the Trustee, whether or not elsewhere herein so provided.

SECTION 5.10. *Governing Law* . This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York but without giving effect to applicable principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby.

SECTION 5.11. *Counterpart Originals* . The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

IN WITNESS WHEREOF, each party hereto has caused this Supplemental Indenture to be signed by its officer thereunto duly authorized as of the date first written above.

BROADWING INC.,
by
/s/ Mark W. Peterson
Name: Mark W. Peterson
Title: Vice President & Treasurer
THE BANK OF NEW YORK, as Trustee,
by
/s/ Paul Schmalzel
Name: Paul Schmalzel
Title: Vice President

Accepted and agreed as of
the date first written above:
OAK HILL CAPITAL PARTNERS, L.P.
By: OHCP GenPar, L.P.,
its general partner
By: OHCP MGP, LLC,
its general partner
By: /s/ J. Taylor Crandall
Name: J. Taylor Crandall
Title:
OHCP OCEAN I, LLC
By: OHCP AIV I (Cayman), Ltd.,
its member
By: /s/ J. Taylor Crandall
Name: J. Taylor Crandall
Title:

OHCP OCEAN III, LLC
By: Oak Hill Capital Partners, L.P.,
its member
By: OHCP GenPar, L.P.,
its general partner
By: OHCP MGP, LLC,
its general partner
By: /s/ J. Taylor Crandall
Name: J. Taylor Crandall
Title:
OHC OCEAN IV, LLC
By: Oak Hill Capital Management Partners, L.P.,
its member
By: OHCP GenPar, L.P.,
its general partner
By: OHCP MGP, LLC,
its general partner
By: /s/ J. Taylor Crandall
Name: J. Taylor Crandall
Title:

OHCP OCEAN V, LLC
By: OHCP Ocean II, LLC,
its member
By: OHCP GenPar, L.P.,
its managing member
By: OHCP MGP, LLC,
its general partner
By: /s/ J. Taylor Crandall
Name: J. Taylor Crandall
Title:
OAK HILL SECURITIES FUND, L.P.
By: Oak Hill Securities GenPar, L.P.,
its general partner
By: Oak Hill Securities MGP, Inc.,
its general partner
By:
Name:
Title:
OAK HILL SECURITIES FUND II, L.P.
By: Oak Hill Securities GenPar II, L.P.,
its general partner
By: Oak Hill Securities MGP II, Inc.,
its general partner
By:
Name:
Title:

OHCP AIV I, L.P.
By: OHCP GenPar, L.P.,
its general partner
By: OHCP MGP, LLC,
its general partner
By: /s/ J. Taylor Crandall
Name: J. Taylor Crandall
Title:

APPENDIX A

[FORM OF NOTE]

[FACE]

[DTC Legend]

THE FOLLOWING INFORMATION IS PROVIDED PURSUANT TO TREAS. REG. 1.1275-3:

THIS DEBT INSTRUMENT IS ISSUED WITH ORIGINAL ISSUE DISCOUNT.

TREASURER (513-397-9900), AS A REPRESENTATIVE OF THE ISSUER, WILL MAKE AVAILABLE ON REQUEST TO HOLDERS OF THIS DEBT INSTRUMENT THE FOLLOWING INFORMATION: ISSUE PRICE, AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY.

NO. $

BROADWING INC.

(f/k/a Cincinnati Bell Inc.)

CUSIP NO.

6.75% CONVERTIBLE SUBORDINATED NOTE

DUE 2009

BROADWING INC. (f/k/a Cincinnati Bell Inc.), an Ohio corporation (herein referred to as the "Company"), for value received, hereby promises to pay to [ ], or registered assigns, at the office or agency of the Company in the City of Cincinnati, State of Ohio, or at the option of the registered holder, at the office or agency of the Company in the Borough of Manhattan, The City of New York, State of New York, the Full Accreted Value (as defined herein) of this Note on July 21, 2009 in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay or accrete interest, at the rate set forth on the reverse hereof, until payment of said principal sum has been made or duly provided for; provided however, that payment of interest may be made at the option of the Company by check mailed to the address of the person entitled thereto at such address as it shall appear on the Note Register. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Note shall not be valid or become obligatory for any purpose until the appropriate certificate or authentication hereon shall have been executed by or on behalf of the Trustee under the Indenture referred to on the reverse hereof.

IN WITNESS WHEREOF, Broadwing Inc., has caused this Instrument to be signed by its duly authorized officers, by a facsimile of each of their signatures.

BROADWING
INC.,
By
Name:
Title:

[FORM OF CERTIFICATE OF AUTHENTICATION]

This is one of the Notes of the issue designated herein and referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK,
AS TRUSTEE,
By
Authorized Signatory

Date:

[FORM OF NOTE]

[REVERSE]

BROADWING INC.

(f/k/a Cincinnati Bell Inc.)

6.75% CONVERTIBLE SUBORDINATED NOTE

DUE 2009

This Note is one of a duly authorized issue of Notes of the Company designated as set forth on the face (herein referred to as the "Notes"), limited to the aggregate original issue amount of $400,000,000, all issued or to be issued under and pursuant to an indenture dated as of July 21, 1999, as amended or supplemented (herein referred to as the "Indenture"), duly executed and delivered by the Company and The Bank of New York, as Trustee (herein referred to as the "Trustee"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders (the words "holders" or "holder" meaning the registered holders or registered holder) of the Notes.

Capitalized terms not otherwise defined in this Note shall have the meanings ascribed to them in the Indenture.

In case of an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the Accreted Value hereof may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture permits, subject to the exceptions therein provided, that the Company and the Trustee, with the consent of the holders of not less than 51% in aggregate Accreted Value of the Notes at the time outstanding, evidenced as in the Indenture provided, to execute supplemental indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or modifying in any manner the rights of the holders of the Notes. It is also provided in the Indenture that the majority in aggregate principal amount of the Notes at the time outstanding may on behalf of the holders of all of the Notes waive any past default under the Indenture and its consequences. Any such consent or waiver by the holder of any Note (unless revoked as provided in the Indenture) shall be conclusive and binding upon such holder and upon all future holders and owners of such Note and of any Note issued upon the transfer thereof or in exchange or substitution therefor, irrespective of whether or not any notation of such consent or waiver is made upon such Note or such other Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal or Accreted Value of (and premium, if any) and

interest on this Note at the places, at the respective times, at the rate and in the coin or currency herein prescribed.

The Notes are issuable as registered Notes without coupons in denominations of $1,000 in original price and any integral multiple of $1,000. At either of the offices or agencies of the Company referred to on the face hereof and in the manner and subject to the limitations provided in the Indenture, Notes may be exchanged without a service charge for a like aggregate principal amount of Notes of other authorized denominations.

The Company promises to pay cash interest on this Note at the rate and in the manner specified below. Prior to July 21, 2004 (the "Partial Accretion Date"), cash interest will not accrue or be payable on this Note, but this Note will accrete on a daily basis, compounded semi-annually on January 21 and July 21 of each year, at the rate of 6.75% per annum of the Accreted Value of this Note from the date of issuance of this Note through March26, 2003, at the rate of 9.00% per annum of the Accreted Value of this Note of the Accreted Value of this Note from March27, 2003 through the Partial Accretion Date and at the rate of 2.25%per annum of the Accreted Value of this Note from the Partial Accretion Date through the Full Accretion Date. On the Partial Accretion Date, the Accreted Value of each $1,000 of original issue amount of this Note will be equal to $1,434.14. On the Full Accretion Date, the Accreted Value of each $1,000 of original issue amount of this Note will be equal to $1,603.90, as adjusted as described in the definition of the term "Accreted Value" if the Company elects the Cash Interest Option (the "Full Accreted Value"). From the Partial Accretion Date, interest on this Note will accrue on $1,393.65 for each $1,000 of original issue price of this Note at the rate of 6.75% per annum (the "Cash Pay Interest") from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the Partial Accretion Date. Beginning on the Partial Accretion Date, the Company, at its option, may elect (the "Cash Interest Option"), on any date following the Partial Accretion Date (the "Cash Interest Option Date"), to pay cash interest (the "Optional Cash Pay Interest") in lieu of all or any accretion on the Notes since the Partial Accretion Date, in which case the Accreted Value of the Notes shall be adjusted as described in the definition of the term "Accreted Value." The Company will pay, in cash, such Cash Pay Interest or Optional Cash Pay Interest, as the case may be, semiannually, in the case of Cash Pay Interest in arrears, on January 21 and July 21 of each year (each an "Interest Payment Date"), commencing on (x) January 21, 2005, in the case of Cash Pay Interest, or (y) on the Interest Payment Date next succeeding the Cash Interest Option Date, in the case of Optional Cash Pay Interest, or if any such day is not a Business Day on the next succeeding Business Day, to the holders of record at the close of business on the January 6 or July 6 immediately preceding the Interest Payment Date (a "Regular Record Date"), except that interest not so punctually paid or duly provided for, if any, will be paid to the person in whose name this Note is registered as of the close of business on a special record date to be fixed by the Company (a "Special Record Date"), notwithstanding the subsequent cancellation of this Note prior to such Interest Payment Date. Upon any conversion of this Note or any portion thereof into Common Stock following the Partial Accretion Date, only if such conversion occurs (x) following any notice by the Company of its option to redeem this Note under Section 13.1 of the Indenture, (y) in connection

with a Change of Control or (z) on or after the Record Date and prior to the applicable Interest Payment Date, the Company will pay, in cash, any accrued and unpaid interest on this Note (or the portion being converted). Accretions and interest will be computed on the basis of a 360-day year consisting of twelve 30-day months.

The Notes may be represented by one or more global Notes deposited with the Depository Trust Company ("DTC") and registered in the name of the nominee of DTC, with certain limited exceptions. So long as DTC or any successor depository or its nominee is the registered Holder of a global Note, DTC, such depository or such nominee, as the case may be, will be considered to be the sole Holder of the Notes for all purposes of the Indenture. Except as provided below, an owner of a beneficial interest in a global Note will not be entitled to have Notes represented by such global Note registered in such owner's name, will not receive or be entitled to receive physical delivery of the Notes in certificated form and will not be considered the owner or Holder thereof under the Indenture. Each person owning a beneficial interest in a global Note must rely on DTC's procedures and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a Holder under the Indenture. If the Company requests any action of Holders or if an owner of a beneficial interest in a global Note desires to take any action that a Holder is entitled to take under the Indenture, DTC will authorize the participants holding the relevant beneficial interests to give or take such action, and such participants will otherwise act upon the instructions of beneficial owners holding through them.

If at any time DTC notifies the Company that it is unwilling or unable to continue as depository for the global Note or Notes or if at any time DTC ceases to be a clearing agency registered under the Security Exchange Act of 1934, as amended, if so required by applicable law or regulation, the Company shall appoint a successor depository with respect to such global Note or Notes. If a successor depository for such global Note or Notes is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such unwillingness, inability or ineligibility or the Company, in its sole discretion, determines at any time that all Outstanding Notes (but not less than all) issued or issuable in the form of one or more global Notes shall no longer be represented by such global Notes, then the Company shall execute, and the Trustee shall authenticate and deliver, definitive Notes of like series, rank, tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of such global Note or Notes. If any beneficial owner of an interest in a permanent global Note is otherwise entitled to exchange such interest for Notes of such series and of like tenor and principal amount of another authorized form and denomination, as contemplated by the Indenture and provided that any applicable notice provided in the permanent global Note shall have been given then the Company shall execute, and the Trustee shall authenticate and deliver, definitive Notes in aggregate principal amount equal to the principal amount of such beneficial owner's interest in such permanent global Note.

Upon the exchange of a Note in global form for Notes in certificated form, such Note in global form shall be canceled by the Trustee. Notes in certificated form issued in exchanged for a Note in global form shall be registered in such names and in

such authorized denominations as the Depositary for such Note in global form, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Notes to the Persons in whose names such Notes are so registered.

This Note shall be subject to the provisions regarding redemption and repurchase set forth in Article Thirteen of the Indenture.

This Note shall be convertible into shares of Common Stock in accordance with Article Fourteen of the Indenture.

This Note is subordinated to all Senior Debt. To the extent provided in Article Eleven of the Indenture, Senior Debt must be paid before principal or Accreted Value, premium, if any, or interest on, this Note may be paid. The Company and the Holder of this Note, by accepting this Note, agree to the subordination provisions contained in Article Eleven of the Indenture.

None of the Company, the Trustee, any Paying Agent or the Note Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in this Note in global form or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee, or any agent of the Company or the Trustee, from giving effect to any written certification, proxy or other authorization furnished by any depository, as a Holder, with respect to this Note in global form or impair, as between such depository and owners of beneficial interests in such global Note, the operation of customary practices governing the exercise of the rights of such depository (or its nominee) as Holder of such global Note.

No recourse shall be had for the payment of the principal of (or premium, if any) or the interest on this Note or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, shareholder, officer, director or employee, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

This Note shall be deemed a contract made under the laws of the State of New York and for all purposes shall be governed by and construed in accordance with the laws of said State.

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.19 (Application of Excess Proceeds from Sale of Assets) of the Indenture, check the box:

o

If you want to elect to have only part of this Note purchased by the Company pursuant to Section 4.19 of the Indenture, state the aggregate Accreted Value ($1,000 or a multiple thereof):

$

Date: Your Signature:

(Sign exactly as your name appears on the other side of the Note)

Signature

Guarantee

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee

[END OF FORM OF NOTE]

SCHEDULE 4.5

OAK HILL PURCHASERS OWNERSHIP OF THE NOTES

Oak Hill Purchaser		Aggregate Original Issue Price
OHCP Ocean I, LLC	$	40,441,375
OHCP Ocean III, LLC	$	234,200,255
OHCP Ocean IV, LLC	$	9,100,000
OHCP Ocean V, LLC	$	41,258,370
Oak Hill Securities Fund, L.P.	$	37,500,000
Oak Hill Securities Fund II, L.P.	$	37,500,000
Total	$	400,000,000

Exhibit 4(c)(vi)

INDENTURE (this " Indenture ") dated as of March 26, 2003, by and among BROADWING INC., an Ohio corporation (the " Company "), the Guarantors (as hereinafter defined) listed on the signature pages hereof as Guarantors; and The Bank of New York, a New York banking corporation, as trustee (the " Trustee ").

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of (a) the Company's Senior Subordinated Discount Notes due 2009 issued on the date hereof (such notes, the " Initial Notes ") and (b) if and when issued as provided in the Exchange and Registration Rights Agreement (as defined in Appendix A hereto (the " Appendix ")) or in this Indenture, the Company's Senior Subordinated Discount Notes due 2009 issued in the Registered Exchange Offer in exchange for any Initial Notes or otherwise as provided in this Indenture (the " Exchange Notes " and together with the Initial Notes issued hereunder, the " Notes ," such term to include any such notes issued in exchange or replacement therefor). Except as otherwise provided herein, the Notes shall be limited to $441,628,051.27 in aggregate principal amount at Maturity.

ARTICLE 1.

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Definitions . As used herein, the following terms shall have the meanings specified herein unless the context otherwise requires:

" Accredited Investor " means any Person that is an "accredited investor" within the meaning of Rule 501(a) under the Securities Act.

" Accreted Value " means, with respect to the Initial Notes and the Exchange Notes of the same series, as of any date (the "Specified Date"), the amount provided below for each $1,000 principal amount at Maturity of such Notes:

(a) if the Specified Date occurs on one of the following dates (each, an " Accrual Date "), the Accreted Value shall equal the amount set forth below under the "Accreted Value" column for such Accrual Date:

Accrual Date		Accreted Value
June 30, 2003	$	800.54
December 31, 2003	$	816.55
June 30, 2004	$	832.88
December 31, 2004	$	849.54
June 30, 2005	$	866.53
December 31, 2005	$	883.86
June 30, 2006	$	901.53
December 31, 2006	$	919.56
June 30, 2007	$	937.96
January 20, 2008	$	958.96
Stated Maturity (January 20, 2009)	$	1,000.00

; or

(b) if the Specified Date occurs before the first Accrual Date, the Accreted Value shall equal the sum of (A) the original issue price of $ 792.52 per $1,000 of principal amount at Maturity of the Notes and (B) an amount equal to the product of (1) the Accreted Value for the first Accrual Date less such original issue price multiplied by (2) a fraction, the numerator of which is the number of days elapsed from the Closing Date to the Specified Date, using a 360-day year of twelve 30-day months, and the denominator of which is the number of days from the Closing Date to the first Accrual Date using a 360-day year of twelve 30-day months. In the event the Trustee is required to take any action which requires the calculation described in the preceding sentence, upon request by the Trustee, the Company shall calculate such Accreted Value and set forth such amount in an Officers' Certificate; or

(c) if the Specified Date occurs between two Accrual Dates, the Accreted Value shall equal the sum of (A) the Accreted Value for the Accrual Date immediately preceding such Specified Date and (B) an amount equal to the product of (1) the Accreted Value for the immediately following Accrual Date less the Accreted Value for the immediately preceding Accrual Date multiplied by (2) a fraction, the numerator of which is the number of days elapsed from the immediately preceding Accrual Date to the Specified Date, using a 360-day year of twelve 30-day months, and the denominator of which is 180. In the event the Trustee is required to take any action which requires the calculation described in the preceding sentence, upon request by the Trustee, the Company shall calculate such Accreted Value and set forth such amount in an Officers' Certificate; or

(d) if the Specified Date occurs after the last Accrual Date, the Accreted Value will equal $1,000.

If an Event of Default has occurred and is continuing on or prior to the Specified Date, the Accreted Value on such date shall be increased (until such time as no Event of Default is continuing) by an amount equal to the product of (A) a fraction, the numerator of which is the number of days, using a 360-day year of twelve 30-day months, since the immediately preceding Accrual Date during which such Event of Default occurred and was continuing and the denominator of which is 360, multiplied by (B) 0.0075.

" Acquired Indebtedness " means, with respect to any specified Person, (i)Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Restricted Subsidiary of such specified Person, including, without limitation, Indebtedness Incurred in connection with, or in contemplation of, such other Person merging with or into or becoming a Restricted Subsidiary of such specified Person, and (ii)Indebtedness secured by a Lien encumbering any asset acquired by such specified Person at the time such asset is acquired by such specified Person.

" Adjusted EBITDA " means for the applicable period of measurement of the Company and its Restricted Subsidiaries, (i) Consolidated EBITDA for such period minus (ii) Capital Expenditures of the Company and its Restricted Subsidiaries for such period, on a consolidated basis.

" Affiliate " means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, " control " (including, with correlative meanings, the terms " controlling ," " controlled by " and " under common control with "), as used with respect to any specified Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; *provided* , *however* , that, for purposes of Section 5.06 only, in the case of the Company or any of its Subsidiaries beneficial ownership of 10% or more of the Voting Stock in the Company or such Subsidiary, as the case may be, shall be deemed to be control. Notwithstanding the foregoing, in no event will the Purchasers or any Holder, any lender under the Credit Agreement, any holder of Convertible Subordinated Notes or any holder of Senior Notes, or any of their respective Affiliates be deemed to be an Affiliate of the Company or any of its Subsidiaries solely by virtue of purchasing or holding any Notes or being such a lender, or holding any Convertible Subordinated Notes or Senior Notes.

" Affiliate Transaction " is defined in Section5.06 .

" Alternative Mezzanine Debt " is defined in Section 5(l) of the Purchase Agreement.

" Appendix " is defined in the recitals.

" Applicable Capital Lease Amount " means $41,300,000 as of September 30, 2002, which amount shall increase by $30,000,000 on the Closing Date and on December 31, 2003 and by $15,000,000 on December 31, 2004, up to a maximum aggregate amount of $116,300,000.

" Applicable Law " means all laws, statutes, rules, regulations and orders of, and legally binding interpretations by, any Governmental Authority and judgments, decrees, injunctions, writs, permits, orders or like governmental action of any Governmental Authority applicable to the Company or any of its Subsidiaries or any of their properties, assets or operations, excluding Environmental Laws.

" Applicable Percentage " means for purposes of Section 5.02(C) , (a) prior to the Distribution Date, 25% and (b) after the Distribution Date, 50%.

" Asset Disposition " means the disposition by the Company or any Restricted Subsidiary of the Company whether by sale, issuance, lease (as lessor (other than under operating leases)), transfer, loss, damage, destruction, condemnation or other transaction (including any merger or consolidation) or series of related transactions of any of the following: (a) any of the Capital Stock of any of the Company's Restricted Subsidiaries, (b) all or substantially all of the assets of the Company or any of its Restricted Subsidiaries (it being

understood and agreed that the disposition of the BCI Group or any assets of the BCI Group does not constitute a disposition of all or substantially all of the assets of the Company or any of its Restricted Subsidiaries) or (c) any other assets of the Company or any of its Restricted Subsidiaries. Notwithstanding the foregoing, Asset Dispositions shall be deemed not to include (i)a transfer of assets by (x) the Company to a Wholly Owned Restricted Subsidiary of the Company, or by a Restricted Subsidiary of the Company to the Company or to another Wholly Owned Restricted Subsidiary of the Company or (y) the Company or a Restricted Subsidiary to CBW, or by CBW to the Company or to another Wholly Owned Restricted Subsidiary of the Company; provided that the aggregate amount of all such transfers to CBW, together with the amount of all Permitted Investments made pursuant to clause (i)(A)(y) of the definition thereof, shall not exceed 5% of Consolidated Total Assets, (ii)an issuance of Capital Stock by a Subsidiary of the Company to the Company or to a Restricted Subsidiary of the Company, (iii)a Restricted Payment that is permitted by the provisions of Section5.02 , (iv) a Permitted Investment, (v)any conversion of Cash Equivalents into cash or any other form of Cash Equivalents, (vi) any foreclosure on assets, (vii) sales or dispositions of past due accounts receivable or notes receivable in the Ordinary Course of Business, (viii) transactions permitted under Article 6 hereof, (ix) grants of credits and allowances in the Ordinary Course of Business, (x) operating leases or the sublease of real or personal property or licenses of intellectual property, in each case, on commercially reasonable terms entered into in the Ordinary Course of Business, (xi) trade-ins or exchanges of equipment or other fixed assets, (xii) the sale and leaseback of any assets within 180 days of the acquisition thereof, (xiii) sales of damaged, worn-out or obsolete equipment or assets that, in the Company's reasonable judgment, are no longer either used or useful in the business of the Company or its Subsidiaries, (xiv)dispositions of inventory in the Ordinary Course of Business; (xv)the disposition of cash or investment securities in the ordinary course of management of the investment portfolio of the Company and its applicable Subsidiaries; (xvi) sales of assets with a fair market value of less than $250,000; or (xvii) sales of other assets with a fair market value not to exceed $10,000,000 in the aggregate in any fiscal year.

" Asset Sale Offer " is defined in Section4.10(a) .

" Attributable Debt " in respect of a Sale and Leaseback Transaction means, at the time of determination, the present value (discounted at the implicit rate of interest borne by the Notes including any pay-in-kind interest and amortization discount) determined in accordance with GAAP of the obligation of the lessee for net rental payments during the remaining term of the lease included in such Sale and Leaseback Transaction (including any period for which such lease has been extended or may, at the option of the lessor, be extended).

" Bankruptcy Law " means Title 11 of the United States Code or any similar federal or state bankruptcy, insolvency, reorganization or other law for the relief of debtors.

" BCI " means Broadwing Communications Inc., a Delaware corporation.

" BCI Group " means BCI and its Subsidiaries.

" BCSI " means Broadwing Communications Services Inc., a Subsidiary of BCI.

" Blockage Notice " is defined in Section8.03 .

" Blockage Period " is defined in Section8.03 .

" Board" and "Board of Directors " means, as to any Person, the board of directors, the board of advisors (or similar governing body) of such Person.

" Business Day " means any day other than a Legal Holiday.

" Capital Expenditures " means, for any period and with respect to any Person, the aggregate of all expenditures by such Person and its Subsidiaries for the acquisition or leasing of fixed or capital assets or additions to fixed or capital assets (including replacements, capitalized repairs and improvements during such period) which should be capitalized under GAAP on a consolidated balance sheet of such Person and its Subsidiaries.

" Capitalized Lease Obligation " means, at the time any determination thereof is to be made, an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with GAAP; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease.

" Capital Stock " of any Person means any and all shares, interests, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock but excluding any debt securities including those convertible into such equity.

" Cash Equivalents " means (i) marketable direct obligations issued or unconditionally guaranteed by the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one (1) year from the date of acquisition thereof; (ii) commercial paper maturing no more than one (1) year from the date of acquisition and, issued by a corporation organized under the laws of the United States that has a rating of at least A-1 from S&P or at least P-1 from Moody's; (iii) time deposits maturing no more than thirty (30) days from the date of creation, certificates of deposit, money market deposits or bankers' acceptances maturing within one (1) year from the date of acquisition thereof issued by, or overnight reverse repurchase agreements from, any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia having combined capital, surplus and undivided profits of not less than $250,000,000; (iv) repurchase obligations with a term of not more than 30days for underlying securities of the types described in clause(i) above entered into with a bank meeting the qualifications described in clause(iii) above; (v) deposits or investments in mutual or similar funds offered or sponsored by brokerage or other companies having membership in the Securities Investor Protection Corporation and having combined capital and surplus of not less than $250,000,000; and (vi) other money market accounts or mutual funds which invest primarily in the securities described above.

" CBT " means Cincinnati Bell Telephone Company, an Ohio corporation.

" CBT Assets " means any assets of CBT (including Capital Stock of the Subsidiaries of CBT) and any of its Subsidiaries (including Capital Stock of the Subsidiaries of such Subsidiaries). To the extent any CBT Asset is transferred to another Restricted Subsidiary of the Company in a transaction that does not constitute an Asset Disposition, such asset shall remain a CBT Asset for purposes of this Indenture.

" CBW " means Cincinnati Bell Wireless LLC, an Ohio limited liability company.

" CBW Assets " means any assets of CBW Co. (including Capital Stock of the Subsidiaries of CBW and Spectrum Assets) and any of its Subsidiaries (including Capital Stock of the Subsidiaries of such Subsidiaries). To the extent any CBW Asset is transferred to another Restricted Subsidiary of the Company in a transaction that does not constitute an Asset Disposition, such asset shall remain a CBW Asset for purposes of this Indenture.

" CBW Co. " means Cincinnati Bell Wireless Company, an Ohio corporation.

" Centralized Cash Management System " means the cash management system referred to in Section 5.02(f)(ix) of the Credit Agreement as in effect on the date hereof and described in Schedule 5.01(r) thereof.

" Change of Control " means the occurrence of any of the following: (a)the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or more related transactions, of all or substantially all of the properties and assets of the Company and its Subsidiaries, taken as a whole (it being understood and agreed that the disposition of the BCI Group does not constitute a disposition of all or substantially all of the properties and assets of the Company and its Subsidiaries, taken as a whole), to any Person unless : (x) pursuant to such transaction such assets are changed into or exchanged for, in addition to any other consideration, securities of such Person that represent immediately after such transaction at least a majority of the aggregate voting power of the Voting Stock of such Person and (y) no "person" (as such term is used in Section 13(d)(3) of the Exchange Act) or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) is the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that such person or group shall be deemed to have "beneficial ownership" of all shares that any such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of either the total economic value of such Person or the total voting power of the Voting Stock of such Person; (b)the adoption of a plan relating to the liquidation or dissolution of the Company; (c) any "person" (as such term is used in Section 13(d)(3) of the Exchange Act) or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that such person or group shall be deemed to have "beneficial ownership" of all shares that any such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of either the total economic value of the Company's outstanding Capital Stock or the total voting power of the Voting Stock of the Company; (d) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of the Company (together with any new directors whose election by such Board of Directors of the Company or whose nomination for election by the shareholders of the Company, was approved

by a majority vote of the directors of the Company then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of the Company then in office; (e) the merger or consolidation of the Company with or into another Person or the merger of another Person with or into the Company, and the securities of the Company that are outstanding immediately prior to such transaction and that represent 100% of the aggregate voting power of the Voting Stock of the Company are changed into or exchanged for cash, securities or property, unless: (x) pursuant to such transaction such securities are changed into or exchanged for, in addition to any other consideration, securities of the surviving Person or transferee that represent immediately after such transaction, at least a majority of the aggregate voting power of the Voting Stock of the surviving Person or transferee and (y) no "person" (as such term is used in Section 13(d)(3) of the Exchange Act) or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) is the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that such person or group shall be deemed to have "beneficial ownership" of all shares that any such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of either the total economic value of such surviving Person or transferee or the total voting power of the Voting Stock of such surviving Person or transferee; or (f) any "change of control" as defined in the Convertible Subordinated Indenture to the extent not waived by holders of the Convertible Subordinated Notes.

" Change of Control Offer " is defined in Section4.09(a) .

" Change of Control Payment " is defined in Section4.09(a) .

" Change of Control Payment Date " is defined in Section4.09(b)(ii) .

" Cincinnati Bell Group " means the Company and its Restricted Subsidiaries.

" Closing Date " is defined in the Purchase Agreement.

" Code " means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

" Commission " means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act or, if at any time after the execution of this Indenture such Commission is not existing and performing the duties now assigned to it under the Exchange Act, the body performing such duties at such time.

" Common Stock " of any Person means any and all shares, units, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock whether outstanding on the Closing Date or issued after the Closing Date, and includes, without limitation, all series and classes of such common stock.

" Company " is defined in the preamble.

" Consolidated " or " consolidated " (including the correlative term " consolidating ") or on a " consolidated basis ," when used with reference to any financial term in this Indenture

(but not when used with respect to any Tax Return or tax liability), means the consolidation for two or more Persons of the amounts signified by such term for all such Persons, with inter-company items eliminated in accordance with GAAP.

" Consolidated Adjusted Debt " means the sum of (a) Indebtedness of the Company and its Restricted Subsidiaries (exclusive of Indebtedness under the Convertible Subordinated Notes and Indebtedness referred to in clauses (iv) (unless such Indebtedness is required to be recorded as liability on the consolidated balance sheet of the Company and its Restricted Subsidiaries in accordance with GAAP) and (viii) of the definition thereof) determined on a consolidated basis in accordance with GAAP, plus (b) the amount of reserves of the Company and its Restricted Subsidiaries then outstanding in excess of $35,000,000 against any income tax liabilities.

" Consolidated Adjusted Debt to Adjusted EBITDA Ratio " means, as of any date of determination, the ratio of (a) Consolidated Adjusted Debt as of such date to (b) Adjusted EBITDA for the applicable four-quarter period ending on the last day of the most recently ended quarter for which consolidated financial statements of the Company and its Restricted Subsidiaries are, or should have been, available in accordance with the Transaction Documents.

" Consolidated EBITDA " means for the applicable period of measurement, the Consolidated Net Income of the Company and its Restricted Subsidiaries on a consolidated basis, plus , without duplication, the following for the Company and its Restricted Subsidiaries to the extent deducted in calculating such Consolidated Net Income: (i) Consolidated Interest Expense for such period, plus (ii) provisions for taxes based on income, plus (iii) total depreciation expense, plus (iv) total amortization expense, plus (v) other non-cash items reducing Consolidated Net Income (excluding any such non-cash item to the extent that it represents an accrual or reserve for potential cash items in any future period or amortization of a prepaid cash item) less other non-cash items increasing Consolidated Net Income (excluding any such non-cash item to the extent it represents the reversal of an accrual or reserve for potential cash item in any prior period), plus (vi) charges taken in accordance with SFAS 142, plus (vii) all net cash extraordinary losses less net cash extraordinary gains, plus (vii) all restructuring charges set forth on Schedule 1.1(a) .

" Consolidated EBITDA to Consolidated Interest Ratio " means as of any date of determination the ratio of (a) Consolidated EBITDA to (b) Consolidated Interest Expense, in each case, for the applicable four-quarter period ending on the last day of the most recently ended quarter for which consolidated financial statements of the Company and its Restricted Subsidiaries are, or should have been, available in accordance with the Transaction Documents.

" Consolidated Interest Expense " means for the applicable period of measurement of the Company and its Restricted Subsidiaries on a consolidated basis, the aggregate interest expense for such period determined in accordance with GAAP (including all commissions, discounts, fees and other charges in connection with standby letters of credit and similar instruments) for the Company and its Restricted Subsidiaries on a consolidated basis, but excluding all amortization of financing fees and other charges incurred by the Company and its Restricted Subsidiaries in connection with the issuance of Indebtedness.

" Consolidated Net Income " means for any period the net income (or loss) before provision for dividends on Preferred Stock of the Company and its Restricted Subsidiaries on a consolidated basis for such period determined in conformity with GAAP, but excluding, without duplication, the following clauses (a) through (f) to the extent included in the computations thereof: (a) the income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary of the Company or is merged into or consolidated with the Company or any of its Restricted Subsidiaries or that Person's assets are acquired by the Company or any of its Restricted Subsidiaries; (b) the income (or loss) of any Person (other than the Company or a Restricted Subsidiary) in which such Person has an interest except to the extent of the amount of dividends or other distributions actually paid to the Company or a Restricted Subsidiary (which amount shall be included in Consolidated Net Income); (c) the income of any Restricted Subsidiary of the Company to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary (except to the extent of the amount of dividends or similar distributions actually lawfully paid to the Company or a Restricted Subsidiary); (d) any after tax gains or losses attributable to Asset Dispositions or returned surplus assets of any pension plan; (e) (to the extent not included in clauses (a) through (d) above) (i) any net extraordinary gains or net extraordinary losses or (ii) any net non-recurring gains or non-recurring losses to the extent attributable to Asset Dispositions, the exercise of options to acquire Capital Stock and the extinguishment of Indebtedness; and (f) cumulative effect of a change in accounting principles.

" Consolidated Total Assets " means, as at any date of determination, the aggregate amount of assets reflected on the consolidated balance sheet of the Company and its Restricted Subsidiaries (excluding, however, for the avoidance of doubt the assets of the BCI Group) prepared in accordance with GAAP most recently delivered to the Holders pursuant to Section 4.02 hereof or Section 9 of the Purchase Agreement.

" Convertible Preferred Stock " means the 12 % Series B Junior Exchangeable Preferred Stock Due 2009 of BCI and the 6 % Cumulative Convertible Preferred Stock of the Company.

" Convertible Subordinated Notes " means those certain 6 % Convertible Subordinated Notes due 2009 of the Company issued pursuant to the Convertible Subordinated Indenture with an original aggregate issue price of $400,000,000, and any such notes issued in exchange or replacement therefor.

" Convertible Subordinated Indenture " means the indenture relating to the Convertible Subordinated Notes dated as of July 21, 1999, between the Company and the Bank of New York, as Trustee.

" Credit Agreement " means the Amendment and Restatement of the Credit Agreement, dated as of November 9, 1999, as amended and restated as of January 12, 2000 and as of the date hereof, as amended, by and among the Company, BCSI, the lenders party thereto from time to time, Bank of America, N.A., as syndication agent, Citicorp USA, Inc., as administrative agent and certain other agents, together with the related documents thereto

(including, without limitation, any guarantee agreements and security documents), in each case as such agreement or agreements may be amended (including any amendment and restatement thereof), restated, supplemented, replaced, restructured, waived, Refinanced or otherwise modified from time to time, including any amendment, supplement, modification or agreement adding Subsidiaries of the Company as additional borrowers or guarantors thereunder or extending the maturity of, Refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or any successor or replacement agreement, and whether by the same or any other agent, lender or group of lenders or one or more agreements, contracts, indentures or otherwise; *provided* that, except as provided in the next proviso, in no event may such agreement be amended (including any amendment and restatement thereof), supplemented, replaced, restructured, Refinanced or otherwise modified to increase the amount of borrowings permitted to be Incurred pursuant to Section 5.04(b)(vii) ; and, *provided* , *further* , *however*, that, in addition to the Indebtedness Incurred pursuant to Section 5.04(b)(vii) , Other Senior Indebtedness (to the extent permitted to be Incurred pursuant to the definition thereof) may be Incurred, in whole or in part, under the Credit Agreement.

" Credit Documents " means the Credit Agreement, any Secured Hedge Agreement that is secured under (and as defined in) the Credit Agreement, and all certificates, instruments, financial and other statements and other documents and agreements made or delivered from time to time in connection therewith and related thereto.

" Currency Agreement " means any foreign exchange contract, currency swap agreement or other similar agreement or arrangement designed to protect the Company or any Subsidiary of the Company against fluctuations in currency values.

" Custodian " is defined in Section7.01 .

" Definitive Note " is defined in the Appendix .

" Default " means any event, act or condition that is, or with the giving of notice, lapse of time or both would constitute, an Event of Default.

" Depositary " is defined in the Appendix .

" Designated Senior Indebtedness " means (i) Indebtedness under or in respect of the Credit Agreement and (ii) any other Indebtedness constituting Senior Indebtedness which, at the time of determination, has an aggregate principal amount of at least $25,000,000 and is specifically designated in the instrument evidencing such Senior Indebtedness as "Designated Senior Indebtedness" by the Company.

" Disqualified Capital Stock " means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event (other than an event which would constitute a Change of Control or Asset Disposition), matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof (except, in each case, upon the occurrence of a Change of Control or Asset Disposition) on or prior to the Stated Maturity.

" Distribution Date " means the date on which (a) the Notes become Widely Held or (b) a Positive Credit Event occurs.

" Environmental Laws " means all applicable foreign, federal, state or local laws, statutes, common law duties, rules, regulations, ordinances and codes, together with all administrative orders, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authorities, in each case relating to environmental, health, safety and land use matters; including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Clean Air Act, the Federal Water Pollution Control Act of 1972, the Solid Waste Disposal Act, the Federal Resource Conservation and Recovery Act, the Toxic Substances Control Act, and the Emergency Planning and Community Right-to-Know Act.

" Event of Default " is defined in Section7.01 .

" Excess Proceeds " is defined in Section5.05(b) .

" Exchange Act " means the Securities Exchange Act of 1934, as amended.

" Exchange and Registration Rights Agreement " is defined in the Appendix .

" Exchange Guarantees " means the Guarantees of the Exchange Notes issued in the Registered Exchange Offer.

" Exchange Notes " is defined in the recitals.

" Existing BCSI Loan " means Indebtedness of BCSI Incurred under the Credit Agreement prior to the date of this Indenture and any Indebtedness of BCSI Incurred under the Credit Agreement for the purpose of making interest payments on (w) the Existing BCSI Loan, (x) any Indebtedness of the BCI Group Incurred under the Credit Agreement after the date of this Indenture subject to the limitations set forth in Section 5.11(a) , (y) BCI's 9% Senior Subordinated Notes Due 2008 or (z) BCI's 12 % Senior Series B Notes due 2005.

" Existing Indebtedness " all Indebtedness of the Company and its Restricted Subsidiaries existing as of the Closing Date (after giving effect to the redemption, repurchase, repayment or prepayment of Indebtedness out of the proceeds of the Notes); *provided* that for purposes of Section 5.04(b) , Existing Indebtedness shall not include Indebtedness of the type permitted to be Incurred by Section 5.04(b)(iii) and (v) .

" fair market value " means, with respect to any asset or property, the price which could be negotiated in an arm's-length transaction between a willing seller and a willing and able buyer. Unless otherwise expressly required elsewhere in this Indenture, fair market value will be determined in good faith (i) for transactions involving an aggregate consideration equal to or less than $30,000,000, by a Responsible Officer of the Company, as evidenced, in the case of any such transaction involving consideration greater than $3,000,000, by an Officers' Certificate and (ii) for transactions involving an aggregate consideration in excess of $30,000,000, by the Board of Directors of the Company, as evidenced by a resolution of the Board of Directors, and in the case of both clause (i) and (ii), such determination shall be conclusive absent a manifest error.

" fiscal year " means a fiscal year of the Company and its Restricted Subsidiaries ending on December 31 of any calendar year.

" GAAP " means United States generally accepted accounting principles as of the Closing Date set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession.

" Global Notes Legend " is defined in the Appendix .

" Governmental Authority " means (a)the government of the United States of America or any State or other political subdivision thereof, (b)any government or political subdivision of any other jurisdiction in which the Company or any of its Subsidiaries conducts all or any part of its business, or which properly asserts jurisdiction over any properties of the Company or any of its Subsidiaries or (c)any entity properly exercising executive, legislative, judicial, regulatory or administrative functions of any such government.

" Guarantee " means a guarantee (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness.

" Guaranteed Obligations " is defined in Section11.01(a) .

" Guarantor " means any Restricted Subsidiary of the Company that has provided a guarantee of the Obligations with respect to the Notes.

" Holder " means a Person in whose name a Note is registered at the Registrar.

" Incur " is defined in Section5.04(a) .

" Indebtedness " means, with respect to any Person, without duplication: (i) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money (including, without limitation, Senior Indebtedness); (ii) the principal of and premium (if any) in respect of indebtedness of such Person evidenced by bonds, debentures, notes or other similar instruments; (iii) all Attributable Debt and all Capitalized Lease Obligations of such Person; (iv) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all obligations under any title retention agreement, in each case to the extent the purchase price is due more than six (6) months from the date the obligation is Incurred (but excluding trade accounts payable and other accrued liabilities arising in the Ordinary Course of Business); (v) all obligations for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction; (vi) Guarantees and other contingent obligations in respect of Indebtedness referred to in clauses (i) through (v) above and clause (viii) below; (vii) all obligations of any other Person of the type referred to in clauses (i) through (v) which are secured by any Lien on any property or asset of such Person, the amount of such obligation being deemed to be the lesser of the fair market value of such property or asset or the amount of the obligation so secured; (viii) all obligations under Currency Agreements and

all Interest Swap Obligations of such Person; and (ix) all obligations represented by a Disqualified Capital Stock of such Person. The Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture in which such Person is a general partner or joint venturer, but only to the extent to which there is recourse to such Person for the payment of such Indebtedness.

" Indenture " is defined in the preamble.

" Independent Qualified Party " means an investment banking firm, accounting firm or appraisal firm, in each case, of national standing; *provided* , *however* , that such firm is not an Affiliate of the Company; and, *provided* , *further* , that for transactions involving consideration of $100,000,000 or more, the term " Independent Qualified Party " shall be limited to an investment banking firm of national standing only, unless , with respect to any such transaction, (x) the Company delivers to the Trustee and the Required Holders an Officers' Certificate to the effect that no investment bank will opine on commercially reasonable terms on such transaction and that it proposes instead to engage an accounting firm of national standing (and stating the identity of such accounting firm) and (y) within fifteen (15) days after the delivery of such Officers' Certificate the Company does not receive a written notice from the Required Holders reasonably objecting to the Company's proposal set forth in the Officers' Certificate, in which case the term " Independent Qualified Party " for such transaction may also include such accounting firm.

" Initial Notes " is defined in the recitals.

" Institutional Accredited Investor " is defined in the Appendix .

" Interest Coverage Test " is defined in Section 5.04 .

" Interest Payment Date " is defined in ExhibitA .

" Interest Swap Obligations " means the Obligations of any Person pursuant to any arrangement with any other Person, whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying either a floating or a fixed rate of interest on a stated notional amount in exchange for periodic payments made by such other Person calculated by applying a fixed or a floating rate of interest on the same notional amount and shall include, without limitation, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or of which it is a beneficiary.

" Investment " means (i) any direct or indirect purchase or other acquisition by the Company or any of its Restricted Subsidiaries of any beneficial interest in, including stock, partnership interest or other Capital Stock of, or ownership interest in, any other Person; and (ii) any direct or indirect loan, advance or capital contribution by the Company or any of its Restricted Subsidiaries to any other Person, including all indebtedness and accounts receivable from that other Person that did not arise from sales to or services provided to that other Person in the Ordinary Course of Business. For purposes of Section5.02 : (i) " Investment " shall include and be valued at the fair market value of the net assets of any Restricted Subsidiary of the

Company (to the extent of the Company's percentage ownership therein) at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary of the Company and shall exclude the fair market value of the net assets of any Unrestricted Subsidiary of the Company (to the extent of the Company's percentage ownership therein) at the time that such Unrestricted Subsidiary is designated a Restricted Subsidiary of the Company; and (ii) the amount of any Investment shall be the original cost of such Investment plus the cost of all additional Investments by the Company or any of its Restricted Subsidiaries, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment, reduced (other than for purposes of calculations under Section 5.11) by the payment of dividends or distributions in connection with such Investment or any other amounts received in respect of such Investment; *provided* that no such payment of dividends or distributions or receipt of any such other amounts shall reduce the amount of any Investment if such payment of dividends or distributions or receipt of any such amounts would be included in Consolidated Net Income.

" Legal Holiday " means a Saturday, a Sunday or a day on which banking institutions in New York or Ohio or at a place of payment are authorized by law, regulation or executive order to remain closed. If any payment date in respect of the Notes is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period.

" Leverage Test " is defined in Section 5.04 .

" Lien " means any lien, mortgage, pledge, security interest, charge, encumbrance or governmental levy or assessment of any kind, whether voluntary or involuntary (including any conditional sale or other title retention agreement and any lease in the nature thereof).

" Material Adverse Effect " means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, condition (financial or otherwise) or prospects of the Company and its Restricted Subsidiaries taken as a whole or (b) the material impairment of the ability of the Company or any Guarantor that constitutes a Material Restricted Subsidiary to perform in any material respect its material obligations under any Transaction Document to which it is a party or of any Holder to enforce any Transaction Document in any material respect or collect any of the Obligations thereunder.

" Material Restricted Subsidiary " means a Restricted Subsidiary that constitutes a Material Subsidiary.

" Material Subsidiary " means any Subsidiary that is or would be a "significant subsidiary" of the Company within the meaning of Rule 1-02 of Regulation S-X promulgated by the Commission.

" Maturity ", when used with respect to any Note, means the date on which the principal of such Note becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise (including in connection with any offer to purchase that this Indenture requires the Company to make).

" Moody's " means Moody's Investors Service, Inc.

" Net Proceeds " means cash proceeds actually received by the Company or any of its Restricted Subsidiaries from any Asset Disposition (including insurance proceeds, awards of condemnation, and payments under notes or other debt securities received in connection with any Asset Disposition), net of (a) the costs of such sale, issuance, lease, transfer or other disposition (including all legal, title and recording tax expenses, commissions and other fees and expenses incurred and all Taxes required to be paid or accrued as a liability under GAAP as a consequence of such sale, lease or transfer), (b) amounts applied to repayment of Indebtedness (other than revolving credit Indebtedness under the Credit Agreement, without a corresponding reduction in the revolving credit commitment) secured by a Lien on the asset or property disposed of, (c) if such Asset Disposition involves the sale of a discrete business or product line, any accrued liabilities of such business or product line required to be paid or retained by the Company or any of its Restricted Subsidiaries as part of such disposition, (d) appropriate amounts to be provided by the Company or a Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with an Asset Disposition and retained by the Company or such Restricted Subsidiary, as the case may be, after such Asset Disposition, including, without limitation, pension and benefit liabilities, liabilities related to environmental matters or liabilities under any indemnification obligations associated with such Asset Disposition and (e) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition, but only to the extent required by constituent documents of such Subsidiary or such joint venture.

" Note Amounts " means principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company whether or not a claim for post-filing interest is allowed in such proceedings), fees and all other amounts owing under the Notes or in respect of the Notes (whether under the Notes or under the Indenture or the Purchase Agreement, as the case may be).

" Note Registration " shall mean the first to occur of (i) the consummation of a Registered Exchange Offer and (ii) the effectiveness of a Shelf Registration Statement filed with the Commission.

" Notes " is defined in the recitals.

" Notes Custodian " is defined in the Appendix .

" Notice of Default " is defined in Section 9.05 .

" Obligations " means all obligations for principal, premium (if any), interest, penalties, fees, indemnification, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

" Offer Amount " is defined in Section4.10(c) .

" Offer Period " is defined in Section4.10(a) .

" Officers' Certificate " of the Company means a certificate signed on behalf of the Company by two Persons, one of which shall be any of the following: the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief

Financial Officer, the Chief Accounting Officer or the Treasurer (or any such other officer that performs similar duties) of the Company, and the other one shall be any of the following: the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, any Vice President, the Chief Financial Officer, the Chief Accounting Officer, the Treasurer, the Assistant Treasurer, Controller, the Secretary or an Assistant Secretary (or any such other officer that performs similar duties) of the Company. One of the officers signing an Officers' Certificate given pursuant to Section4.06 shall be the principal executive, financial or accounting officer or treasurer of the Company.

" Opinion of Counsel " means a written opinion from legal counsel who is acceptable to the Trustee. The counsel may be an employee of or counsel to the Company or Guarantor or the Trustee.

" Ordinary Course of Business " means, in respect of any transaction involving the Company or any Restricted Subsidiary of the Company, the ordinary course of such Person's business, as conducted by any such Person in accordance with past practice and undertaken by such Person in good faith.

" Other Senior Indebtedness " means, (a) prior to the Distribution Date, any Indebtedness of the Company which: (i) is Incurred after the date hereof; (ii) is stated as being senior to the Notes; (iii) may be Incurred only if immediately after the Incurrence of such Indebtedness, the Consolidated Adjusted Debt to Adjusted EBITDA Ratio is less than 3.5 to 1.00; and (iv) when aggregated with all Indebtedness Incurred and outstanding prior to the date such Indebtedness is Incurred under the Credit Agreement (without regard to Indebtedness Incurred pursuant to the second proviso to the definition thereof), the Senior Notes and Other Senior Indebtedness, does not exceed $1,500,000,000; and (b) after the Distribution Date, any Indebtedness of the Company Incurred after the Distribution Date that does not constitute Indebtedness of the type described in clauses (i) through (vii), inclusive, of the second sentence of the definition of " Senior Indebtedness ".

" Paying Agent " is defined in Section 2.03 .

" Payment in Full " for purposes of Articles 8 and 12 , (a) when used with respect to Senior Indebtedness under the Credit Agreement, means that such Senior Indebtedness is paid in full in cash and (b) when used with respect to any other Senior Indebtedness, means that such Senior Indebtedness is paid in full in cash or Cash Equivalents; and the terms " Paid in Full " or Pay in Full " shall have correlative meanings.

" Permits " means all licenses, permits, certificates of need, approvals and authorizations from all Governmental Authorities required to lawfully conduct a business.

" Permitted Acquisition " means the purchase by the Company or a Restricted Subsidiary of the Company of all or substantially all of the assets of a Person whose primary business is the same, related, ancillary or complementary to the business in which the Company and its Restricted Subsidiaries were engaged on the date of this Indenture, or any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment (i) such Person and each Subsidiary of such Person becomes (x) a Restricted

Subsidiary of the Company whose primary business is the same, related, ancillary or complementary to the business in which the Company and its Restricted Subsidiaries were engaged on the date of this Indenture and (y) a Guarantor hereunder or (ii)such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, a Restricted Subsidiary of the Company and whose primary business is the same, related, ancillary or complementary to the business in which the Company and its Subsidiaries were engaged in on the date of this Indenture; *provided* that at the time of such purchase or Investment, (x) no Default or Event of Default exists or would be caused upon the consummation thereof and (y) in the case of Permitted Acquisitions involving any consideration other than the Common Stock of the Company, after giving effect to such Permitted Acquisition, the Company can Incur $1.00 of Indebtedness under Section 5.04(a) .

" Permitted Adjustments " means, for the purpose of calculating the Leverage Test and the Interest Coverage Test, pro forma adjustments arising out of events (including cost savings resulting from head count reduction, closure of facilities and similar restructuring charges) which are directly attributable to a specific transaction, are factually supportable and are expected to have a continuing impact, which (a) would be permitted by Article11 of RegulationS-X promulgated under the Securities Act and as interpreted by the staff of the Commission or (b) after the Distribution Date, have been realized or are reasonably expected to be realized within six (6) months following any such transaction; *provided* that, in either case, such adjustments are set forth in an Officers' Certificate signed by the Company's chief financial officer and another officer which states (i) the amount of such adjustment or adjustments, (ii) that such adjustment or adjustments are based on the reasonable good faith beliefs of the officers executing such Officers' Certificate at the time of such execution and (iii) that any related Incurrence of Indebtedness is permitted pursuant to the Indenture.

" Permitted Asset Swap " means any transfer of properties or assets by the Company or any of its Restricted Subsidiaries in which the consideration received by the transferor consists of like properties or assets to be used in the business of the Company or its Restricted Subsidiaries in the same or similar manner as such transferred properties or assets; *provided* that (i) the fair market value (determined in good faith by the Board of Directors of the Company) of properties or assets received by the Company or any of its Restricted Subsidiaries in connection with such Permitted Asset Swap is at least equal to the fair market value (determined in good faith by the Board of Directors of the Company) of properties or assets transferred by the Company or such Restricted Subsidiary in connection with such Permitted Asset Swap and (ii) the aggregate fair market value of assets transferred by the Company in connection with all Permitted Asset Swaps after the Closing Date does not exceed 10% of Consolidated Total Assets.

" Permitted Investments " means:

(i) (A) any Investment in (including, without limitation, loans and advances to) (x) the Company or a Wholly Owned Restricted Subsidiary of the Company and whose primary business is the same, related, ancillary or complementary to the business in which the Company and its Subsidiaries were engaged in on the date of such Investment and (y) CBW; provided that the aggregate amount of all such investments in CBW, together with the amount of all Asset Dispositions made pursuant to clause (i)(y)

of the second sentence of the definition thereof, shall not exceed 5% of Consolidated Total Assets and (B) any acquisition by the Company or a Wholly Owned Restricted Subsidiary of the Company of beneficial interest in a Restricted Subsidiary of the Company from another Restricted Subsidiary of the Company or the Company;

(ii) any Investment in Cash Equivalents or the Notes;

(iii) any Investment related to or arising out of a Permitted Acquisition;

(iv) any Investment which results from the receipt of non-cash consideration from an asset sale made pursuant to and in compliance with the provisions of Section 5.05 or from any sale or other disposition of assets not constituting an Asset Disposition hereunder;

(v) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the Ordinary Course of Business;

(vi) receivables owing to the Company or any Restricted Subsidiary if created or acquired in the Ordinary Course of Business and payable or dischargeable in accordance with customary trade terms; *provided , however ,* that such trade terms may include such concessionary trade terms as the Company or any such Restricted Subsidiary deems reasonable under the circumstances;

(vii) loans and advances to employees made in the Ordinary Course of Business not to exceed $1,000,000 in the aggregate at any time outstanding; *provided , however ,* for purposes of this definition, "advances" will not restrict advances for travel, moving or relocation expenses to employees advanced and repaid in the Ordinary Course of Business;

(viii) loans and advances not to exceed $1,000,000 at any time outstanding to employees of the Company or its Subsidiaries for the purpose of funding the purchase of Capital Stock of the Company by such employees;

(ix) any Investments received as part of the settlement of litigation or in satisfaction of extensions of credit to any Person otherwise permitted under this Indenture pursuant to the reorganization, bankruptcy or liquidation of such Person or a good faith settlement of debts by said Person;

(x) any Investment existing on the date of this Indenture, any Investment received as a distribution in respect of such existing Investment and any Investment received in exchange for such existing Investment; *provided* that, in the case of an exchange, the fair market value (as determined in good faith by the Board of Directors of the Company) of the Investment being exchanged is at least equal to the fair market value (as determined in good faith by the Board of Directors of the Company) of the Investment for which such Investment is being exchanged;

(xi) Investments of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary of the Company or at the time such Person merges or consolidates with the Company or any of its Restricted Subsidiaries, in either case in compliance with this Indenture; provided such Investments were not made by such Person in connection with or in anticipation or contemplation of such Person becoming a Restricted Subsidiary of the Company or such merger or consolidation;

(xii) Investments made in connection with purchase price adjustments or contingent purchase price payments paid in connection with Investments otherwise permitted under this Indenture;

(xiii) Investments in stock, obligations or securities received in settlement of debts created in the Ordinary Course of Business or in satisfaction of judgments;

(xiv) Investments by the Company or any Restricted Subsidiary pursuant to an Interest Rate Swap Obligation or a Currency Agreement permitted by clauses(i), (iv), (vi) or (viii) of Section5.04(b) ;

(xv) Investments consisting of debits and credits between Broadwing Financial LLC and the Company, its Restricted Subsidiaries and, subject to Section 5.11 , its Unrestricted Subsidiaries pursuant to the Centralized Cash Management System;

(xvi) Investments consisting of loans, advances and payables due from suppliers or customers made by the Company or its Restricted Subsidiaries in the Ordinary Course of Business;

(xvii) Investments that may be deemed to arise out from the cashless exercise by employees of the Company of rights, options or warrants to purchase Capital Stock of the Company;

(xviii) Investments permitted to be made by Section 5.11 ;

(xix) Investments the consideration paid for which consists solely of Capital Stock (other than Disqualified Capital Stock) of the Company;

(xx) Investments (other than Investments in any member of the BCI Group) in an aggregate amount of $10,000,000 for any Investments valued as of the date such Investment is made, including, without limitation, joint ventures; and

(xxi) Investments the consideration for which was paid by a Person other than the Company or any of its Restricted Subsidiaries, without recourse to the Company or its Restricted Subsidiaries .

" Permitted Liens " means:

(i) Liens to secure the performance of statutory obligations, surety or appeal bonds, letters of credit or other obligations of a like nature incurred in the Ordinary Course of Business;

(ii) Liens for Taxes, assessments and governmental charges, levies or claims that are (x) not yet due and payable or (y) which are due and payable and are being contested in good faith by appropriate proceedings so long as such proceedings stay enforcement of such Liens;

(iii) any Lien arising out of a judgment or award not constituting an Event of Default under Section 7.01;

(iv) statutory Liens of landlords, carriers, warehousemen, mechanics, materialmen, workmen, repairmen and other similar liens imposed by law, which are incurred in the Ordinary Course of Business for sums not more than thirty (30) days delinquent or which are being contested in good faith by appropriate proceedings so long as such contest stays enforcement of such Liens;

(v) survey exceptions, easements, rights-of-way, zoning restrictions and other similar charges or encumbrances in respect of real property not interfering in any material adverse respect with the ordinary conduct of the business of the Company or any of its Restricted Subsidiaries;

(vi) any interest or title of a lessor under any Capitalized Lease Obligation; *provided* that such Liens do not extend to any property or asset which is not leased property subject to such Capitalized Lease Obligation;

(vii) Liens securing Capitalized Lease Obligations and purchase money Indebtedness permitted pursuant to Section 5.04(b)(iii) ; *provided, however*, that in the case of purchase money Indebtedness (a) the Indebtedness shall not exceed the cost of such property or assets and shall not be secured by any property or assets of the Company or any Restricted Subsidiary of the Company other than the property and assets so acquired, constructed, repaired, added to or improved and (b) the Lien securing such Indebtedness shall be created within 180 days after the date of such acquisition or , completion of construction, repair, improvement, addition or commencement of full operation of the property subject to the Lien or, in the case of a Refinancing of any purchase money Indebtedness, within 180 days of such Refinancing;

(viii) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(ix) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;

(x) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(xi) Liens arising from filing Uniform Commercial Code financing statements regarding leases;

(xii) Liens in existence on the date hereof;

(xiii) Liens on property or shares of Capital Stock of another Person at the time such other Person becomes a Subsidiary of such Person; *provided* , *however* , that such Liens are not created, Incurred or assumed in connection with, or in contemplation of, such other Person becoming a Subsidiary;

(xiv) leases, subleases, licenses and sublicenses of the type referred to in clause(x) in the second sentence of the definition of "Asset Disposition" granted to third parties in the Ordinary Course of Business;

(xv) banker's liens and rights of offset of the holders of Indebtedness of the Company or any Restricted Subsidiary on monies deposited by the Company or any Restricted Subsidiary with such holders of Indebtedness in the Ordinary Course of Business of the Company or any such Restricted Subsidiary;

(xvi) Liens securing obligations under Interest Swap Obligations or Currency Agreements so long as such obligations relate to Indebtedness that is, and is permitted under this Indenture, to be secured by a Lien on the same property securing such obligations;

(xvii) Liens to secure any Refinancing (or successive Refinancings) as a whole, or in part, of any Indebtedness secured by any Lien referred to in the foregoing clauses(vii), (xii), (xiii) and (xvi); provided , however , that (i)such new Lien shall be limited to all or part of the same property that secured the original Lien (plus improvements to or on such property) and (ii)the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (1)the outstanding principal amount or, if greater, committed amount of the Indebtedness secured by Liens described under clauses(vii), (xii), (xiii) or (xvi) at the time the original Lien became a Permitted Lien under this Indenture and (2)an amount necessary to pay any fees and expenses, including premiums related to such Refinancings;

(xviii) pledges or deposits to secure obligations under workers' compensation laws or similar legislation or to secure public or statutory obligations;

(xix) Liens on property at the time such Person or any of its Subsidiaries acquires the property, including any acquisition by means of a merger or consolidation with or into such Person or a Subsidiary or such Person; *provided* , *however* , that such Liens are not created, Incurred or assumed in connection with, or in contemplation of, such acquisition; *provided* , *further* , *however* , that the Liens may not extend to any other property owned by such Person or any of its Subsidiaries; and

(xx) other Liens that do not, in the aggregate, attach to a material portion of the assets of the Company or any of its Restricted Subsidiaries and do not secure obligations in an aggregate amount in excess of $5,000,000.

" Permitted Refinancing Indebtedness " means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to Refinance, other Indebtedness of any such Persons; *provided , however* , that (i)the principal amount of such Permitted Refinancing Indebtedness does not exceed the principal amount (or, if issued at original issue discount, the aggregate accreted value) plus accrued interest and premium, if any (set forth in the original instrument representing such Indebtedness), of the Indebtedness so exchanged or Refinanced (plus the amount of reasonable fees and expenses incurred in connection therewith); (ii)such Permitted Refinancing Indebtedness has a final maturity date on or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, at the time of such Refinancing, the Indebtedness being exchanged or Refinanced; (iii)if the Indebtedness being exchanged or Refinanced is subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes on terms at least as favorable to the Holders of Notes as those contained in the documentation governing the Indebtedness being exchanged or Refinanced; (iv)such Permitted Refinancing Indebtedness is Incurred by the Person who is the obligor on the Indebtedness being exchanged or Refinanced; and (v) in the case of Permitted Refinancing Indebtedness in respect of Convertible Subordinated Notes, such Permitted Refinancing Indebtedness will have an effective yield thereon not exceeding 10% per annum. " Permitted Refinancing Indebtedness " shall not include Indebtedness under the Credit Agreement which may be Refinanced in accordance with the definition thereof.

" Person " means any individual, corporation, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated organization or government or agency or political subdivision thereof (including any subdivision or ongoing business of any such entity or substantially all of the assets of any such entity, subdivision or business).

" Positive Credit Event " means the Company having a long term (a) senior implied debt rating of at least BB+ from S&P and Ba1 from Moody's and (b) senior subordinated debt rating of at least BB- from S&P and Ba3 from Moody's; *provided* that if, after the occurrence of the Positive Credit Event, the Notes are not Widely Held and the Company's senior implied and senior subordinated debt ratings have been downgraded below the rating levels set forth in this definition of " Positive Credit Event ", the provisions of this Indenture applicable prior to the Distribution Date shall govern beginning after such ratings downgrade as if the Distribution Date has not occurred, until such time as the Notes become Widely Held or another Positive Credit Event occurs.

" Preferred Stock " of any Person means any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemptions or upon liquidation, and shall include the 6% Convertible Preferred Stock of the Company.

" Purchase Agreement " means the Purchase Agreement, dated as of December 9, 2002, by and among the Company and the Purchasers.

" Purchase Date " is defined in Section4.10(c) .

" Purchasers " is defined in the Appendix .

" QIB " is defined in the Appendix .

" Redemption Date ," when used with respect to any Note to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture and the Notes.

" Redemption Price ," when used with respect to any Note to be redeemed, means the price at which such Note is to be redeemed pursuant to this Indenture and the Notes.

" Refinance " means, in respect of any security or Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue a security or Indebtedness in exchange or replacement for, such security or Indebtedness in whole or in part. " Refinanced " and " Refinancing " shall have correlative meanings.

" Registered Exchange Offer " is defined in the Appendix .

" Registrar " is defined in Section 2.03 .

" Registration Default " is defined in Exhibit A .

" Regular Record Date " is defined in Exhibit A .

" RegulationS " is defined in the Appendix .

" Representative " means the trustee, agent, representative (if any), or, in the absence of any of the foregoing, the holders of the majority in principal amount of, any issue of Senior Indebtedness.

" Required Holders " means Holders holding more than 50% of the then outstanding aggregate principal amount at Maturity of the Notes (exclusive of Notes then owned directly or indirectly by the Company, or any of its Subsidiaries or Affiliates).

" Responsible Officer " means the chief executive officer, the president, the chief financial officer, the principal accounting officer or the treasurer (or the equivalent of any of the foregoing) of the Company or any of its Subsidiaries or any other officer, partner or member (or person performing similar functions) of the Company or any of its Subsidiaries responsible for overseeing the administration of, or reviewing compliance with, all or any portion of this Indenture.

" Restricted Investment " means an Investment other than a Permitted Investment.

" Restricted Notes Legend " is defined in the Appendix .

" Restricted Payments " is defined in Section5.02 .

" Restricted Subsidiary " of any Person means any Subsidiary of such Person which at the time of determination is not an Unrestricted Subsidiary.

" Rule501 " is defined in the Appendix .

" Rule 144A " is defined in the Appendix .

" Sale and Leaseback Transaction " means any direct or indirect arrangement with any Person or to which any such Person is a party, providing for the leasing to the Company or a Restricted Subsidiary of any property, whether owned by the Company or any Restricted Subsidiary at the Closing Date or later acquired, which has been or is to be sold or transferred by the Company or such Restricted Subsidiary to such Person or any other Person from whom funds have been or are to be advanced by such Person on the security of such property.

" Securities Act " is defined in the Appendix .

" Senior Indebtedness " means (a) principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company whether or not a claim for post-filing interest is allowed in such proceedings), fees and all other amounts owing under or in respect of the Credit Agreement, (b)Indebtedness under the Senior Notes and (c)the Other Senior Indebtedness. Notwithstanding the foregoing, " Senior Indebtedness " shall not include: (i)any obligations (other than with respect to any guarantee Obligations under the Credit Agreement) of the Company to a Subsidiary of the Company; (ii)obligations to trade creditors and other amounts incurred in connection with obtaining goods, materials or services; (iii)obligations represented by Disqualified Capital Stock; (iv)any liability for federal, state, local or other taxes owed or owing by the Company; (v)that portion of any Indebtedness Incurred in violation of the provisions set forth in Section5.04 (but, as to any such obligation, no such violation shall be deemed to exist for purposes of this clause (v) if the holder(s) of such obligation or their representative shall have received an officers' certificate of the Company to the effect that the Incurrence of such Indebtedness does not (or, in the case of revolving credit indebtedness, that the Incurrence of the entire committed amount thereof at the date on which the initial borrowing thereunder is made would not) violate such provisions of this Agreement; (vi)Indebtedness which, when Incurred and without respect to any election under Section1111(b) of Title 11, United States Code, is without recourse to the Company; and (vii)any Indebtedness which is, by its express terms, subordinated in right of payment to any other Indebtedness of the Company or its Subsidiaries.

" Senior Notes " means those certain 7% Senior Notes due 2023 of the Company issued pursuant to an indenture dated as of July 1, 1993 in the aggregate principal amount of $50,000,000, and any such notes issued in exchange or replacement therefor.

" Senior Subordinated Indebtedness " means the Notes and any other Indebtedness of the Company permitted hereunder which expressly ranks *pari passu* to the payment and performance of the Notes.

" series " means any series of Notes outstanding under this Indenture.

" Shelf Registration Statement " is defined in the Appendix .

" Special Interest " is defined in Exhibit A .

" Spectrum Assets " means the E-Block spectrum licenses granted by the Federal Communications Commission or any spectrum license owned by CBW Co. for which the E-Block may be exchanged.

" S&P " means Standard & Poor's Ratings Services, a division of McGraw-Hill Companies, Inc.

" Stated Maturity ," when used with respect to any Note or any installment of interest thereon, means the date specified in this Indenture or such Note as the scheduled fixed date on which the Accreted Value of such Note or such installment of interest is due and payable and shall not include any contingent obligation to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for payment thereof.

" Stated Maturity Date " is defined in Exhibit A .

" Subordinated Indebtedness " means (i) the Convertible Subordinated Notes, (ii) any Indebtedness of the Company permitted hereunder Incurred by the Company after the date hereof or outstanding as of the date hereof which is not Senior Indebtedness or Senior Subordinated Indebtedness, and (iii) any Indebtedness of the Company permitted hereunder which is expressly subordinated to and junior to the payment and performance of the Notes.

" Subsidiary " means, with respect to any Person, (i) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person (or a combination thereof) and (ii) any partnership (A) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (B) the only general partners of which are such Person or of one or more Subsidiaries of such Person (or any combination thereof). Any Person becoming a Subsidiary of the Company after the date of this Indenture shall be deemed to have Incurred all of its outstanding Indebtedness on the date it becomes a Subsidiary.

" Successor Company " is defined in Section 6.01 .

" Taxes " means all federal, state, local or foreign income, gross receipts, windfall profits, severance, property, production, sales, use, license, excise, franchise, employment, withholding or other taxes, duties or assessments of any kind whatsoever imposed on any Person, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties and includes any liability for Taxes of another Person by contract, as a transferee or successor, under Treasury regulation Section 1.1502-6 or analogous state, local or foreign law provision or otherwise.

" Tax Returns " means all reports and returns (including elections, declarations, disclosures, schedules, estimates and information returns) required to be filed with respect to Taxes.

" TIA " means the Trust Indenture Act of 1939 (15U.S.C. 77aaa-77bbbb), as amended from time to time.

" Transaction Documents " is defined in the Purchase Agreement.

" Transfer Restricted Notes " is defined in the Appendix .

" Trigger Date " is defined in the Exchange and Registration Rights Agreement.

" Trustee " is defined in the preamble.

" Trust Officer " means, when used with respect to the Trustee, the president, any vice president (whether or not designated by a number or a word or words added before or after the title "vice president"), the secretary, any assistant secretary, the treasurer, any assistant treasurer, or any other officer of the Trustee in its Corporate Trust Administration Department customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his or her knowledge of and familiarity with the particular subject.

" United States " shall have the meaning assigned to such term in RegulationS.

" U.S. Government Obligations " means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and that are not callable or redeemable at the issuer's option.

" Unrestricted Subsidiary " means (i) any member of the BCI Group; *provided* that after the consummation of the sale of all or substantially all of the assets of BCI's Subsidiaries or the consummation of a confirmed plan of reorganization under Chapter 11 of the United States Bankruptcy Code with respect to BCI, the Company may designate Broadwing Telecommunications Inc. as a Restricted Subsidiary by written notice to the Trustee and the Holders; (ii) any Subsidiary of a Person that at the time of determination shall be or continue to be designated an Unrestricted Subsidiary by the Board of Directors of such Person in the manner provided below; and (iii) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Company may designate any Subsidiary (including any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary owns any Capital Stock of, or owns or holds any Lien on any property of, the Company or any other Subsidiary of the Company that is not a Subsidiary of the Subsidiary to be so designated; *provided* that subject to Section 5.11 : (i) the Company certifies to the Holders that such designation complies with Section5.02 ; and (ii) each Subsidiary to be so designated and each of its Subsidiaries (other than any member of the BCI Group, except as provided in

clause (i) of this definition) has not at the time of designation, and does not thereafter, Incur any Indebtedness pursuant to which the lender has recourse to any of the assets of the Company or any of its Restricted Subsidiaries.

The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary only if: (i) immediately after giving effect to such designation, the Company can Incur $1.00 of Indebtedness under Section 5.04(a) ; and (ii) immediately before and immediately after giving effect to such designation, no Default or Event of Default shall have occurred and be continuing; *provided* that, notwithstanding the foregoing, except as provided in clause (i) of this definition, the Board of Directors may not designate any member of the BCI Group to be a Restricted Subsidiary.

Any such designation by the Board of Directors of the Company shall be evidenced to the Holders by promptly filing with the Holders a copy of the Board Resolution giving effect to such designation and an officers' certificate certifying that such designation complied with the foregoing provisions.

" Voting Stock " of a Person means all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of a contingency) to vote in the election of directors, managers or trustees thereof.

" Warrant Agreement " is defined in the Purchase Agreement.

" Warrants " is defined in the Purchase Agreement.

" Weighted Average Life to Maturity " means, when applied to any Indebtedness at any date, the number of years obtained by dividing (i) the sum of the products obtained by multiplying (A) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (B) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment, by (ii) the then outstanding principal amount of such Indebtedness.

" Wholly Owned Restricted Subsidiary " of any Person means any Wholly Owned Subsidiary of such Person which at the time of determination is a Restricted Subsidiary of such Person.

" Widely Held " means, with respect to the Notes, that (a) the Purchasers no longer hold more than 50% of the then outstanding aggregate principal amount at Maturity of the Notes (exclusive of Notes then owned directly or indirectly by the Company, or any of its Subsidiaries or Affiliates) and (b) the Company (i) reasonably believes after due inquiry the number of beneficial owners (as defined in Rule 13d-3 under the Exchange Act) of the Notes (counting for the purpose of this definition all Holders that are Affiliates of each other as one beneficial owner) equals or exceeds twenty-five (25) and (ii) if requested by the Required Holders, delivers to the Required Holders and the Trustee an Officers' Certificate executed by the Responsible Officer describing in reasonable details the grounds for such belief and the procedures used by the Company to count the number of beneficial owners. For avoidance of doubt, the Trustee's

obligations under clause (ii) of this definition shall be limited solely to keeping such Officers' Certificate on file with the Trustee and in no event shall the Trustee be liable for the contents of such Officers' Certificate nor shall it be required to deliver such Officers' Certificate to the Holders.

" Wholly Owned Subsidiary " of any Person means a Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more Wholly Owned Subsidiaries of such Person.

SECTION 1.02 . Incorporation by Reference of Trust Indenture Act . This Indenture is subject to the mandatory provisions of the TIA, which are incorporated by reference in and made a part of this Indenture. The following TIA terms have the following meanings:

"indenture securities" means the Initial Notes, the Exchange Notes and the Exchange Guarantees.

"indenture security holder" means a Holder.

"indenture to be qualified" means this Indenture.

"indenture trustee" or "institutional trustee" means the Trustee.

"obligor" on the indenture securities means the Company and any other obligor on the indenture securities.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by Commission rule have the meanings assigned to them by such definitions.

SECTION 1.03 . Rules of Construction . Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) "or" is not exclusive;

(d) "including" means including without limitation;

(e) "to" and "until" each mean "to but excluding";

(f) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein);

(g) any reference herein to any Person shall be construed to include such Person's successors and assigns;

(h) words in the singular include the plural and words in the plural include the singular;

(i) unsecured Indebtedness shall not be deemed to be subordinate or junior to secured Indebtedness merely by virtue of its nature as unsecured Indebtedness;

(j) the principal amount of any non-interest bearing or other discount security at any date shall be the principal amount thereof that would be shown on a balance sheet of the issuer dated such date prepared in accordance with GAAP; and

(k) the principal amount of any Preferred Stock shall be (i)the maximum liquidation value of such Preferred Stock or (ii)the maximum mandatory redemption or mandatory repurchase price with respect to such Preferred Stock, whichever is greater.

ARTICLE 2 .

THE NOTES

SECTION 2.01 . Form and Dating . Provisions relating to the Initial Notes and the Exchange Notes to be issued in exchange for the Initial Notes or otherwise as provided in this Indenture are set forth in the Appendix, which is hereby incorporated in and expressly made a part of this Indenture. The Initial Notes and such Exchange Notes shall be a separate series of Notes. TheInitial Notes and the Trustee's certificate of authentication shall each be substantially in the form of ExhibitA hereto, which is hereby incorporated in and expressly made a part of this Indenture. The Exchange Notes to be issued in exchange for the Initial Notes or otherwise pursuant to this Indenture and the Trustee's certificate of authentication shall be substantially in the form of ExhibitB hereto, which is hereby incorporated in and expressly made a part of this Indenture. The Notes may have notations, legends or endorsements required by law, stock exchange rule, agreements to which the Company is subject, if any, or usage (provided that any such notation, legend or endorsement is in a form acceptable to the Company). Each Note shall be dated the date of its authentication. The Notes shall be issuable only in registered form without interest coupons and only in denominations of $1,000 (in principal amount at Maturity) and multiples thereof. The Initial Notes and the Exchange Notes shall be treated as a single class for all purposes under this Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase.

SECTION 2.02 . Execution and Authentication . One officer shall sign the Notes for the Company by manual or facsimile signature.

If an officer whose signature is on a Note no longer holds that office at the time the Trustee authenticates the Note, the Note shall be valid nevertheless.

A Note shall not be valid until an authorized signatory of the Trustee manually signs the certificate of authentication on the Note. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee shall, upon written direction of the Company, authenticate and make available for delivery Notes as set forth in the Appendix.

The Trustee may appoint an authenticating agent reasonably acceptable to the Company to authenticate the Notes. Any such appointment shall be evidenced by an instrument signed by a Trust Officer, a copy of which shall be furnished to the Company. Unless limited by the terms of such appointment, an authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as any Registrar, Paying Agent or agent for service of notices and demands.

SECTION 2.03 . Registrar and Paying Agent . (a) the Company shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange (the " Registrar ") and an office or agency where Notes may be presented for payment (the " Paying Agent "). The Registrar shall keep a register of the Notes and of their transfer and exchange. The Company may have one or more co-registrars and one or more additional paying agents. The term "Paying Agent" includes any additional paying agent, and the term "Registrar" includes any co-registrars. The Company initially appoints the Trustee as (i) Registrar and Paying Agent in connection with the Notes and (ii)the Notes Custodian with respect to the Global Exchange Notes (as defined in the Appendix).

(b) the Company shall enter into an appropriate agency agreement with any Registrar or Paying Agent not a party to this Indenture, which shall incorporate the terms of the TIA. The agreement shall implement the provisions of this Indenture that relate to such agent. The Company shall notify the Trustee in writing of the name and address of any such agent. If the Company fails to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 9.07 . The Company or any of its domestically organized Wholly Owned Restricted Subsidiaries (other than any member of the BCI Group) may act as Paying Agent or Registrar.

(c) the Company may remove any Registrar or Paying Agent upon written notice to such Registrar or Paying Agent and to the Trustee; *provided, however* , that no such removal shall become effective until (i) acceptance of an appointment by a successor as evidenced by an appropriate agreement entered into by the Company and such successor Registrar or Paying Agent, as the case may be, and delivered to the Trustee or (ii) notification to the Trustee that the Trustee shall serve as Registrar or Paying Agent until the appointment of a successor in accordance with clause (i) above. The Registrar or Paying Agent may resign at any time upon written notice to the Company and the Trustee; *provided, however* , that the Trustee may resign as Paying Agent or Registrar only if the Trustee also resigns as Trustee in accordance with Section9.08 .

SECTION 2.04 . Paying Agent to Hold Money in Trust . On or prior to each due date of the principal of and interest on any Note, the Company shall deposit with, or to an account maintained by, the Paying Agent (or if the Company or a Subsidiary is acting as Paying Agent, segregate and hold in trust for the benefit of the Persons entitled thereto) a sum sufficient to pay such principal and interest when so becoming due. The Company shall require each Paying Agent (other than the Trustee) to agree in writing that the Paying Agent shall hold in trust for the

benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal of or interest on the Notes and shall promptly notify the Trustee in writing of any default by the Company in making any such payment. If the Company or a Subsidiary of the Company acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed by the Paying Agent. Upon complying with this Section2.04 , the Paying Agent shall have no further liability for the money delivered to the Trustee.

SECTION 2.05 . Holder Lists . The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders. If the Trustee is not the Registrar, the Company shall furnish, or cause the Registrar to furnish, to the Trustee, in writing at least five Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders.

SECTION 2.06 . Transfer and Exchange . The Notes shall be issued in registered form and shall be transferable only upon the surrender of a Note for registration of transfer and in compliance with the Appendix. When a Note is presented to the Registrar with a request to register a transfer, the Registrar shall register the transfer as requested if its requirements therefor are met. When Notes are presented to the Registrar with a request to exchange them for an equal principal amount of Notes of other denominations, the Registrar shall make the exchange as requested if the same requirements are met. To permit registration of transfers and exchanges, the Company shall execute and the Trustee shall authenticate Notes at the Registrar's request. The Company may require payment of a sum sufficient to pay all taxes, assessments or other governmental charges in connection with any transfer or exchange pursuant to this Section2.06 . The Company shall not be required to make and the Registrar need not register transfers or exchanges of Notes selected for redemption (except, in the case of Notes to be redeemed in part, the portion thereof not to be redeemed) or any Notes for a period of 15 days before a selection of Notes to be redeemed.

Prior to the due presentation for registration of transfer of any Note, the Company, the Guarantors, the Trustee, the Paying Agent and the Registrar may deem and treat the Person in whose name a Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and (subject to paragraph 2 of the Notes) interest, if any, on such Note and for all other purposes whatsoever, whether or not such Note is overdue, and none of the Company, the Guarantors, the Paying Agent, the Trustee or the Registrar shall be affected by notice to the contrary.

Any Holder of a Global Exchange Note shall, by acceptance of such Global Exchange Note, agree that transfers of beneficial interest in such Global Exchange Note may be effected only through a book-entry system maintained by (a)the Holder of such Global Exchange Note (or its agent) or (b)any Holder of a beneficial interest in such Global Exchange Note, and that ownership of a beneficial interest in such Global Exchange Note shall be required to be reflected in a book entry.

All Notes issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Notes surrendered upon such transfer or exchange.

SECTION 2.07 . Replacement Notes . If a mutilated Note is surrendered to the Registrar or if the Holder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Company shall issue and the Trustee shall authenticate a replacement Note if the requirements of Section8-405 of the New York Uniform Commercial Code are met, such that the Holder (a)satisfies the Company or the Trustee within a reasonable time after such Holder has notice of such loss, destruction or wrongful taking and the Registrar does not register a transfer prior to receiving such notification, (b)makes such request to the Company or the Trustee prior to the Note being acquired by a protected purchaser as defined in Section8-303 of the New York Uniform Commercial Code (a " protected purchaser ") and (c) satisfies any other reasonable requirements of the Trustee. If required by the Trustee or the Company, such Holder shall furnish an indemnity bond sufficient in the judgment of the Trustee to protect the Company, the Trustee, the Paying Agent and the Registrar from any loss that any of them may suffer if a Note is replaced. The Company and the Trustee may charge the Holder for their expenses in replacing a Note. In the event any such mutilated, lost, destroyed or wrongfully taken Note has become or is about to become due and payable, the Company in its discretion may pay such Note instead of issuing a new Note in replacement thereof.

Every replacement Note is an additional obligation of the Company.

The provisions of this Section2.07 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, lost, destroyed or wrongfully taken Notes.

SECTION 2.08 . Outstanding Notes . Notes outstanding at any time are all Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation and those described in this Section2.08 as not outstanding. Subject to Section14.06 , a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note.

If a Note is replaced pursuant to Section2.07 , it ceases to be outstanding unless the Trustee and the Company receive proof satisfactory to them that the replaced Note is held by a protected purchaser.

If the Paying Agent segregates and holds in trust, in accordance with this Indenture, on a Redemption Date, the Stated Maturity Date or maturity date money sufficient to pay all principal and interest and Special Interest, if any, payable on that date with respect to the Notes (or portions thereof) to be redeemed or maturing, as the case may be, and the Paying Agent is not prohibited from paying such money to the Holders on that date pursuant to the terms of this Indenture, then on and after that date such Notes (or portions thereof) cease to be outstanding and interest on them ceases to accrue.

SECTION 2.09 . Temporary Notes . Until Definitive Notes are ready for delivery, the Company may prepare and the Trustee shall authenticate temporary Notes. Temporary Notes

shall be substantially in the form of Definitive Notes but may have variations that the Company considers appropriate for temporary Notes. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate Definitive Notes and deliver them in exchange for temporary Notes upon surrender of such temporary Notes at the office or agency of the Company, without charge to the Holder.

SECTION 2.10 . Cancellation . The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment or cancellation and shall dispose of canceled Notes in accordance with its customary procedures or deliver canceled Notes to the Company pursuant to written direction by an officer. The Company may not issue new Notes to replace Notes it has redeemed, paid or delivered to the Trustee for cancellation. The Trustee shall not authenticate Notes in place of canceled Notes other than pursuant to the terms of this Indenture.

SECTION 2.11 . Defaulted Interest . If the Company defaults in a payment of interest or Special Interest, if any, on the Notes, the Company shall pay the defaulted interest (plus interest on such defaulted interest to the extent lawful) in any lawful manner. The Company may pay the defaulted interest to the Persons who are Holders on a subsequent special record date. The Company shall fix or cause to be fixed any such special record date and payment date to the reasonable satisfaction of the Trustee and shall promptly mail or cause to be mailed to each Holder a notice that states the special record date, the payment date and the amount of defaulted interest to be paid.

SECTION 2.12 . CUSIP Numbers . The Company in issuing the Notes may use Committee on Uniform Securities Identification Procedures numbers (the " CUSIP numbers ") (if then generally in use) and, if so, the Trustee shall use CUSIP numbers in notices of redemption as a convenience to Holders; *provided, however* , that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers.

ARTICLE 3 .

REDEMPTION

SECTION 3.01 . Notices to Trustee . If the Company elects to redeem Notes pursuant paragraph 5 of the Notes or is obligated to purchase Notes pursuant to Section4.09 or Section4.10 , it shall notify the Trustee in writing of the Redemption Date and the principal amount at Maturity of Notes to be redeemed. The redemption provisions of paragraph 5 of the Notes are fully incorporated herein. The Trustee may conclusively rely on an Officers' Certificate and the calculations given therein in making any redemption in accordance with paragraph 5 of the Notes.

The Company shall give each notice to the Trustee provided for in this Section 3.01 at least 45 days before the Redemption Date unless the Trustee consents to a shorter period. Such notice shall be accompanied by an Officers' Certificate and an Opinion of Counsel from the Company to the effect that such redemption will comply with the conditions herein. If fewer than all the Notes are to be redeemed, the record date relating to such redemption shall be selected by the Company and given to the Trustee, which record date shall be not fewer than 15days after the date of notice to the Trustee. Any such notice may be canceled at any time prior to notice of such redemption being mailed to any Holder and shall thereby be void and of no effect.

SECTION 3.02 . Selection of Notes To Be Redeemed . If fewer than all the Notes are to be redeemed, the Trustee shall select the Notes to be redeemed pro rata from all of the Holders. The Trustee shall make the selection from outstanding Notes not previously called for redemption. The Trustee may select for redemption portions of the principal amount at Maturity of Notes that have denominations larger than $1,000. Notes and portions of them the Trustee selects shall be in principal amounts at maturity of $1,000 or a multiple thereof. Provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption. The Trustee shall notify the Company promptly of the Notes or portions of Notes to be redeemed.

SECTION 3.03 . Notice of Redemption . (a) At least 30days but not more than 60 days before a date for redemption of Notes, the Company shall mail a notice of redemption by first-class mail, to each Holder of Notes to be redeemed at such Holder's registered address.

The notice shall identify the Notes to be redeemed and shall state:

(i) the Redemption Date;

(ii) the Redemption Price and the amount of accrued interest (including amounts to be accreted to principal of the Notes) to the Redemption Date;

(iii) the name and address of the Paying Agent;

(iv) that Notes called for redemption must be surrendered to the Paying Agent to collect the Redemption Price;

(v) if fewer than all the outstanding Notes are to be redeemed, the certificate numbers and principal amount at Maturity of the particular Notes to be redeemed;

(vi) that, unless the Company defaults in making such redemption payment or the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture, interest and any Special Interest on Notes (or portion thereof) called for redemption ceases to accrue on and after the Redemption Date;

(vii) the CUSIP number, if any, printed on the Notes being redeemed; and

(viii) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

(b) At the Company's written request, the Trustee shall give the notice of redemption in the Company's name and at the Company's expense. In such event, the Company shall provide the Trustee with the information required by this Section3.03 .

SECTION 3.04 . Effect of Notice of Redemption . Once notice of redemption is mailed, Notes called for redemption become due and payable on the Redemption Date and at the Redemption Price stated in the notice. Upon surrender to the Paying Agent, such Notes shall be paid at the Redemption Price stated in the notice, plus accrued interest and Special Interest, if any, to the Redemption Date; *provided, however* , that if the Redemption Date is after a Regular Record Date and on or prior to the Interest Payment Date, the accrued interest and Special Interest, if any, shall be payable to the Holder of the redeemed Notes registered on the relevant Regular Record Date. Failure to give notice or any defect in the notice to any Holder shall not affect the validity of the notice to any other Holder.

SECTION 3.05 . Deposit of Redemption Price . Prior to 10:00 a.m. (New York City time) on the Redemption Date, the Company shall deposit with the Paying Agent (or, if the Company or a Subsidiary is the Paying Agent, shall segregate and hold in trust) money sufficient to pay the Redemption Price of, and accrued interest and Special Interest, if any, on all Notes to be redeemed on that date other than Notes or portions of Notes called for redemption that have been delivered by the Company to the Trustee for cancellation. On or after the Redemption Date, interest shall cease to accrue on Notes or portions thereof called for redemption so long as the Company has deposited with the Paying Agent funds sufficient to pay the principal of, plus accrued and unpaid interest and Special Interest, if any, on, the Notes to be redeemed, unless the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture.

SECTION 3.06 . Notes Redeemed in Part . Upon surrender of a Note that is redeemed in part, the Company shall execute and the Trustee shall authenticate for the Holder (at the Company's expense) a new Note equal in principal amount at Maturity to the unredeemed portion of the principal amount at Maturity of the Note surrendered.

SECTION 3.07 . Tender of Notes in Exercise of Warrants . The Warrant Agreement provides that the holder of a Warrant may exercise such Warrant by surrendering a Note or a portion thereof then held by such holder in payment of the exercise price for all Warrant Shares then exercised equal to 100% of that portion of the Accreted Value of such Notes, which the Holder thereof directs the Company to accept in payment of such exercise price. To the extent the Accreted Value of such surrendered Note is greater than the aggregate amount of the exercise price for all Warrant Shares then paid for by surrender thereof (exclusive of the portion of such exercise price paid for by accrued interest, if any, on such Surrendered Note), the Company shall deliver a new Note to the tendering Holder thereof, in accordance with the provisions of this Indenture, dated the date of the original issuance of the tendered Note, in the principal amount to maturity which bears the same proportion to the principal amount at maturity of such surrendered Note immediately prior to acceptance by the Company as the remaining portion of the Accreted Value of such surrendered Note bears to the Accreted Value of such surrendered Note immediately prior to acceptance by the Company. On the date the Company accepts such

surrendered Note in payment of the exercise price for the Warrants, the Company shall pay all accrued and unpaid interest on the Accreted Value of the Notes cancelled pursuant to this Section 3.07 up to but excluding such Redemption Date.

ARTICLE 4 .

AFFIRMATIVE COVENANTS

SECTION 4.01 . Payment of Notes .

(a) The Company shall pay the principal of and interest on the Notes on or before the dates and in the manner provided in the Notes and in this Indenture. Principal of and interest on the Notes shall be considered paid on the date due if on such date the Trustee or the Paying Agent holds in accordance with this Indenture money sufficient to pay all principal of and interest on the Notes then due and the Trustee or the Paying Agent, as the case may be, is not prohibited from paying such money to the Holders on that date pursuant to the terms of this Indenture.

(b) The Company shall pay interest on overdue principal of the Notes at the rate specified therefor in the Notes and shall pay interest on overdue installments of interest at the same rate to the extent lawful.

SECTION 4.02 . Commission Reports . Whether or not required by the reporting requirements of Section 13 or 15(d) of the Exchange Act, so long as the Notes are outstanding, the Company shall file with the Commission, and provide the Trustee, Holders and prospective Holders (upon request) within 15 days after it files or is required to file them with the Commission, copies of its annual report and the information, documents and other reports that are specified in Section 13 and 15(d) of the Exchange Act. In addition, the Company shall furnish to the Trustee and the Holders, promptly upon their becoming available, copies of the annual report to shareholders and any other information provided by the Company to its public shareholders generally. The Company also shall comply with the other provisions of TIA 314(a). The receipt by the Trustee of any such reports and documents pursuant to this Section shall not constitute notice or constructive notice of any information contained in such documents or determinable from information contained in such documents, including the Company's compliance with any covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

SECTION 4.03 . Preservation of Corporate Existence . The Company shall do or cause to be done all things necessary to preserve and keep in full force and effect (a)its corporate existence, and the corporate, limited liability company, partnership or other existence of each of its Restricted Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Restricted Subsidiary (it being understood that legal name change may be made based upon reasonable discretion of the Company) and (b)the rights (charter and statutory) and licenses of the Company and its Restricted Subsidiaries; *provided, however,* that the Company shall not be required to preserve or keep in full force and effect any such right or license, or the corporate, limited liability company,

partnership or other existence of any of its Restricted Subsidiaries if the loss thereof does not and would not reasonably be expected to result in a Material Adverse Effect.

SECTION 4.04 . Maintenance of Properties . The Company will cause all properties used or useful in the conduct of its business or the business of any of its Restricted Subsidiaries to be maintained and kept in good condition, repair and working order, ordinary wear and tear excepted, and will cause to be made all necessary repairs, renewals and replacements thereof, all as in the judgment of the Company may be necessary so that the business carried on in connection therewith may be properly conducted; *provided, however,* that the foregoing shall not prevent the Company from discontinuing the operation or maintenance of any of such properties if such discontinuance does not and would not reasonably be expected to result in a Material Adverse Effect.

SECTION 4.05 . Taxes

(a) Payment of Taxes and Other Claims . The Company shall pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (i)all material Taxes for which the Company or any of its Restricted Subsidiaries could be liable and (ii)all lawful claims for labor, materials and supplies which, if unpaid, might by law become a Lien upon the property of the Company or any of its Restricted Subsidiaries; *provided, however,* that the Company shall not be required to pay or discharge or cause to be paid or discharged any such Tax or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings, *provided* that appropriate reserves therefor are established in the Company's consolidated financial statements in accordance with GAAP.

(b) Tax Returns . The Company and its Restricted Subsidiaries shall timely file or cause to be filed when due all material Tax Returns that are required to be filed by or with respect to the Company or any of its Subsidiaries for taxable years ending after the Closing Date and shall pay any Taxes due in respect of such Tax Returns except as permitted under Section 4.05(a) .

(c) Transfer Taxes . All transfer, transfer gains, documentary, sales, use, stamp, registration and other similar Taxes and fees (including costs and expenses relating to such Taxes) incurred in connection with the consummation of the transactions contemplated by this Indenture shall be borne by the Company. The Holders shall reasonably cooperate with the Company in the preparation and filing of any such Tax Returns and other documentation.

SECTION 4.06 . Compliance Certificate . The Company shall deliver to the Trustee within (a) 50days after the end of each of the first three fiscal quarters of the Company's fiscal year, and (b) within 95 days of the end of the fiscal year of the Company, an Officers' Certificate made on behalf of the Company stating that in the course of the performance by the signers of their duties as officers of the Company they would normally have knowledge of any Default and whether or not the signers know of any Default that occurred during such period. If they do, the certificate shall describe the Default, its status and what action the Company is taking or proposes to take with respect thereto. The Company also shall comply with Section314(a)(4) of the TIA.

SECTION 4.07 . Compliance with Law . The Company will, and will cause each of its Restricted Subsidiaries to, comply with all Applicable Laws and all Environmental Laws and will obtain and maintain, and will cause each of its Restricted Subsidiaries to obtain and maintain, all Permits necessary to the ownership of their respective properties or to the conduct of their respective businesses, except where and to the extent the failure to so comply with Applicable Laws and all Environmental Laws or to obtain and maintain in effect any such Permits could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

SECTION 4.08 . Insurance . The Company shall cause its Restricted Subsidiaries to maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and business against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities engaged in a similar businesses and owning similar properties in the same general areas in which the Company and its Restricted Subsidiaries operate.

SECTION 4.09 . Offer to Repurchase Upon Change of Control .

(a) Upon the occurrence of a Change of Control, the Company shall make an offer (a " Change of Control Offer ") to each Holder to repurchase all or any part (equal to $1,000 of principal amount at Maturity or a multiple thereof) of each Holder's Notes at an offer price in cash equal to 101% of the Accreted Value thereof, plus accrued and unpaid interest thereon, if any, as of the Change of Control Payment Date (the " Change of Control Payment ") in accordance with the terms set forth below; *provided , however* , that, notwithstanding the occurrence of a Change of Control, the Company shall not be obligated to purchase the Notes pursuant to this Section 4.09 in the event that it has exercised its right to redeem all the Notes under paragraph 5 of the Notes. The Company shall comply with the requirements of Rule14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control, and the Company shall not be in violation of this Indenture by reason of any act required by such rule or other Applicable Law.

(b) Within 30days following any Change of Control, the Company shall mail a notice to each Holder stating:

(i) that the Change of Control Offer is being made pursuant to this Section4.09 and that all Notes tendered will be accepted for payment;

(ii) the purchase price and the purchase date, which shall be at least 10Business Days but no more than 60days from the date on which the Company mails notice of the Change of Control (the " Change of Control Payment Date ");

(iii) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer shall be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes completed, to the

Paying Agent for such purpose, at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(iv) that Holders will be entitled to withdraw their election if the Company or its designated agent for such purpose, receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a facsimile transmission or letter setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased; and

(v) other information required to be included pursuant to Section 3.03 .

(c) On the Change of Control Payment Date, the Company shall, to the extent lawful, (i) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer and (ii) pay to the Holders of Notes or portions thereof so tendered an amount equal to the Change of Control Payment in respect of all Notes or portions thereof so tendered. The Company shall promptly mail or deliver by wire transfer to each Holder of Notes so tendered the Change of Control Payment for such Notes, and the Company shall promptly execute and mail (or cause to be transferred by book-entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided, however,* that each such new Note shall be in a principal amount at Maturity of $1,000 or a multiple thereof.

(d) In the event that at the time of such Change of Control the terms of any Senior Indebtedness restrict or prohibit the repurchase of Notes pursuant to this Section4.09, then prior to the mailing of the notice to Holders provided for in Section4.09(b) but in any event within 30days following any Change of Control, the Company shall (i) repay in full all such Senior Indebtedness or offer to repay in full all such Senior Indebtedness and repay such Senior Indebtedness of each lender or holder who has accepted such offer or (ii) obtain the requisite consent under such Senior Indebtedness to permit the repurchase of the Notes as provided for in Section4.09(c) .

(e) The Company shall not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in a manner, at the times and otherwise in compliance with the requirements set forth in this Section4.09 and such third party purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

SECTION 4.10 . Offer to Purchase by Application of Excess Proceeds .

(a) In the event that, pursuant to Section 5.05 , the Company shall be required to commence an offer to all Holders to purchase Notes (an " Asset Sale Offer "), it shall follow the procedures specified in this Section 4.10 . Each Asset Sale Offer shall remain open for not less than ten (10) Business Days nor more than sixty (60) days immediately following its commencement, except to the extent that a longer period is required by Applicable Law (the " Offer Period ").

(b) Upon the commencement of an Asset Sale Offer, the Company shall send, by first class mail, a notice to each of the Holders which shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The Asset Sale Offer shall be made to all Holders. The notice, which shall govern the terms of the Asset Sale Offer, shall state:

(i) that the Asset Sale Offer is being made pursuant to this Section 4.10 and Section 5.05 and the length of time the Asset Sale Offer shall remain open;

(ii) the Offer Amount and the Purchase Date;

(iii) that Holders electing to have a Note purchased pursuant to any Asset Sale Offer shall be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed to the Company at the address specified in the notice at least three Business Days before the Purchase Date;

(iv) that Holders shall be entitled to withdraw their election if the Company receives, not later than the second Business Day prior to the expiration of the Offer Period, a facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased; and

(v) other information required to be included pursuant to Section 3.03 .

(c) On or before the Business Day immediately after the termination of the Offer Period (the " Purchase Date "), the Company shall, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, Notes or portions thereof tendered pursuant to the Asset Sale Offer with an Accreted Value equal to the Accreted Value required to be purchased pursuant to Section 5.05 plus accrued and unpaid interest, if any, thereon to the Purchase Date (the " Offer Amount ") or, if the Accreted Value of Notes tendered is less than the Offer Amount, the Company shall purchase all Notes tendered in response to the Asset Sale Offer. Payment for any Notes so purchased shall be made in the same manner as interest payments are made. The Company shall promptly (but in any case not later than five (5) Business Days after the Purchase Date) mail or deliver by wire transfer to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Company for purchase, and the Company shall promptly issue a new Note and deliver it to such Holder, in a principal amount at Maturity equal to any unpurchased portion of the Note surrendered. Any Note not so accepted shall be promptly mailed or delivered by the Company to the Holder thereof.

SECTION 4.11 . Other Covenants . The Company hereby agrees, to the extent reasonably practicable but subject to the limitations set forth in Section 5.11 :

(a) To maintain the books and records of the Cincinnati Bell Group separate from the BCI Group;

(b) Not to commingle assets of the Cincinnati Bell Group with those of the BCI Group, except as permitted to be invested to effect the Centralized Cash Management

System pursuant to Section 5.02(f)(ix) of the Credit Agreement, as in effect on the date of this Indenture;

(c) To maintain separate financial statements of the Cincinnati Bell Group from those of the BCI Group, which financial statements need not (except as provided in Section 9 of the Purchase Agreement) be separately audited or reviewed by an independent accounting firm;

(d) To observe all material corporate, partnership or limited liability company (as applicable) formalities;

(e) Not to pay the salaries of the Cincinnati Bell Group employees with funds of the BCI Group and vice versa, except, in the case of payments of salaries of management employees of the BCI Group with the funds of the Cincinnati Bell Group, for any such payments made in the Ordinary Course of Business;

(f) Other than as required under the Credit Documents or pursuant to the terms of any documents governing Existing Indebtedness, not to guarantee or become obligated for the debts of the BCI Group or hold out its credit as being available to satisfy the obligations of the BCI Group;

(g) Other than as required under the Credit Documents or pursuant to the terms of any documents governing Existing Indebtedness, not to pledge the assets of the Cincinnati Bell Group for the benefit of the BCI Group; and

(h) To hold itself out as a separate entity from the BCI Group.

SECTION 4.12 . Further Assurances . The Company shall, upon the request of Holders, execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the provisions of this Indenture.

SECTION 4.13 . Future Guarantors . Subject to Section 11.02(b), the Company shall cause each Restricted Subsidiary that is (a) acquired or formed after the Closing Date and is a Restricted Subsidiary that is also a guarantor under the Credit Agreement or (b) an existing Restricted Subsidiary that becomes a guarantor under the Credit Agreement to become a Guarantor, and, if applicable, to execute and deliver to the Trustee a supplemental guarantee in the form of Exhibit C pursuant to which such Restricted Subsidiary will guarantee payment of the Notes.

SECTION 4.14 . Approvals . The Company agrees to exercise commercially reasonable efforts, and shall cause its Restricted Subsidiaries to exercise commercially reasonable efforts, to obtain any approval of the Federal Communications Commission, any public utility or service commission or any other Governmental Authority for any action or transaction contemplated by this Indenture that is then required by Applicable Law, except where the failure to obtain any such approval could not, individually and in the aggregate, reasonably be expected to have a Material Adverse Effect.

ARTICLE 5 .

NEGATIVE COVENANTS APPLICABLE TO COMPANY AND ITS SUBSIDIARIES

SECTION 5.01 . Stay, Extension and Usury Laws . The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of its obligations under the Notes or this Indenture, and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants (to the extent that it may lawfully do so) that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Holders, but shall suffer and permit the execution of every such power as though no such law has been enacted.

SECTION 5.02 . Restricted Payments . (a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, (i) declare or make any dividend payment or other distribution of assets, properties, cash, rights, obligations or securities on account of any shares of any class of Capital Stock (including any payment in connection with a merger or consolidation involving the Company or any of its Restricted Subsidiaries), except (x) dividends or distributions payable solely in its Capital Stock (other than Disqualified Capital Stock or Capital Stock convertible into or exchangeable for Disqualified Capital Stock) and (y) dividends or distributions payable to the Company or to a Restricted Subsidiary (and, if the Restricted Subsidiary making such dividend or distribution has equityholders other than the Company or another Restricted Subsidiary, to such equityholders on a pro rata basis), (ii)purchase, redeem or otherwise acquire for value any shares of Capital Stock of the Company or any of its Restricted Subsidiaries now or hereafter outstanding held by a Person other than the Company or another Restricted Subsidiary, (iii) make any payment or prepayment of principal of, premium, if any, interest, redemption, exchange, purchase, retirement, defeasance, sinking fund or other payment with respect to, any Subordinated Indebtedness prior to scheduled maturity, scheduled payment, scheduled repayment or scheduled sinking fund payment thereof (except redemption, exchange, purchase, retirement, defeasance, sinking fund or other payment within six months of the final maturity thereof; *provided* that no such redemption, exchange, purchase, retirement, defeasance, sinking fund or other payment may be made prior to the final maturity may be made with respect to the Convertible Subordinated Notes) or (iv) make any Restricted Investments (the items described in clauses (i) , (ii) , (iii) , and (iv) are referred to as " Restricted Payments "); except that the Company or any Restricted Subsidiary of the Company may make a Restricted Payment if at the time of and after giving effect to such Restricted Payment;

(A) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; and

(B) the Company could, at the time such Restricted Payment was made and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-fiscal quarter period, have been permitted to Incur at least $1.00 of additional Indebtedness pursuant to Section 5.04(a) hereof; and

(C) such Restricted Payment, together with the aggregate of all other Restricted Payments made by the Company and its Restricted Subsidiaries after the date of this Indenture (excluding Restricted Payments permitted by Section 5.02(b)(i) through (v), inclusive, (viii) and (ix)), is less than the sum, without duplication, of (1) the Applicable Percentage of the Consolidated Net Income for the period (taken as one accounting period) from the beginning of (x) if the Closing Date occurs in the first half of a fiscal quarter, such fiscal quarter or (y) if the Closing Date occurs in the second half of a fiscal quarter, the fiscal quarter commencing after the Closing Date, in each case, to the end of the Company's most recently ended fiscal quarter for which internal financial statements of the Company and its Restricted Subsidiaries are, or should have been, available in accordance with the Transaction Documents at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit), plus (2) to the extent that any Restricted Investment that was made after the date of this Indenture is sold for cash or otherwise liquidated or repaid for cash, the lesser of (x) the cash return of capital with respect to such Restricted Investment (less the cost of disposition, if any) and (y) the initial amount of such Restricted Investment, plus (3) the amount equal to the net reduction in Investments in Unrestricted Subsidiaries resulting from the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued as provided in the definition of the "Investment"), plus (4) net cash dividends or other net cash distributions paid to the Company or any Restricted Subsidiary from Unrestricted Subsidiaries (for the avoidance of doubt, only to the extent not included in clause (1) above) but only for the purpose of making (x) prior to the Distribution Date, Restricted Investments and (y) after the Distribution Date any Restricted Payments (whether or not constituting Restricted Investments), plus (5) the aggregate Net Proceeds received by the Company from the issue or sale of its Capital Stock (other than Disqualified Capital Stock) or other capital contributions subsequent to the date of this Indenture (other than Net Proceeds received from an issuance or sale of such Capital Stock to a Subsidiary of the Company or an employee stock ownership plan, option plan or similar trust to the extent such sale to an employee stock ownership plan, option plan or similar trust is financed by loans from or guaranteed by the Company or any Restricted Subsidiary), but only for the purpose of making (x) prior to the Distribution Date, Restricted Investments and (y) after the Distribution Date any Restricted Payments (whether or not constituting Restricted Investments), plus (6) aggregate net cash proceeds received by the Company from the issue or sale since the Closing Date of debt securities that have been converted into Capital Stock (other than Disqualified Capital Stock) of the Company, but only for the purpose of making (x) prior to the Distribution Date, Restricted Investments and (y) after the Distribution Date any Restricted Payments (whether or not constituting Restricted Investments).

(b) The foregoing provisions shall not prohibit any of the following if no Default or Event of Default shall have occurred and be continuing immediately after any such transaction:

(i) the defeasance, redemption or repurchase of (x) Subordinated Indebtedness with the net cash proceeds from an Incurrence of Permitted Refinancing Indebtedness or the substantially concurrent sale (other than to a Subsidiary of the Company) of Capital Stock of the Company or (y) Convertible Preferred Stock or other Capital Stock of the Company with the net cash proceeds from the substantially concurrent sale (other than to a Subsidiary of the Company) of Capital Stock of the Company (other than the Disqualified Capital Stock);

(ii) the pro rata redemption or repurchase by any Restricted Subsidiary of the Company of its Common Stock;

(iii) the making by the Company of regularly scheduled payments in respect of any Subordinated Indebtedness permitted hereby in accordance with the terms of, and only to the extent required by, and subject to the subordination provisions contained in, any agreement pursuant to which such Subordinated Indebtedness was issued; *provided* that the regularly scheduled payments in respect of Convertible Subordinated Notes permitted by this clause (iii) may not exceed an effective rate of 10% per annum;

(iv) the making by the Company and its Restricted Subsidiaries of Permitted Acquisitions;

(v) the making by the Company of (x) regularly scheduled dividend payments in respect of 6 % Cumulative Convertible Preferred Stock of the Company in accordance with the terms thereof and (y) regularly scheduled interest payments (excluding any common and non-redeemable preferred equity component thereof) in respect of Alternative Mezzanine Debt in accordance with the terms thereof;

(vi) dividends paid within 60days after the date of declaration thereof if at such date of declaration such dividend would have complied with Section5.02(a);

(vii) the repurchase or other acquisition of shares of, or options to purchase shares of, common stock of the Company or any of its Subsidiaries from employees, former employees, directors or former directors of the Company or any of its Subsidiaries (or permitted transferees of such employees, former employees, directors or former directors), pursuant to the terms of the agreements (including employment agreements) or plans (or amendments thereto) approved by the Board of Directors of the Company under which such individuals purchase or sell or are granted the option to purchase or sell, shares of such common stock; provided, however, that the aggregate amount of such repurchases shall not exceed $2,000,000 in any calendar year;

(viii) the issuance of common stock of the Company to officers, directors and employees as part of compensation arrangements;

(ix) the making by the Company and its Restricted Subsidiaries of other Restricted Payments not to exceed $5,000,000 in the aggregate since the date of this Indenture; and

(x) the making by the Company and its Restricted Subsidiaries of Restricted Payments permitted to be made by Section 5.11 .

(c) The amount of all Restricted Payments (other than cash) shall be the fair market value (evidenced by a resolution of the Board of Directors set forth in an Officers' Certificate delivered to the Trustee) on the date of the Restricted Payment of the asset(s) proposed to be transferred by the Company or such Subsidiary, as the case may be, pursuant to the Restricted Payment.

SECTION 5.03 . Dividend and Other Payment Restrictions Affecting Subsidiaries . The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary of the Company to (a)(i)pay dividends or make any other distributions to the Company with respect to any Capital Stock of such Restricted Subsidiary or any other interest or participation in, or measured by, such Restricted Subsidiary's profits, or (ii)pay any Indebtedness owed by such Restricted Subsidiary to the Company or any of the Company's other Restricted Subsidiaries, (b)make loans or advances to the Company or any of the Company's Restricted Subsidiaries or (c)transfer any of such Restricted Subsidiary's properties or assets to the Company or any of the Company's Restricted Subsidiaries, except for such encumbrances or restrictions existing under or by reason of (i)existing Indebtedness and agreements listed on Schedule 5.03 , in each case, as in effect on the date of this Indenture, (ii)the Credit Documents as in effect as of the date of this Indenture, and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or Refinancings thereof permitted hereunder, *provided, however* , that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or Refinancings are not materially more restrictive with respect to such provisions than those contained in the Credit Documents on the date hereof, (iii)this Indenture and the Notes, (iv)Applicable Law, (v)any encumbrance or restriction (1)that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract or (2)contained in security agreements securing Indebtedness of the Company or a Restricted Subsidiary to the extent such encumbrance or restriction restricts the transfer of the property subject to such security agreements, (vi)capital leases or purchase money obligations for property acquired in the Ordinary Course of Business that impose restrictions of the nature described in clause(v) above on the property so acquired, (vii)Permitted Refinancing Indebtedness; *provided, however,* that such restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive than those contained in the agreements governing the Indebtedness being Refinanced, (viii)any instrument governing Indebtedness, Capital Stock or assets of a Person acquired by the Company or any of the Company's Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such instrument was created or such Indebtedness was Incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired, *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of this Indenture to be Incurred, (ix)secured Indebtedness otherwise permitted to be Incurred pursuant to this Indenture that limits the right of the debtor thereunder to dispose of the assets securing such Indebtedness, (x)contracts for the sale of assets, including without limitation customary restrictions with respect to a Subsidiary

pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary, (xi)restrictions on deposits or minimum net worth requirements imposed by customers under contracts entered into in the Ordinary Course of Business, (xii)customary provisions in joint venture agreements, licenses and leases and other similar agreements entered into in the Ordinary Course of Business, (xiii) any encumbrance or restriction contained in an agreement evidencing Indebtedness of a Restricted Subsidiary permitted to be Incurred subsequent to the Closing Date pursuant to Section 5.04 ; *provided , however ,* that such encumbrance or restriction applies only in the event of and during the continuance of a default contained in such agreement and (xiv) any encumbrances or restrictions of the type referred to in clauses(a), (b) and (c) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses(i) through (xiii) above; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Board of Directors of the Company, no more restrictive with respect to such dividend and other payment restrictions than those contained in the dividend or other payment restrictions prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

SECTION 5.04 . Incurrence of Indebtedness and Issuance of Preferred Stock

(a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, Guarantee or otherwise become directly or indirectly liable, contingently or otherwise (including by operation of law), with respect to (collectively, " Incur ") any Indebtedness (including Acquired Indebtedness) and shall not permit any of its Restricted Subsidiaries to issue any Preferred Stock; *provided , however ,* that the Company and the Guarantors may Incur Indebtedness (including Acquired Indebtedness), and the Company and the Guarantors may guarantee such Indebtedness, if immediately after the Incurrence of such Indebtedness, both (i) prior to the Distribution Date, the Consolidated EBITDA to Consolidated Interest Ratio for the most recent four full fiscal quarter period for which consolidated financial statements of the Company and its Restricted Subsidiaries are, or should have been, available in accordance with the Transaction Documents is 3.0 to 1.00 or greater (this test is referred to herein as the " Interest Coverage Test "), and (ii) the Consolidated Adjusted Debt to Adjusted EBITDA Ratio is less than (A) 4.75 to 1.00 if such Incurrence occurs on or prior to December 31, 2002, (B) 4.5 to 1.00 if such Incurrence occurs on or after January 1, 2003 and on or prior December 31, 2003, (C) 4.25 to 1.00 if such Incurrence occurs on or after January 1, 2004 and on or prior December 31, 2004 or (D) 4.00 to 1.00 if such Incurrence occurs on or after January 1, 2005 (the test set forth in sub-paragraph (ii) hereof is referred to herein as " Leverage Test "). For the purpose of the calculation of the Leverage Test (both before and after the Distribution Date) and, prior to the Distribution Date, the Interest Coverage Test, with respect to any period included in such calculation, Consolidated EBITDA, the components of Consolidated Interest Expense, and Consolidated Adjusted Debt and Capital Expenditures shall be calculated with respect to such period by the Company in good faith on a pro forma basis (including and consistent with Permitted Adjustments), giving effect to any Permitted Acquisition, Asset Disposition or Incurrence or redemption or repayment of Indebtedness that has given rise to the need for such calculation, has occurred during such period or has occurred after such period and on or prior to the date of such calculation (each a " Subject

Transaction "), including, with regards to Permitted Acquisitions and Asset Dispositions, by using the historical financial statements of any business so acquired or to be acquired or sold or to be sold and the consolidated financial statements of the Company and its Restricted Subsidiaries which shall be reformulated as if such Subject Transaction, and any Indebtedness Incurred or redeemed or repaid in connection therewith, had been consummated or Incurred or redeemed or repaid at the beginning of such period (and assuming that such Indebtedness bears interest during any portion of the applicable measurement period prior to the relevant acquisition at the weighted average of the interest rates applicable to outstanding revolving loans under the Credit Agreement Incurred during such period).

(b) The foregoing provisions shall not apply to:

(i) the Incurrence by the Company and its Restricted Subsidiaries of the Existing Indebtedness (including, without limitation, all pay-in-kind interest under the Convertible Subordinated Indenture; *provided* that the Company will not permit the rate of interest on the Convertible Subordinated Notes to exceed of 10% per annum);

(ii) the Incurrence by the Company and its Restricted Subsidiaries of the Indebtedness represented by the Notes and the Guarantees (including the Exchange Guarantees) thereof, as the case may be;

(iii) the Incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by (A) Capitalized Lease Obligations, mortgage financings or purchase money Indebtedness, in each case, Incurred for the purpose of financing all or any part of the purchase price or cost of construction, repair, addition to or improvement of property, plant or equipment used in the business of the Company or such Subsidiary, in an aggregate principal amount, together with the principal amount of all Indebtedness incurred pursuant to clause (xx) below, not to exceed (without duplication) the Applicable Capital Lease Amount at any one time outstanding and (B) other short-term purchase money Indebtedness the term of which does not exceed six (6) months, in an aggregate principal amount not to exceed (without duplication) $10,000,000 at any one time outstanding;

(iv) the Incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to extend, Refinance, renew, replace, defease or refund, Indebtedness that was permitted by this Indenture to be Incurred by the Company or such Restricted Subsidiary;

(v) the Incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness (A) between or among the Company and any Wholly Owned Restricted Subsidiaries of the Company and CBW (*provided* that, in the case of Indebtedness incurred by CBW, such intercompany Indebtedness shall not exceed $300,000,000 at any time outstanding) and (B) consisting of debits and credits among the Company and its Restricted Subsidiaries pursuant to the Centralized Cash Management System; *provided , however* , that (1) any intercompany Indebtedness which is borrowed by the Company or a Restricted Subsidiary from a Restricted Subsidiary that is not a

Guarantor shall be expressly subordinated to the Notes and (2) (x) any subsequent issuance or transfer of Capital Stock that results in any such Indebtedness being held by a Person other than the Company or a Wholly Owned Restricted Subsidiary of the Company or CBW, or (y) any sale or other transfer of any such Indebtedness to a Person other than the Company, a Wholly Owned Restricted Subsidiary of the Company or CBW, or a lender or agent upon exercise of remedies under a pledge of such Indebtedness under the Credit Documents, shall be deemed, in each case of the foregoing clauses (2)(x) and (y), to constitute an Incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be;

(vi) the Incurrence by the Company or any of its Restricted Subsidiaries of Interest Swap Obligations that are Incurred for the purpose of fixing or hedging interest rate risk with respect to any floating rate Indebtedness that is permitted by the terms of this Indenture to be outstanding;

(vii) the Incurrence by the Company and its Restricted Subsidiaries of Indebtedness evidenced by the Credit Documents (and the Guarantees thereof by the Company and the Company's Subsidiaries) in a principal amount not exceeding $1,705,041,000 less the amount of all term loan repayments and permanent reductions of term and revolving loan commitments actually made under the Credit Agreement; *provided* that, to the extent that the loans under the Credit Agreement are repaid (and corresponding commitments are permanently reduced) with the proceeds of the New Notes (as defined in the Credit Agreement) other than the Notes and such New Notes were Incurred pursuant to this clause (vii), such repayment shall not reduce the aggregate amount of Indebtedness permitted to be Incurred pursuant to this clause (vii); and, *provided , further ,* that, notwithstanding the limitations set forth in this clause (vii), in the event of any permanent reduction or repayment of the Credit Agreement's revolving facility, the Company and its Restricted Subsidiaries shall have the right to obtain additional commitments under, and extend the maturity of, such revolving facility (and Incur additional revolving Indebtedness pursuant to such additional commitments) in an amount not exceeding the amount of such permanent reduction; *provided* that the aggregate amount of all such additional commitments obtained by the Company and its Restricted Subsidiaries since the date of this Indenture does not exceed $100,000,000;

(viii) the Incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness under Currency Agreements;

(ix) the Incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the Ordinary Course of Business;

(x) the Incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness of the Company or any of its Restricted Subsidiaries represented by letters of credit for the account of the Company or such Restricted Subsidiary, as the case may be, in order to provide security for workers' compensation

claims, payment obligations in connection with self-insurance or similar requirements in the Ordinary Course of Business;

(xi) the Incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness in respect of performance bonds, bankers' acceptances, workers' compensation claims, completion guarantees, letters of credit surety or appeal bonds, payment obligations in connection with self-insurance or similar obligations Incurred in the Ordinary Course of Business;

(xii) the Guarantee by the Company or any of its Restricted Subsidiaries of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be Incurred by another provision of this Section 5.04 ;

(xiii) Indebtedness arising from agreements of the Company or a Restricted Subsidiary of the Company providing for indemnification, adjustment of purchase price or similar obligations, in each case, Incurred in connection with an Asset Disposition permitted by this Indenture or a Permitted Acquisition or other sale or disposition of assets permitted under this Indenture;

(xiv) Indebtedness arising from agreements of the Company or a Restricted Subsidiary of the Company (including the Exchange and Registration Rights Agreement, and similar contractual undertakings) providing for indemnification and payment of expenses relating to the registration under the Securities Act of the sale of Capital Stock of the Company or the Notes;

(xv) Indebtedness permitted to be Incurred by Section 5.11 ;

(xvi) the Incurrence of Indebtedness by the Company as a result of its indemnification obligations permitted pursuant to Section 5.06(c) and Section 5.06(d) ;

(xvii) endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business;

(xviii) Indebtedness of a Restricted Subsidiary that is not a Guarantor Incurred and outstanding on or prior to the date on which such Restricted Subsidiary was acquired by the Company (other than Indebtedness Incurred in contemplation of, in connection with, as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Subsidiary of or was otherwise acquired by the Company); *provided , however ,* that on the date that such Restricted Subsidiary is acquired by the Company, the Company would have been able to Incur $1.00 of additional Indebtedness (x) prior to the Distribution Date, pursuant to the definition of the "Other Senior Indebtedness" (without regard to the dollar limit set forth therein) and pursuant to Section 5.04(a) and (y) after the Distribution Date, pursuant to Section 5.04(a) , in each case, after giving effect to the Incurrence of such Indebtedness pursuant to this clause(xviii);

(xix) the Incurrence by the Company of unsecured short-term Indebtedness in the Ordinary Course of Business in the form of swing lines of credit and overdraft protection lines of credit in an aggregate principal amount not to exceed $20,000,000; *provided* that the amount of Indebtedness permitted to be incurred pursuant to clause (vii) above shall be reduced by the amount of Indebtedness outstanding pursuant to this clause (xix);

(xx) in the case of CBT, the Incurrence by CBT of Indebtedness to finance Capital Expenditures mandated by the Ohio, Indiana or Kentucky Public Utilities Commission; *provided* that (x) at the time such Capital Expenditures must be made, CBT is not permitted to Incur Indebtedness under any other provision of this Section 5.04 and does not have sufficient internally-generated funds to make such Capital Expenditures and (y) the aggregate amount of such Indebtedness at any one time outstanding, together with all Indebtedness outstanding pursuant to Section 5.04(b)(iii)(A) does not exceed the Applicable Capital Lease Amount;

(xxi) the Incurrence of Attributable Debt with respect to Sale and Leaseback Transactions by CBW and CBT of towers and associated equipment, cabling, antennae and other appurtenances thereto, in each case, used in the operation of CBW's wireless business; provided that the proceeds of such Indebtedness shall be used to prepay Indebtedness under the Credit Agreement in accordance with Section 5.05 ;

(xxii) in the case of CBW Co., the incurrence of Indebtedness secured by, and recourse only to, the Spectrum Assets not to exceed $60,000,000 in aggregate principal amount at any time outstanding; provided that the proceeds of such Indebtedness shall be used to prepay Indebtedness under the Credit Agreement; and

(xxiii) the Incurrence on the Closing Date of the Alternative Mezzanine Debt.

(c) For purposes of determining compliance with this Section5.04 , in the event that an item of Indebtedness meets the criteria of more than one of the categories of Indebtedness described in clauses(i) through (xxi) of the immediately preceding paragraph or is entitled to be Incurred pursuant to Section 5.04(a) , the Company shall, in its sole discretion, classify (or later reclassify) such item of Indebtedness in any manner that complies with Section5.04 and will only be required to include the amount and type of such Indebtedness in one of such clauses of Section5.04(b) or pursuant to Section 5.04(a) . Accrual of interest, accretion of accreted value, amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms as the Indebtedness on which such interest is being paid and any other issuance of securities paid-in-kind shall not be deemed to be an Incurrence of Indebtedness for purposes of Section5.04 . In addition, the Company may, at any time, change the classification of an item of Indebtedness (or any portion thereof) to any other clause of Section 5.04(b) or to Indebtedness properly Incurred under Section 5.04(a) *provided* that the Company would be permitted to Incur such item of Indebtedness (or portion thereof) pursuant to such other clause of this Section 5.04(b) or Section 5.04(a) , as the case may be, at such time of reclassification.

(d) Notwithstanding anything herein to the contrary, the Company shall not, and shall not permit any of its Restricted Subsidiaries to, Incur or permit to exist any Indebtedness entered into after the date of this Indenture unless, subject to the proviso of clause (i) to the definition of the " Unrestricted Subsidiary ," the documents governing such Indebtedness designate each member of the BCI Group as an "unrestricted subsidiary" (or provide for equivalent treatment of the BCI Group if designation of unrestricted subsidiaries is not customary for such type of Indebtedness) and restricts the dealings among the Company and its Restricted Subsidiaries, on the one hand, and the BCI Group, on the other hand, at least to the same extent and with the same effect as under this Indenture and consistent with Sections 5.01(t) and 5.02 (insofar as it relates to the Permitted Obligations and Permitted BCI Transactions (each as defined in the Credit Agreement)) of the Credit Agreement as in effect on the date of this Indenture.

SECTION 5.05 . Asset Dispositions .

(a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, consummate any Asset Disposition (*provided* that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole shall be governed by the provisions of Article 6 and not by the provisions of this Section5.05) unless all of the following conditions are met: (i) the aggregate fair market value of assets sold or otherwise disposed of in Asset Dispositions in any fiscal year of the Company does not exceed $20,000,000; *provided* that the limitation of this clause (i) shall not apply to: (1) prior to the Distribution Date, Asset Dispositions that do not involve CBT Assets or CBW Assets, the Net Proceeds of which are applied substantially concurrently with the receipt thereof, in accordance with clause (c) below; (2) after the Distribution Date, Asset Dispositions that do not involve CBT Assets, the Net Proceeds of which are applied substantially concurrently with the receipt thereof, in accordance with clause (c) below; (3) Asset Dispositions by CBW Co. of Spectrum Assets, so long as Net Proceeds of such Asset Dispositions are applied substantially concurrently with the receipt thereof, in accordance with clause (c) below; (4) Asset Dispositions by CBW and CBT of towers and associated equipment, cabling, antennae and other appurtenances thereto, in each case, used in the operations of CBW's wireless business, so long as such Asset Dispositions are made as Sale and Leaseback Transactions and the Net Proceeds of such Asset Dispositions are applied substantially concurrently with the receipt thereof, in accordance with clause (c) below; and (5) Permitted Asset Swaps; (ii)the consideration received is at least equal to the fair market value of such assets (except as the result of (x) any foreclosure or sale by the lenders under the Credit Documents or (y) Net Proceeds received from an insurer or a Governmental Authority, as the case may be, in the event of loss, damage, destruction or condemnation); (iii)in the case of Asset Dispositions that are not Permitted Asset Swaps, at least 80% of the consideration received is cash or Cash Equivalents; and (iv)prior to the Distribution Date, no Default or Event of Default then exists or shall result from such Asset Disposition; *provided, however,* that the amount of (x)any liabilities (as shown on the Company's or such Restricted Subsidiary's most recent balance sheet) of the Company or any Restricted Subsidiary that are assumed by the transferee of any such assets pursuant to any arrangement releasing the Company or such Restricted Subsidiary from further liability and (y)any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash

Equivalents within 90 days after the Asset Disposition (to the extent of the cash received), shall be deemed to be cash for purposes of this provision.

(b) Subject to clause (a)(i) above, within 365days after the receipt of any Net Proceeds from an Asset Disposition, the Company or the Restricted Subsidiary making such Asset Disposition, as the case may be, may, at its option, apply such Net Proceeds (i)to permanently reduce Senior Indebtedness or any Indebtedness of the Restricted Subsidiaries of the Company which are not Guarantors, or to purchase the Notes (with the consent of the Holders thereof to the extent required) or Indebtedness ranking *pari passu* with the Notes (and to correspondingly reduce commitments with respect thereto, to the extent applicable) or (ii)to the acquisition of a controlling interest in another business, the making of Capital Expenditures or the investment in or acquisition of other long-term assets, in each case, in the same or a similar line of business as the Company and its Subsidiaries engaged in at the time such assets were sold or in a business reasonably related, complementing or ancillary thereto or a reasonable expansion thereof. Pending the final application of any such Net Proceeds, the Company may temporarily reduce revolving credit Indebtedness under the Credit Agreement or otherwise invest such Net Proceeds in any manner that is not prohibited by this Indenture. Any Net Proceeds from Asset Dispositions that are not applied or invested as provided in the first sentence of this paragraph shall be deemed to constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds in any fiscal year $5,000,000, the Company shall make an Asset Sale Offer pursuant to Section4.10 to purchase the maximum Accreted Value of Notes that may be purchased out of the Excess Proceeds, at an offer price in cash in an amount equal to 100% of the outstanding Accreted Value thereof, plus accrued and unpaid interest, thereon to the date of purchase, in accordance with the procedures set forth in Section4.10 ; *provided , however ,* that if the Company elects (or is required by the terms of any other Senior Subordinated Indebtedness), such Asset Sale Offer may be made ratably to purchase the Notes and other Senior Subordinated Indebtedness of the Company. Upon completion of such offer to purchase, the amount of Excess Proceeds shall be reset at zero.

(c) Subject to clause (a)(i) above, Net Proceeds from Asset Dispositions in excess of the $20,000,000 per fiscal year limitation set forth in Section 5.05(a)(i) shall be applied, substantially concurrently with the receipt thereof, to permanently reduce Senior Indebtedness. Any such Net Proceeds remaining after all Senior Indebtedness has been permanently repaid shall constitute the Excess Proceeds with respect to which an Asset Sale Offer pursuant to Section 4.10 shall be made as provided in the foregoing clause (b).

(d) Notwithstanding anything herein to the contrary, the Company shall not, and shall not permit any of its Restricted Subsidiaries to, consummate any Asset Disposition involving any Capital Stock of CBT or any of CBT's Restricted Subsidiaries, other than pursuant to a transaction governed by the provisions of Article 6 .

SECTION 5.06 . Transactions with Affiliates . The Company will not and will not permit any of its Restricted Subsidiaries directly or indirectly to enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any management, consulting, investment banking, advisory or other similar services) with any Affiliate of the Company or with any director, officer or employee of the Company or any Restricted Subsidiary (each of the foregoing, an " Affiliate Transaction "), except:

(a) the performance of any of the Transaction Documents as in effect as of the date of this Indenture or the consummation of any transaction contemplated thereby (including pursuant to any amendment thereto so long as any such amendment is not disadvantageous to the Holders of the Notes in any material respect);

(b) transactions (i)in the ordinary course of the business of the Company or any of its Restricted Subsidiaries and upon terms which are not materially less favorable to the Company or such Restricted Subsidiary than would be obtained in a comparable arm's length transaction with a Person that is not an Affiliate of the Company and (ii)with respect to which the Company delivers to the Trustee (A)with respect to any Affiliate Transaction involving aggregate consideration in excess of $3,000,000, a resolution of the Board of Directors of the Company set forth in an Officers' Certificate certifying that such Affiliate transaction complies with clause(i) above and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the Company, and (B)with respect to any Affiliate Transaction or series of Affiliate Transactions involving in excess of $30,000,000, an opinion as to the fairness of such Affiliate Transaction to the Company from a financial point of view issued by an Independent Qualified Party;

(c) payment of customary compensation to officers, employees, consultants and investment bankers for services actually rendered to the Company or such Restricted Subsidiary, including indemnity;

(d) payment of director's fees plus expenses and customary indemnification of directors;

(e) the payment of the fees, expenses and other amounts payable by the Company and its Restricted Subsidiaries in connection with the transactions contemplated by the Transaction Documents that were disclosed to the Purchasers on or prior to the Closing Date;

(f) transactions undertaken pursuant to the agreements set forth on Schedule 5.06 , copies of which shall have been provided to the Purchasers prior to the Closing Date;

(g) Restricted Payments permitted by Section5.02 and Permitted Investments;

(h) transactions (x) between or among the Company and its Restricted Subsidiaries, (y) between and among the Restricted Subsidiaries and (z) between or among the Company and/or its Subsidiaries pursuant to the Centralized Cash Management System;

(i) any licensing agreement or similar agreement entered into in the Ordinary Course of Business relating to the use of technology or intellectual property between any of the Company and its Subsidiaries, on the one hand, and any company or other Person which is an

Affiliate of the Company or its subsidiaries by virtue of the fact that Person has made an Investment in or owns any Capital Stock of such company or other Person which are fair to the Company or its Restricted Subsidiaries, in the reasonable determination of the Board of Directors, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party;

(j) the issuance of payments, awards or grants, in cash or otherwise, pursuant to, or the funding of, employment arrangements approved by the Board of Directors of the Company in good faith and customary loans and advances to employees of the Company, or any Restricted Subsidiary of the Company to the extent otherwise permitted in this Indenture;

(k) transactions with the BCI Group (other than those set forth in clause (l) below) (A) set forth on Schedule 5.06 or (B) permitted by Section 5.11 , in each case, so long as such transactions are conducted in the Ordinary Course of Business and upon terms which are not less favorable to the Company or such Restricted Subsidiary than would be obtained in a comparable arm's length transaction with a Person that is not an Affiliate of the Company; and

(l) sale of services by the BCI Group to the Company and its Restricted Subsidiaries, so long as the prices for such services are consistent with past practices, are upon terms which are not less favorable to the Company or such Restricted Subsidiary than would be obtained in a comparable arm's length transaction with a Person that is not an Affiliate of the Company and are based on rate cards and wholesale prices approved semiannually by the Board of Directors.

SECTION 5.07 . Limitation on Liens . The Company shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Lien (other than (a) Liens securing the Guarantee by the Company and the Restricted Subsidiaries of Indebtedness Incurred and other Obligations under the Credit Documents, (b) Liens securing any Senior Indebtedness (including Attributable Debt, if applicable) and (c) Permitted Liens) on any asset now owned or hereafter acquired to secure any Indebtedness of the Company or such Restricted Subsidiary; *provided* that the Company or any Restricted Subsidiary may create, incur or assume Lien to secure any Indebtedness or a Guarantee thereof, so long as concurrently with the incurrence or assumption of such Lien the Company or such Restricted Subsidiary effectively provides that the Notes shall be secured equally and ratably with (or prior and senior to, in the case of Liens with respect to Subordinated Indebtedness) such Indebtedness, so long as such Indebtedness shall be so secured .

SECTION 5.08 . Limitation on Issuances and Sales of Capital Stock of Subsidiaries . The Company shall not, and shall not permit any Restricted Subsidiary to, transfer, convey, sell, issue, lease or otherwise dispose of any Capital Stock of any Restricted Subsidiary to any Person (other than to the Company or another Restricted Subsidiary of the Company), unless (a) prior to the Distribution Date, such transfer, conveyance, sale, lease or other disposition is of (x) all the Capital Stock of such Restricted Subsidiary or (y) Capital Stock of a Restricted Subsidiary that is a Guarantor and (b) such transfer, conveyance, sale, lease or other disposition shall be made in accordance with the provisions of Section 5.05 , including the provisions of Section5.05 governing the application of Net Proceeds from such transfer, conveyance, sale, lease or other disposition; *provided , however* , that (i) this Section 5.08 shall not restrict any pledge of Capital

Stock of the Company and its Restricted Subsidiaries securing Indebtedness under the Credit Documents or other Indebtedness permitted to be secured by Section 5.07 and (ii) clause (a) above does not apply to (x) to the issuances of Capital Stock of CBW pursuant to capital calls in accordance with the provisions of CBW's organizational documents in existence on the date of this Indenture and (y) any other sales and issuances of Capital Stock of CBW so long as CBW remains a Restricted Subsidiary of the Company.

SECTION 5.09 . Prohibition on Incurrence of Senior Subordinated Debt . The Company shall not, and shall not permit any Restricted Subsidiary that is a Guarantor to, Incur or suffer to exist Indebtedness that is senior in right of payment to the Notes or said Guarantor's Guarantee, as the case may be, and subordinate in right of payment to any other Indebtedness of the Company or such Guarantor, as the case may be.

SECTION 5.10 . Conduct of Business . The Company shall not and shall not permit any of its Subsidiaries directly or indirectly to engage in any business other than business of the type engaged in at the date hereof and any business reasonably related, complementing or ancillary thereto or a reasonable expansion thereof.

SECTION 5.11 . Restrictions on Dealings with BCI Group . (a) The Company hereby acknowledges and agrees that each member of the BCI Group is hereby designated as an Unrestricted Subsidiary. Notwithstanding any provision contained in this Indenture, the Company shall not, without the consent of the Required Holders, redesignate any member of the BCI Group as a Restricted Subsidiary. Furthermore, no member of the Cincinnati Bell Group may (1) make any Restricted Payment to, (2) issue Capital Stock of any member of the Cincinnati Bell Group to, (3) make any Investment in (including, without limitation, by (x) becoming an obligor, whether directly or by way of Guarantee on any Indebtedness to or for the benefit of any member of the BCI Group, (y) purchasing an asset for the BCI Group without charge or allocation to the BCI Group or (z) making any payments in respect of operating expenses or net operating losses of the BCI Group (including payments for direct expenses of the BCI Group that are made by the Cincinnati Bell Group and not charged or allocated to the BCI Group or payments made by the Cincinnati Bell Group for shared expenses that are not charged or allocated to the BCI Group)) or (4) allow any tax reimbursement for the benefit of, any member of the BCI Group unless, immediately following such payment, Incurrence, allowance or payment:

(i) no Default or Event of Default shall then have occurred or be continuing; and

(ii) the aggregate amount of all such Restricted Payments, Indebtedness, Investments, issuances, allowances and payments made after October 1, 2002 shall not exceed in the aggregate the sum of (A) $118,000,000, plus (B) net cash dividends or net cash distributions (including, without limitation, net cash payments under any intercompany notes issued by the BCI Group to the Company and its Restricted Subsidiaries) made by any member of the BCI Group to the Company or any other member of the Cincinnati Bell Group after October 1, 2002, plus (C) the aggregate amount of Revolving Credit Borrowings (as defined under the Credit Agreement) made under Section 5.02(e)(ix)(E) of the Credit Agreement (as in effect on the date hereof).

(b) The foregoing restrictions shall not apply to, without duplication, (q) Permitted Obligations (as defined in the Credit Agreement on the date hereof) and any transactions set forth on Schedule 5.11(b) , (r) any customary non-cash transition arrangements or other related services provided for the benefit of a buyer in connection with a disposition of any properties or assets of the BCI Group, (s) the accrual and capitalization of interest on intercompany notes issued by the BCI Group to the Company or its Restricted Subsidiaries, (t) the issuance of Capital Stock of the Company (other than Disqualified Capital Stock) and the related payment of up to $1,000,000 in cash in exchange for shares of BCI's 12 % Series B Junior Exchangeable Preferred Stock Due 2009 or BCI's 9% Senior Subordinated Notes due 2008 (the " 9% BCI Notes ") or, in the case of the 9% BCI Notes, the issuance of Capital Stock of the Company (other than Disqualified Stock) or Indebtedness Incurred in compliance with Section 5.04 the net proceeds of which are used, substantially contemporaneously with such issuance, to redeem such 9% BCI Notes, (u) guarantees by the Company and its Restricted Subsidiaries of the Existing BCSI Loan, (v) Liens on assets of the Company and its Restricted Subsidiaries to secure the Existing BCSI Loan, (w) (1) scheduled principal and interest payments made or guaranteed by the Company or any of its Restricted Subsidiaries in respect of the Existing BCSI Loan (or capital contributions made solely for the purpose of funding such payments), (2) scheduled interest payments with respect to the 9% BCI Notes and BCI's 12% Senior Series B Notes due 2005 and (3) the redemption of BCI's 12% Senior Series B Notes due 2005 outstanding on the date hereof at the applicable redemption premium pursuant to the documentation governing such notes as in effect on the date hereof, (x) payments made by the Company or any of its Restricted Subsidiaries under the guarantee of the Existing BCSI Loan, (y) non-cash payments made in the form of reductions in the principal amount of any intercompany notes issued by the BCI Group to the Company or its Restricted Subsidiaries in respect of net operating losses of the BCI Group used by the Company and its Restricted Subsidiaries or other Investments in the form of reduction of such intercompany notes and (z) the payment by the BCI Group of non-cash management fees to the Cincinnati Bell Group in an amount not to exceed $2,000,000 per quarter.

SECTION 5.12 . Sale of Assets of the BCI Group . Notwithstanding any provision contained in this Indenture, the execution and delivery of the Agreement for the Purchase and Sale of Assets dated as of February 22, 2003 (the " BCSI Purchase Agreement ") by and between BCSI, Broadwing Communications Services of Virginia, Inc., Broadwing Communications Real Estate Services LLC, Broadwing Services LLC, IXC Business Services LLC, Broadwing Logistics LLC, Broadwing Telecommunications Inc., IXC Internet Services, Inc., and MSM Associates, Limited Partnership, on the one side, and C III Communications, LLC, and C III Communications Operations, LLC, on the other side, and the performance by the Company and its Subsidiaries of all transactions contemplated thereby shall be permitted by, and shall not constitute a Default or Event of Default under, this Indenture.

ARTICLE 6 .

SUCCESSOR COMPANY

Notwithstanding anything in this Indenture to the contrary:

SECTION 6.01 . Merger, Consolidation, or Sales of Assets of the Company . The Company shall not consolidate or merge with or into (whether or not the Company is the surviving corporation), or directly and/or indirectly through its Subsidiaries sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties and assets of the Company and its Restricted Subsidiaries taken as a whole in one or more related transactions, to any other Person, unless:

(a) the resulting, surviving or transferee Person (the " Successor Company ") shall be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and the Successor Company (if not the Company) shall expressly assume, by a supplemental indenture hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the Obligations of the Company under the Notes and this Indenture;

(b) immediately after giving effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any Restricted Subsidiary as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of such transaction), no Default shall have occurred and be continuing under this Indenture;

(c) immediately after giving effect to such transaction, the Successor Company would be able to Incur an additional $1.00 of Indebtedness pursuant to Section 5.04(a) if it were deemed to be the Company thereunder; and

(d) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) are permitted by and comply with this Indenture.

(e) The restrictions contained in this Section 6.01 shall not apply to any disposition of properties or assets of the BCI Group.

SECTION 6.02 . Successor Company Substituted . The Successor Company shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture, but the Company in the case of a conveyance, transfer or lease of all or substantially all its assets shall not be released from the obligation to pay the principal of and interest on the Notes.

ARTICLE 7 .

EVENTS OF DEFAULT; REMEDIES

SECTION 7.01 . Events of Default . An Event of Default shall exist upon the occurrence of any of the following specified events (each an " Event of Default "):

(a) the Company defaults in the payment when due of interest, if any, on the Notes and such default continues for a period of (x) ten (10) days,

prior to the Distribution Date or (y) thirty (30) days after the Distribution Date;

(b) the Company defaults in the payment when due of the principal amount of or premium, if any, on the Notes when the same becomes due and payable at its Maturity, upon required redemption or otherwise;

(c) the Company fails to observe or perform (i) any provision of Section 4.11 , Article 5 or Article 6 of this Indenture and either (x) prior to the Distribution Date, such failure continues for a period of twenty (20) days after the Holders of at least 25% in principal amount at Maturity of the outstanding Notes notify the Company and the Trustee in writing of such Default (which notice must specify the Default, demand that it be remedied and state that such notice is a " Notice of Default ") or (y) after the Distribution Date, such failure continues for a period of thirty (30) days after a Notice of Default, or (ii) any other covenant or other agreement in this Indenture, the Notes or, prior to the Distribution Date, the Purchase Agreement and such failure continues for a period of (x) thirty (30) days prior to the Distribution Date or (y) sixty (60) days after the Distribution Date, in each case, after a Notice of Default;

(d) prior to the Distribution Date, any representation, warranty, certification or statement made by the Company in the Purchase Agreement and the related documents or in any statement or certificate at any time given by or on behalf of the Company in writing pursuant to the Purchase Agreement or any other related documents shall be false in any material respect (*provided* that the representations and warranties qualified by materiality or Material Adverse Effect shall not be false in any respect) on the date as of which made;

(e) (i) prior to the Distribution Date, a default occurs under any mortgage, indenture, agreement or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or payment of which is Guaranteed by the Company or any of its Restricted Subsidiaries), whether such Indebtedness or Guarantee now exists, or is created after the date of this Indenture, which default in the case (but only in the case) of Senior Indebtedness (A)constitutes a failure to pay at final maturity (after giving effect to any applicable grace periods and any extensions thereof) the principal amount of such Senior Indebtedness or (B)shall have resulted in such Senior Indebtedness being accelerated or otherwise become or being declared due and payable prior to its stated maturity and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness (other than Senior Indebtedness) under which there has been a default, and together with the principal amount of any such other Senior Indebtedness under which there has been a default in payment at final maturity or the maturity of which has been accelerated or otherwise become or being declared due prior to its stated maturity, aggregates $20,000,000 (or such lower amount as may be set forth in Section 7.01(e) of the Credit Agreement, as such provision may be amended in the future, or in a similar provision) or more; or

(ii) after the Distribution Date, a default occurs under any mortgage, indenture, agreement or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or payment of which is Guaranteed by the Company or any of its Restricted Subsidiaries), whether such Indebtedness or Guarantee now exists, or is created after the date of this Indenture, which default (A)constitutes a failure to pay at final maturity (after giving effect to any applicable grace periods and any extensions thereof) the principal amount of

such Indebtedness or (B)shall have resulted in such Indebtedness being accelerated or otherwise become or being declared due and payable prior to its stated maturity and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a default in payment at final maturity or the maturity of which has been accelerated or otherwise become or being declared due prior to its stated maturity, aggregates $20,000,000 (or such lower amount as may be set forth in Section 7.01(e) of the Credit Agreement, as such provision may be amended in the future, or in a similar provision) or more;

(f) a final judgment or final judgments for the payment of money are entered by a court or courts of competent jurisdiction against the Company or any of its Restricted Subsidiaries and such judgment or judgments remain unpaid and undischarged for a period (during which execution shall not be effectively stayed) of 60days, and is not adequately covered by insurance or indemnities which have been cash collateralized, provided, however, that the aggregate amount of all such undischarged or uninsured judgments exceeds $30,000,000 (or such lower amount as may be set forth in Section 7.01(g) of the Credit Agreement, as such provision may be amended in the future, or in a similar provision);

(g) the Company or any of its Material Restricted Subsidiaries, within the meaning of Bankruptcy Law:

(i) commences a voluntary case or proceeding,

(ii) consents to the entry of a decree or order for relief against it in an involuntary case or proceeding or to the commencement of any case or proceeding against it,

(iii) consents to the filing of a petition or to the appointment of or taking possession by a Custodian (as defined below) of it or for all or any substantial part of its property,

(iv) makes or consents to the making of a general assignment for the benefit of its creditors, or

(v) generally is not paying, or admits in writing that it is not able to pay its debts as they become due, or

(h) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against the Company or any of its Material Restricted Subsidiaries in an involuntary case or proceeding;

(ii) appoints a Custodian of the Company or any of its Material Restricted Subsidiaries or for all or any substantial part of the property of the Company or any of its Subsidiaries or approves as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of any of the foregoing; or

(iii) orders the winding up or liquidation of the Company or any of its Material Restricted Subsidiaries or adjudges any of them as bankrupt or insolvent.

The term " Custodian " means any custodian, receiver, trustee, assignee, liquidator, sequestrator or similar official under any Bankruptcy Law.

SECTION 7.02 . Acceleration . If an Event of Default (other than an Event of Default specified in Section7.01(g) or (h) with respect to the Company) occurs and is continuing, the Trustee or the Holders of 25% or more in principal amount at Maturity of the then outstanding Notes, may, by notice to the Company, declare the principal of and accrued but unpaid interest and any Special Interest on all the Notes to be due and payable. Upon such a declaration, such principal and interest will be due and payable immediately. If an Event of Default specified in Section7.01(g) or (h) with respect to the Company occurs, the principal of and interest on all the Notes shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders. The Holders of a majority in principal amount at Maturity of the outstanding Notes by written notice to the Trustee may rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default have been cured or waived except nonpayment of principal of or interest on Notes that has become due solely because of acceleration. No such rescission shall affect any subsequent Default or impair any right consequent thereto.

If an Event of Default has occurred and is continuing, the Notes will accrue an additional interest at 3% per annum, until such time as no Event of Default shall be continuing (to the extent that the payment of such interest shall be legally enforceable); *provided* that 2.25% of such additional interest shall be payable in cash and 0.75% of such additional interest shall be added to the principal amount of the Notes as set forth in the definition of Accreted Value.

The Company shall give prompt notice (which in any event shall be within five (5) Business Days of the event) to the Trustee and the Holders of the occurrence of any Event of Default and the rescission, cure or waiver of any Event of Default.

SECTION 7.03 . Other Remedies . Notwithstanding any other provision of this Indenture, if an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal of or interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding in its own name and as trustee of an express trust even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

SECTION 7.04 . Waiver of Past Defaults . The Holders of a majority in principal amount at Maturity of the Notes by written notice to the Trustee may waive an existing Default and its consequences except (a)a Default in the payment of principal of or interest on a Note, (b)a Default arising from the failure to redeem or purchase any Note when required pursuant to

the terms of this Indenture or (c)a Default in respect of a provision that under Section 13.02 cannot be amended without the consent of each Holder affected. When a Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Default or impair any consequent right.

SECTION 7.05 . Control by Majority . The Holders of a majority in principal amount at Maturity of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or, subject to Section 9.01 , that the Trustee determines is unduly prejudicial to the rights of other Holders or would involve the Trustee in personal liability; *provided, however* , that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction. Prior to taking any action hereunder, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

SECTION 7.06 . Limitation on Suits . (a) Except to enforce the right to receive payment of principal of or interest on the Notes when due, no Holder may pursue any remedy with respect to this Indenture or the Notes unless:

(i) the Holder has previously given to the Trustee written notice stating that an Event of Default has occurred and is continuing;

(ii) the Holders of at least 25% in principal amount at Maturity of the outstanding Notes make a written request to the Trustee to pursue the remedy;

(iii) such Holder or Holders offer to the Trustee reasonable security or indemnity against any loss, liability or expense;

(iv) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of security or indemnity; and

(v) the Holders of a majority in principal amount at Maturity of the outstanding Notes do not give the Trustee a direction inconsistent with the request during such 60 day period.

(b) A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

SECTION 7.07 . Rights of Holders to Receive Payment . Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal of and any Special Interest and interest on the Notes held by such Holder, on or after the respective due dates expressed or provided for in the Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder, it being understood that each Holder has consented to the subordination provisions set forth in Article 8 .

SECTION 7.08 . Collection Suit by Trustee . If an Event of Default specified in Section7.01(a) or (b) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company or any other obligor on the Notes for the whole amount then due and owing (together with interest on overdue portion of the principal amount and (to the extent lawful) on any unpaid interest at the rate provided for in the Notes) and the amounts provided for in Section 9.07 .

SECTION 7.09 . Trustee May File Proofs of Claim . The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Holders allowed in any judicial proceedings relative to the Company or any Subsidiary, their creditors or their property and, unless prohibited by law or applicable regulations, may vote on behalf of the Holders in any election of a trustee in bankruptcy or other Person performing similar functions, and any Custodian in any such judicial proceeding is hereby authorized by each Holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts due the Trustee under Section9.07 .

SECTION 7.10 . Priorities . If the Trustee collects any money or property pursuant to this Article 7 , it shall pay out the money or property in the following order:

FIRST: to the Trustee for its fees (excluding expenses and indemnities) due under Section 9.07 ;

SECOND: to the holders of the Senior Indebtedness if, when and to the extent required by Articles 8 and 12;

THIRD: to the Trustee for amounts (other than those set forth in clause FIRST) due under Section 9.07 ;

FOURTH: to Holders for amounts due and unpaid on the Notes for principal and interest, ratably, and any Special Interest without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, any Special Interest and interest, respectively; and

FIFTH: to the Company.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section7.10 . At least 15days before such record date, the Trustee shall mail to

each Holder and the Company a notice that states the record date, the payment date and amount to be paid.

SECTION 7.11 . Undertaking for Costs . In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section7.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 7.06 or a suit by Holders of more than 10% in principal amount at Maturity of the Notes.

ARTICLE 8 .

SUBORDINATION

SECTION 8.01 . Agreement to Subordinate . The Company agrees, and each Holder by accepting a Note agrees, that the Note Amounts are subordinated in right of payment, to the extent and in the manner provided in this Article 8 , to the prior Payment in Full of all Senior Indebtedness of the Company and that the subordination is for the benefit of and enforceable by the holders of such Senior Indebtedness. The Notes shall in all respects rank *pari passu* with all other Senior Subordinated Indebtedness of the Company and only Indebtedness of the Company that is Senior Indebtedness of the Company shall rank senior to the Notes in accordance with the provisions set forth herein. All provisions of this Article 8 shall be subject to Section 8.12 .

SECTION 8.02 . Liquidation, Dissolution, Bankruptcy . Upon any payment or distribution of the assets of the Company to creditors upon a liquidation or dissolution of the Company or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its properties:

(a) holders of Senior Indebtedness of the Company shall be entitled to receive Payment in Full of such Senior Indebtedness (including interest accruing after, or that would accrue but for, the commencement of such proceeding at the rate specified in the applicable Senior Indebtedness, whether or not such claim for such interest would be allowed) before the Holders shall be entitled to receive any payment of the Note Amounts; and

(b) until the Senior Indebtedness of the Company is Paid in Full, any payment or distribution to which Holders would be entitled but for this Article 8 shall be made to holders of such Senior Indebtedness as their interests may appear, except that Holders may receive and retain payments made from the defeasance trust described under Section 10.01 so long as, on the date or dates the respective amounts were paid into the defeasance trust, such payments were made with respect to the Notes without violating the subordination provisions described herein.

(c) Nothing in this Section 8.02 shall prohibit (i) the accretion of the Accreted Value of the Notes or (ii) payment or distribution of stock or securities of the Company provided for by a plan of reorganization or readjustment authorized by an order or decree of a court of competent jurisdiction in a reorganization proceeding under any applicable bankruptcy law or of

any other corporation provided for by such plan of reorganization or readjustment which stock or securities are subordinated in right of payment to all then outstanding Senior Indebtedness to substantially the same extent as, or to a greater extent than, the Notes are so subordinated as provided in this Article8 .

SECTION 8.03 . Default on Designated Senior Indebtedness . The Company may not pay the Note Amounts or make any deposit pursuant to Section 10.01 , and may not otherwise purchase, repurchase, redeem, retire, defease or otherwise acquire for value any Notes if:

(a) a default in the payment of the principal of, premium, if any, or interest on any Designated Senior Indebtedness of the Company occurs and is continuing or any other amount owing in respect of any Designated Senior Indebtedness of the Company is not paid when due, whether at the due date of any such payment or by declaration of acceleration, prepayment, call for redemption or otherwise; or

(b) any other default (beyond any applicable period of grace) on Designated Senior Indebtedness of the Company occurs and the maturity of such Designated Senior Indebtedness is accelerated in accordance with its terms;

until, in either case, the earliest to occur,

(i) the default has been cured or waived and any such acceleration has been rescinded; or

(ii) such Designated Senior Indebtedness has been Paid in Full;

provided , however , that the Company may pay the Notes without regard to the foregoing if the Company and the Trustee receive written notice approving such payment from the Representative of the Designated Senior Indebtedness with respect to which either of the events set forth in clause (a) or (b) above has occurred and is continuing.

(c) During the continuance of any default (other than a default described in clause (a) or (b) of the preceding sentence) with respect to any Designated Senior Indebtedness of the Company either (x) which is a default under Section 7.01(f) or 7.01(p)(i)(y) of the Credit Agreement or (y) pursuant to which the maturity thereof may be accelerated immediately without further notice (except such notice as may be required to effect such acceleration) or the expiration of any applicable grace periods, the Company may not pay any of the Note Amounts or make any deposit pursuant to Section 10.1 for a period (a " Blockage Period ") commencing upon the receipt by the Trustee (with a copy to the Company) of written notice (a " Blockage Notice ") of such default from the Representative of such Designated Senior Indebtedness specifying an election to effect a Blockage Period and ending 179 days thereafter (or earlier if such Blockage Period is terminated (i) by written notice to the Trustee and the Company from the Person or Persons who gave such Blockage Notice, (ii) by Payment in Full of such Designated Senior Indebtedness or (iii) because the default giving rise to such Blockage Notice is no longer continuing). Notwithstanding the provisions described in the immediately preceding sentence (but subject to the provisions contained in the first sentence of this Section 8.03), unless the holders of such Designated Senior Indebtedness or the Representative of such holders shall have accelerated the maturity of such Designated Senior Indebtedness, the Company may resume

payments on the Notes after the end of such Blockage Period, including any missed payments. Not more than one Blockage Notice may be given in any consecutive 360-day period, irrespective of the number of defaults with respect to Designated Senior Indebtedness during such period; *provided , however ,* that if any Blockage Notice within such 360-day period is given by or on behalf of any holders of Designated Senior Indebtedness other than the holders of Senior Indebtedness under the Credit Agreement, the Representative under the Credit Agreement may give another Blockage Notice within such period; and, *provided , further ,* that in no event may the total number of days during which any Blockage Period or Periods is in effect exceed 179 days in the aggregate during any consecutive 360 day period. For purposes of this Section 8.03 , no default or event of default that existed or was continuing on the date of the commencement of any Blockage Period with respect to the Designated Senior Indebtedness initiating such Blockage Period shall be, or be made, the basis of the commencement of a subsequent Blockage Period by the Representative of such Designated Senior Indebtedness, whether or not within a period of 360 consecutive days. Notwithstanding the foregoing, the Company may pay the Notes without regard to the foregoing if the Company and the Trustee receive written notice approving such payment from the Representative of the Designated Senior Indebtedness with respect to which either of the events set forth in this clause (c) has occurred and is continuing.

SECTION 8.04 . Acceleration of Payment of Notes . If payment of the Notes is accelerated because of an Event of Default, the Company or the Trustee shall promptly notify the holders of the Designated Senior Indebtedness of the Company (or their Representative) of the acceleration. If any Designated Senior Indebtedness of the Company is outstanding, the Company may not pay the Notes until five Business Days after such holders or the Representative of such Designated Senior Indebtedness receive notice of such acceleration (which notice, for the avoidance of doubt, shall not be effective prior to the earlier to occur of (x) the expiration of such five-day period and (y) the acceleration of such Designated Senior Indebtedness) and, thereafter, may pay the Notes only if this Article 8 otherwise permits payment at that time.

SECTION 8.05 . When Distribution Must Be Paid Over . If a payment or distribution is made to Holders that because of this Article 8 should not have been made to them, the Holders who receive the distribution shall hold it in trust for holders of Senior Indebtedness of the Company and pay it over to them as their interests may appear.

SECTION 8.06 . Subrogation . After all Senior Indebtedness of the Company is Paid in Full and until the Notes are paid in full in cash, Holders shall be subrogated to the rights of holders of such Senior Indebtedness to receive distributions applicable to Senior Indebtedness. A distribution made under this Article 8 to holders of such Senior Indebtedness which otherwise would have been made to Holders is not, as between the Company and Holders, a payment by the Company on such Senior Indebtedness.

SECTION 8.07 . Relative Rights . This Article 8 defines the relative rights of Holders and holders of Senior Indebtedness of the Company. Nothing in this Indenture shall:

(a) impair, as between the Company and Holders, the obligation of the Company, which is absolute and unconditional, to pay principal of and interest on the Notes in accordance with their terms; or

(b) prevent the Trustee or any Holder from exercising its available remedies upon a Default, subject to the rights of holders of Senior Indebtedness of the Company to receive distributions otherwise payable to Holders.

SECTION 8.08 . Subordination May Not Be Impaired by the Company . No right of any holder of Senior Indebtedness of the Company to enforce the subordination of the Indebtedness evidenced by the Notes shall be impaired by any act or failure to act by the Company or by its failure to comply with this Indenture.

SECTION 8.09 . Rights of Trustee and Paying Agent . Notwithstanding Section 8.03 , the Trustee or Paying Agent may continue to make payments on the Notes and shall not be charged with knowledge of the existence of facts that would prohibit the making of any such payments unless, not less than two Business Days prior to the date of such payment, a Trust Officer of the Trustee receives written notice from a Responsible Officer that payments may not be made under this Article 8 . The Company, the Registrar, the Paying Agent, a Representative or a holder of Senior Indebtedness of the Company may give the written notice; *provided , however ,* that, if an issue of Senior Indebtedness of the Company has a Representative, only the Representative may give the written notice.

The Trustee in its individual or any other capacity may hold Senior Indebtedness of the Company with the same rights it would have if it were not Trustee. The Registrar and the Paying Agent may do the same with like rights. The Trustee shall be entitled to all the rights set forth in this Article 8 with respect to any Senior Indebtedness of the Company that may at any time be held by it, to the same extent as any other holder of such Senior Indebtedness; and nothing in Article 9 shall deprive the Trustee of any of its rights as such holder. Nothing in this Article 8 shall apply to claims of, or payments to, the Trustee under or pursuant to Section 9.07 or any other Section of this Indenture.

SECTION 8.10 . Distribution or Notice to Representative . Whenever a distribution is to be made or a notice given to holders of Senior Indebtedness of the Company, the distribution may be made and the notice given to their Representative (if any).

SECTION 8.11 . Article 8 Not To Prevent Events Of Default Or Limit Right To Accelerate . The failure to make a payment pursuant to the Notes by reason of any provision in this Article 8 shall not be construed as preventing the occurrence of a Default. Nothing in this Article 8 shall have any effect on the right of the Holders or the Trustee to accelerate the maturity of the Notes.

SECTION 8.12 . Trust Monies Not Subordinated . Notwithstanding anything contained herein to the contrary, payments from money or the proceeds of U.S. Government Obligations held in trust under Article 10 by the Trustee for the payment of principal of and interest on the Notes and Additional Amounts, if any, in respect thereof shall not be subordinated to the prior payment of any Senior Indebtedness of the Company or subject to the restrictions set forth in this

Article 8 , and none of the Holders shall be obligated to pay over any such amount to the Company or any holder of Senior Indebtedness of the Company or any other creditor of the Company.

SECTION 8.13 . Trustee Entitled To Rely . Upon any payment or distribution pursuant to this Article 8 , the Trustee and the Holders shall be entitled to rely (a) upon any order or decree of a court of competent jurisdiction in which any proceedings of the nature referred to in Section 8.02 are pending, (b) upon a certificate of the liquidating trustee or agent or other Person making such payment or distribution to the Trustee or to the Holders or (c) upon the Representatives for the holders of Senior Indebtedness of the Company for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of such Senior Indebtedness and other Indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 8 . In the event that the Trustee determines, in good faith, that evidence is required with respect to the right of any Person as a holder of Senior Indebtedness of the Company to participate in any payment or distribution pursuant to this Article 8 , the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of such Senior Indebtedness held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and other facts pertinent to the rights of such Person under this Article 8 , and, if such evidence is not furnished, the Trustee may defer any payment to such Person pendent judicial determination as to the right of such Person to receive such payment. The provisions of Sections 9.01 and 9.02 shall be applicable to all actions or omissions of actions by the Trustee pursuant to this Article 8 .

SECTION 8.14 . Trustee To Effectuate Subordination . Each Holder by accepting a Note authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination between the Holders and the holders of Senior Indebtedness of the Company as provided in this Article 8 and appoints the Trustee as attorney-in-fact for any and all such purposes.

SECTION 8.15 . Trustee Not Fiduciary for Holders of Senior Indebtedness . Neither the Trustee nor any Holder shall be deemed to owe any fiduciary duty to the holders of Senior Indebtedness of the Company or shall be liable to any such holders if it shall mistakenly pay over or distribute to Holders or the Company or any other Person, money or assets to which any holders of Senior Indebtedness of the Company shall be entitled by virtue of this Article 8 or otherwise.

SECTION 8.16 . Reliance by Holders of Senior Indebtedness on Subordination Provisions . Each Holder by accepting a Note acknowledges and agrees that the foregoing subordination provisions are, and are intended to be, an inducement and a consideration to each holder of any Senior Indebtedness of the Company, whether such Senior Indebtedness was created or acquired before or after the issuance of the Notes, to acquire and continue to hold, or to continue to hold, such Senior Indebtedness and such holder of such Senior Indebtedness shall be deemed conclusively to have relied on such subordination provisions in acquiring and continuing to hold, or in continuing to hold, such Senior Indebtedness.

SECTION 8.17 . Trustee's Compensation Not Prejudiced . Nothing in this Article shall apply to amounts due to the Trustee pursuant to other sections of this Indenture, including, but not limited to, Section 9.07 hereof.

ARTICLE 9 .

TRUSTEE

SECTION 9.01 . Duties of Trustee . (a)If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of Section 9.01(b) ;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 7.05 .

(iv) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to Sections9.01(a) , 9.01(b) and 9.01(c) .

(e) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company.

(f) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall extend to the Registrar, Notes Custodian, Paying Agent and an authenticating agent and be subject to the provisions of this Section9.01 and to the provisions of the TIA.

SECTION 9.02 . Rights of Trustee . (a) The Trustee may rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officers' Certificate or Opinion of Counsel.

(c) The Trustee may act through agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; *provided, however* , that the Trustee's conduct does not constitute willful misconduct or negligence.

(e) The Trustee may consult with counsel, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond, debenture, note or other paper or document or as to whether or not an Event of Default shall have occurred unless requested in writing to do so by the Holders of not less than a majority in principal amount at Maturity of the Notes at the time outstanding, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney.

(g) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty unless so specified herein.

(h) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Holders, pursuant to the provisions of this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred therein or thereby.

SECTION 9.03 . Individual Rights of Trustee . The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee. Any Paying Agent, Registrar or co-paying agent may do the same with like rights. However, the Trustee must comply with Sections 9.10 and 9.11 .

SECTION 9.04 . Trustee's Disclaimer . The Trustee shall not be responsible for and makes no representation as to the validity, priority or adequacy of this Indenture, or the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes, and it shall not be responsible for any statement of the Company in this Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Trustee's certificate of authentication. The Trustee shall not be responsible for any conduct or omission by the Company or the occurrence of any Event of Default.

SECTION 9.05 . Notice of Defaults . If a Default occurs and is continuing and if it is actually known to the Trustee, the Trustee shall mail to each Holder notice of the Default (" Notice of Default ") within 30 days after it is known to a Trust Officer or written notice of it is received by the Trustee. Except in the case of a Default in payment of principal of or interest on any Note (including payments pursuant to the mandatory redemption provisions of such Note, if any), the Trustee may withhold the notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interests of Holders. If a Notice of Default has been given to the Company by the Holders, a copy of such Notice of Default shall be delivered by the Company to the Trustee. Except as expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein, in any other Transaction Document or in any of the documents executed in connection with the Notes, or as to the existence of a Default or Event of Default hereunder or thereunder, and may assume that no such Default or Event of Default has occurred unless it has actual knowledge or received written notice thereof.

SECTION 9.06 . Reports by Trustee to Holders . As promptly as practicable after each year beginning with the year 2002 following the date of this Indenture, and in any event prior to February1 ineach year, the Trustee shall mail (if required by Section 313(a) of the TIA) to each Holder a brief report dated as of the preceding year that complies with Section313(a) of the TIA. The Trustee shall also comply with Section313(b) of the TIA.

Following a Note Registration, a copy of each report at the time of its mailing to Holders shall be filed with the Commission and each stock exchange (if any) on which the Notes are listed. The Company agrees to notify promptly the Trustee whenever the Notes become listed on any stock exchange and of any delisting thereof.

SECTION 9.07 . Compensation and Indemnity . The Company shall pay to the Trustee from time to time compensation for its services as may be agreed to between the Trustee and the Company in writing. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's agents,

counsel, accountants and experts. The Company shall indemnify the Trustee against any and all loss, liability or expense (including reasonable and documented attorneys' fees) incurred by or in connection with the administration of this trust and the performance of its duties hereunder. The Trustee shall notify the Company of any claim for which it may seek indemnity promptly upon obtaining actual knowledge thereof; *provided, however,* that any failure so to notify the Company shall not relieve the Company of its indemnity obligations hereunder. The Company shall defend the claim and the indemnified party shall provide reasonable cooperation at the Company's expense in the defense. Such indemnified parties may have separate counsel and the Company shall pay the fees and expenses of such counsel; *provided, however* , that the Company shall not be required to pay such fees and expenses if it assumes such indemnified parties' defense and, in such indemnified parties' reasonable judgment, there is no conflict of interest between the Company and such parties in connection with such defense; *provided , further , however* , that the selection of the Company's counsel shall be reasonably acceptable to the Trustee. The Company need not reimburse any expense or indemnify against any loss, liability or expense incurred by an indemnified party through such party's own willful misconduct or negligence.

To secure the Company's payment obligations in this Section9.07 , the Trustee shall have a lien prior to the Notes on all money or property held or collected by the Trustee other than money or property held in trust to pay principal of and interest and Special Interest, if any, on particular Notes.

The Company's obligations pursuant to this Section9.07 shall survive the satisfaction or discharge of this Indenture, any rejection or termination of this Indenture under any bankruptcy law or the resignation or removal of the Trustee. Without prejudice to any other rights available to the Trustee under applicable law, when the Trustee incurs expenses after the occurrence of a Default specified in Section7.01(g) or (h) with respect to the Company or the Company, the expenses are intended to constitute expenses of administration under the Bankruptcy Law.

All indemnifications and releases from liability granted hereunder to the Trustee shall extend to its officers, directors, employees, agents, successors and assigns.

SECTION 9.08 . Replacement of Trustee . (a)The Trustee may resign at any time by so notifying the Company in writing in accordance with the provisions of Section12.02 . Any resignation of the Trustee shall be effective immediately upon receipt by the Company of such notice (unless such notice shall specify a later time as the effective time of such resignation, in which case such later time shall be the effective time), and the resignation of the Trustee shall not prejudice any rights of the Trustee to receive any compensation, any reimbursement of any expenses or any indemnity or right to being defended and held harmless under this Indenture. The Holders of a majority in principal amount at Maturity of the Notes may remove the Trustee by so notifying the Trustee and may appoint a successor Trustee. The Company shall remove the Trustee if:

(i) the Trustee fails to comply with Section 9.10 ;

(ii) the Trustee is adjudged bankrupt or insolvent;

(iii) a receiver or other public officer takes charge of the Trustee or its property; or

(iv) the Trustee otherwise becomes incapable of acting.

(b) If the Trustee resigns, is removed by the Company or by the Holders of a majority in principal amount at Maturity of the Notes and such Holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Company shall promptly appoint a successor Trustee.

(c) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 9.07 .

(d) If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Holders of 10% in principal amount at Maturity of the Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee fails to comply with Section 9.10 , unless the Trustee's duty to resign is stayed as provided in TIA 310(b), any Holder who has been a bona fide Holder of a Note for at least six months may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) Notwithstanding the replacement of the Trustee pursuant to this Section9.08 , the Company's obligations under Section9.07 shall continue for the benefit of the retiring Trustee.

SECTION 9.09 . Successor Trustee by Merger . If the Trustee consolidates with, merges or converts into, or transfers or sells all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

In case at the time such successor or successors by merger, conversion, sale or consolidation to the Trustee shall succeed to the trusts created by this Indenture any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Notes or in this Indenture provided that the certificate of the Trustee shall have.

SECTION 9.10 . Eligibility; Disqualification . The Trustee shall at all times satisfy the requirements of TIA 310(a). The Trustee shall have, or in the case of a corporation included in a bank holding company system, the related bank holding company shall have, a combined capital and surplus of at least $100.0 million as set forth in its most recent published annual report of condition. The Trustee shall comply with TIA 310(b), subject to its right to apply for a stay of its duty to resign under the penultimate paragraph of TIA 310(b); *provided, however ,* that there shall be excluded from the operation of TIA310(b)(1) any indenture or indentures under which other securities or certificates of interest or participation in other securities of the Company are outstanding if the requirements for such exclusion set forth in TIA310(b)(1) are met.

SECTION 9.11 . Preferential Collection of Claims Againstthe Company . The Trustee shall comply with TIA 311(a), excluding any creditor relationship listed in TIA 311(b). A Trustee who has resigned or been removed shall be subject to TIA 311(a) to the extent indicated.

SECTION 9.12 . Appointment of Co-Trustee . It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including the law of the State of New York) denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that, in case of litigation under this Indenture, and in particular in the case of the enforcement thereof on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any action which may be desirable or necessary in connection therewith, it may be necessary that an additional individual or institution act as a separate or Co-Trustee.

In the event that the Trustee shall appoint an additional individual or institution as a separate or Co-Trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or Co-Trustee, but only to the extent necessary to enable any separate or such separate or Co-Trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by any separate or such separate or Co-Trustee shall run to and be enforceable by either of them.

Should any instrument in writing from the Company be required by the separate or Co-Trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such estates, property, rights, powers, trusts, duties, and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Company. In case the Co-Trustee or a successor to either shall die or become incapable of acting, resign, or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of any separate or such separate or Co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment by the Trustee of a successor to any separate or such separate or Co-Trustee or a new separate or Co-Trustee. Any separate or Co-Trustee appointed by the Trustee pursuant to this section may be removed by the Trustee , in

which case all powers, rights and remedies vested in the separate or Co-Trustee shall again vest in the Trustee as if no such appointment as a separate or Co-Trustee had been made.

ARTICLE 10 .

DISCHARGE OF INDENTURE; DEFEASANCE

SECTION 10.01 . Discharge of Liability on Notes;Defeasance . (a)When (i)all outstanding Notes (other than Notes replaced or paid pursuant to Section 2.07) have been canceled or delivered to the Trustee for cancellation or (ii)all outstanding Notes have become due and payable, whether at maturity or as a result of the mailing of a notice of redemption pursuant to Article3 hereof, and the Company irrevocably deposits with the Trustee funds in an amount sufficient, or U.S. Government Obligations, the principal of and interest on which will be sufficient, or a combination thereof sufficient, in the written opinion of a nationally recognized firm of independent public accountants delivered to the Trustee (which delivery shall only be required if U.S. Government Obligations have been so deposited), to pay the principal amount of and interest on the outstanding Notes when due at maturity or upon redemption of all outstanding Notes, including interest thereon to maturity or such Redemption Date (other than Notes replaced or paid pursuant to Section 2.07), and Special Interest, if any, and if in either case the Company pays all other sums payable hereunder by the Company, then this Indenture shall, subject to Section10.01(c) , cease to be of further effect. The Trustee shall acknowledge satisfaction and discharge of this Indenture on demand of the Company accompanied by an Officers' Certificate and an Opinion of Counsel and at the cost and expense of the Company.

(b) Subject to Sections 10.01(c) and 10.02 , the Company at any time may terminate (i)all of its obligations under the Notes and this Indenture (" legal defeasance option ") or (ii)its obligations under Article 4 , Sections5.02 , 5.03 , 5.04 , 5.05 , 5.06 , 5.07 , 5.08 , 5.09, 5.10 , 5.11 and 6.01 , and the operation of 7.01(c) , 7.01(d) , 7.01(e) , 7.01(f) , 7.01(g) and 7.01(h) (" covenant defeasance option "). The Company may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option.

In the event that the Company terminates all of its obligations under the Notes and this Indenture by exercising its legal defeasance option, the obligations under the Guarantees shall each be terminated simultaneously with the termination of such obligations.

If the Company exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default. If the Company exercises its covenant defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in Section7.01(c) , 7.01(d) , 7.01(e) , 7.01(f) , 7.01(g) or 7.01(h) .

Upon satisfaction of the conditions set forth herein and upon request of the Company, the Trustee shall acknowledge in writing the discharge of those obligations that the Company terminates.

(c) Notwithstanding clauses(a) and (b) above, the Company's obligations in Sections 2.03 , 2.04 , 2.05 , 2.06 , 2.07 , 2.08 , 9.07 , 9.08 and in this Article10 shall survive until the

Notes have been paid in full. Thereafter, the Company's obligations in Sections 9.07 , 10.05 and 10.06 shall survive.

SECTION 10.02 . Conditions to Defeasance .

(a) the Company may exercise its legal defeasance option or its covenant defeasance option only if:

(i) the Company irrevocably deposits in trust with the Trustee money in an amount sufficient, orU.S. Government Obligations the principal of and interest on which will be sufficient, or a combination thereof sufficient, to pay the principal of and interest on the Notes when due at maturity or redemption, as the case may be, including interest thereon to maturity or such Redemption Date and Special Interest, if any;

(ii) the Company delivers to the Trustee a certificate from a nationally recognized firm of independent accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the depositedU.S. Government Obligations plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal and interest when due on all the Notes to maturity or redemption, as the case may be;

(iii) 123 days pass after the deposit is made and during the 123-day period no Default specified in Section 6.01(g) and (h) with respect to the Company occurs which is continuing at the end of the period;

(iv) the Company delivers to the Trustee an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the Investment the Company Act of 1940;

(v) in the case of the legal defeasance option, the Company shall have delivered to the Trustee an Opinion of Counsel stating that (1)the Company has received from, or there has been published by, the Internal Revenue Service a ruling, or (2)since the date of this Indenture there has been a change in the applicable Federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders will not recognize income, gain or loss for Federal income tax purposes as a result of such defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;

(vi) in the case of the covenant defeasance option, the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders will not recognize income, gain or loss for Federal income tax purposes as a result of such covenant defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred; and

(vii) the Company delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Notes as contemplated by this Article 10 have been complied with.

(b) Before or after a deposit, the Company may make arrangements satisfactory to the Trustee for the redemption of Notes at a future date in accordance with Article3 .

SECTION 10.03 . Application of Trust Money . The Trustee shall hold in trust money orU.S. Government Obligations deposited with it pursuant to this Article10 . It shall apply the deposited money and the money fromU.S. Government Obligations through the Paying Agent and in accordance with this Indenture to the payment of principal of and interest on the Notes. The Trustee shall be under no liability for interest on any money and U.S. Government Obligations received by it in respect of the outstanding Notes except as the Trustee may, at its sole option, otherwise agree with the Company.

SECTION 10.04 . Repayment to the Company . The Trustee and the Paying Agent shall promptly turn over to the Company upon request any money or U.S. Government Obligations held by it as provided in this Article 10 which, in the written opinion of a nationally recognized firm of independent public accountants delivered to the Trustee (which delivery shall only be required if U.S. Government Obligations have been so deposited), are in excess of the amount thereof which would then be required to be deposited to effect an equivalent discharge or defeasance in accordance with this Article 10 .

If money for the payment of principal of or interest on the Notes has been deposited with the Trustee or Paying Agent and remains unclaimed for two years after such amount is due and payable, the Trustee or Paying Agent shall pay the money back to the Company at its written request unless an abandoned property law designates another Person. After any such payment, the Trustee and the Paying Agent shall have no further liability for such funds and Holders entitled to the money must look only to the recipient and not to the Trustee for payment.

SECTION 10.05 . Indemnity for Government Obligations . The Company shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against depositedU.S. Government Obligations or the principal and interest received on suchU.S. Government Obligations.

SECTION 10.06 . Reinstatement . If the Trustee or Paying Agent is unable to apply any money orU.S. Government Obligations in accordance with this Article 10 by reason of any legal proceeding or by reason of any order or judgment of any court or Governmental Authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to this Article 10 until such time as the Trustee or Paying Agent is permitted to apply all such money orU.S. Government Obligations in accordance with this Article10 ; *provided, however* , that, if the Company has made any payment of interest on principal of any Notes because of the reinstatement of its Obligations, the Company shall be subrogated to the

rights of the Holders of such Notes to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE 11 .

Guarantees

SECTION 11.01 . Guarantees . (a) Each Guarantor hereby jointly and severally, irrevocably and unconditionally guarantees, as a primary obligor and not merely as a surety, to each Holder and to the Trustee and its successors and assigns (i) the full and punctual payment when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, of all obligations of the Company under this Indenture (including obligations to the Trustee) and the Notes, whether for payment of principal of, or interest on the Notes and all other monetary obligations of the Company under this Indenture and the Notes and (ii) the full and punctual performance within applicable grace periods of all other obligations of the Company whether for fees, expenses, indemnification or otherwise under this Indenture and the Notes (all the foregoing being hereinafter collectively called the " Guaranteed Obligations "). Each Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from each such Guarantor, and that each such Guarantor shall remain bound under this Article 11 notwithstanding any extension or renewal of any Guaranteed Obligation.

(b) Each Guarantor waives presentation to, demand of, payment from and protest to the Company of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. Each Guarantor waives notice of any default under the Notes or the Guaranteed Obligations. The obligations of each Guarantor hereunder shall not be affected by (i) the failure of any Holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Company or any other Person under this Indenture, the Notes or any other agreement or otherwise; (ii) any extension or renewal of any thereof; (iii) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement; (iv) the release of any security held by any Holder or the Trustee for the Guaranteed Obligations or any of them; (v) the failure of any Holder or Trustee to exercise any right or remedy against any other guarantor of the Guaranteed Obligations; or (vi) any change in the ownership of such Guarantor, except as provided in Section 11.02(b) .

(c) Each Guarantor hereby waives any right to which it may be entitled to have its obligations hereunder divided among the Guarantors, such that such Guarantor's obligations would be less than the full amount claimed. Each Guarantor hereby waives any right to which it may be entitled to have the assets of the Company first be used and depleted as payment of the Company's or such Guarantor's obligations hereunder prior to any amounts being claimed from or paid by such Guarantor hereunder. Each Guarantor hereby waives any right to which it may be entitled to require that the Company be sued prior to an action being initiated against such Guarantor.

(d) Each Guarantor further agrees that its Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection)

and waives any right to require that any resort be had by any Holder or the Trustee to any security held for payment of the Guaranteed Obligations.

(e) The Guarantee of each Guarantor and all amounts payable thereunder is, to the extent and in the manner set forth in Article 12 , subordinated and subject in right of payment to the prior Payment in Full of all Senior Indebtedness of the relevant Guarantor and is made subject to such provisions of this Indenture.

(f) Except as expressly set forth in Sections 10.01 and 11.02 , the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder or the Trustee to assert any claim or demand or to enforce any remedy under this Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, wilful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of any Guarantor or would otherwise operate as a discharge of any Guarantor as a matter of law or equity.

(g) Except as expressly set forth in Sections 10.01 and 11.02 , each Guarantor agrees that its Guarantee shall remain in full force and effect until payment in full of all the Guaranteed Obligations. Each Guarantor further agrees that its Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of the Company or otherwise.

(h) In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Company to pay the principal of or interest on any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guaranteed Obligation, each Guarantor hereby promises to and shall, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (i) the unpaid principal amount of such Guaranteed Obligations, (ii) accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by law) and (iii) all other monetary obligations of the Company to the Holders and the Trustee.

(i) Each Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any Guaranteed Obligations guaranteed hereby until payment in full of all Guaranteed Obligations and all obligations to which the Guaranteed Obligations are subordinated as provided in Article 12 . Each Guarantor further agrees that, as between it, on the one hand, and the Holders and the Trustee, on the other hand, (i) the maturity of the Guaranteed Obligations guaranteed hereby may be accelerated as provided

in Article 7 for the purposes of any Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed hereby, and (ii) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article 7 , such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by such Guarantor for the purposes of this Section 11.01 .

(j) Each Guarantor also agrees to pay any and all costs and expenses (including reasonable attorneys' fees and expenses) incurred by the Trustee or any Holder in enforcing any rights under this Section 11.01 .

(k) Upon request of the Trustee, each Guarantor shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 11.02. Limitation on Liability . (a) Any term or provision of this Indenture to the contrary notwithstanding, the maximum aggregate amount of the Guaranteed Obligations guaranteed hereunder by any Guarantor shall not exceed the maximum amount that can be hereby guaranteed without rendering the Guarantee, as it relates to such Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

(b) Any Guarantee of any Subsidiary Guarantor shall terminate and be of no further force or effect and such Subsidiary Guarantor shall be deemed to be released from all obligations under this Article 11 upon (i) the sale or other disposition (including through merger or consolidation) of the Capital Stock, or all or substantially all the assets, of the applicable Guarantor if such sale or other disposition is made in compliance with Section 5.08 ; (ii) the designation by the Company of any Restricted Subsidiary as an Unrestricted Subsidiary in accordance with the provisions of this Indenture; or (iii) the applicable Guarantor ceasing to be a Subsidiary of the Company as a result of any foreclosure of any pledge or security interest securing Senior Indebtedness or other exercise of remedies in respect thereof if such Guarantor is released from its guarantees of, and all pledges and security interests granted in connection with, such Senior Indebtedness.

In the event that the conditions specified in this Section 11.02(b) are satisfied and the Company delivers to the Trustee an Opinion of Counsel and an Officers' Certificate to that effect, the Trustee shall execute and deliver an appropriate instrument evidencing such release.

SECTION 11.03 . Successors and Assigns . This Article 11 shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges conferred upon that party in this Indenture and in the Notes shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

SECTION 11.04 . Execution of Supplemental Indenture for Future Guarantors . Each Subsidiary which is required to become a Guarantor pursuant to Section 4.13 shall promptly

execute and deliver to the Trustee a supplemental indenture in the form of Exhibit C hereto pursuant to which such Subsidiary shall become a Guarantor under this Article 11 and shall guarantee the Guaranteed Obligations. Concurrently with the execution and delivery of such supplemental indenture to this Indenture, the Company shall deliver to the Trustee an Opinion of Counsel and an Officers' Certificate to the effect that such supplemental indenture has been duly authorized, executed and delivered by such Subsidiary and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, the Guarantee of such Guarantor is a legal, valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms and or to such other matters as the Trustee may reasonably request.

SECTION 11.05 . Non-Impairment . The failure to endorse a Guarantee on any Note shall not affect or impair the validity thereof.

SECTION 11.06 . Endorsement of Guarantees . To evidence its Guarantee set forth in this Article11 , each Guarantor hereby agrees that a notation of such Guarantee substantially in the form of Exhibit D to this Indenture shall be endorsed by an officer of such Guarantor on each Definitive Note and each Global Exchange Note authenticated and delivered by the Company; *provided* that the Guarantee set forth in this Article11 shall remain in full force and effect notwithstanding any failure of a Guarantor to endorse on each Note a notation of Guarantee.

ARTICLE 12 .
SUBORDINATION OF THE GUARANTEES

SECTION 12.01 . Agreement To Subordinate . Each Guarantor agrees, and each Holder by accepting a Note agrees, that the obligations of a Guarantor hereunder are subordinated in right of payment, to the extent and in the manner provided in this Article 12 , to the prior Payment in Full of all Senior Indebtedness of such Guarantor and that the subordination is for the benefit of and enforceable by the holders of such Senior Indebtedness of such Guarantor. The obligations hereunder with respect to a Guarantor shall in all respects rank *pari passu* with all other Senior Subordinated Indebtedness of such Guarantor and shall rank senior to all existing and future Subordinated Obligations of such Guarantor; and only Indebtedness of such Guarantor that is Senior Indebtedness of such Guarantor shall rank senior to the obligations of such Guarantor in accordance with the provisions set forth herein.

SECTION 12.02 . Liquidation, Dissolution, Bankruptcy . Upon any payment or distribution of the assets of a Guarantor to creditors upon a liquidation or dissolution of such Guarantor or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to such Guarantor or its properties:

(a) holders of Senior Indebtedness of such Guarantor shall be entitled to receive Payment in Full of such Senior Indebtedness (including interest accruing after, or that would accrue but for, the commencement of such proceeding at the rate specified in the applicable Senior Indebtedness, whether or not such claim for such interest would be allowed)

before the Holders shall be entitled to receive any payment pursuant to any Guaranteed Obligations from such Subsidiary Guarantor; and

(b) until the Senior Indebtedness of such Guarantor is Paid in Full, any payment or distribution to which Holders would be entitled but for this Article 12 shall be made to holders of such Senior Indebtedness as their respective interests may appear, except that Holders may receive and retain payments made from the defeasance trust described under Section 10.01 so long as, on the date or dates the respective amounts were paid into the defeasance trust, such payments were made with respect to the Notes without violating the subordination provisions described herein.

(c) Nothing in this Section 12.02 shall prohibit (i) the accretion of the Accreted Value of the Notes or (ii) payment or distribution of stock or securities of the Company provided for by a plan of reorganization or readjustment authorized by an order or decree of a court of competent jurisdiction in a reorganization proceeding under any applicable bankruptcy law or of any other corporation provided for by such plan of reorganization or readjustment which stock or securities are subordinated in right of payment to all then outstanding Senior Indebtedness to substantially the same extent as, or to a greater extent than, the Notes are so subordinated as provided in this Article8 .

SECTION 12.03 . Default on Designated Senior Indebtedness of a Guarantor . A Guarantor may not make any payment pursuant to any of the Guaranteed Obligations or repurchase, redeem or otherwise acquire for value any Notes if:

(a) a default in the payment of the principal of, premium, if any, or interest on any Designated Senior Indebtedness of such Guarantor occurs and is continuing or any other amount owing in respect of any Designated Senior Indebtedness of such Guarantor is not paid when due, whether at the due date of any such payment or by declaration of acceleration, prepayment, call for redemption or otherwise; or

(b) any other default (beyond any applicable period of grace) on Designated Senior Indebtedness of such Guarantor occurs and the maturity of such Designated Senior Indebtedness is accelerated in accordance with its terms;

until, in either case, the earlier to occur

(i) the default has been cured or waived and any such acceleration has been rescinded; or

(ii) such Designated Senior Indebtedness has been Paid in Full;

provided , however , that such Guarantor may pay its Guarantee without regard to the foregoing if such Guarantor and the Trustee receive written notice approving such payment from the Representative of the holders of the Designated Senior Indebtedness of such Guarantor with respect to which either of the events in clause (a) or (b) above has occurred and is continuing.

(c) During the continuance of any default (other than a default described in clause(a) or (b) of the preceding sentence) with respect to

any Designated Senior Indebtedness

of a Guarantor either (x) which is a default under Section 7.01(f) or 7.01(p)(i)(y) of the Credit Agreement or (y) pursuant to which the maturity thereof may be accelerated immediately without further notice (except such notice as may be required to effect such acceleration) or the expiration of any applicable grace periods, such Guarantor may not pay its Guarantee for a period (a " Guarantee Payment Blockage Period ") commencing upon the receipt by the Trustee (with a copy to such Guarantor and the Company) of written notice (a " Guarantee Blockage Notice ") of such default from the Representative of the holders of the Designated Senior Indebtedness of such Guarantor specifying an election to effect a Guarantee Payment Blockage Period and ending 179days thereafter (or earlier if such Guarantee Payment Blockage Period is terminated (i)by written notice to the Trustee (with a copy to such Guarantor and the Company) from the Person or Persons who gave such Guarantee Blockage Notice, (ii)because such Designated Senior Indebtedness has been Paid in Full or (iii)because the default giving rise to such Guarantee Blockage Notice is no longer continuing). Notwithstanding the provisions described in the immediately preceding sentence (but subject to the provisions contained in the first sentence of this Section12.03), unless the holders of such Designated Senior Indebtedness or the Representative of such holders shall have accelerated the maturity of such Designated Senior Indebtedness, such Guarantor may resume to paying its Guarantee after such Guarantee Payment Blockage Period, including any missed payments. Not more than one Guarantee Blockage Notice may be given with respect to a Guarantor in any consecutive 360-day period, irrespective of the number of defaults with respect to Designated Senior Indebtedness of such Guarantor during such period; *provided , however ,* that if any Blockage Notice within such 360-day period is given by or on behalf of any holders of Designated Senior Indebtedness other than the holders of Senior Indebtedness under the Credit Agreement, the Representative under the Credit Agreement may give another Blockage Notice within such period; and, *provided , further ,* that in no event may the total number of days during which any Guarantee Payment Blockage Period or Periods is in effect exceed 179days in the aggregate during any consecutive 360day period. For purposes of this Section12.03 , no default or event of default that existed or was continuing on the date of the commencement of any Guarantee Payment Blockage Period with respect to the Designated Senior Indebtedness initiating such Guarantee Payment Blockage Period shall be, or be made, the basis of the commencement of a subsequent Guarantee Payment Blockage Period by the Representative of such Designated Senior Indebtedness, whether or not within a period of 360 consecutive days. Notwithstanding the foregoing, such Guarantor may pay its Guarantee without regard to the foregoing if such Guarantor and the Trustee receive written notice approving such payment from the Representative of the holders of the Designated Senior Indebtedness of such Guarantor with respect to which either of the events in this clause (c) has occurred and is continuing.

SECTION 12.04 . Demand for Payment . If payment of the Notes is accelerated because of an Event of Default and a demand for payment is made on a Guarantor pursuant to Article 11 , the Trustee shall promptly notify the holders of the Designated Senior Indebtedness of such Guarantor (or the Representative of such holders) of such demand. If any Designated Senior Indebtedness of such Guarantor is outstanding, such Guarantor may not pay its Guarantee until five Business Days after such holders or the Representative of the holders of the Designated Senior Indebtedness of such Guarantor receive notice of such demand (which notice, for the avoidance of doubt, shall not be effective prior to the earlier to occur of (x) the expiration of such five-day period and (y) the acceleration of such Designated Senior Indebtedness) and, thereafter, may pay its Guarantee only if this Article 12 otherwise permits payment at that time.

SECTION 12.05 . When Distribution Must Be Paid Over . If a payment or distribution is made to Holders that because of this Article 12 should not have been made to them, the Holders who receive the payment or distribution shall hold such payment or distribution in trust for holders of the Senior Indebtedness of the relevant Guarantor and pay it over to them as their respective interests may appear.

SECTION 12.06 . Subrogation . After all Senior Indebtedness of a Guarantor is Paid in Full and until the Notes are paid in full in cash, Holders shall be subrogated to the rights of holders of Senior Indebtedness of such Guarantor to receive distributions applicable to Designated Senior Indebtedness of such Guarantor. A distribution made under this Article 12 to holders of Senior Indebtedness of such Guarantor which otherwise would have been made to Holders is not, as between such Guarantor and Holders, a payment by such Guarantor on Senior Indebtedness of such Guarantor.

SECTION 12.07 . Relative Rights . This Article 12 defines the relative rights of Holders and holders of Senior Indebtedness of a Guarantor. Nothing in this Indenture shall:

(a) impair, as between a Guarantor and Holders, the obligation of a Guarantor which is absolute and unconditional, to make payments with respect to the Guaranteed Obligations to the extent set forth in Article 11 ; or

(b) prevent the Trustee or any Holder from exercising its available remedies upon a default by a Guarantor under its obligations with respect to the Guaranteed Obligations, subject to the rights of holders of Senior Indebtedness of such Guarantor to receive distributions otherwise payable to Holders.

SECTION 12.08 . Subordination May Not Be Impaired by a Guarantor . No right of any holder of Senior Indebtedness of a Guarantor to enforce the subordination of the obligations of such Guarantor hereunder shall be impaired by any act or failure to act by such Guarantor or by its failure to comply with this Indenture.

SECTION 12.09 . Rights of Trustee and Paying Agent . Notwithstanding Section 12.03 , the Trustee or the Paying Agent may continue to make payments on the Notes and shall not be charged with knowledge of the existence of facts that would prohibit the making of any such payments unless, not less than two Business Days prior to the date of such payment, a Trust Officer of the Trustee receives written notice from a Responsible Officer that payments may not be made under this Article 12 . A Guarantor, the Registrar or co-registrar, the Paying Agent, a Representative or a holder of Senior Indebtedness of a Guarantor may give the written notice; provided , however , that if an issue of Senior Indebtedness of a Guarantor has a Representative, only the Representative may give the written notice.

The Trustee in its individual or any other capacity may hold Senior Indebtedness of a Guarantor with the same rights it would have if it were not Trustee. The Registrar and co-registrar and the Paying Agent may do the same with like rights. The Trustee shall be entitled to all the rights set forth in this Article 12 with respect to any Senior Indebtedness of a Guarantor which may at any time be held by it, to the same extent as any other holder of Senior Indebtedness of such Guarantor; and nothing in Article 9 shall deprive the Trustee of any of its

rights as such holder. Nothing in this Article 12 shall apply to claims of, or payments to, the Trustee under or pursuant to Section 9.07 or any other Section of this Indenture.

SECTION 12.10 . Distribution or Notice to Representative . Whenever a distribution is to be made or a notice given to holders of Senior Indebtedness of a Guarantor, the distribution may be made and the notice given to their Representative (if any).

SECTION 12.11 . Article 12 Not To Prevent Events of Default or Limit Right To Demand Payment . The failure of a Guarantor to make a payment on any of its obligations by reason of any provision in this Article 12 shall not be construed as preventing the occurrence of a default by such Guarantor under such obligations. Nothing in this Article 12 shall have any effect on the right of the Holders or the Trustee to make a demand for payment on a Guarantor pursuant to Article 11 .

SECTION 12.12 . Trustee Entitled To Rely . Upon any payment or distribution pursuant to this Article 12 , the Trustee and the Holders shall be entitled to rely (a) upon any order or decree of a court of competent jurisdiction in which any proceedings of the nature referred to in Section 12.02 are pending, (b) upon a certificate of the liquidating trustee or agent or other Person making such payment or distribution to the Trustee or to the Holders or (c) upon the Representatives for the holders of Senior Indebtedness of a Guarantor for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of the Senior Indebtedness of a Guarantor and other Indebtedness of a Guarantor, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 12 . In the event that the Trustee determines, in good faith, that evidence is required with respect to the right of any Person as a holder of Senior Indebtedness of a Guarantor to participate in any payment or distribution pursuant to this Article 12 , the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness of such Guarantor held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and other facts pertinent to the rights of such Person under this Article 12 , and, if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment. The provisions of Sections 9.01 and 9.02 shall be applicable to all actions or omissions of actions by the Trustee pursuant to this Article 12 .

SECTION 12.13 . Trustee To Effectuate Subordination . Each Holder by accepting a Note authorizes and directs the Trustee on his or her behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination between the Holders and the holders of Senior Indebtedness of each of the Guarantors as provided in this Article 12 and appoints the Trustee as attorney-in-fact for any and all such purposes.

SECTION 12.14 . Trustee Not Fiduciary for Holders of Senior Indebtedness of a Guarantor . Neither the Trustee nor the Holder shall be deemed to owe any fiduciary duty to the holders of Senior Indebtedness of a Guarantor or shall be liable to any such holders if it shall mistakenly pay over or distribute to Holders or the relevant Guarantor or any other Person, money or assets to which any holders of Senior Indebtedness of such Guarantor shall be entitled by virtue of this Article 12 or otherwise.

SECTION 12.15 . Reliance by Holders of Senior Indebtedness of a Guarantor on Subordination Provisions . Each Holder by accepting a Note acknowledges and agrees that the foregoing subordination provisions are, and are intended to be, an inducement and a consideration to each holder of any Senior Indebtedness of a Guarantor, whether such Senior Indebtedness was created or acquired before or after the issuance of the Notes, to acquire and continue to hold, or to continue to hold, such Senior Indebtedness and such holder of Senior Indebtedness shall be deemed conclusively to have relied on such subordination provisions in acquiring and continuing to hold, or in continuing to hold, such Senior Indebtedness.

SECTION 12.16 . Defeasance . Notwithstanding anything contained in this Article 12 , payments from money or the proceeds of U.S. Government Obligations held in trust under Article 10 by the Trustee for the payment of principal of and interest on the Notes shall not be subordinated to the prior payment of any Senior Indebtedness of any Guarantor or subject to the restrictions set forth in this Article12 , and none of the Holders shall be obligated to pay over any such amount to a Guarantor or any holder of Senior Indebtedness of the Guarantor or any other creditor of a Guarantor.

ARTICLE 13 .
AMENDMENTS

SECTION 13.01 . Without Consent of Holders .

(a) The Company, the Guarantors and the Trustee may amend this Indenture or the Notes without notice to or consent of any Holder:

(i) to cure any ambiguity, omission, defect or inconsistency;

(ii) to comply with Article 6 ;

(iii) to provide for uncertificated Notes in addition to or in place of certificated Notes; *provided, however* , that the uncertificated Notes are issued in registered form for purposes of Section163(f) of the Code or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code;

(iv) to add Guarantees of the Notes;

(v) to secure the Notes;

(vi) to add to the covenants of the Company for the benefit of the Holders or to surrender any right or power herein conferred upon the Company;

(vii) to make any change in Article8 or Article12 that would limit or terminate the benefits available to any holder of Senior Indebtedness of the Company or a Guarantor (or Representative thereof) under Article8 or Article12 , respectively;

(viii) subject to the final sentence of Section 13.02(a) ,to comply with any requirement of the Commission in connection with qualifying, or maintaining the qualification of, this Indenture under the TIA;

(ix) to make any change that does not adversely affect the rights of any Holder;

(x) to provide for the issuance of the Exchange Notes, which shall have terms substantially identical in all material respects to the Initial Notes (except that the transfer restrictions contained in the Initial Notes shall be modified or eliminated, as appropriate), and which shall be treated, together with any Initial Notes or the Exchange Notes that remain outstanding, as a single issue of securities; or

(xi) to change the name or title of the Notes, and any conforming changes related thereto.

(b) An amendment under this Section13.01 may not make any change that adversely affects the rights under Article8 or Article12 of any holder of Senior Indebtedness of the Company of a Guarantor then outstanding unless the holders of such Senior Indebtedness (or any group of Representatives thereof authorized to give a consent) consent to such change.

(c) After an amendment under this Section13.01 becomes effective, the Company shall mail to Holders a notice briefly describing such amendment. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section13.01 .

SECTION 13.02 . With Consent of Holders . (a) The Company, the Guarantors and the Trustee may amend this Indenture or the Notes without notice to any Holder but with the written consent of the Required Holders (including consents obtained in connection with a tender offer or exchange for the Notes). However, without the consent of each Holder affected, an amendment may not:

(i) reduce the principal amount or percentage of Notes whose Holders must consent to an amendment, supplement, waiver or modification;

(ii) reduce the rate of or extend the time for payment of interest or any Special Interest on any Note;

(iii) reduce the principal amount of or extend the Stated Maturity of any Note;

(iv) reduce the premium payable upon the redemption of any Note or change the time at which any Note may be redeemed in accordance with Article3 ;

(v) make any Note payable in money other than that stated in the Note;

(vi) impair the right of any holder to receive payment of principal of and interest or any Special Interest on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Notes; or

(vii) make any change in Section 7.04 or 7.07 or the second sentence of this Section 13.02 .

It shall not be necessary for the consent of the Holders under this Section13.02 to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof.

An amendment under this Section13.02 may not make any change that adversely affects the rights under Article8 or Article12 of any holder of Senior Indebtedness then outstanding unless the holders of such Senior Indebtedness (or any group or Representative thereof authorized to give a consent) consent to such change.

(b) After an amendment under this Section13.02 becomes effective, the Company shall mail to Holders a notice briefly describing such amendment. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section13.02 .

SECTION 13.03 . Compliance with Trust Indenture Act . Every amendment to this Indenture or the Notes shall comply with the TIA as then in effect.

SECTION 13.04 . Revocation and Effect of Consents and Waivers . (a) A consent to an amendment or a waiver by a Holder of a Note shall bind the Holder and every subsequent Holder of that Note or portion of the Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent or waiver is not made on the Note. However, any such Holder or subsequent Holder may revoke the consent or waiver as to such Holder's Note or portion of the Note if the Trustee receives the notice of revocation before the date on which the Trustee receives an Officers' Certificate from the Company certifying that the requisite number of consents have been received. After an amendment or waiver becomes effective, it shall bind every Holder. An amendment or waiver becomes effective upon the (i)receipt by the Company or the Trustee of the requisite number of consents, (ii)satisfaction of conditions to effectiveness as set forth in this Indenture and any indenture supplemental hereto containing such amendment or waiver and (iii)execution of such amendment or waiver (or supplemental indenture) by the Company and the Trustee.

(b) the Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

SECTION 13.05 . Notation on or Exchange of Notes . If an amendment changes the terms of a Note, the Trustee may require the Holder of the Note to deliver it to the Trustee. The Trustee may place an appropriate notation on the Note regarding the changed terms and return it to the Holder. Alternatively, if the Company or the Trustee so determines, the Company in exchange for the Note shall issue and the Trustee shall authenticate a new Note that reflects the changed terms. Failure to make the appropriate notation or to issue a new Note shall not affect the validity of such amendment.

SECTION 13.06 . Trustee to Sign Amendments . The Trustee shall sign any amendment authorized pursuant to this Article 13 if the amendment does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing such amendment the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and to receive, and (subject to Section9.01) shall be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel stating that such amendment is authorized or permitted by this Indenture and that such amendment is the legal, valid and binding obligation of the Company and the Guarantors enforceable against them in accordance with its terms, subject to customary exceptions, and complies with the provisions hereof (including Section13.03).

ARTICLE 14 .
MISCELLANEOUS

SECTION 14.01 . Trust Indenture Act Controls . If and to the extent that any provision of this Indenture limits, qualifies or conflicts with the duties imposed by, or with another provision (an "incorporated provision") included in this Indenture by operation of TIA 310 to 318, inclusive, such imposed duties or incorporated provision shall control.

SECTION 14.02 . Notices . Any notice or communication shall be in writing and delivered in person, mailed by first-class mail addressed as follows or transmitted via telecopy (or other facsimile device) with receipt confirmed as set forth below:

if to the Company:

Broadwing Inc.

201 West Fourth Street

Cincinnati, Ohio

Attention: Mark Peterson

(facsimile no.: (513) 397-4177)

with copies to:

Cravath, Swaine & Moore
825 Eighth Avenue
New York, NY 10019

Attention: William V. Fogg, Esq.

(facsimile no.: (212) 474-3700)

if to the Trustee:

The Bank of New York

101 Barclay Street – 8W

New York, New York 10286

Attention: Corporate Trust Administration

(facsimile no.: (212) 815-5704/5707)

The Company or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice or communication mailed to a Holder shall be mailed first class mail, to the Holder at the Holder's address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed within the time prescribed.

Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

SECTION 14.03 . Communication by Holders with Other Holders . Holders may communicate pursuant to TIA 312(b) with other Holders with respect to their rights under this Indenture or the Notes. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA 312(c).

SECTION 14.04 . Certificate and Opinion as to Conditions Precedent . Upon any request or application by the Company to the Trustee to take or refrain from taking any action under this Indenture, the Company shall furnish to the Trustee:

(a) an Officers' Certificate in form reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) an Opinion of Counsel in form reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

SECTION 14.05 . Statements Required in Certificate or Opinion . Each certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture (other than pursuant to Section4.06) shall include:

(a) a statement that the individual making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with.

SECTION 14.06 . When Notes Disregarded . In determining whether the Holders of the required principal amount at Maturity of Notes have concurred in any direction, waiver or consent hereunder, under the Notes, the Purchase Agreement or the Exchange and Registration Rights Agreement, Notes owned by (x) the Company, any Subsidiary or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any Subsidiary or (y) except in the case of any determination pursuant to Section 13.02(a)(i) through (vii) , the holder of any Subordinated Indebtedness or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with such holder of Subordinated Indebtedness shall in each case be disregarded and deemed not to be outstanding, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes which the officer of the Trustee actually knows are so owned shall be so disregarded. Subject to the foregoing, only Notes outstanding at the time shall be considered in any such determination.

SECTION 14.07 . Rules by Trustee, Paying Agent and Registrar . The Trustee may make reasonable rules for action by or a meeting of Holders. The Registrar and the Paying Agent may make reasonable rules for their functions.

SECTION 14.08 . Legal Holidays . If a payment date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. If a Regular Record Date is a Legal Holiday, the record date shall not be affected.

SECTION 14.09 . GOVERNING LAW . THIS INDENTURE AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEWYORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

SECTION 14.10 . No Recourse Against Others . A director, officer, employee, stockholder or member, as such, of the Company or any of the Subsidiaries shall not have any liability for any obligations of the Company or any of the Subsidiaries under the Notes or this Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder shall waive and release all such liability. The waiver and release shall be part of the consideration for the issue of the Notes.

SECTION 14.11 . Successors . All agreements of the Company and each Subsidiary in this Indenture and the Notes shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

SECTION 14.12 . Multiple Originals; Counterparts . The parties may sign any number of counterparts of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

SECTION 14.13 . Table of Contents; Headings . The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

SECTION 14.14 . Incorporation . All Exhibits and Schedules attached hereto are incorporated as part of this Indenture as if fully set forth herein.

SECTION 14.15 . Intent to Limit Interest to Maximum . In no event shall the interest rate payable on the Notes under this Indenture, plus any other amounts paid by the Company to the Holders in connection therewith, exceed the highest rate permissible under law that a court of competent jurisdiction shall, in the final determination, deem applicable. The Company and the Trustee, in executing and delivering this Indenture, intend legally to agree upon the rate or rates of interest and the manner of payment stated within it; *provided, however,* that, anything contained herein to the contrary notwithstanding, if said rate or rates of interest or manner of payment exceed the maximum allowable under applicable law, then, ipso facto as of the date of this Indenture, the Company is and shall be liable only for the payment of such maximum as allowed by law, and payment received from the Company in excess of such legal maximum, whenever received, shall be applied to reduce the principal balance of any Notes then outstanding to the extent of such excess, or, if such excess exceeds the then outstanding principal, such excess shall be first set-off against any other amounts then due and owing by the Company and refunded to the Company.

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the date first written above.

COMPANY:

BROADWING INC.
By: /s/ Mark W. Peterson
Name: Mark W. Peterson
Title: Vice President & Treasurer

GUARANTORS:

CINCINNATI BELL PUBLIC COMMUNICATIONS INC.
By: /s/ Mark W. Peterson
Name:
Title:

ZOOMTOWN.COM INC.
By: /s/ Mark W. Peterson
Name:
Title:

CINCINNATI BELL ANY DISTANCE, INC.
By: /s/ Mark W. Peterson
Name:
Title:

CINCINNATI BELL TELECOMMUNICATIONS SERVICES INC.
By: /s/ Mark W. Peterson
Name:
Title:

BROADWING FINANCIAL LLC
By: /s/ Mark W. Peterson
Name:
Title:
CINCINNATI BELL WIRELESS COMPANY
By: /s/ Mark W. Peterson
Name:
Title:
CINCINNATI BELL WIRELESS
HOLDINGS LLC
By: /s/ Mark W. Peterson
Name:
Title:
BROADWING HOLDINGS INC.
By: /s/ Mark W. Peterson
Name:
Title:

TRUSTEE:

THE BANK OF NEW YORK
By: /s/ Paul Schmalzel
Name: Paul Schmalzel
Title: Vice President

APPENDIX A

PROVISIONS RELATING TO

INITIAL NOTES

AND EXCHANGE NOTES

1. Definitions

1.1 Definitions

For the purposes of this Appendix A, except where the context otherwise requires, the following terms shall have the meanings indicated below:

" Exchange and Registration Rights Agreement " means the Exchange and Registration Rights Agreement, dated as of the date of this Indenture, by and among the Company and the Purchasers.

" Definitive Note " means a certificated Initial Note or Exchange Note (bearing the Restricted Notes Legend if the transfer of such Note is restricted by applicable law) that does not include the Global Notes Legend.

" Depositary " means The Depository Trust the Company, its nominees and their respective successors.

" Global Notes Legend " means the legend set forth under that caption in ExhibitB to this Indenture.

" Institutional Accredited Investor " means an institutional "accredited investor" as described in Rule501(a)(1), (2), (3) or (7) under the Securities Act.

" Notes " under the Indenture include the Initial Notes and any Exchange Notes issued in exchange for Initial Notes.

" Notes Custodian ," who shall initially be the Trustee, means the custodian with respect to a Global Exchange Note (as appointed by the Depositary) or any successor person thereto.

" Purchase Agreement " means the Purchase Agreement, dated as of December 9, 2002, by and among the Company and the Purchasers.

" Purchasers " means GS Mezzanine Partners II, L.P., a Delaware limited partnership (" GS Mezzanine "), GS Mezzanine Partners II Offshore, L.P. (" GS Offshore "), an exempted limited partnership organized under the laws of the Cayman Islands, and any other affiliate of GS Mezzanine who purchases the Offered Securities (as defined in the Purchase Agreement) being issued under the Purchase Agreement at the Closing (as defined in the Purchase Agreement) (together with GS Mezzanine, GS Offshore and one or more partnerships, corporations, trusts or other organizations specified as a Purchaser in Schedule 1 to the Purchase

Agreement (as defined in the Purchase Agreement) which controls, is controlled by, or is under common control with, GS Mezzanine or GS Offshore), and any other person specified as a Purchaser in Schedule 1 to the Purchase Agreement.

" QIB " means a "qualified institutional buyer" as defined in Rule 144A.

" Registered Exchange Offer " means the offer by the Company, pursuant to the Exchange and Registration Rights Agreement, to certain Holders of Initial Notes, to issue and deliver to such Holders, in exchange for their Initial Notes, a like aggregate principal amount at Maturity of Exchange Notes registered under the Securities Act.

" RegulationS " means RegulationS under the Securities Act.

" Restricted Notes Legend " means the legend set forth in Paragraph2.3(d)(i) herein.

" Rule501 " means Rule501(a)(1), (2), (3) or (7) under the Securities Act.

" Rule 144A " means Rule 144A under the Securities Act.

" Securities Act " means the Securities Act of 1933, as amended.

" Shelf Registration Statement " means a registration statement filed by the Company in connection with the offer and sale of Initial Notes pursuant to the Exchange and Registration Rights Agreement.

" Transfer Restricted Notes " means Definitive Notes and any other Notes that bear or are required to bear the Restricted Notes Legend.

1.2 Other Definitions

Term:	Defined in Section:
" Agent Members "	2.1(c)
" Initial Definitive Notes "	2.1(b)
" Global Exchange Note "	2.1(b)

2. The Notes

2.1 Form and Dating

(a) The Initial Notes issued on the date hereof will be sold by the Company pursuant to the Purchase Agreement to the Purchasers. All such Initial Notes may thereafter be transferred to, among others, QIBs, purchasers in reliance on Regulation S and, except as set forth below, Accredited Investors in accordance with Rule501. A pledge by any Holder of an Initial Note shall not constitute a transfer unless and until such pledge shall be realized upon.

(b) The Initial Notes shall be issued in the form of Definitive Notes, in fully registered form (the " Initial Definitive Notes ") bearing the Restricted Notes Legend and shall be issued to and registered in the name of the applicable Purchaser and duly executed by the Company and authenticated by the Trustee as provided in this Indenture.

Initial Notes will be exchanged for Exchange Notes in the Registered Exchange Offer pursuant to the Exchange and Registration Rights Agreement. Exchange Notes will also be issued upon the sale of Initial Notes (i)under a Shelf Registration Statement or (ii)at any time that the Initial Notes being sold are not Transfer Restricted Notes. Exchange Notes shall, except as provided in Sections2.3 and 2.4 , be issued in global form bearing the Global Notes Legend (the " Global Exchange Notes "). The aggregate principal amount at Maturity of the Global Exchange Notes may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depositary or its nominee and on the schedules thereto as hereinafter provided.

(c) Book-Entry Provisions . This Paragraph 2.1(c) shall apply only to a Global Exchange Note deposited with or on behalf of the Depositary.

The Company shall execute and the Trustee shall, in accordance with this Paragraph 2.1(c) and Paragraph 2.2 and pursuant to an order of the Company signed by one officer, authenticate and deliver one Global Exchange Note that (i)shall be registered in the name of the Depositary for such Global Exchange Note or the nominee of such Depositary and (ii)shall be delivered by the Trustee to such Depositary or pursuant to such Depositary's instructions or held by the Trustee as Notes Custodian.

Members of, or participants in, the Depositary (" Agent Members ") shall have no rights under this Indenture with respect to any Global Exchange Note held on their behalf by the Depositary or by the Trustee as Notes Custodian or under such Global Exchange Note, and the Depositary may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of such Global Exchange Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members, the operation of customary practices of such Depositary governing the exercise of the rights of a holder of a beneficial interest in any Global Exchange Note.

(d) Definitive Notes . Except as provided in Paragraph 2.3 or 2.4 , owners of beneficial interests in Global Exchange Notes will not be entitled to receive physical delivery of certificated Notes.

2.2 Authentication . The Trustee shall authenticate and make available for delivery upon a written order of the Company signed by one officer (a)Initial Definitive Notes that are Initial Notes for original issue on the date hereof in an aggregate principal amount at Maturity of $441,628,051.27, (b) subject to the terms of this Indenture, Exchange Notes in the form of Global Exchange Notes for issue in a Registered Exchange Offer pursuant to the Exchange and Registration Rights Agreement in a like principal amount at Maturity of the Initial Definitive Notes exchanged pursuant thereto, (c)subject to the terms of this Indenture, Exchange Notes in

the form of Global Exchange Notes in lieu of Initial Definitive Notes upon the sale of such Initial Definitive Notes (i)under a Shelf Registration Statement or (ii)at any time that such Initial Notes being sold are not Transfer Restricted Notes and (d)subject to the terms of this Indenture, Definitive Notes upon presentation to the Trustee of Initial Notes that are not required to bear the Restricted Notes Legend. Such order shall specify the amount of the Notes to be authenticated, the date on which the original issue of Notes is to be authenticated and whether the Notes are to be Initial Notes or Exchange Notes. The aggregate principal amount at Maturity of the Initial Notes and the Exchange Notes outstanding at any time may not exceed $441,628,051.27, except as provided in Sections2.07 and 2.08 of the Indenture.

2.3 Transfer and Exchange .

(a) Transfer and Exchange of Definitive Notes . When Definitive Notes are presented to the Registrar with a request:

(i) to register the transfer of such Definitive Notes; or

(ii) to exchange such Definitive Notes for an equal principal amount at Maturity of Definitive Notes of other authorized denominations,

the Registrar shall register the transfer or make the exchange as requested if its reasonable requirements for such transaction are met; *provided, however* , that the Definitive Notes surrendered for transfer or exchange:

(1) shall be duly endorsed or accompanied by a written instrument of transfer in form reasonably satisfactory to the Company and the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing; and

(2) in the case of Transfer Restricted Notes are accompanied by the following additional information and documents, as applicable:

(A) if such Definitive Notes are being delivered to the Registrar by a Holder for registration in the name of such Holder, without transfer, a certification from such Holder to that effect (in the form set forth on the reverse side of the Initial Note); or

(B) if such Definitive Notes are being transferred to the Company, a certification to that effect (in the form set forth on the reverse side of the Initial Note); or

(C) if such Definitive Notes are being transferred pursuant to an exemption from registration in accordance with Rule144 under the Securities Act or in reliance upon another exemption from the registration requirements of the Securities Act, (x)a certification to that effect (in the form set forth on the reverse side of the Initial Note) and (y)if the Company, the Registrar or the Trustee so requests, an opinion of

counsel or other evidence reasonably satisfactory to it as to the compliance with the restrictions set forth in the legend set forth in Paragraph 2.3(d)(i) .

(b) Restrictions on Transfer of a Definitive Note for a Beneficial Interest in a Global Exchange Note . A Definitive Note may not be exchanged for a beneficial interest in a Global Exchange Note except (i)as part of a Registered Exchange Offer, (ii)upon sale of the Definitive Note under the Shelf Registration Statement, (iii)upon sale of the Definitive Note at the time such Definitive Note is not a Transfer Restricted Note or (iv)upon presentation to the Trustee of Definitive Notes that are not Transfer Restricted Notes. Upon receipt by the Trustee of a Definitive Note, duly endorsed or accompanied by a written instrument of transfer in form reasonably satisfactory to the Company and the Registrar, together with written instructions directing the Trustee to make, or to direct the Notes Custodian to make, an adjustment on its books and records with respect to such Global Exchange Note to reflect an increase in the aggregate principal amount at Maturity of the Notes represented by the Global Exchange Note, such instructions to contain information regarding the Depositary account to be credited with such increase, then the Trustee shall cancel such Definitive Note and cause, or direct the Notes Custodian to cause, in accordance with the standing instructions and procedures existing between the Depositary and the Notes Custodian, the aggregate principal amount at Maturity of Notes represented by the Global Exchange Note to be increased by the aggregate principal amount at Maturity of the Definitive Note to be exchanged and shall credit or cause to be credited to the account of the Person specified in such instructions a beneficial interest in the Global Exchange Note equal to the principal amount at Maturity of the Definitive Note so canceled. If no Global Exchange Notes are then outstanding and the Global Exchange Note has not been previously exchanged for certificated Notes pursuant to Paragraph 2.4 , the Company shall issue and the Trustee shall authenticate, upon written order of the Company in the form of an Officers' Certificate, a new Global Exchange Note in the appropriate principal amount at Maturity.

(c) Transfer and Exchange of Global Exchange Notes . (i)The transfer of the Global Exchange Note or beneficial interests therein shall be effected through the Depositary, in accordance with this Indenture (including applicable restrictions on transfer set forth herein, if any) and the procedures of the Depositary therefor. A transferor of a beneficial interest in a Global Exchange Note shall deliver a written order given in accordance with the Depositary's procedures containing information regarding the participant account of the Depositary to be credited with a beneficial interest in such Global Exchange Note and such account shall be credited in accordance with such order with a beneficial interest in the applicable Global Exchange Note and the account of the Person making the transfer shall be debited by an amount equal to the beneficial interest in the Global Exchange Note being transferred.

(ii) Notwithstanding any other provisions of this Appendix (other than the provisions set forth in Paragraph 2.4), a Global Exchange Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary.

(d) Legend .

(i) Except as permitted by the following clauses(ii), (iii) or (iv), each Definitive Note (and all Notes issued in exchange therefor or in substitution thereof) shall bear a legend in substantially the following form (each defined term in the legend being defined as such for purposes of the legend only):

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE " SECURITIES ACT "), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE " RESALE RESTRICTION TERMINATION DATE ") WHICH IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH COMPANY OR ANY AFFILIATE OF COMPANY WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF SUCH NOTE), ONLY (A) TO COMPANY, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT (" RULE 144A "), TO A PERSON IT REASONABLY BELIEVES IS A " QUALIFIED INSTITUTIONAL BUYER " AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN " ACCREDITED INVESTOR " WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING THE NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR OR TO AN " ACCREDITED INVESTOR " WITHIN THE MEANING OF RULE 501(a)(5) OR (6) ACQUIRING THE NOTE FOR ITS OWN ACCOUNT, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT AT MATURITY OF THE NOTES OF $250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT OR (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO COMPANY'S

AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE."

Each Definitive Note shall bear the following additional legend:

"IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS."

(ii) Upon any sale or transfer of a Transfer Restricted Note that is a Definitive Note, the Registrar shall permit the Holder thereof to exchange such Transfer Restricted Note for a Definitive Note that does not bear the legends set forth above and rescind any restriction on the transfer of such Transfer Restricted Note if the Holder certifies in writing to the Registrar that its request for such exchange was made in reliance on Rule144 (such certification to be in the form set forth on the reverse of the Initial Note).

(iii) After a transfer of any Initial Notes during the period of the effectiveness and pursuant to a Shelf Registration Statement with respect to such Initial Notes, all requirements pertaining to the Restricted Notes Legend on such Initial Notes shall cease to apply and the requirements that any such Initial Notes be issued in global form shall become applicable.

(iv) Upon the consummation of a Registered Exchange Offer with respect to the Initial Notes pursuant to which Holders of such Initial Notes are offered Exchange Notes in exchange for their Initial Notes, Exchange Notes in global form without the Restricted Notes Legend shall be available to Holders that exchange such Initial Notes in such Registered Exchange Offer.

(e) Cancellation or Adjustment of Global Exchange Note . At such time as all beneficial interests in a Global Exchange Note have either been exchanged for Definitive Notes, transferred, redeemed, repurchased or canceled, such Global Exchange Note shall be returned by the Depositary to the Trustee for cancellation or retained and canceled by the Trustee. At any time prior to such cancellation, if any beneficial interest in a Global Exchange Note is exchanged for Definitive Notes, transferred in exchange for an interest in another Global Exchange Note, redeemed, repurchased or canceled, the principal amount at Maturity of Notes represented by such Global Exchange Note shall be reduced and an adjustment shall be made on the books and records of the Trustee (if it is then the Notes Custodian for such Global Exchange Note) with respect to such Global Exchange Note, by the Trustee or the Notes Custodian, to reflect such reduction.

(f) Obligations with Respect to Transfers and Exchanges of Notes .

(i) To permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate, Definitive Notes and Global Exchange Notes at the Registrar's request.

(ii) No service charge shall be made for any registration of transfer or exchange, but the Company or the Trustee may require payment of a sum sufficient to cover any transfer tax, assessments, or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charge payable upon exchanges pursuant to Sections2.06 , 3.06 , 4.09 , 4.10 and 10.05 of the Indenture).

(iii) Prior to the due presentation for registration of transfer of any Note, the Company, the Trustee, the Paying Agent or the Registrar may deem and treat the person in whose name a Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on and Special Interest, if any, with respect to such Note and for all other purposes whatsoever, whether or not such Note is overdue, and none of the Company, the Trustee, the Paying Agent or the Registrar shall be affected by notice to the contrary.

(iv) All Notes issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Notes surrendered upon such transfer or exchange.

(g) No Obligation of the Trustee .

(i) The Trustee shall have no responsibility or obligation to any beneficial owner of a Global Exchange Note, a member of, or a participant in the Depositary or any other Person with respect to the accuracy of the records of the Depositary or its nominee or of any participant or member thereof, with respect to any ownership interest in the Notes or with respect to the delivery to any participant, member, beneficial owner or other Person (other than the Depositary) of any notice (including any notice of redemption or repurchase) or the payment of any amount, under or with respect to such Notes. All notices and communications to be given to the Holders and all payments to be made to Holders under the Notes shall be given or made only to the registered Holders (which shall be the Depositary or its nominee in the case of a Global Exchange Note). The rights of beneficial owners in any Global Exchange Note shall be exercised only through the Depositary subject to the applicable rules and procedures of the Depositary. The Trustee may rely and shall be fully protected in relying upon information furnished by the Depositary with respect to its members, participants and any beneficial owners.

(ii) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Depositary participants, members or beneficial owners in any Global Exchange Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when

expressly required by, the terms of this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

2.4 Definitive Notes

(a) A Global Exchange Note deposited with the Depositary or with the Trustee as Notes Custodian pursuant to Paragraph2.1 or issued in connection with a Registered Exchange Offer shall be transferred to the beneficial owners thereof in the form of Definitive Notes in an aggregate principal amount at Maturity equal to the principal amount at Maturity of such Global Exchange Note, in exchange for such Global Exchange Note, only if such transfer complies with Paragraph2.3 and (i)the Depositary notifies the Company that it is unwilling or unable to continue as a Depositary for such Global Exchange Note or if at any time the Depositary ceases to be a "clearing agency" registered under the Exchange Act, and a successor depositary is not appointed by the Company within 90days of such notice or after the Company becomes aware of such cessation, or (ii)an Event of Default has occurred and is continuing or (iii) the Company, in its sole discretion, notifies the Trustee in writing that it elects to cause the issuance of certificated Notes under this Indenture.

(b) Any Global Exchange Note that is transferable to the beneficial owners thereof pursuant to this Paragraph2.4 shall be surrendered by the Depositary to the Trustee, to be so transferred, in whole or from time to time in part, without charge, and the Trustee shall authenticate and deliver, upon such transfer of each portion of such Global Exchange Note, an equal aggregate principal amount at Maturity of Definitive Notes of authorized denominations. Any portion of a Global Exchange Note transferred pursuant to this paragraph shall be executed, authenticated and delivered only in denominations of $1,000 (in principal amount at Maturity) and any multiple thereof and registered in such names as the Depositary shall direct. Any certificated Initial Note in the form of a Definitive Note delivered in exchange for an interest in the Global Exchange Note shall, except as otherwise provided by Paragraph2.3(d) , bear the Restricted Notes Legend.

(c) Subject to the provisions of Paragraph2.4(b) , the registered Holder of a Global Exchange Note may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Indenture or the Notes.

(d) In the event of the occurrence of any of the events specified in Paragraph2.4(a)(i) , (ii) or (iii) , the Company will promptly make available to the Trustee a reasonable supply of Definitive Notes in fully registered form without interest coupons.

EXHIBIT A

FORM OF FACE OF INITIAL NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE " SECURITIES ACT "), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE " RESALE RESTRICTION TERMINATION DATE ") WHICH IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH COMPANY OR ANY AFFILIATE OF COMPANY WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF SUCH NOTE), ONLY (A) TO COMPANY, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT (" RULE 144A "), TO A PERSON IT REASONABLY BELIEVES IS A " QUALIFIED INSTITUTIONAL BUYER " AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN " ACCREDITED INVESTOR " WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING THE NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR OR TO AN " ACCREDITED INVESTOR " WITHIN THE MEANING OF RULE 501(a)(5) OR (6) ACQUIRING THE NOTE FOR ITS OWN ACCOUNT, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT AT MATURITY OF THE NOTES OF $250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT OR (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER

INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

The following information is provided pursuant to Treas. Reg. Section 1.1275-3:

This debt instrument is issued with original issue discount.

Treasurer (513-397-9900), as a representative of the issuer, will make available on request to holder(s) of this debt instrument the following information: issue price, amount of original issue discount, issue date and yield to maturity.

No. [] $

Senior Subordinated Discount Note due 2009

BROADWING INC., an Ohio corporation, promises to pay to or registered assigns, the principal amount at Maturity of [] Dollars on January 20, 2009 (the " Stated Maturity Date ").

Interest Payment Date	Record Date
June 30, 2003	June 15, 2003
December 31, 2003	December 15, 2003
June 30, 2004	June 15, 2004
December 31, 2004	December 15, 2004
June 30, 2005	June 15, 2005
December 31, 2005	December 15, 2005
June 30, 2006	June 15, 2006
December 31, 2006	December 15, 2006
June 30, 2007	June 15, 2007
January 20, 2008	January 5, 2008
January 20, 2009	January 5, 2009

Additional provisions of this Note are set forth on the other side of this Note.

IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed.

BROADWING INC.
By:
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

The Bank of New York, Trustee, certifies that this is one of the Notes referred to in the Indenture.

By:
Authorized Signatory
Dated:

FORM OF REVERSE SIDE OF INITIAL NOTE

Senior Subordinated Discount Note due 2009

1. Interest

(a) BROADWING INC., an Ohio corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the " Company "), promises to pay cash interest on the Accreted Value at such date, in arrears, on each of June 30 and December 31 of 2003 through 2006, commencing on June 30, 2003, and then on each of June 30, 2007, January 20, 2008 and on the Stated Maturity Date (each, an " Interest Payment Date "), at the rate of 12% per annum, compounded semi-annually, until the principal hereof is paid. Such interest on the Notes shall accrue from the most recent date to which interest has been paid or duly provided for or, if no such interest has been paid or duly provided for, from March 26, 2003 until the principal hereof is due. Principal of the Notes will accrete as set forth in the Indenture. Interest shall be paid in cash. Any principal of, or premium or installment of interest or Special Interest (as hereinafter defined) on this Note which is overdue shall bear interest at the rate equal to 2.25% per annum above the cash interest rate from the date such amounts are due until they are paid (to the extent that the payment of such interest shall be legally enforceable), and such excess interest shall be payable in cash on demand. In addition, the accretion of principal on the Notes will increase as set forth in the Indenture. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

(b) Special Interest . The holder of this Note is entitled to the benefits of the Exchange and Registration Rights Agreement, dated as of the date hereof, by and among the Company and the Purchasers named therein. Capitalized terms used in this paragraph(b) but not defined herein have the meanings assigned to them in the Exchange and Registration Rights Agreement. If (i) the Exchange Offer Registration Statement is not filed with the Commission within 90 days following the Trigger Date, (ii) the Shelf Registration Statement is not filed within 30 days after, or is not declared effective within 150 days after, filing is required or requested pursuant to the Exchange and Registration Rights Agreement, (iii) the Exchange Offer Registration Statement is not declared effective on or prior to 150 days after the Trigger Date, (iv) the Registered Exchange Offer is not consummated on or prior to 180 days after the Trigger Date, or (v) the Shelf Registration Statement is filed and declared effective but shall thereafter cease to be effective prior to the end of the Shelf Registration Period (other than during a Suspension Period permitted under the Exchange and Registration Rights Agreement) (at any time that the Company and the Guarantors are obligated to maintain the effectiveness thereof) (each such event referred to in clauses (i) through (v), a " Registration Default "), the Company and the Guarantors will be jointly and severally obligated to pay Special Interest to each holder of Transfer Restricted Notes, during the period of one or more such Registration Defaults, at the rate equal to $0.05 per week per $1,000 of principal amount at Maturity for the first 90 days during the period of one or more such Registration Defaults, which amount shall increase by $0.05 per week per $1,000 of principal amount at Maturity for each subsequent 90-day period during the continuance of one or more Registration Default, until such time as no Registration Default is in effect (such amount equal to the " Special Interest "), up to a maximum amount of Special Interest for all Registration Defaults of $0.192 per week per $1,000 of principal amount at Maturity. All accrued Special Interest shall be paid to Holders in the same manner as interest

payments on the Notes on semi-annual payment dates which correspond to interest payments for the Notes. Following the cure of all Registration Defaults, the accrual of Special Interest shall cease. The Trustee shall have no responsibility with respect to the determination of the amount of any such Special Interest.

(c) Record Dates, etc. Upon the issuance of an Exchange Note in exchange for this Note, any accrued and unpaid interest (including Special Interest) on this Note shall cease to be payable to the Holder hereof but such accrued and unpaid interest (including Special Interest) shall be payable on the next Interest Payment Date for such Exchange Note to the Holder thereof on the related Regular Record Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Agreement, be paid to the Person in whose name this Note is registered at the close of business on the Regular Record Date (the " Regular Record Date ") for such interest which shall be the fifteenth (or, in the case of a Regular Record Date for the Stated Maturity Date and the Interest Payment Date immediately preceding the Stated Maturity Date, the fifth) calendar day (whether or not a Business Day) of the calendar month in which such Interest Payment Date occurs.

2. Method of Payment

The Company shall pay interest on the Notes (except defaulted interest) to the Persons who are registered holders of Notes at the close of business on the June 15 or December 15 next preceding the Interest Payment Date (or, in the case of the Stated Maturity Date and the Interest Payment Date immediately preceding the Stated Maturity Date, January5) even if Notes are canceled after the record date and on or before the Interest Payment Date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company shall pay principal, Special Interest, if any, and interest in money of the UnitedStates of America that at the time of payment is legal tender for payment of public and private debts. The Company will make all money payments in respect of a certificated Note (including principal and interest), at the office of the Paying Agent or, at the option of the Company, by mailing a check to the registered address of each Holder thereof; *provided, however* , that money payments on the Notes shall be made, in the case of a Holder of at least $1,000,000 aggregate principal amount at Maturity of Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the UnitedStates if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, The Bank of New York, a banking corporation organized under the laws of the State of New York (the " Trustee "), will act as Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar or co-registrar without notice. The Company or any of its domestically incorporated Wholly Owned Subsidiaries (other than any member of the BCI Group) may act as Paying Agent, Registrar or co-registrar.

4. Indenture

The Company issued the Notes under an Indenture, dated as of March 26, 2003 (the "Indenture"), by and between the Company and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. 77aaa-77bbbb) as in effect on the date of the Indenture (the "TIA"). Terms defined in the Indenture and used but not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all terms and provisions of the Indenture, and Holders (as defined in the Indenture) are referred to the Indenture and the TIA for a statement of such terms and provisions.

The Notes are senior subordinated unsecured discount obligations of the Company limited to $441,628,051.27 aggregate principal amount at Maturity at any one time outstanding (subject to Section 2.07 of the Indenture). This Note is one of the series of the Initial Notes that are referred to in the Indenture issued in an aggregate original principal amount at Maturity of $441,628,051.27. The Notes include the Initial Notes and any Exchange Notes issued in exchange for Initial Notes. The Initial Notes and the Exchange Notes are treated as a single class of Notes under the Indenture. The Initial Notes of each series and the Exchange Notes of the corresponding series are treated as a single series of Notes under the Indenture. The Indenture imposes certain limitations on the ability of the Company and its Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, incur Indebtedness, enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries, issue or sell shares of Capital Stock of such Restricted Subsidiaries, enter into or permit certain transactions with Affiliates and make asset sales. The Indenture also imposes limitations on the ability of the Company to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all of the property of the Company.

The Notes are guaranteed, on a senior subordinated basis, by all existing and future Restricted Subsidiaries that are or shall become Guarantors in accordance with the terms of the Indenture.

5. Optional Redemption

Except as set forth in the last paragraph of this Section 5, the Notes shall not be redeemable at the option of the Company prior to March 26, 2006. Thereafter, the Notes are subject to redemption, at the election of the Company, in whole or in part (in the principal amount at Maturity of not less than $5,000,000 and integral multiples thereof), upon not less than thirty (30)nor more than sixty (60) days' notice by mail at the prices listed below (expressed as a percentage of the Accreted Value of the Notes being prepaid as of the Redemption Date) plus accrued interest to the Redemption Date (each prepayment to be in an aggregate Accreted Value of Notes of not less than $5 million):

Redemption Date	Redemption Price
March 26, 2006 - March 25, 2007	108 %
March 26, 2007 - March 25, 2008	106 %
March 26, 2008 - January19, 2009	104 %

On any Interest Payment Date occurring on or prior to March 26, 2006, the Company may redeem all or any part (in the principal amount at Maturity of not less than $5,000,000 and integral multiples thereof) of the then outstanding Accreted Value of Notes upon not less than thirty (30) nor more than sixty (60) days' notice by mail at a price equal to the sum of (x) 100% of the Accreted Value of such Notes being redeemed as of the applicable Interest Payment Date plus (y) a Make Whole Premium. As used herein, the " Make Whole Premium " means, as at any date, (a)an amount equal to the present value of the remaining payments of interest on the Notes and the Redemption Price of the Notes, assuming that on March 26, 2006 the entire Accreted Value of the Notes then outstanding will be redeemed at 108% of the Accreted Value thereof, together with accrued interest, and using an annual discount factor (applied semi-annually) equal to the Treasury Rate plus 0.50%, less (b)the Accreted Value of the Notes outstanding as at the day of determination; *provided* , *however* , that in no case shall the Make Whole Premium be less than zero. For purposes of this definition, the " Treasury Rate " shall mean a rate equal to the then current yield to maturity on the most actively traded U.S. Treasury security having a maturity on March 26, 2006. In the event there are not actively traded U.S. Treasury securities with a maturity on March 26, 2006, then the yield to maturity shall be determined by linear interpolation using the closest, but shorter, maturity for actively traded U.S. Treasury securities and the closest, but longer, maturity for actively traded U.S. Treasury maturities.

6. Sinking Fund

The Notes are not subject to any sinking fund.

7. Notice of Redemption

Notice of redemption will be mailed by first-class mail at least 30days but not more than 60days before the Redemption Date to each Holder of Notes to be redeemed at such Holder's registered address. Notes in denominations larger than $1,000 (in principal amount at Maturity) may be redeemed in part but only in multiples of $1,000 (in principal amount at Maturity). If money sufficient to pay the redemption price of and accrued and unpaid interest and Special Interest, if any, on all Notes (or portions thereof) to be redeemed on the Redemption Date is deposited with the Paying Agent on or before the Redemption Date and certain other conditions are satisfied, on and after such date, cash interest and Special Interest, if any, ceases to accrue on such Notes (or such portions thereof) called for redemption.

8. Repurchase of Notes at the Option of Holders upon Change of Control and Sale of Assets

Upon the occurrence of a Change of Control, each Holder of Notes shall have the right, subject to certain conditions specified in the Indenture, to require the Company to repurchase all or any part of the Notes of such Holder at a purchase price in cash equal to 101% of the Accreted Value of the Notes to be repurchased, plus accrued and unpaid interest thereon and Special Interest, if any, in respect thereof to the date of repurchase (subject to the right of Holders of record on the relevant record date to receive interest due and Special Interest, if any, on the relevant Interest Payment Date) as provided in, and subject to the terms of, the Indenture.

In accordance with Section 4.10 of the Indenture, the Company will be required to offer to purchase Notes upon the occurrence of certain sales of assets.

9. Subordination.

The Notes are subordinated to Senior Indebtedness, as defined in the Indenture. To the limited extent provided in the Indenture, Senior Indebtedness must be paid before the Notes may be paid. Each of the Company and the Guarantors agrees, and each Holder by accepting a Note agrees, to the subordination provisions contained in the Indenture and authorizes the Trustee to give them effect and appoints the Trustee as attorney-in-fact for such purpose.

10. Denominations; Transfer; Exchange

The Notes are in registered form without coupons in denominations of $1,000 (in principal amount at Maturity) and multiples thereof. A Holder may transfer or exchange Initial Notes in accordance with the Indenture. Upon any transfer or exchange, the Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes required by law or permitted by the Indenture. The Company shall not be required to make and the Registrar need not register transfers or exchanges of Notes selected for redemption (except, in the case of a Note to be redeemed in part, the portion of the Note not to be redeemed) or any Notes for a period of 15days prior to a selection of Notes to be redeemed.

11. Persons Deemed Owners

Except as provided in paragraph2 hereof, the registered Holder of this Note shall be treated as the owner of it for all purposes.

12. Unclaimed Money

If money for the payment of principal of or interest on the Notes has been deposited with the Trustee or Paying Agent and remains unclaimed for two years after such amount is due and payable, the Trustee or Paying Agent shall pay the money back to the Company at its written request unless an abandoned property law designates another Person. After any such payment, the Trustee and the Paying Agent shall have no further liability for such funds and Holders entitled to the money must look only to the recipient and not to the Trustee for payment.

13. Discharge and Defeasance

Subject to certain conditions, the Company at any time may terminate some of or all its obligations under the Notes and the Indenture if the Company deposits with the Trustee money or U.S. Government Obligations for the payment of principal of and interest on the Notes to redemption or maturity, as the case may be.

14. Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (a)the Indenture or the Notes may be amended without prior notice to any Holder but with the written consent of the Holders of at least a majority in aggregate principal amount at Maturity of the Notes then outstanding (including consents obtained in connection with a tender offer or exchange for the Notes) and (b)any default may be waived with the written consent of the Holders of at least a majority in principal amount at Maturity of the outstanding Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any Holder of Notes, the Company and the Trustee may amend the Indenture or the Notes (a)to cure any ambiguity, omission, defect or inconsistency; (b) to comply with Article 6 of the Indenture; (c)to provide for uncertificated Notes in addition to or in place of certificated Notes (*provided, however* , that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code); (d)to add Guarantees of the Notes or to secure Notes; (e)to add to the covenants of the Company for the benefit of the Holders or to surrender any right or power conferred on the Company in the Indenture; (f)to comply with any requirement of the Commission in connection with qualifying, or maintaining the qualification of, the Indenture under the TIA; (g)to make any change that does not adversely affect the rights of any Holder; (h)to provide for the issuance of the Exchange Notes which shall have terms substantially identical in all material respects to the Initial Notes (except that the transfer restrictions contained in the Initial Notes shall be modified or eliminated, as appropriate), and which shall be treated, together with any outstanding Initial Notes or the Exchange Notes, as a single issue of securities; or (i)to change the name or title of the Notes.

15. Defaults, Remedies and Acceleration

If an Event of Default (other than an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Company) occurs and is continuing, the Trustee or the Holders of 25% or more in principal amount at Maturity of the outstanding Notes may declare the principal of and accrued but unpaid interest on all the Notes to be due and payable. Upon such a declaration, such principal and interest shall be due and payable immediately. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Company occurs, the principal of and interest on all the Notes shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders. Under certain circumstances, the Holders of a majority in principal amount at Maturity of the Notes may rescind any such acceleration with respect to the Notes and its consequences. If an Event of Default has occurred and is continuing, the Notes will accrue an additional interest at 3% per annum, until such time as no Event of Default shall be continuing (to the extent that the payment of such interest shall be legally enforceable); *provided* that 2.25% of such additional

interest shall be payable in cash and 0.75% of such additional interest shall be added to the principal amount of the Notes as set forth in the definition of Accreted Value.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any rights or powers under the Indenture at the request or direction of any of the Holders, unless such Holders have offered to the Trustee reasonable indemnity or security against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the Indenture or the Notes unless (i)such Holder has previously given to the Trustee written notice stating that an Event of Default is continuing, (ii)Holders of at least 25% in principal amount at Maturity of the outstanding Notes have requested the Trustee in writing to pursue the remedy, (iii)such Holder or Holders have offered to the Trustee reasonable security or indemnity against any loss, liability or expense, (iv)the Trustee has not complied with such request within 60days after receipt of the request and the offer of security or indemnity and (v)the Holders of a majority in principal amount at Maturity of the outstanding Notes have not given the Trustee a direction inconsistent with such request during such 60-day period. Subject to certain restrictions, the Holders of a majority in principal amount at Maturity of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or, subject to certain exceptions in the Indenture, that the Trustee determines is unduly prejudicial to the rights of other Holders or would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

16. Trustee Dealings with the Company

Subject to certain limitations imposed by the TIA, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

17. No Recourse Against Others

A director, officer, employee or stockholder, as such, of the Company or any of the Subsidiaries shall not have any liability for any obligations of the Company or any of the Subsidiaries under the Notes or the Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Notes.

18. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Note.

19. Abbreviations

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

20. Governing Law

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEWYORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

21. Registration Rights

Pursuant to the Exchange and Registration Rights Agreement, the Company will be obligated upon the occurrence of certain events to consummate an exchange offer pursuant to which the Holder of this Note shall have the right to exchange this Note for an Exchange Note, which has been registered under the Securities Act, in like original principal amount at Maturity and having terms identical in all material respects to this Note, other than that there shall be no provision for Special Interest.

The Company will furnish to any Holder of Notes upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Note.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to

(Print or type assignee's name, address and zip code)

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appointagent to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: Your Signature:
Sign exactly as your name appears on the other side of this Note.

CERTIFICATE TO BE DELIVERED UPON EXCHANGE OR REGISTRATION OF TRANSFER RESTRICTED NOTES

This certificate relates to $principal amount at Maturity of Notes held in definitive form by the undersigned.

The undersigned has requested the Trustee by written order to exchange or register the transfer of a Note or Notes.

In connection with any transfer of any of the Notes evidenced by this certificate occurring prior to the expiration of the period referred to in Rule144(k) under the SecuritiesAct, the undersigned confirms that such Notes are being transferred in accordance with its terms:

CHECK ONE BOX BELOW

(1) ☐ to the Company; or

(2) ☐ to the Registrar for registration in the name of the Holder, without transfer; or

(3) ☐ pursuant to an effective registration statement under the Securities Act of 1933; or

(4) ☐ inside the UnitedStates to a "qualified institutional buyer" (as defined in Rule144A under the Securities Act of 1933) that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that such transfer is being made in reliance on Rule 144A, in each case pursuant to and in compliance with Rule144A under the Securities Act of 1933; or

(5) ☐ outside the UnitedStates in an offshore transaction within the meaning of Regulation S under the Securities Act in compliance with Rule904 under the Securities Act of 1933; or

(6) ☐ to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933) that has furnished to the Trustee a signed letter containing certain representations and agreements; or

(7) ☐ pursuant to another available exemption from registration provided by Rule 144 under the Securities Act of 1933.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any Person other than the registered holder thereof; *provided, however* , that if box(5), (6) or (7) is checked, the Trustee may require, prior to registering any such transfer of the Notes, such legal opinions, certifications and other information as the Company has reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.

Your Signature

Signature Guarantee:
Date:

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee

Signature of Signature Guarantee

TO BE COMPLETED BY PURCHASER IF (4) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule144A under the Securities Act of 1933, and is aware that the sale to it is being made in reliance on Rule144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule144A.

Dated:

NOTICE: To be executed by an executive officer

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.09 (Change of Control) or Section 4.10 (Application of Excess Proceeds from Sale of Assets) of the Indenture, check the box:

o	o
Limitation on Sales of Assets and Subsidiary Stock	**Change of Control**

If you want to elect to have only part of this Note purchased by the Company pursuant to Section4.09 or 4.10 of the Indenture, state the principal amount at Maturity ($1,000 or a multiple thereof):

$

Date: **Your Signature:**

(Sign exactly as your name appears on the other side of the Note)

Signature Guarantee:

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee

FORM OF FACE OF EXCHANGE NOTE

[Global Notes Legend]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO HOLDINGS OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO., OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL EXCHANGE NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO DTC, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL EXCHANGE NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

The following information is provided pursuant to Treas. Reg. Section 1.1275-3:

This debt instrument is issued with original issue discount.

Treasurer (513-397-9900), as a representative of the issuer, will make available on request to holder(s) of this debt instrument the following information: issue price, amount of original issue discount, issue date and yield to maturity.

No. [] $

Senior Subordinated Discount Note due 2009

[CUSIP No.]

BROADWING INC., an Ohio corporation, promises to pay to, or registered assigns, the principal amount at Maturity of [] Dollars on January 20, 2009 (the " Stated Maturity Date ").

Interest Payment Date	Record Date
June 30, 2003	June 15, 2003
December 31, 2003	December 15, 2003
June 30, 2004	June 15, 2004
December 31, 2004	December 15, 2004
June 30, 2005	June 15, 2005
December 31, 2005	December 15, 2005
June 30, 2006	June 15, 2006
December 31, 2006	December 15, 2006
June 30, 2007	June 15, 2007
January 20, 2008	January 5, 2008
January 20, 2009	January 5, 2009

Additional provisions of this Note are set forth on the other side of this Note.

IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed.

BROADWING INC.
By:
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

The Bank of New York, Trustee, certifies that this is one of the Notes referred to in the Indenture.

By:
Authorized Signatory
Dated:

* / If the Note is to be issued in global form, add the Global Notes Legend and the attachment from Exhibit A captioned "TO BE ATTACHED TO GLOBAL EXCHANGE NOTES- SCHEDULE OF INCREASES OR DECREASES IN GLOBAL EXCHANGE NOTE".

FORM OF REVERSE SIDE OF EXCHANGE NOTE

Senior Subordinated Discount Note due 2009

1. Interest

BROADWING INC., an Ohio corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "Company"), promises to pay cash interest at the Accreted Value at such date, in arrears, on each of June 30 and December 31 of 2003 through 2006, commencing on June 30, 2003, and then on each of June 30, 2007, January 20, 2008 and on the Stated Maturity Date (each, an "Interest Payment Date"), at the rate of 12% per annum, compounded semi-annually, until the principal hereof is paid. Such interest on the Notes shall accrue from the most recent date to which interest has been paid or duly provided for or, if no such interest has been paid or duly provided for, from March 26, 2003 until the principal hereof is due. Principal of the Notes will accrete as set forth in the Indenture. Interest shall be paid in cash. Any principal of, or premium or installment of interest on this Note which is overdue shall bear interest at the rate equal to 2.25% per annum above the cash interest rate from the date such amounts are due until they are paid (to the extent that the payment of such interest shall be legally enforceable), and such excess interest shall be payable on demand. In addition, the accretion of principal on the Notes will increase as set forth in the Indenture. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Agreement, be paid to the Person in whose name this Note is registered at the close of business on the Regular Record Date. "Regular Record Date" for such interest shall be the fifteenth (or, in the case of a Regular Record Date for the Stated Maturity Date and the Interest Payment Date immediately preceding the Stated Maturity Date, the fifth) calendar day (whether or not a Business Day) immediately preceding such Interest Payment Date.

2. Method of Payment

The Company shall pay interest on the Notes (except defaulted interest) to the Persons who are registered holders of Notes at the close of business on the June 15 or December 15 next preceding the Interest Payment Date (or, in the case of the Stated Maturity Date and the Interest Payment Date immediately preceding the Stated Maturity Date, January5) even if Notes are canceled after the record date and on or before the Interest Payment Date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company shall pay principal and interest in money of the UnitedStates of America that at the time of payment is legal tender for payment of public and private debts. The Company will make all money payments in respect of a certificated Note (including principal and interest), of the Paying Agent or, at the option of the Company, by mailing a check to the registered address of each Holder thereof; *provided, however* , that money payments on the Notes shall be made, in the case of a Holder of at least $1,000,000 aggregate principal amount at Maturity of Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the UnitedStates if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, The Bank of New York, a banking corporation organized under the laws of the State of New York (the " Trustee "), will act as Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar or co-registrar without notice. The Company or any of its domestically incorporated Wholly Owned Subsidiaries (other than any member of the BCI Group) may act as Paying Agent, Registrar or co-registrar.

4. Indenture

The Company issued the Notes under an Indenture, dated as of March 26, 2003 (the " Indenture "), by and between the Company and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. 77aaa-77bbbb) as in effect on the date of the Indenture (the " TIA "). Terms defined in the Indenture and used but not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all terms and provisions of the Indenture, and Holders (as defined in the Indenture) are referred to the Indenture and the TIA for a statement of such terms and provisions.

The Notes are senior subordinated unsecured discount obligations of the Company limited to $441,628,051.27 aggregate principal amount at Maturity at any one time outstanding (subject to Section 2.07 of the Indenture). This Note is one of the Exchange Notes referred to in the Indenture issued in an aggregate principal amount at Maturity of $441,628,051.27. The Notes include the Exchange Notes issued in exchange for Initial Notes. The Initial Notes and the Exchange Notes are treated as a single class of Notes under the Indenture. The Initial Notes of each series and the Exchange Notes of the corresponding series are treated as a single series of Notes under the Indenture. The Indenture imposes certain limitations on the ability of the Company and its Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, incur Indebtedness, enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries, issue or sell shares of Capital Stock of such Restricted Subsidiaries, enter into or permit certain transactions with Affiliates and make asset sales. The Indenture also imposes limitations on the ability of the Company to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all of the property of the Company.

The Notes are guaranteed, on a senior subordinated basis, by all existing and future Restricted Subsidiaries that are or shall become Guarantors in accordance with the terms of the Indenture.

5. Optional Redemption

Except as set forth in the last paragraph of this Section 5, the Notes shall not be redeemable at the option of the Company prior to March 26, 2006. Thereafter, the Notes are subject to redemption, at the election of the Company, in whole or in part (in the principal amount at Maturity of not less than $5,000,000 and integral multiples thereof), upon not less than ten (30)nor more than sixty (60) days' notice by mail at the prices listed below (expressed as a

percentage of the Accreted Value of the Notes being prepaid as of the Redemption Date) plus accrued interest to the Redemption Date (each prepayment to be in an aggregate Accreted Value of Notes of not less than $5 million):

Redemption Date	Redemption Price
March 26, 2006 - March 25, 2007	108 %
March 26, 2007 - March 25, 2008	106 %
March 26, 2008 - January19, 2009	104 %

On any Interest Payment Date occurring on or prior to March 26, 2006, the Company may redeem all or any part (in the principal amount at Maturity of not less than $5,000,000 and integral multiples thereof) of the then outstanding Accreted Value of Notes upon not less than thirty (30) nor more than sixty (60) days' notice by mail at a price equal to the sum of (x) 100% of the Accreted Value of such Notes being redeemed as of the applicable Interest Payment Date plus (y) a Make Whole Premium. As used herein, the " Make Whole Premium " means, as at any date, (a)an amount equal to the present value of the remaining payments of interest on the Notes and the Redemption Price of the Notes, assuming that on March 26, 2006 the entire Accreted Value of the Notes then outstanding will be redeemed at 108% of the Accreted Value thereof, together with accrued interest, and using an annual discount factor (applied semi-annually) equal to the Treasury Rate plus 0.50%, less (b)the Accreted Value of the Notes outstanding as at the day of determination; *provided* , *however* , that in no case shall the Make Whole Premium be less than zero. For purposes of this definition, the " Treasury Rate " shall mean a rate equal to the then current yield to maturity on the most actively traded U.S. Treasury security having a maturity on March 26, 2006. In the event there are not actively traded U.S. Treasury securities with a maturity on March 26, 2006, then the yield to maturity shall be determined by linear interpolation using the closest, but shorter, maturity for actively traded U.S. Treasury securities and the closest, but longer, maturity for actively traded U.S. Treasury maturities.

6. Sinking Fund

The Notes are not subject to any sinking fund.

7. Notice of Redemption

Notice of redemption will be mailed by first-class mail at least 30days but not more than 60days before the Redemption Date to each Holder of Notes to be redeemed at such Holder's registered address. Notes in denominations larger than $1,000 (in principal amount at Maturity) may be redeemed in part but only in multiples of $1,000 (in principal amount at Maturity). If money sufficient to pay the redemption price of and accrued and unpaid interest on all Notes (or portions thereof) to be redeemed on the Redemption Date is deposited with the Paying Agent on or before the Redemption Date and certain other conditions are satisfied, on and

after such date, cash interest ceases to accrue on such Notes (or such portions thereof) called for redemption.

8. Repurchase of Notes at the Option of Holders upon Change of Control and Sale of Assets

Upon the occurrence of a Change of Control, each Holder of Notes shall have the right, subject to certain conditions specified in the Indenture, to require the Company to repurchase all or any part of the Notes of such Holder at a purchase price in cash equal to 101% of the Accreted Value of the Notes to be repurchased, plus accrued and unpaid interest thereon and Special Interest, if any, in respect thereof to the date of repurchase (subject to the right of Holders of record on the relevant record date to receive interest due and Special Interest, if any, on the relevant Interest Payment Date) as provided in, and subject to the terms of, the Indenture.

In accordance with Section 4.10 of the Indenture, the Company will be required to offer to purchase Notes upon the occurrence of certain sales of assets.

9. Subordination

The Notes subordinated to Senior Indebtedness, as defined in the Indenture. To the limited extent provided in the Indenture, Senior Indebtedness must be paid before the Notes may be paid. Each of the Company and the Guarantors agrees, and each Holder by accepting a Note agrees, to the subordination provisions contained in the Indenture and authorizes the Trustee to give them effect and appoints the Trustee as attorney-in-fact for such purpose.

10. Denominations; Transfer; Exchange

The Notes are in registered form without coupons in denominations of $1,000 (in principal amount at Maturity) and multiples thereof. A Holder may transfer or exchange Initial Notes in accordance with the Indenture. Upon any transfer or exchange, the Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes required by law or permitted by the Indenture. The Company shall not be required to make and the Registrar need not register transfers or exchanges of Notes selected for redemption (except, in the case of a Note to be redeemed in part, the portion of the Note not to be redeemed) or any Notes for a period of 15days prior to a selection of Notes to be redeemed.

11. Persons Deemed Owners

Except as provided in paragraph2 hereof, the registered Holder of this Note shall be treated as the owner of it for all purposes.

12. Unclaimed Money

If money for the payment of principal of or interest on the Notes has been deposited with the Trustee or Paying Agent and remains unclaimed for two years after such amount is due and payable, the Trustee or Paying Agent shall pay the money back to the Company at its written request unless an abandoned property law designates another Person. After any such payment, the Trustee and the Paying Agent shall have no further liability for such

funds and Holders entitled to the money must look only to the recipient and not to the Trustee for payment.

13. Discharge and Defeasance

Subject to certain conditions, the Company at any time may terminate some of or all its obligations under the Notes and the Indenture if the Company deposits with the Trustee money or U.S. Government Obligations for the payment of principal of and interest on the Notes to redemption or maturity, as the case may be.

14. Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (a)the Indenture or the Notes may be amended without prior notice to any Holder but with the written consent of the Holders of at least a majority in aggregate principal amount at Maturity of the Notes then outstanding (including consents obtained in connection with a tender offer or exchange for the Notes) and (b)any default may be waived with the written consent of the Holders of at least a majority in principal amount at Maturity of the outstanding Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any Holder of Notes, the Company and the Trustee may amend the Indenture or the Notes (a)to cure any ambiguity, omission, defect or inconsistency; (b)to comply with Article 6 of the Indenture; (c)to provide for uncertificated Notes in addition to or in place of certificated Notes (*provided, however* , that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code); (d)to add Guarantees of the Notes or to secure Notes; (e)to add to the covenants of the Company for the benefit of the Holders or to surrender any right or power conferred on the Company in the Indenture; (f)to comply with any requirement of the Commission in connection with qualifying, or maintaining the qualification of, the Indenture under the TIA; (g)to make any change that does not adversely affect the rights of any Holder; (h)to provide for the issuance of the Exchange Notes which shall have terms substantially identical in all material respects to the Initial Notes (except that the transfer restrictions contained in the Initial Notes shall be modified or eliminated, as appropriate), and which shall be treated, together with any outstanding Initial Notes or the Exchange Notes, as a single issue of securities; or (i)to change the name or title of the Notes.

15. Defaults, Remedies and Acceleration

If an Event of Default (other than an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Company) occurs and is continuing, the Trustee or the Holders of 25% or more in principal amount at Maturity of the outstanding Notes may declare the principal of and accrued but unpaid interest on all the Notes to be due and payable. Upon such a declaration, such principal and interest shall be due and payable immediately. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Company occurs, the principal of and interest on all the Notes shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders. Under certain circumstances, the Holders of a majority in principal amount at Maturity of the Notes may rescind any such acceleration with respect to the Notes and its consequences. If an

Event of Default has occurred and is continuing, the Notes will accrue an additional interest at 3% per annum, until such time as no Event of Default shall be continuing (to the extent that the payment of such interest shall be legally enforceable); *provided* that 2.25% of such additional interest shall be payable in cash and 0.75% of such additional interest shall be added to the principal amount of the Notes as set forth in the definition of Accreted Value.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any rights or powers under the Indenture at the request or direction of any of the Holders, unless such Holders have offered to the Trustee reasonable indemnity or security against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the Indenture or the Notes unless (i)such Holder has previously given to the Trustee written notice stating that an Event of Default is continuing, (ii)Holders of at least 25% in principal amount at Maturity of the outstanding Notes have requested the Trustee in writing to pursue the remedy, (iii)such Holder or Holders have offered to the Trustee reasonable security or indemnity against any loss, liability or expense, (iv)the Trustee has not complied with such request within 60days after receipt of the request and the offer of security or indemnity and (v)the Holders of a majority in principal amount at Maturity of the outstanding Notes have not given the Trustee a direction inconsistent with such request during such 60-day period. Subject to certain restrictions, the Holders of a majority in principal amount at Maturity of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or, subject to certain exceptions in the Indenture, that the Trustee determines is unduly prejudicial to the rights of other Holders or would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

16. Trustee Dealings with the Company

Subject to certain limitations imposed by the TIA, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

17. No Recourse Against Others

A director, officer, employee or stockholder, as such, of the Company or any of the Subsidiaries shall not have any liability for any obligations of the Company or any of the Subsidiaries under the Notes or the Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Notes.

18. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Note.

19. Abbreviations

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

20. Governing Law

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEWYORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

21. CUSIP Numbers

the Company has caused CUSIP numbers to be printed on the Notes and has directed the Trustee to use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Company will furnish to any Holder of Notes upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Note.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to

(Print or type assignee's name, address and zip code)

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appointagent to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: Your Signature:
Sign exactly as your name appears on the other side of this Note.

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.09 (Change of Control) or Section 4.10 (Application of Excess Proceeds from Sale of Assets) of the Indenture, check the box:

o	**o**
Limitation on Sales of Assets and Subsidiary Stock	**Change of Control**

If you want to elect to have only part of this Note purchased by the Company pursuant to Section4.09 or 4.10 of the Indenture, state the principal amount at Maturity ($1,000 or a multiple thereof):

$

Date: **Your Signature:**
(Sign exactly as your name appears on the other side of the Note)
Signature Guarantee:
Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee

Execution copy

BROADWING INC.

Senior Subordinated Discount Notes due 2009

INDENTURE

Dated as of March 26, 2003

THE BANK OF NEW YORK,

Trustee

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EXHIBIT C

FORM OF SUPPLEMENTAL GUARANTEE

SUPPLEMENTAL GUARANTEE (this "Supplemental Guarantee"), dated as of , between , (the "New Guarantor"), a direct or indirect Broadwing Inc. (or its successor), an Ohio corporation (the "Company"), and The Bank of New York, as trustee (the "Trustee").

W I T N E S S E T H

WHEREAS, the Company and the Domestic Subsidiaries listed on the signature pages thereof have each heretofore executed and delivered to the Trustee an Indenture (the "Indenture"), dated as of March 26, 2003, providing for the issuance by the Company of its Senior Subordinated Discount Notes due 2009 (the "Notes"); and

WHEREAS, Section11.05 of the Indenture provides that under certain circumstances the Company is required to cause the Guarantor to execute and deliver to the Trustee for the benefit of the Holders a supplemental agreement pursuant to which the Guarantor shall unconditionally guarantee all of the Company's obligations under the Notes pursuant to a Guarantee on the terms and conditions set forth herein;

WHEREAS, pursuant to Section 13.01 of the Indenture, the Trustee, the Company and the Guarantors are authorized to execute and deliver this Supplemental Indenture;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantor covenants and agrees for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE; EXCHANGE AND REGISTRATION RIGHTS AGREEMENT. The New Guarantor hereby agrees, jointly and severally with all other Guarantors, to unconditionally guarantee the Company's obligations under the Notes on the terms and subject to the conditions set forth in Article11 and Article 12 of the Indenture and to be bound by all other applicable provisions of the Indenture. The Guarantor further agrees to become a party to the Exchange and Registration Rights Agreement and to be bound by all provisions thereof.

3. RATIFICATION OF SUPPLEMENTAL GUARANTEE; SUPPLEMENTAL GUARANTEES PART OF INDENTURE. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Guarantee shall form a part of the Indenture for all purposes, and every holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

4. NO RECOURSE AGAINST OTHERS. No director, officer, employee, incorporator or stockholder of the New Guarantor, as such, shall have any liability for any obligations of the Company or any Guarantor under the Notes, any Guarantee, the Indenture or this Supplemental Guarantee or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the Securities and Exchange Commission that such a waiver is against public policy.

5. EFFECTIVENESS. This Supplemental Guarantee shall be effective upon execution by the parties hereto.

6. RECITALS. The recitals contained herein shall be taken as the statements of the Company and the Guarantors assume no responsibility for their correctness.

7. NEW YORK LAW TO GOVERN. THE INTERNAL LAWS OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL GUARANTEE.

8. TRUSTEE MAKES NO REPRESENTATION. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Guarantee.

9. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Guarantee. Each signed copy shall be an original, but all of them together represent the same agreement.

10. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

[New Guarantor]
By:
Name:
Title:

EXHIBIT D

FORM OF NOTATION OF GUARANTEE

The undersigned have guaranteed this Note on a subordinated basis as provided in the Indenture.

[GUARANTOR]
By:
Name:
Title:

Schedule 1.1(a)

Restructuring Charges Included in

Consolidated EBITDA

December 2001	$	10,000,000
September 2002	$	4,100,000
December 2002	$	1,800,000

Schedule 5.03

Restrictions on Transferability and Dividend Payments as of 12-09-02

1. The Operating Agreement dated December 31, 1998 between Cincinnati Bell Wireless Company and AT&T Wireless PCS Inc., together with the Related Agreements thereto contain limitations on the transferability of the member interests and assets of Cincinnati Bell Wireless LLC, and the payment of dividends.

2. The Operating Agreement of Cincinnati Bell Wireless Holdings LLC ("CBWH") dated June 2, 2002 contains restrictions on the ability of CBWH to transfer and obtain assets, and restrictions on affiliate transactions.

Schedule 5.06

Affiliate Transactions and Relationships with the BCI Group as of 12-09-02

1. PENSION

The Company and its Subsidiaries participate in the defined benefit pension plan (the "Plan") of the Company. Each Subsidiary is charged an expense related to its portion of the Plan, on a month-to-month basis, based on the "all participants" allocation method, pursuant to which the allocation of expenses of the Plan are calculated by independent actuaries.

2. MANAGEMENT FEE ARRANGEMENT

Corporate expenses of the Company incurred on behalf of all of the Company's Subsidiaries are allocated, on a month-to-month basis, to the Subsidiaries based on the Massachusetts Formula, a common method of expense allocation. Services received by the Subsidiaries from the Company pursuant to this arrangement include, but are not limited to treasury, tax, accounting, finance, cash management, communications, legal and information technology.

3. INTERCOMPANY PROMISSORY NOTE

BCI is a party to an Intercompany Promissory Note dated as of June 26, 2001 (the "Note"), payable to the Company and evidencing funds provided by the Company to BCI for its operating, investing and financing needs. The Note bears interest at the rate applicable to borrowings by the Company under the Credit Agreement, which rate is adjusted monthly.

4. PAYROLL AND ACCOUNTS PAYABLE PROCESSING

Cincinnati Bell Telephone ("CBT"), a wholly-owned subsidiary of the Company, provides payroll and accounts-payable processing services, on a month-to-month basis, for the Company and its Subsidiaries. The rate payable for these services is based on a "per check" fee commensurate with commercially available third party processing rates.

5. PROVISION OF SERVICES TO CINCINNATI BELL TELEPHONE

Broadwing Technology Services provides subcontracting services to CBT for certain of CBT's customers who have contracted for managed internet and hardware services. The subcontracting services are provided to CBT on an arms-length basis.

Schedule 5.11(b)

Existing Contractual Arrangements with BCI Group

1. All existing arrangements currently between Broadwing Inc. and its subsidiaries on the one hand and BCI and its Subsidiaries on the other hand that become BRW Sale Arrangements (as defined in the Credit Agreement on the date hereof) upon effectiveness of the BCI Sale Agreement.

2. Provision by Broadwing Technology Solutions Inc. of subcontracting services for CBT hosting/collocation customers provided on an arm's length basis.

3. Provision by Broadwing Technology Solutions Inc. of helpdesk support services to Broadwing Inc. and its subsidiaries provided on an arm's length basis.

4. Provision by CBT of local access equipment and services for BCI subsidiaries provided on an arm's length basis.

5. Shared intercompany resources and supplies such as copiers, telephones, computers, etc. the cost of which is fairly allocated between the users based on their respective levels of utilization.

6. Lease of CBT data center space by Broadwing Technology Solutions Inc. for fair market rent and separately identified as space of the lessee.

Execution Copy

Exhibit 4(c)(vii)

WARRANT AGREEMENT

Dated as of March 26, 2003

by and among

BROADWING INC.,

GS MEZZANINE PARTNERS II, L.P.,

GS MEZZANINE PARTNERS II OFFSHORE, L.P., and

OTHER PURCHASERS NAMED HEREIN

WARRANT AGREEMENT

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* This Table of Contents does not constitute a part of this Agreement or have any bearing upon the interpretation of any of its terms or provisions.

WARRANT AGREEMENT, dated as of March 26, 2003, by and between Broadwing Inc., an Ohio corporation (the " Company "), GS Mezzanine Partners II, L.P., a Delaware limited partnership (" GS Mezzanine "), GS Mezzanine Partners II Offshore, L.P. (" GS Offshore "), an exempted limited partnership organized under the laws of the Cayman Islands, and any other affiliate of GS Mezzanine who purchases the Offered Securities (as defined in the Purchase Agreement) being issued under the Purchase Agreement at the Closing (as defined in the Purchase Agreement) (together with GS Mezzanine, GS Offshore and one or more partnerships, corporations, trusts or other organizations specified as a Purchaser in Schedule 1 to the Purchase Agreement which controls, is controlled by, or is under common control with, GS Mezzanine or GS Offshore, the " GS Purchasers "), and any other person specified as a Purchaser in Schedule 1 to the Purchase Agreement (together with the GS Purchasers, the " Purchasers ").

RECITALS

WHEREAS, the Company and the parties listed on the signature pages thereof have entered into a Purchase Agreement, dated as of December 9, 2002 (as amended, supplemented or modified from time to time, the " Purchase Agreement "), with the Purchasers, pursuant to which the Company has agreed to issue and sell to the Purchasers (i) $441,628,051.27 principal amount at maturity of the Company's Senior Subordinated Discount Notes due 2009 (the " Notes "), to be issued pursuant to an Indenture, dated the date hereof, by and between the Company and a trustee reasonably satisfactory to the Company and the Purchasers (as amended, supplemented or modified from time to time, the " Indenture ") and (ii) 17,500,000 warrants (such warrants and all warrants issued in exchange, substitution or replacement therefor, the " Warrants ") to purchase shares of common stock, par value $.01 per share, of the Company (the " Common Stock ") at an exercise price of $3.00 per share (each Warrant representing on the Closing Date the right to purchase one share of Common Stock); and

WHEREAS, the parties hereto desire to enter into this Agreement in order to set forth the terms and conditions of the Warrants.

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

SECTION 1 . DEFINITIONS

As used in this Agreement, the following capitalized terms will have the respective meanings:

" Agreement " and all references thereto means this Agreement as it may from time to time be amended, supplemented or modified.

" Applicable Share " shall have the meaning set forth in Section 11(f) .

" Board " means the Board of Directors of the Company.

" Capital Stock " of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

" Closing " shall have the meaning set forth in the Purchase Agreement.

" Closing Date " shall have the meaning set forth in the Purchase Agreement.

" Commission " means the Securities and Exchange Commission.

" Common Stock " shall have the meaning set forth in the Recitals.

" Conversion Right " shall have the meaning set forth in Section 7 .

" Current Market Price " shall have the meaning set forth in Section 11(f) .

" Exercise Price " shall have the meaning set forth in Section 7 .

" Exercise Rate " shall have the meaning set forth in Section11 .

" GSMezzanine " shall have the meaning set forth in the preamble to this Agreement.

" Company " shall have the meaning set forth in the preamble to this Agreement.

" Expiration Date " means the tenth anniversary of the Closing Date or, if such day is not a business day, the next succeeding business day.

" Indenture " shall have the meaning set forth in the Recitals.

" Independent Financial Expert " shall have the meaning set forth in Section 12 .

" Independent Expert " shall have the meaning set forth in Section 12 .

" Notes " shall have the meaning set forth in the Recitals.

" Person " means any individual, corporation, partnership, limited liability company, association, joint venture, trust, unincorporated organization, government or any agency or political subdivision thereof or other entity.

" Purchase Agreement " shall have the meaning set forth in the Recitals.

" Purchasers " shall have the meaning set forth in the Recitals.

" Register Office " shall have the meaning set forth in Section6 .

" Securities Act " means the Securities Act of 1933, as amended.

" Senior Financial Officer " means the chief financial officer, principal accounting officer, treasurer or controller of the Company.

" Transaction " shall have the meaning set forth in Section 11(j) .

" Transfer Agent " shall have the meaning set forth in Section 10 .

" Transfer Notice " shall have the meaning set forth in Section 6 .

" Value Report " shall have the meaning set forth in Section12 .

" Warrant holder(s) " or " holders of Warrant certificates " means, in each case, registered holders of Warrant certificates.

" Warrants " shall have the meaning set forth in the Recitals.

" Warrant Shares " means shares of Common Stock issuable upon exercise of the Warrants or which have been issued upon the exercise of the Warrants.

SECTION 2 . WARRANT CERTIFICATES

The Warrant certificates to be issued and delivered pursuant to this Agreement shall be in registered form only and shall be substantially in the form set forth in Exhibit A attached hereto.

SECTION 3 . ISSUANCE OF WARRANTS

The Company, simultaneously with the Closing, shall deliver to each Purchaser duly executed Warrant certificates registered in the name of each Purchaser for the purchase of the number of Warrant Shares set forth opposite the name of such Purchaser on ScheduleA to this Agreement.

SECTION 4 . EXECUTION OF WARRANT CERTIFICATES

Warrant certificates evidencing Warrants, each Warrant to purchase initially one share of Common Stock, shall be duly executed, on the Closing Date, by the Company and delivered to the registered holders of the Warrants in accordance with the provisions of Section 3 . Warrant certificates shall be signed on behalf of the Company by its Chairman of the Board, or its President or a Vice President and by its Secretary or an Assistant Secretary under its corporate seal. Each such signature upon the Warrant certificates may be in the form of a facsimile signature of the present or any future Chairman of the Board, President, Vice President, Secretary or Assistant Secretary and may be imprinted or otherwise reproduced on the Warrant certificates and, for that purpose, the Company may adopt and use the facsimile signature of any person who shall have been Chairman of the Board, President, Vice President, Secretary or Assistant Secretary, notwithstanding the fact that at the time the Warrant certificates shall be delivered or disposed of such Person shall have ceased to hold such office. In case any officer of the Company who shall have signed any of the Warrant certificates shall cease to be such officer

before such Warrant certificates shall have been delivered or disposed of by the Company, such Warrant certificates nevertheless may be delivered or disposed of as though such Person had not ceased to be such officer of the Company. Any Warrant certificate may be signed on behalf of the Company by any Person who, at the actual date of the execution of such Warrant certificate, shall be a proper officer of the Company to sign such Warrant certificate, although at the date of the execution of this Agreement any such Person was not such an officer.

SECTION 5 . REGISTRATION

The Company shall number and register the Warrant certificates in a register as they are issued by the Company. The Company may deem and treat the registered holder(s) of the Warrant certificates as the absolute owner(s) thereof (notwithstanding any notation of ownership or other writing thereon made by anyone) for all purposes, and the Company shall not be affected by any notice to the contrary.

SECTION 6 . REGISTRATION OF TRANSFERS AND EXCHANGES

The Company shall cause to be kept at its principal office (the " Register Office ") a register in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Warrant certificates and of transfers or exchanges of Warrant certificates at the Warrant holder's option. The Company shall promptly register the transfer of any outstanding Warrant certificates, upon the records to be maintained by it for that purpose, upon surrender thereof. Upon any such registration of transfer, a new Warrant certificate shall be issued to the transferee(s) and the surrendered Warrant certificate shall be canceled by the Company. Canceled Warrant certificates shall thereafter be disposed of in a manner satisfactory to the Company in accordance with any applicable laws. Whenever any Warrant certificates are surrendered for exchange, the Company shall execute and deliver the Warrant certificates that the Warrant holder making the exchange is entitled to receive. All Warrant certificates issued upon any registration of transfer or exchange of Warrant certificates in accordance with the provisions of this Section 6 shall be the valid obligations of the Company, evidencing the same obligations and entitled to the same benefits under this Agreement, as the Warrant certificates surrendered for such registration of transfer or exchange. Every Warrant certificate surrendered for registration of transfer or exchange shall (if so required by the Company) be duly endorsed, or be accompanied by a written instrument of transfer in the form of Exhibit B attached hereto, duly executed by the Warrant holder or its attorney duly authorized in writing. No service charge will be made for any registration of transfer or exchange upon surrender of Warrant certificates or any issuance of Warrant certificates pursuant to Section 3 or this Section6 , but the Company may require payment of a sum sufficient to cover any stamp or other governmental charge or tax which may be imposed in connection with any such transfer or exchange. Any Warrant certificate when duly endorsed in blank (with signature guaranteed) shall be deemed negotiable. The holder of any Warrant certificate duly endorsed in blank may be treated by the Company and all other Persons dealing therewith as the absolute owner thereof for any purpose and as the Person entitled to exercise the rights represented thereby, or to the transfer thereof on the register of Warrants maintained by the Company, any notice to the contrary notwithstanding; but until such transfer on such register, the Company may treat the registered Warrant holder as the owner for all purposes. In addition to any other legend which may be required by applicable law, each

Warrant certificate representing Warrants and each certificate representing Warrant Shares issued upon exercise of the Warrant shall have endorsed, to the extent appropriate, upon its face the following words:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE " ACT "), OR THE SECURITIES LAWS OF ANY JURISDICTION. SUCH SECURITIES MAY NOT BE OFFERED, SOLD, TRANSFERRED, PLEDGED, ASSIGNED, ENCUMBERED, HYPOTHECATED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO (I)A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES THAT IS EFFECTIVE UNDER SUCH ACT OR APPLICABLE STATE SECURITIES LAW, OR (II)ANY EXEMPTION FROM REGISTRATION UNDER SUCH ACT, OR APPLICABLE STATE SECURITIES LAW, RELATING TO THE DISPOSITION OF SECURITIES, INCLUDING RULE 144, SUBJECT TO THE COMPANY'S RIGHT, PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO THIS CLAUSE (II), TO REQURE THE DELIVERY OF AN OPINION OF COUNSEL.

Prior to any transfer or attempted transfer of any Warrants, the holder of such Warrants shall give 10 days' prior written notice (a " Transfer Notice ") to the Company of such holder's intention to effect such transfer, describing the manner and circumstances of the proposed transfer, and, if requested by the Company, obtain from counsel to such holder, who shall be reasonably satisfactory to the Company, an opinion that the proposed transfer of such Warrants may be effected without registration under the Securities Act, unless such requirement is waived by the Company. After receipt of the Transfer Notice and opinion (unless waived by the Company), the Company shall, within five days thereof, so notify the holder of such Warrants and such holder shall thereupon, subject to compliance with the other restrictions on transfer contained herein, be entitled to transfer such Warrants, in accordance with the terms of the Transfer Notice. Each Warrant issued upon such transfer shall bear the restrictive legend with respect to the Securities Act set forth above, unless, in the opinion of counsel to such holder (which opinion must be reasonably satisfactory to the Company and its counsel), such legend is not required in order to ensure compliance with the Securities Act. The holder of the Warrants giving the Transfer Notice shall not be entitled to transfer such Warrants until receipt of notice from the Company under this Section 6 .

SECTION 7 . TERMS OF WARRANTS; EXERCISE OF WARRANTS

Subject to the terms of this Agreement, the Warrants may be exercised at any time after the date hereof and prior to the close of business on the Expiration Date; provided , however , that holders of Warrants will be able to exercise their Warrants only if the exercise of such Warrants is exempt from the registration requirements of the Securities Act, and the Warrant Shares are qualified for sale or exempt from qualification under the applicable securities laws of the states or other jurisdictions in which such holders reside. Each Warrant, when exercised in accordance with the terms hereof and upon payment in cash (or by tendering the Notes, as

provided in the next succeeding paragraph) of the exercise price of $3.00 (as adjusted pursuant to Section 11(n)) per share for the Common Stock (the " Exercise Price ") will entitle the holder thereof to acquire from the Company (and the Company shall issue to such holder of a Warrant) one fully paid and nonassessable share of each of the Company's authorized but unissued Common Stock (subject to adjustment as provided in Section 11). No cash dividend shall be paid to a holder of Warrant Shares issuable upon the exercise of Warrants unless such holder was, as of the record date for the declaration of such dividend, the record holder of such Warrant Shares.

A Warrant may be exercised upon surrender to the Company at the Register Office of the certificate or certificates evidencing the Warrants to be exercised with the form of election to purchase on the reverse thereof duly filled in and signed, together with payment to the Company of the Exercise Price for each Warrant Share issuable upon the exercise of such Warrants. To the extent any holder of a Warrant surrenders with such Warrant any Note then held by such holder, such holder shall be deemed to have paid that portion of the aggregate Exercise Price for all Warrant Shares then exercised equal to 100% of that portion of the Accreted Value (as defined in the Indenture) of such Note that the holder thereof directs the Company to accept as payment of such aggregate Exercise Price, which Note shall be cancelled and not reissued. To the extent the Accreted Value of such tendered Note is greater than the aggregate amount of the Exercise Price for all Warrant Shares then exercised paid by surrender thereof, the Company shall deliver a new Note to the tendering holder thereof, in accordance with the provisions of the Indenture, dated the date of the original issuance of the tendered Note, in the face amount which bears the same proportion to the face amount of such tendered Note immediately prior to such redemption as the unredeemed portion of the Accreted Value of such tendered Note bears to the Accreted Value of such tendered Note immediately prior to such redemption. At the time of the issuance of the Warrant Shares pursuant to the exercise of the Warrants by any holder, the Company shall pay all accrued and unpaid interest on any Note of such holder cancelled pursuant to this paragraph up to but excluding the date of such issuance.

In lieu of payment of the Exercise Price pursuant to the preceding paragraph, the Warrant holder shall have the right to require the Company to convert the Warrants, in whole or in part and at any time or times (the " Conversion Right "), into Warrant Shares by surrendering to the Company the certificate or certificates evidencing the Warrant to be converted with the form of notice of conversion on the reverse thereof duly filled in and signed. Upon exercise of the Conversion Right, the Company shall deliver to the Warrant holder (without payment by the holder of the Warrant of any Exercise Price) that number of Warrant Shares which is equal to the quotient obtained by dividing (x)the value of the number of Warrants being exercised at the time the Warrants are exercised (determined by subtracting the aggregate Exercise Price for all such Warrants immediately prior to the exercise of the Warrants from the aggregate Current Market Price (determined pursuant to Section 11(f)) of that number of Warrant Shares purchasable upon exercise of such Warrants immediately prior to the exercise of the Warrants (taking into account all applicable adjustments pursuant to Section 11) by (y)the Current Market Price of one share of Common Stock immediately prior to the exercise of the Warrants.

Subject to the provisions of Section8 , upon surrender of the Warrant certificate or certificates, the Company shall issue and deliver with all reasonable dispatch, to or upon the

written order of the Warrant holder and in such name or names as the Warrant holder may designate, a certificate or certificates for the number of Warrant Shares issuable or other securities or property to which such holder is entitled hereunder upon the exercise of such Warrants, including, at the Company's option, any cash payable in lieu of fractional interests as provided in Section13 . Such certificate or certificates shall be deemed to have been issued and any Person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Shares as of the date of the surrender of such Warrants and payment of the Exercise Price. The Company may issue fractional shares of Common Stock upon exercise of any Warrants in accordance with Section13 .

The Warrants shall be exercisable, at the election of the holders thereof, either in full or from time to time in part and, in the event that a certificate evidencing Warrants is exercised in respect of fewer than all of the Warrant Shares issuable on such exercise at any time on or prior to the Expiration Date, a new certificate evidencing the remaining Warrant or Warrants will be issued, and the Company will duly execute and deliver the required new Warrant certificate or certificates pursuant to the provisions of Section 4 and this Section 7 .

All Warrant certificates surrendered upon exercise of Warrants shall be canceled by the Company. Such canceled Warrant certificates shall then be disposed of in a manner satisfactory to the Company and in accordance with any applicable law. The Company shall account promptly in writing with respect to Warrants exercised and all monies received for the purchase of the Warrant Shares through the exercise of such Warrants. In the event that the Company shall purchase or otherwise acquire Warrants, the Company may elect to have the Warrants canceled and retired. The Company shall keep copies of this Agreement and any notices given or received hereunder available for inspection by the registered Warrant holders during normal business hours and upon reasonable notice at the Register Office.

SECTION 8 . PAYMENT OF TAXES

The Company will pay all taxes and other governmental charges attributable to the initial issuance of Warrant Shares upon the exercise of Warrants; provided , however , that the Company shall not be required to pay any such taxes or charges which may be payable in respect of any transfer involved in the issue of any Warrant certificates or any certificates for Warrant Shares in a name other than that of the registered holder of a Warrant certificate surrendered upon the exercise of a Warrant, and the Company shall not be required to issue or deliver such Warrant certificates unless or until the Person or Persons requesting the issuance thereof shall have paid to the Company the amount of such taxes or charges or shall have established to the satisfaction of the Company that such taxes or charges have been paid.

SECTION 9 . MUTILATED OR MISSING WARRANT CERTIFICATES

In case any of the Warrant certificates shall be mutilated, lost, stolen or destroyed, the Company may in its discretion issue in exchange and substitution for and upon cancellation of the mutilated Warrant certificate, or in lieu of and substitution for the Warrant certificate lost, stolen or destroyed, a new Warrant certificate of like tenor and representing an equivalent number of Warrants, but only upon receipt of evidence satisfactory to the Company of such loss,

theft or destruction of such Warrant certificate and indemnity and security therefor, if requested, also satisfactory (provided that if the Warrant holder is a Purchaser or another Warrant holder with a minimum net worth of at least $50,000,000, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory) to the Company. Applicants for such substitute Warrant certificates shall also comply with such other reasonable regulations and pay such other reasonable charges as the Company may prescribe.

SECTION 10 . RESERVATION OF WARRANT SHARES

The Company will at all times reserve and keep available, free from preemptive rights, out of the aggregate of its authorized but unissued Common Stock or its authorized Common Stock held in its treasury, that number of shares of Common Stock sufficient for the purpose of enabling it to satisfy any obligation to issue Warrant Shares upon the exercise of all outstanding Warrants.

The transfer agent for the Common Stock (which may be the Company if it is acting as transfer agent) (the " Transfer Agent ") and every subsequent transfer agent for any shares of the Company's equity issuable upon the exercise of any Warrants will be irrevocably authorized and directed at all times to reserve such number of authorized shares as shall be required for such purpose. The Company will keep a copy of this Agreement on file with the Transfer Agent for any shares of the Company's equity issuable upon the exercise of the Warrants. The Company will supply such Transfer Agent with duly executed stock certificates for purposes of honoring all outstanding Warrants upon exercise thereof in accordance with the terms of this Agreement and the Company will provide or otherwise make available any cash which may be payable as provided in Section13 . The Company will furnish such Transfer Agent a copy of all notices of adjustments and certificates related thereto which are transmitted to each Warrant holder pursuant to Section14 .

The Company covenants that all Warrant Shares which may be issued upon exercise of Warrants have been duly authorized and will, upon payment of the Exercise Price or upon the exercise of the Conversion Right and issuance, be duly and validly issued, fully paid and nonassessable, free of preemptive rights and free from all taxes, liens, charges and security interests with respect to the issue thereof.

SECTION 11 . ADJUSTMENT OF NUMBER OF WARRANT SHARES

Each Warrant will initially be exercisable by the holder thereof into one share of Common Stock. The number of Warrant Shares that may be purchased upon the exercise of each Warrant (the " Exercise Rate ") will be subject to adjustment from time to time upon the occurrence of the events enumerated in this Section 11 . For purposes of this Section 11, the Common Stock shall mean shares now or hereafter authorized of any class of common stock of the Company, however designated, that has the right (subject to any prior rights of any class or series of preferred stock) to participate in any distribution of the assets or earnings of the Company without limit as to per share amount.

(a) *Adjustments for Change in Common Stock* . If at any time after the date of

this Agreement the Company:

(1) pays a dividend or makes a distribution on its Common Stock exclusively in shares of its Common Stock;

(2) subdivides its outstanding shares of Common Stock into a greater number of shares;

(3) combines its outstanding shares of Common Stock into a smaller number of shares;

(4) issues by reclassification of its Common Stock any Capital Stock of the Company; or

(5) pays a dividend or makes a distribution on its Common Stock in shares of its Capital Stock other than Common Stock;

then the Exercise Rate in effect immediately prior to such action shall be proportionately adjusted upon occurrence of such event so that the holder of any Warrant thereafter exercised may receive the aggregate number and kind of shares of equity of the Company which such holder would have owned immediately following such action if such Warrant had been exercised immediately prior to such action (or, in the case of a dividend or distribution of Common Stock, immediately prior to the record date therefor). An adjustment made pursuant to this Section 11(a) shall become effective immediately after the distribution date, retroactive to the record date therefor in the case of a dividend or distribution in shares of Common Stock or other shares of its equity, and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification. If upon exercise of a Warrant after an adjustment to the Exercise Rate pursuant to clauses (4) or (5) of this Section11(a) , the holder of such Warrant may receive shares of two or more classes or series of equity of the Company, the exercise rights and the Exercise Rate of each class of equity shall thereafter be subject to further adjustment on terms comparable to those applicable to the Common Stock in this Section 11 . The adjustment pursuant to this Section11(a) shall be made successively each time that any event listed in this Section11(a) above shall occur.

(b) *Adjustment for Rights Issue* . In case the Company shall issue to all holders of Common Stock (other than a distribution covered by any of paragraphs (a) or (c) of this Section 11), or shall make a dividend or other distribution on the Common Stock, consisting exclusively of (i) rights, options or warrants entitling the holders thereof to subscribe for or purchase Common Stock (provided , however , that no adjustment shall be made under Section 11(b) or (c) upon the exercise of such rights, options or warrants) or (ii) securities convertible into or exchangeable for Common Stock (including, without limitation, any rights issuance concurrent with the issuance of Warrants) (provided, however, that no adjustment shall be made under Section 11(b) or (c) upon the conversion or exchange of such securities (other than issuances specified in (i) or (ii) which are made as the result of anti-dilution adjustments in such

securities)) at a price per share (determined in the case of such rights, options, warrants or convertible or exchangeable securities, by dividing (x)the total consideration payable to the Company upon exercise, conversion or exchange of such rights, options, warrants or convertible or exchangeable securities, by (y)the total number of shares of such class or series of Common Stock covered by such rights, options, warrants or convertible or exchangeable securities) less than the Current Market Price (as determined in accordance with paragraph (f) of this Section 11) on the date fixed for the determination of shareholders entitled to receive such rights, options, or warrants or convertible or exchangeable securities (other than in connection with the adoption of a shareholders rights plan by the Company), the number of Warrant Shares for which each Warrant may be exercised shall be determined (and the Exercise Rate shall be appropriately adjusted) by multiplying the number of Warrant Shares issuable upon exercise of such Warrant immediately prior to the close of business on the date fixed for the determination of shareholders entitled to receive such rights, options or warrants, or convertible or exchangeable securities, by a fraction (not less than one) the numerator of which shall be the number of fully diluted shares of Common Stock outstanding immediately after giving effect to such dividend or other distribution (and assuming that such rights, options, warrants or convertible or exchangeable securities had been fully exercised or converted, as the case may be) and the denominator of which shall be the number of fully diluted shares of Common Stock outstanding at the close of business on the date fixed for the determination of shareholders entitled to receive such rights, options, or warrants or convertible or exchangeable securities plus the number of shares of Common Stock which the aggregate consideration (as determined in good faith by the Board) that would be received by the Company for the additional shares of Common Stock to be issued, purchased or subscribed for upon exercise of such rights, options or warrants or upon conversion or exchange of such convertible or exchangeable securities would purchase at the Current Market Price (as determined in accordance with paragraph (f) of this Section 11) on the date fixed for the determination of shareholders entitled to receive such rights, options or warrants, or convertible or exchangeable securities. For the purposes of this paragraph (b), the number of shares of Common Stock at any time outstanding shall include shares issuable in respect of scrip certificates issued in lieu of fractions of Common Stock.

(c) *Adjustments for Issuances* . In case the Company shall issue (and no prior adjustments for such issuance has been made under Section 11(a) or Section 11(b)) Common Stock or rights, options or warrants entitling the holders thereof to subscribe for or purchase Common Stock or securities convertible into or exchangeable for Common Stock for a consideration per share of Common Stock (determined in the case of such rights, options, warrants or convertible or exchangeable securities, by dividing (x)the total amount receivable by the Company in consideration of the sale and issuance of such rights, options, warrants or convertible or exchangeable securities, plus the total consideration payable to the Company upon exercise, conversion or exchange thereof, by (y)the total number of shares of Common Stock covered by such rights, options, warrants or convertible or exchangeable securities) less than the Current Market Price (as determined in accordance with paragraph (f) of this Section 11), the number of Warrant Shares for which each Warrant may be exercised shall be determined (and the Exercise Rate shall be appropriately adjusted) by multiplying the number of Warrant Shares issuable immediately prior to the close of business on the date on which the Company fixes the offering price of such additional shares by a fraction (not less than one) the numerator of which

shall be the number of fully diluted shares of Common Stock outstanding immediately after giving effect to such issuance (and assuming, in the case of rights, options, warrants or convertible or exchangeable securities that such rights, options, warrants or convertible or exchangeable securities had been fully exercised or converted, as the case may be) and the denominator of which shall be the number of fully diluted shares of Common Stock outstanding at the close of business on the date on which the Company fixes the offering price of such additional shares plus a number of shares of Common Stock which the aggregate consideration (as determined in good faith by the Board) that would be received by or payable to the Company for the additional shares of Common Stock so issued or sold or to be issued, purchased or subscribed for upon exercise of such rights, options or warrants or upon conversion or exchange of such convertible or exchangeable securities would purchase at the Current Market Price (as determined in accordance with paragraph (f) of this Section 11) on the date on which the Company fixes the offering price of such additional shares; provided that, in the event that the Company issues equity securities as part of a share with debt securities, the allocation of the purchase price shall be determined in good faith by the Board. The increase in the number of Warrant Shares provided for in the preceding sentence shall not apply upon (i)the issuance of securities in transactions described in paragraphs (a), (b) or (k) of this Section 11 or pursuant to the exercise, exchange or conversion of any such securities issued under this paragraph (c); (ii)the issuance of Common Stock or other equity securities of the Company in any merger or other acquisition of a business approved by the Board; (iii)the issuance of Common Stock in a bona fide underwritten public offering; (iv) the issuance of Common Stock upon the exercise of Warrants; (v) the issuance of options or rights to acquire Common Stock or Common Stock equivalents (including, without limitation, pursuant to the exercise of such options or rights) pursuant to a compensatory equity plan adopted by the Board; (vi) the issuance of options or rights to acquire Common Stock or Common Stock equivalents (including, without limitation, pursuant to the exercise of such options or rights) to (1) lessors, financial institutions or similar entities in transactions approved by the Board, the principal purpose of which is not raising capital through the sale of equity securities, or (2) other Persons primarily for the purpose of joint ventures, technology or other licensing or research and development activities, or other transactions the principal purpose of which is not raising capital through the sale of equity securities, provided that the number of Common Stock equivalents exempted pursuant to this clause (vi) shall not exceed 10,000,000 shares of Common Stock (appropriately adjusted for stock splits, combinations and the like); or (vii) conversion of Convertible Subordinated Notes (as defined in the Indenture) into Common Stock at a conversion price and a conversion rate set forth in the Convertible Subordinated Indenture (as defined in the Indenture) as in effect on the date hereof.

(d) *Superseding Adjustment* . If, at any time (x)after any adjustment in the number of shares issuable upon exercise of the Warrants shall have been made pursuant to Section11(b) or 11(c) on the basis of the issuance of rights, options or warrants entitling the holders thereof to subscribe for or purchase Common Stock or securities convertible into or exchangeable for Common Stock, or (y)after new adjustments in the number of shares issuable upon exercise of the Warrants shall have been made pursuant to this Section 11(d) ,

(i) the right of conversion, exercise or exchange in such rights, options or warrants, or convertible or exchangeable securities shall expire, and the right of

conversion, exercise or exchange in respect of any or all of such rights, options or warrants, or convertible or exchangeable securities shall not have been exercised, and/or

(ii) the consideration per share for which shares of Common Stock are issuable pursuant to the terms of such rights, options or warrants, or convertible or exchangeable securities shall be increased or decreased by virtue of provisions therein or by virtue of the conversion rate or exchange rate of such security being changed contained for an automatic increase or decrease in such consideration per share upon the arrival of a specified date or the happening of a specified event or by agreement between the Company and the holders of such securities,

such previous adjustment shall be rescinded and annulled. Thereupon, a recomputation shall be made of the effect of such rights, options or warrants, or convertible or exchangeable securities on the basis of

(iii) treating the number of shares of Common Stock, if any, theretofore actually issued or issuable pursuant to the previous exercise of such right of conversion, exercise or exchange as having been issued on the date or dates of such exercise and for the consideration actually received or receivable therefor, and treating the rights, options or warrants, or convertible or exchangeable securities which have expired and shall not have been exercised as if such securities had not been issued, and

(iv) with respect to securities as to which the consideration per share of Common Stock has been changed, treating any such rights, options or warrants or convertible or exchangeable securities which then remain outstanding as having been granted or issued immediately after the time of such increase or decrease for the consideration per share for which shares of Common Stock are issuable under such rights, options or warrants or convertible or exchangeable securities, and

in each such case, a new adjustment in the number of shares issuable upon exercise of the Warrants shall be made, which new adjustment shall supersede the previous adjustment so rescinded and annulled. No adjustment in the number of shares issuable upon exercise of the Warrants pursuant to this Section11(d) shall change the number of or otherwise affect any shares of Common Stock issued prior to such adjustment upon exercise of the Warrants.

(e) *Adjustment for Other Distributions* . In case the Company shall (i)make a dividend or other distribution on the Common Stock (other than a distribution covered by any of paragraphs (a) , (b) , or (c) of this Section11), or (ii)purchase or otherwise acquire for value any shares of Common Stock, then the number of Warrant Shares for which each Warrant may be exercised shall be determined (and the Exercise Rate shall be appropriately adjusted) by multiplying the number of Warrant Shares issuable upon exercise of such Warrant immediately prior to the close of business on the date fixed for the determination of shareholders entitled to receive such distribution or the date of such purchase by a fraction (not less than one) of which the numerator shall be the Current Market Price (determined as provided in paragraph (f) of this Section 11) on the date fixed for the determination of shareholders entitled to receive such distribution on the date of such purchase and the denominator of which shall be such Current

Market Price minus the result obtained by dividing the aggregate amount of cash and the fair market value (as determined in good faith by the Board) of any property distributed or paid to effect such distribution or repurchase, as the case may be, by the number of shares of Common Stock outstanding immediately prior to the date fixed for the determination of shareholders entitled to receive such distribution on the date of such purchase; provided that, any particular adjustment of the number of Warrant Shares pursuant to this paragraph (e) shall be of no force and effect if the Company pays in respect of a distribution or a purchase which gave rise to such adjustment to each Warrant holder, upon exercise of such Warrant holder's Warrant(s), an amount of consideration to which such Warrant holder would have been entitled in connection with such distribution or purchase had such Warrant holder exercised its Warrant(s) immediately prior to the close of business on the date fixed for the determination of shareholders entitled to receive such distribution or the date of such purchase.

(f) *Current Market Price* . For the purpose of any computation under Section 7 or this Section 11 , the current market price (the " Current Market Price ") per share of Common Stock of the Company or any other security (the " Applicable Share ") on any date shall be deemed to be the average of the daily closing prices of such Applicable Share on the principal national securities exchange on which the Applicable Shares are listed or admitted to trading or, if the Applicable Shares are not so listed, the average daily closing bid prices of such Applicable Shares on the Nasdaq National Market System if the Applicable Shares are quoted thereon, in any such case, for the twenty (20)consecutive trading days ending on the day before the date in question. If, on any date on which computation of the Current Market Price is to be made hereunder, the Applicable Shares are not so listed or quoted on a national securities exchange or the Nasdaq National Market System, the Current Market Price (except as otherwise provided herein) shall be determined by the Board in good faith; provided , that the Company shall give written notice of such determination to the Warrant holders and, in the event a majority in interest of such Warrant holders disagree with such determination, then they shall have the right to invoke the provisions of Section 12 hereof by written notice to the Company to that effect given not later than thirty (30) days following the Company's notice of the Board' determination of the Current Market Price.

(g) *No Amendments* . The Company will not, through any consolidation, merger, reorganization, transfer of assets, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Agreement, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Warrant holders thereof against dilution or other impairment. Without limiting the generality of the foregoing, the Company (i)will take all such action as may be necessary or appropriate in order that the Company may validly and legally issue Common Stock on the exercise of the Warrants from time to time outstanding and (ii)will not take any action which results in any adjustment of the number of Warrant Shares if the total number of shares of Common Stock issuable after the action upon the exercise of all of the Warrants would exceed the total number of shares of Common Stock then authorized by the Company's articles of organization and available for the purposes of issue upon such exercise.

(h) *Voluntary Increases* . The Company may, but shall not be obligated to,

make such increases in the number of Warrant Shares, in addition to those required by paragraphs (a) through (c) of this Section 11, as it considers to be advisable in order that any event treated for United States federal income tax purposes as a dividend of stock or stock rights shall not be taxable to the recipients, or if that is not possible, to diminish any income taxes that are otherwise payable because of such event; provided that no such adjustment shall be made without the consent of the holders of the Warrants if such adjustment would result in the increase of income tax liabilities of such holders.

(i) *When De Minimis Adjustment May Be Deferred*. No adjustment in the number of Warrant Shares shall be required unless such adjustment (plus any other adjustments not previously made by reason of this paragraph(i)) would require an increase or decrease of at least 1.0% in the number of Warrant Shares; provided, however, that any adjustments which by reason of this paragraph(i) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(j) *Consolidation, Merger, Reorganization or Recapitalization of the Company*. (A) In case at any time the Company shall be a party to any transaction (including, without limitation, a merger, consolidation, sale of all or substantially all of the Company's assets, liquidation or recapitalization of the Common Stock, not subject to adjustment under any of the paragraphs (a) through (h) of this Section 11) in which the previously outstanding Common Stock shall be converted or changed into or exchanged for different securities of the Company or Common Stock or other securities of another corporation or interests in a non-corporate entity or other property (including cash) or any combination of the foregoing (each such transaction being herein called a "Transaction"), then, as a condition of the consummation of the Transaction, lawful and adequate provision shall be made so that each holder of a Warrant, upon the exercise thereof at any time on or after the consummation of the Transaction, shall be entitled to receive, and such Warrant shall thereafter represent the right to receive, in lieu of the Common Stock issuable upon such conversion prior to such consummation, the securities, cash or other property to which such holder would have been entitled upon consummation of the Transaction if such holder had exercised such Warrant immediately prior thereto (subject to adjustments from and after the consummation date as nearly equivalent as possible to the adjustments provided for in this Section11). Subject to the next succeeding paragraph, the Company will not effect any Transaction unless prior to the consummation thereof each corporation or entity (other than the Company) which may be required to deliver any securities or other property upon the exercise of the Warrants as provided herein shall assume, by written instrument delivered to each holder of the Warrants, the obligation to deliver to such holder such securities or other property as in accordance with the foregoing provisions such holder may be entitled to receive, and such corporation or entity shall have similarly mailed or delivered to each holder of the Warrants an opinion of counsel for such corporation or entity, reasonably satisfactory to the holders of a majority of the Warrants then outstanding, which opinion shall state that all of the outstanding Warrants, including, without limitation, the provisions of this Section11, shall thereafter continue in full force and effect and shall be enforceable against the Company and such corporation or entity in accordance with the terms hereof and thereof, together with such other matters as such holders may reasonably request. The foregoing provisions of this Section11(j) shall similarly apply to successive mergers, consolidations, sales of assets, liquidations and recapitalizations.

(B) In the event of (1)a Transaction where consideration to all holders of the Capital Stock of the Company in exchange for their shares is payable solely in cash or (ii) the dissolution, liquidation or winding-up of the Company, the holders of the Warrants shall only be entitled to receive, upon surrender of their Warrant certificates, such cash distributions (or, in the case of in-kind distributions upon dissolution, liquidation or winding-up of the Company, such other consideration as is being so distributed) on an equal basis with the holders of Capital Stock, as if the Warrants had been exercised immediately prior to such event, less the Exercise Price. In the event of any such Transaction, the surviving or acquiring Person and, in the event of any dissolution, liquidation or winding-up of the Company, the Company, shall, immediately prior to the consummation of such Transaction, deposit with the Transfer Agent the funds, if any, necessary to pay the holders of the Warrants the amounts to which they are entitled as described above. Concurrently with the consummation of such Transaction, the Transfer Agent shall make payment to the holders of the Warrants by making a wire transfer of immediately available funds in such amount as is appropriate (or, in the case of in-kind distributions upon dissolution, liquidation or winding-up of the Company, by delivering such other consideration as is appropriate) to such Person or Persons as it may be directed in writing by the holders surrendering the Warrants.

(k) *Consideration Received* . For purposes of any computation respecting consideration received pursuant to this Section 11 , the following shall apply:

(1) in the case of the issuance of shares of Common Stock for cash, the consideration shall be the amount of such cash, provided that in no case shall any deduction be made for any commissions, discounts or other expenses incurred by the Company for any underwriting of the issue or otherwise in connection therewith;

(2) in the case of the issuance of shares of Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair market value thereof (as determined in good faith by the Board); and

(3) in the case of the issuance of securities convertible into or exchangeable for shares, the aggregate consideration received therefor shall be deemed to be the consideration received by the Company for the issuance of such securities plus the additional minimum consideration, if any, to be received by the Company upon the conversion or exchange thereof (the consideration in each case to be determined in the same manner as provided in clauses(1) and (2) of this paragraph (k)).

(l) *When Issuance or Payment May Be Deferred* . In any case in which this Section 11 shall require that an adjustment in the Exercise Rate be made effective as of a record date for a specified event, the Company may elect to defer until the occurrence of such event (i)issuing to the holder of any Warrant exercised after such record date the Warrant Shares and other equity of the Company, if any, issuable upon such exercise over and above the Warrant Shares and other equity of the Company, if any, issuable upon such exercise on the basis of the Exercise Rate and (ii)paying to such holder any amount in cash in lieu of a fractional share pursuant to Section 13 ; provided , however , that the Company shall deliver to such holder a due

bill or other appropriate instrument evidencing such holder's right to receive such additional Warrant Shares, other equity and cash upon the occurrence of the event requiring such adjustment.

(m) *Form of Warrants* . Irrespective of any adjustments in the Exercise Price or the Exercise Rate or kind of shares or other assets purchasable upon the exercise of the Warrants, Warrants theretofore or thereafter issued may continue to express the same price and number and kind of shares or other assets as are stated in the Warrants initially issuable pursuant to this Agreement. The Company, however, may at any time in its sole discretion make any change in the form of Warrant certificate that it may deem appropriate to give effect to such adjustments and that does not affect the substance of the Warrant certificate, and any Warrant certificate thereafter issued or countersigned, whether in exchange or substitution for an outstanding Warrant certificate or otherwise, may be in the form as so changed.

(n) *Adjustment in Exercise Price* . Upon each adjustment in the number of Warrant Shares for which a Warrant is exercisable pursuant to this Section11 , the Exercise Price for such Warrant shall be adjusted to equal an amount per share of Common Stock equal to the Exercise Price before such adjustment multiplied by a fraction, of which the numerator is the number of Warrant Shares for which a Warrant is exercisable immediately before giving effect to such adjustment and the denominator of which is the number of Warrant Shares for which a Warrant is exercisable immediately after giving effect to such adjustment; provided , however , that in no event shall the Exercise Price be reduced below the par value (if any) of the Common Stock for which the Warrant is exercisable.

(o) *No Dilution or Impairment.* If any event shall occur as to which the provisions of Section 11 are not strictly applicable but the failure to make any adjustment would adversely affect the purchase rights represented by the Warrants in a way that is contrary to the manifest and essential intent and principles of Section 11 , then, in each such case, the Company shall appoint an Independent Financial Expert (as defined below), which shall give its opinion upon the adjustment, if any, on a basis consistent with the essential intent and principles established in Section 11 of this Agreement to preserve, without dilution, such exercise rights. Upon receipt of such opinion, the Company will promptly mail a copy thereof to the holders and shall make the adjustments described therein. The Company will at all times in good faith assist in the carrying out of the terms of this Agreement.

SECTION 12 . VALUATION BY INDEPENDENT FINANCIAL EXPERT

If requested by Warrant holders in accordance with the provisions of Section 11(f) , the Current Market Price of Applicable Shares shall be equal to the Fair Market Value (as defined below) of such Applicable Shares, and will be determined as follows (subject to the provisions of Section 11(f)). At any time the Current Market Price of Applicable Shares is to be determined under this Agreement, the Company and the Warrant holders holding Warrants representing a majority of the Warrant Shares will each, within thirty (30) days of receipt by the relevant party of such notice or within thirty (30) days after the date fixed under this Agreement for such determination, (i)appoint a nationally recognized investment bank with experience in transactions of comparable size and magnitude (an " Independent Financial Expert ") to determine

the Fair Market Value of such Applicable Shares, and (ii)cause the Independent Financial Expert so appointed by it, as promptly as possible after such appointment, to prepare and to deliver to the other party or parties hereto a written report (a " Value Report ") specifying such Fair Market Value within the time period specified below. Should one party (or the Independent Financial Expert selected by such party) fail to act timely to appoint an Independent Financial Expert or cause such Independent Financial Expert to deliver its Value Report within the time period specified below, then the Independent Financial Expert appointed by the other party shall alone determine the Fair Market Value of such Applicable Shares, which determination shall be conclusive for all purposes hereof. If the two Value Reports so delivered by each Independent Financial Expert provide values such that the higher one is not more than 20% greater than the lower one, the average of the two values will be taken as the Fair Market Value of the Applicable Shares, which average shall be conclusive for all purposes of establishing such Fair Market Value hereunder. If the valuations specified in the two Value Reports differ by more than 20%, the Company and Warrant holders holding Warrants representing a majority of the Warrant Shares will jointly appoint an additional Independent Financial Expert (the " Independent Expert ") to perform a third valuation and prepare a third Value Report. If the Company and such Warrant holders are unable to agree on the selection of the Independent Expert, a body agreed to by both parties or, on the failure of such agreement, the American Arbitration Association will be requested by the Company and the Warrant holders jointly to appoint another Independent Expert to perform a third valuation. Such Independent Expert shall not have performed significant work for either the Company or the Warrant holders during the immediately preceding one year. In such circumstance, the Fair Market Value of the Applicable Shares, will be equal to (i)if the Fair Market Value specified in the Value Report prepared by the Independent Expert is in between the valuations specified on the two other Value Reports, an amount equal to the average of the two valuations that are closest in amount, (ii)if the Fair Market Value specified in the Value Report prepared by the Independent Expert is equal to or greater than the highest of the two valuations specified in the two initial Value Reports, an amount equal to the highest of such two initial valuations and (iii)if the Fair Market Value specified in the Value Report prepared by the Independent Expert is equal to or lower than the lowest of the two valuations specified in the two initial Value Reports, an amount equal to the lower of such two initial valuations. The Company shall provide all Independent Financial Experts with the same financial and operational information for conducting their valuation. The Company shall use its best efforts to ensure that the information shall be complete and accurate in all material respects and that any forecasts shall be based on unbiased assessments made in good faith. The Company shall cooperate fully with such Independent Financial Experts in the conduct of their valuation, including making management reasonably available and offering access to the premises of the Company to the Independent Financial Experts during regular business hours and on reasonable notice. The Independent Expert shall not be apprised by either party of the two initial valuations prior to delivery of its own Value Report.

" Fair Market Value " of the Applicable Shares, as of the date of determination shall mean the price that a willing buyer would pay to a willing seller for the relevant Applicable Shares, in an arm's length transaction, with neither party being under any immediate obligation or need to consummate the transaction, it being understood that the buyer and seller in arriving at such price in determining the value of Applicable Shares would each consider, among other

factors customarily considered by valuation professionals, the past and prospective earnings of the Company, comparable stock market valuations, and the absence or existence of liquidity for the Applicable Shares.

The Fair Market Value for the Applicable Shares, shall be stated in U.S. dollars. The Company and the Warrant holders shall each be responsible for all compensation of the Independent Financial Expert appointed by them and the costs of a third Independent Financial Expert, if required, shall be borne by a party whose valuation is not included in computing the final Fair Market Value. The Independent Financial Experts shall submit their valuations simultaneously to the Company and the Warrant holders at 12:00 noon New York time on the thirtieth day after being jointly instructed by the Company and the Warrant holders to initiate the valuation calculation or, if such day is not a business day, on the next business day. If a third valuation is required, the Independent Expert shall submit its valuation to the parties within sixty (60) days of its appointment or, if such day is not a business day, on the next business day.

SECTION 13 . FRACTIONAL INTERESTS

The Company shall not be required to issue fractional Warrant Shares on the exercise of Warrants, although it may do so in its sole discretion. If more than one Warrant shall be presented for exercise in full at the same time by the same holder, the number of full Warrant Shares which shall be issuable upon the exercise thereof shall be computed on the basis of the aggregate number of Warrant Shares purchasable on exercise of the Warrants so presented. If any fraction of a Warrant Share would, except for the provisions of this Section 13 , be issuable upon the exercise of any such Warrants (or specified portion thereof), the Company shall notify the Warrant holder exercising the Warrants in writing of the amount to be paid in lieu of the fraction of a Warrant Share and concurrently shall pay to the Warrant holder an amount in cash equal to the Current Market Value per Warrant Share, as determined on the day immediately preceding the date the Warrant is presented for exercise, multiplied by such fraction, computed to the nearest whole cent.

SECTION 14 . NOTICES TO WARRANT HOLDERS; RIGHTS OF WARRANT HOLDERS.

Upon any adjustment of the number of Warrant Shares pursuant to Section 11 , the Company shall promptly thereafter (i)file with the Register Office a certificate of the Senior Financial Officer of the Company (unless the Purchasers request a certificate of a firm of independent public accountants of recognized standing selected by the Board (who may be the regular auditors of the Company)) setting forth the number of Warrant Shares (or portion thereof) issuable after such adjustment, upon exercise of a Warrant and (ii)give to each of the registered holders of the Warrant certificates at his or her address appearing on the Warrant register written notice of such adjustments by first-class mail, postage prepaid. Where appropriate, such notice may be given in advance and included as a part of the notice required to be mailed under the other provisions of this Section 14 .

In case:

(a) the Company shall authorize the issuance of any dividend or other

distribution on the Common Stock, whether in cash, equity, or other securities, evidences of indebtedness or other property; or

(b) the Company shall authorize any tender offer or exchange offer by the Company for Common Stock, or Common Stock open market repurchase program, in either case, involving more than 3% of the outstanding Common Stock; or

(c) of the voluntary or involuntary dissolution, liquidation or winding up of the Company;

then the Company shall cause to be filed with the Register Office and shall give to each of the registered holders of the Warrant certificates at the address appearing on the Warrant register, a written notice delivered by any method provided in Section 15 , at least twenty (20) business days prior to the applicable record date hereinafter specified, or, in the case of events for which there is no record date, at least twenty (20) business days before the effective date of such event or the commencement of such tender offer, exchange offer, or repurchase program. Any written notice provided pursuant to this Section 14 shall state (i)the date as of which the holders of record of the Common Stock are entitled to receive any such rights, options, warrants or distribution are to be determined, or (ii)the commencement date of any tender offer, exchange offer or repurchase program for the Common Stock, or (iii)the date on which any such consolidation, merger, conveyance, transfer, reclassification, dissolution, liquidation or winding up is expected to become effective or consummated, and the date as of which it is expected that holders of record of Common Stock shall be entitled to exchange such shares for securities or other property, if any, deliverable upon such consolidation, merger, conveyance, transfer, reclassification, dissolution, liquidation or winding up. The failure to give the notice required by this Section 14 or any defect therein shall not affect the legality or validity of any issuance, right, option, warrant, distribution, tender offer, exchange offer, repurchase program, consolidation, merger, conveyance, transfer, reclassification, dissolution, liquidation or winding up, or the vote upon any action.

Nothing contained in this Agreement or in any of the Warrant certificates shall be construed as conferring upon the holders thereof the right to vote or to consent or to receive notice of meetings of shareholders or the appointment of managers of the Company or any other matter, or any other rights of shareholders of the Company, including any right to receive dividends. In addition, the holders of Warrant certificates shall have no preemptive rights and shall not be entitled to share in the assets of the Company in the event of the liquidation, dissolution or winding up of the Company's affairs.

SECTION 15 . NOTICES

Any notice or demand authorized by this Agreement to be given or made by the Company or by the registered holder of any Warrant certificate to the Company shall be sufficiently given or made when deposited in the mail, first class or registered, postage prepaid, addressed, or when sent via facsimile, as follows:

Broadwing Inc.

201 East Fourth Street

Cincinnati, OH 45202

(facsimile no.: (513) 397-4177)
Attention: Mark Peterson

with copies to:

Cravath, Swaine & Moore
825 Eighth Avenue
New York, NY 10019
(facsimile no.: (212) 474-3700)
Attention: William V. Fogg, Esq.

Any notice pursuant to this Agreement to be given by the Company to the Purchasers shall be sufficiently given when deposited in the mail, first-class or registered, postage prepaid, addressed (until another address is provided in writing by the Purchasers to the Company) to the Purchasers, or when sent via facsimile, as follows:

GS Mezzanine Partners II, L.P.
GS Mezzanine Partners II Offshore, L.P.
c/o Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004
(facsimile no.: (212) 902-3000)
Attention: Kaca Enquist

with copies to:

Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, New York 10004
(facsimile no.: (212) 859-4000)
Attention: F. William Reindel, Esq.

SECTION 16 . SUPPLEMENTS AND AMENDMENTS

The Company may from time to time supplement or amend this Agreement without the approval of any holders of Warrant certificates in order to cure any ambiguity or to correct or supplement any provision contained herein which may be defective or inconsistent with any other provision herein, or to make any other provisions in regard to matters or questions arising hereunder which the Company may deem necessary or desirable and which shall not in any way adversely affect the interests of the holders of Warrant certificates. Any amendment or supplement to this Agreement that has an adverse effect on the interests of holders of Warrant certificates shall require the written consent of registered holders of fifty percent in interest of the then outstanding Warrants. The consent of each holder of a Warrant affected shall be required for any amendment pursuant to which the Exercise Price would be increased or the number of

Warrant Shares for or into which a Warrant may be exercised or convertible would be decreased (other than in connection with a waiver of any provisions of Section 10).

The Company may amend this Warrant Agreement without the approval of any holders of Warrant certificates to appoint a warrant agent (the " Warrant Agent ") to act as an agent for the Company for the purposes of this Agreement. In acting under this Agreement and in connection with the Warrants, such Warrant Agent will act solely as agent of the Company and does not assume any obligation or relationship or agency or trust for or with any of the holders of Warrants or beneficial owners of Warrants.

SECTION 17 . SUCCESSORS

All the covenants and provisions of this Agreement by or for the benefit of the Company shall bind and inure to the benefit of their respective successors and assigns hereunder.

SECTION 18 . TERMINATION

This Agreement shall terminate on the date on which all Warrants have been exercised or lapsed.

SECTION 19 . GOVERNING LAW

THIS AGREEMENT AND EACH WARRANT CERTIFICATE ISSUED HEREUNDER SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

SECTION 20 . BENEFITS OF THIS AGREEMENT

Nothing in this Agreement shall be construed to give to any Person other than the Company and the registered holders of Warrant certificates any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Company and the registered holders of the Warrant certificates.

SECTION 21 . HEADINGS

The descriptive headings of the several Sections and paragraphs of this Agreement are inserted for convenience only, do not constitute a part of this Agreement and shall not affect in any way the meanings or interpretation of this Agreement.

SECTION 22 . SUBMISSION TO JURISDICTION

If any action, proceeding or litigation shall be brought by the Purchasers, any holder of Warrants or the Company in order to enforce any right or remedy under this Agreement, the parties hereto hereby consent and will submit, and will cause each of its subsidiaries to submit, to the jurisdiction of any state or federal court of competent jurisdiction

sitting within the area comprising the Southern District of New York on the date of this Agreement. The parties hereto hereby irrevocably waive any objection, including, but not limited to, any objection to the laying of venue or based on the grounds of forum non conveniens , which they may now or hereafter have to the bringing of any such action, proceeding or litigation in such jurisdiction.

SECTION 23 . WAIVER OF JURY TRIAL

THE PARTIES HERETO HEREBY WAIVE ANY RIGHT ANY OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, PROCEEDING OR LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE WARRANTS.

SECTION 24 . SERVICE OF PROCESS

Nothing herein shall affect the right of any holder of a Security to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against the Company in any other jurisdiction.

SECTION 25 . COUNTERPARTS

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, as of the day and year first above written.

BROADWING INC.
B /s/ Mark W. Peterson
y:
Name: Mark W. Peterson
Title: Vice President & Treasurer
GS MEZZANINE PARTNERS II, L.P.
B GS Mezzanine Advisors II, L.L.C.
y:
its general partner
B
y:
Name:
Title:
GS MEZZANINE PARTNERS II OFFSHORE,L.P.
B GS Mezzanine Advisors II, L.L.C.
y:
its general partner
B
y:
Name:
Title:

EXHIBIT A

Form of Warrant Certificate

[Face]

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE " ACT "), OR THE SECURITIES LAWS OF ANY JURISDICTION. SUCH SECURITIES MAY NOT BE OFFERED, SOLD, TRANSFERRED, PLEDGED, ASSIGNED, ENCUMBERED, HYPOTHECATED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO (I)A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES THAT IS EFFECTIVE UNDER SUCH ACT OR APPLICABLE STATE SECURITIES LAW, OR (II)ANY EXEMPTION FROM REGISTRATION UNDER SUCH ACT, OR APPLICABLE STATE SECURITIES LAW, RELATING TO THE DISPOSITION OF SECURITIES, INCLUDING RULE 144, SUBJECT TO THE COMPANY'S RIGHT, PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO THIS CLAUSE (II), TO REQURE THE DELIVERY OF AN OPINION OF COUNSEL.

[Date]

No. Warrants

Warrant Certificate

BROADWING INC.

This Warrant Certificate certifies that , or registered assigns, is the registered holder of Warrants (the " Warrants ") to purchase an aggregate of shares of Common Stock (the " Common Stock "), of BROADWING INC., an Ohio corporation (the " Company "). Each Common Stock Warrant entitles the holder upon exercise to purchase from the Company at any time after the date hereof and prior to the close of business on March 26, 2013 (or, if such day is not a business day, the next succeeding business day) (the " Expiration Date ") [ ] fully paid and nonassessable shares of Common Stock (a " Warrant Share ") upon surrender of this Warrant Certificate and payment in full for such Warrant Share at the Register Office of the Company, subject to the conditions set forth herein and in the Warrant Agreement referred to on the reverse hereof. The number of Warrant Shares purchasable upon exercise thereof are subject to adjustment upon the occurrence of certain events set forth in the Warrant Agreement.

Reference is hereby made to the further provisions of this Warrant Certificate set forth on the reverse hereof, which provisions shall for all purposes have the same effect as though fully set forth at this place.

THIS WARRANT CERTIFICATE SHALL BE GOVERNED AND

CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

IN WITNESS WHEREOF, Broadwing Inc., has caused this Warrant Certificate to be signed by its duly authorized officer as of the date first above written.

BROADWING INC.
By:
Name:
Title:

[Reverse]

The Warrants evidenced by this Warrant are part of a duly authorized issue of Warrants entitling the holder on exercise to receive shares of Common Stock of the Company (the "Common Stock"), and are issued or to be issued pursuant to a Warrant Agreement, dated as of March 26, 2003 (the "Warrant Agreement"), between the Company and the other parties thereto, which Warrant Agreement is hereby incorporated by reference in and made a part of this instrument and is hereby referred to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Company and the holders (the words "holders" or "holder" meaning the registered holders or registered holder) of the Warrants. All terms not otherwise defined herein shall have the meanings set forth in the Warrant Agreement. A copy of the Warrant Agreement may be obtained by the holder hereof upon written request to the Company.

Warrants may be exercised at any time after the date hereof and prior to the close of business on the Expiration Date. The holder of Warrants evidenced by this Warrant Certificate may exercise such Warrants by surrendering this Warrant Certificate, with the form of election to purchase set forth hereon properly completed and executed, together with payment to the Company of the Exercise Price for each Warrant then exercised. In lieu of payment of the Exercise Price pursuant to the preceding sentence, the holder of the Warrants may convert the Warrants, in whole or in part and at any time or times, into Common Stock by surrendering to the Company this Warrant Certificate with the form of notice of conversion set forth hereon properly completed and executed. In addition, the holders of the Warrants may pay the Exercise Price by tendering the Notes with the Accreted Value equal to the aggregate Exercise Price for all Warrants then exercised. In the event that upon any exercise of Warrants evidenced hereby the number of Warrants exercised shall be less than the total number of Warrants evidenced hereby, there shall be issued prior to the close of business on the Exercise Date to the holder hereof or his assignee a new Warrant Certificate evidencing the number of Warrants not exercised. No adjustment shall be made for any dividends on any Common Stock issuable upon exercise of this Warrant.

The Warrant Agreement provides that upon the occurrence of certain events the number of Warrant Shares may, subject to certain conditions, be adjusted. The Company will not be required to issue fractional Warrant Shares on the exchange of Warrants, although it may do so in its sole discretion. If fractional shares are not issued, the Company will pay the cash value of such fractional shares as determined in accordance with the provisions of the Warrant Agreement.

Warrant certificates, when surrendered at the Register Office of the Company by the registered holder thereof in person or by legal representative or attorney duly authorized in writing, may be exchanged, in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant certificate or Warrant certificates of like tenor evidencing in the aggregate a like number of Warrants.

Upon due presentation for registration of transfer of this Warrant certificate at the office of the Company, a new Warrant certificate or Warrant certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferee(s) in exchange for this Warrant certificate, subject to the limitations provided in the Warrant Agreement, without charge except for any tax or other governmental charge imposed in connection therewith.

The Company may deem and treat the registered holder(s) thereof as the absolute owner(s) of this Warrant certificate (notwithstanding any notation of ownership or other writing hereon made by anyone), for the purpose of any exercise hereof, of any distribution to the holder(s) hereof, and for all other purposes, and the Company shall not be affected by any notice to the contrary. Neither the Warrants nor this Warrant certificate entitles any holder hereof to any rights of a stockholder of the Company.

Form of Election to Purchase

(To Be Executed Upon Exercise of Warrant)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant certificate, to receive shares of Common Stock and hereby tenders for payment for such shares to the order of Broadwing Inc.,

$ of Accreted Value of Note (as defined in the Warrant Agreement),

cash in the amount of $,

in accordance with the terms hereof.

The undersigned requests that a certificate for such shares be registered in the name of , whose address is and that such shares be delivered to whose address is .

If said number of Warrant Shares is less than all of the shares of Common Stock purchasable hereunder, the undersigned requests that a new Warrant certificate representing the remaining balance of such shares be registered in the name of , whose address is , and that such Warrant certificate be delivered to , whose address is .

(Signature)

Date:

Form of Notice of Conversion

(To Be Executed Upon Conversion of Warrant)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant certificate, to convert Warrants represented hereby into shares of Common Stock in accordance with the terms hereof.

The undersigned requests that a certificate for such shares be registered in the name of , whose address is and that such shares be delivered to whose address is .

If said number of Warrant Shares is less than all of the shares of Common Stock purchasable hereunder, the undersigned requests that a new Warrant certificate representing the remaining balance of such shares be registered in the name of , whose address is , and that such Warrant certificate be delivered to , whose address is .

(Signature)

Date:

EXHIBIT B

Form of Transfer

(To Be Executed Upon Transfer of Warrant)

FOR VALUE RECEIVED, the undersigned registered holder of this Warrant certificate hereby sells, assigns and transfers unto the Assignee(s) named below (including the undersigned with respect to any Warrants constituting a part of the Warrants evidenced by this Warrant certificate not being assigned hereby) all of the rights of the undersigned under this Warrant certificate, with respect to the number of Warrants set forth below:

Name of Assignee(s)	Address	Social Security, EIN or other identifying number of assignee(s)	Number of Warrants

and does hereby irrevocably constitute and appoint the Company as the undersigned's attorney to make such transfer on the register maintained by the Company for that purpose, with full power of substitution in the premises.

Date:

(Signature of Owner)
(Street Address)
(City) (State) (Zip Code)

SCHEDULE A

Issuance of Warrant Shares

	Number of Warrants
GS MEZZANINE PARTNERS II, L.P. 85 Broad Street New York, New York 10004 (facsimile no.: (212) 902-3000) Attention: Kaca Enquist	3,448,350
GS MEZZANINE PARTNERS II OFFSHORE, L.P. c/o GS Mezzanine Partners L.P. 85 Broad Street New York, New York 10004 (facsimile no.: (212) 902-3000) Attention: Kaca Enquist	1,051,650
GS CAPITAL PARTNERS 2000, L.P. 85 Broad Street New York, New York 10004 (facsimile no.: (212) 902-3000) Attention: Kaca Enquist	2,612,200
GS CAPITAL PARTNERS 2000 OFFSHORE, L.P. 85 Broad Street New York, New York 10004 (facsimile no.: (212) 902-3000) Attention: Kaca Enquist	949,150
GS CAPITAL PARTNERS 2000 GMBH & CO. BETEILIGUNGS KG. 85 Broad Street New York, New York 10004 (facsimile no.: (212) 902-3000) Attention: Kaca Enquist	109,200

	Number of Warrants
GS CAPITAL PARTNERS 2000 EMPLOYEE FUND, L.P. 85 Broad Street New York, New York 10004 (facsimile no.: (212) 902-3000) Attention: Kaca Enquist	829,450
GOLDMAN SACHS DIRECT INVESTMENT FUND 2000, L.P. 85 Broad Street New York, New York 10004 (facsimile no.: (212) 902-3000) Attention: Kaca Enquist	450,000
GOLDMAN, SACHS & CO. 85 Broad Street New York, New York 10004 (facsimile no.: (212) 902-3000) Attention: Richard Katz	2,700,000
TCW/CRESCENT MEZZANINE PARTNERS III, L.P. 11100 Santa Monica Blvd., Suite 2000 Los Angeles, CA 90025 (310)235-5978 Attention: James Shevlet	2,026,500
TCW/CRESCENT MEZZANINE TRUST III, L.P. 11100 Santa Monica Blvd., Suite 2000 Los Angeles, CA 90025 (310)235-5978 Attention: James Shevlet	315,700
TCW/CRESCENT MEZZANINE PARTNERS III NETHERLANDS, L.P. 11100 Santa Monica Blvd., Suite 2000 Los Angeles, CA 90025 (310)235-5978 Attention: James Shevlet	82,800

	Number of Warrants
C-SQUARED CDO LTD. c/o Trust Company of the West 200 Park Avenue, Suite 2200 New York, NY 10166	50,000
WESTERN AND SOUTHERN LIFE INSURANCE COMPANY 400 Broadway Cincinnati, OH 45202 Attention: Marianne Marshall	900,000
DOVER CAPITAL MANAGEMENT 2 LLC c/o Falcon Investment Group 1180 Avenue of the Americas, Suite 1400 New York, NY 10036 Attention: Jon Ruff	225,000
OAK HILL SECURITIES FUND, L.P. 201 Main Street, Suite 2600 Fort Worth, Texas 76102 Attention: Chuck Irwin	125,000
OAK HILL SECURITIES FUND II, L.P. 201 Main Street, Suite 2600 Fort Worth, Texas 76102 Attention: Chuck Irwin	250,000
OAK HILL CREDIT PARTNERS I, LIMITED 201 Main Street, Suite 1910 Fort Worth, TX 76102 Attention: Ronna Hunt	350,000
OAK HILL CREDIT PARTNERS II, LIMITED 201 Main Street, Suite 1910 Fort Worth, TX 76102 Attention: Ronna Hunt	275,000

	Number of Warrants
LERNER ENTERPRISES, L.P. c/o Oak Hill Asset Management Inc. Park Avenue Tower 65 East 55th Street, 32nd Floor New York, NY 10022 Attention: Megan McCann	450,000
P&PK FAMILY LIMITED PARTNERSHIP c/o Oak Hill Asset Management Inc. Park Avenue Tower 65 East 55th Street, 32nd Floor New York, NY 10022 Attention: Megan McCann	50,000
CARDINAL INVESTMENT PARTNERS I, L.P. c/o Oak Hill Advisors, L.P. Park Avenue Tower 65 East 55th Street, 32nd Floor New York, NY 10022 Attention: Megan McCann	150,000
THE LELAND STANFORD JUNIOR UNIVERSITY c/o Oak Hill Advisors, L.P. Park Avenue Tower 65 East 55th Street, 32nd Floor New York, NY 10022 Attention: Megan McCann	100,000

Exhibit 4(c)(viii)

Execution Copy

BROADWING INC.

Senior Subordinated Discount Notes due 2009
EXCHANGE AND REGISTRATION RIGHTS AGREEMENT

March 26, 2003

GS Mezzanine Partners II, L.P.
c/o Goldman, Sachs & Co.
85 Broad Street, 10th Floor
New York, NY 10004

GS Mezzanine Partners II Offshore, L.P.
c/o Goldman, Sachs & Co.
85 Broad Street, 10th Floor
New York, NY 10004

Other Purchasers named in Schedule 1 to the Purchase Agreement

Ladies and Gentlemen:

Broadwing Inc., an Ohio corporation (the "Company"), proposes to issue and sell to GS Mezzanine Partners II, L.P., a Delaware limited partnership ("GS Mezzanine"), GS Mezzanine Partners II Offshore, L.P. ("GS Offshore"), an exempted limited partnership organized under the laws of the Cayman Islands, and any other affiliate of GS Mezzanine who purchases the Offered Securities (as defined in the Purchase Agreement) being issued under the Purchase Agreement at the Closing (as defined in the Purchase Agreement) (together with GS Mezzanine, GS Offshore and one or more partnerships, corporations, trusts or other organizations specified as a Purchaser in Schedule 1 to the Purchase Agreement which controls, is controlled by, or is under common control with, GS Mezzanine or GS Offshore, the "GS Purchasers"), and any other person specified as a Purchaser in Schedule 1 to the Purchase Agreement (together with the GS Purchasers, the "Purchasers"), upon the terms and subject to the conditions set forth in a Purchase Agreement, dated as of December 9, 2002 (as amended, supplemented or modified from time to time, the "Purchase Agreement"), on the Closing Date (as defined in the Purchase Agreement), its Senior Subordinated Discount Notes due 2009 in an aggregate principal amount at maturity of $441,628,051.27 (the "Securities"), issued pursuant to the Indenture (as defined in the Purchase Agreement), to be jointly and severally guaranteed on a senior subordinated basis by certain of the Company's subsidiaries signatory hereto (the "Guarantors"). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Purchase Agreement.

As an inducement to the Purchasers to enter into the Purchase Agreement, the Company and the Guarantors agree with the Purchasers, for the benefit of the holders (including

the Purchasers) of the Securities and the Exchange Securities (as defined in Section 1) (collectively, the "Holders"), as follows:

1. *Registered Exchange Offer*. To the extent not prohibited by any applicable law or applicable interpretations of the Commission's staff and except as provided in Section 2, the Company and the Guarantors shall use their commercially reasonable efforts to (i) prepare and file within 90 days following written demand therefor made by the holders of at least 25% of the principal amount at maturity of Securities then outstanding at any time 90 days following the Closing (the date of such demand, the "Trigger Date") with the Commission a registration statement (the "Exchange Offer Registration Statement") on an appropriate form under the Securities Act with respect to a proposed offer to the Holders of the Securities (the "Registered Exchange Offer") to issue and deliver to such Holders, in exchange for any and all of the Securities, a like aggregate principal amount at maturity of debt securities of the Company (the "Exchange Securities") that are identical in all material respects to the Securities guaranteed on a senior subordinated basis by the Guarantors pursuant to guarantees that are substantially identical to the Guarantees (such new guarantees hereinafter called "Exchange Guarantees"), except that they will have been registered pursuant to an effective registration statement under the Securities Act and will not contain provisions restricting transfer, (ii)use their commercially reasonable efforts to cause the Exchange Offer Registration Statement to become effective under the Securities Act no later than 150 days after the Trigger Date and the Registered Exchange Offer to be consummated no later than 180 days after the Trigger Date and (iii)keep the Exchange Offer Registration Statement effective for not less than 30 days (or longer, if required by applicable law) after the date on which notice of the Registered Exchange Offer is mailed to the Holders (such period being called the "Exchange Offer Registration Period"). The Exchange Securities and Exchange Guarantees will be issued pursuant to the Indenture or an indenture (each an "Exchange Securities Indenture") between the Company, the Guarantors and the Trustee or such other bank or trust company that is reasonably satisfactory to a majority in interest of the Purchasers, as trustee (the "Exchange Securities Trustee"), such indenture to be identical in all material respects to the Indenture, except for the transfer restrictions relating to the Securities (as described above).

Upon the effectiveness of the Exchange Offer Registration Statement, the Company shall promptly commence the Registered Exchange Offer, it being the objective of such Registered Exchange Offer to enable each Holder electing to exchange Securities for Exchange Securities (assuming that such Holder (a)is not (i) an affiliate of the Company or (ii) an Exchanging Dealer (as defined below) not complying with the requirements of the next sentence, (b)acquires the Exchange Securities in the ordinary course of such Holder's business and (c)has no arrangements or understandings with any person to participate in the distribution of the Exchange Securities) and to trade such Exchange Securities from and after their receipt without any limitations or restrictions under the Securities Act and without material restrictions under the blue sky or securities laws of the several states of the United States. The Company, the Guarantors and the Purchasers and each Exchanging Dealer acknowledge that, pursuant to current interpretations by the Commission's staff of Section 5 of the Securities Act, each Holder that is a broker-dealer electing to exchange Securities, acquired for its own account as a result of market-making activities or other trading activities, for Exchange Securities and Exchange Guarantees (an "Exchanging Dealer"), is required to deliver a prospectus containing substantially

the information set forth in Annex A hereto on the cover, in Annex B hereto in the " Exchange Offer Procedures " section and the " Purpose of the Exchange Offer " section and in Annex C hereto in the " Plan of Distribution " section of such prospectus in connection with a sale of any such Exchange Securities and Exchange Guarantees received by such Exchanging Dealer pursuant to the Registered Exchange Offer.

In connection with the Registered Exchange Offer, the Company shall:

(a) mail to each Holder a copy of the prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(b) utilize the services of a depositary for the Registered Exchange Offer with an address in the Borough of Manhattan, The City of New York;

(c) permit Holders to withdraw tendered Securities at any time prior to the close of business, New York City time, on the last business day on which the Registered Exchange Offer shall remain open by sending to the depository referred to in clause (b) above at its address a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount at maturity of Securities delivered for exchange and a statement that such Holder is withdrawing its election to have such Securities exchanged; and

(d) otherwise comply in all material respects with all laws that are applicable to the Registered Exchange Offer.

As soon as practicable after the close of the Registered Exchange Offer, the Company shall:

(a) accept for exchange all Securities tendered and not validly withdrawn pursuant to the Registered Exchange Offer;

(b) deliver, or cause to be delivered, to the Trustee for cancellation all Securities or portions thereof so accepted for exchange; and

(c) cause the Trustee or the Exchange Securities Trustee, as the case may be, promptly to authenticate and deliver to each Holder Exchange Securities equal in principal amount at maturity to the Securities of such Holder so accepted for exchange.

The Company and the Guarantors shall use their commercially reasonable efforts to keep the Exchange Offer Registration Statement effective and to amend and supplement the prospectus contained therein in order to permit such prospectus to be used by all persons subject to the prospectus delivery requirements of the Securities Act for a period of one year after the date on which the Exchange Offer Registration Statement is declared effective; *provided* that (i)in the case where such prospectus and any amendment or supplement thereto must be delivered by an Exchanging Dealer, such period shall be the period beginning on the date on which the Exchange Offer Registration Statement is declared effective and ending on the earlier

to occur of (x)the date that is 180 days after the date on which the Exchange Offer Registration Statement is declared effective and (y)the date on which all Exchanging Dealers have sold all Exchange Securities and Exchange Guarantees held by them and (ii)the Company shall make such prospectus and any amendment or supplement thereto available to any broker-dealer for use in connection with any resale of any Exchange Securities for a period of not less than 180 days after the consummation of the Registered Exchange Offer.

The Indenture or the Exchange Securities Indenture, as the case may be, shall provide that the Securities and the Exchange Securities shall vote and consent together on all matters as one class and that neither the Securities nor the Exchange Securities will have the right to vote or consent as a separate class on any matter.

Interest on each Exchange Security issued pursuant to the Registered Exchange Offer will accrue from the last interest payment date on which interest was paid on the Securities surrendered in exchange therefor.

Each Holder participating in the Registered Exchange Offer shall be required to represent to the Company and the Guarantors that (i)any Exchange Securities received by such Holder will be acquired in the ordinary course of business, (ii)at the time of the consummation of the Registered Exchange Offer such Holder has no arrangements or understanding with any person to participate in the distribution of the Securities or the Exchange Securities within the meaning of the Securities Act, (iii)such Holder is not an "affiliate" (within the meaning of Rule 405 under the Securities Act) of the Company and (iv) if such Holder is a broker-dealer that will receive Exchange Securities, for its own account in exchange for Securities that were acquired as a result of market-making or other trading activities, then such Holder will deliver a prospectus in connection with any resale of such Exchange Securities.

Notwithstanding any other provisions hereof, the Company and the Guarantors will ensure that (i)any Exchange Offer Registration Statement and any amendment thereto and any prospectus forming part thereof and any supplement thereto complies in all material respects with the Securities Act and the rules and regulations of the Commission thereunder, (ii)any Exchange Offer Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii)any prospectus forming part of any Exchange Offer Registration Statement, and any supplement to such prospectus, does not, as of the consummation of the Registered Exchange Offer, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

2. *Shelf Registration.* If (i)the Company determines that the Registered Exchange Offer, as contemplated by Section 1 , is not available because it would violate any applicable law or applicable interpretations of the Commission's staff, or (ii)any Securities validly tendered pursuant to the Registered Exchange Offer are not exchanged for Exchange Securities on or prior to 180 days after the Trigger Date, or (iii)any Purchaser so requests on or prior to the 20 thbusiness day following the date on which the Registered Exchange Offer is consummated with respect to Securities not eligible to be exchanged for Exchange Securities in

the Registered Exchange Offer and held by it following the consummation of the Registered Exchange Offer, or (iv)any change in law or the applicable interpretations thereof by the Commission's staff do not permit any Holder to participate in the Registered Exchange Offer, or (v)any Holder that participates in the Registered Exchange Offer and does not receive freely transferable Exchange Securities in exchange for tendered Securities (other than restrictions due solely to the status of such Holder as an "affiliate" (within the meaning of Rule 405 under the Securities Act) of the Company or the Guarantors) so requests with respect to such Securities on or prior to the 20 thbusiness day following the date on which the Registered Exchange Offer is consummated, or (vi)the Company so elects, then the following provisions shall apply:

(a) The Company and the Guarantors shall use their commercially reasonable efforts to file as promptly as practicable (but in no event more than 60 days after so required or requested pursuant to this Section 2) with the Commission, and thereafter shall use their commercially reasonable efforts to cause to be declared effective, a shelf registration statement on an appropriate form under the Securities Act relating to the offer and sale of the Transfer Restricted Securities (as defined in Section 3(a)), by the Holders thereof from time to time in accordance with the methods of distribution set forth in such registration statement (hereafter, a " Shelf Registration Statement " and, together with any Exchange Offer Registration Statement, a " Registration Statement "); *provided* that no Holder (other than each Purchaser) shall be entitled to have any Securities held by such Holder covered by such Shelf Registration Statement unless such Holder agrees in writing to be bound by the provisions of this Agreement applicable to such Holder.

(b) The Company and the Guarantors shall use their commercially reasonable efforts to keep the Shelf Registration Statement continuously effective in order to permit the prospectus forming part thereof to be used by Holders of Transfer Restricted Securities for a period ending on the earlier of (i)the date when all the Transfer Restricted Securities covered by the Shelf Registration Statement have been sold pursuant thereto and (ii)the date on which the Securities become eligible for resale without volume restrictions pursuant to Rule 144 under the Securities Act (in any such case, such period being called the " Shelf Registration Period "); provided that upon the occurrence or existence of any pending corporate development or any other event that, in the reasonable judgment of the Company, makes it appropriate to suspend the availability of the Shelf Registration Statement and the related prospectus, the Company shall give notice (without notice of the nature of details of such events) to the Holders of Transfer Restricted Securities that the availability of the Shelf Registration Statement is suspended and, each Holder agrees not to sell any Securities or Exchange Securities pursuant to the Shelf Registration Statement until such Holder's receipt of copies of a supplemented or amended prospectus provided for in Section4(j), or until it is advised in writing by the Company that the prospectus may be used, and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such prospectus. The period during which the availability of the Shelf Registration Statement and any prospectus is suspended (the " Suspension Period ") shall, without the Company incurring any obligation to pay Special Interest pursuant to Section3(a), not exceed 45days in any three-month period or 90days in any 12-month period.

(c) For any sale, transfer or other disposition of Transfer Restricted Securities pursuant to the Shelf Registration Statement, each Holder shall give the Company prior written notice of such sale, transfer or other disposition (any such notice, a "Sale Notice"). Such Holder shall not consummate the sale, transfer or other disposition of Transfer Restricted Securities specified in a Sale Notice unless and until the Company has advised such Holder whether an amendment or supplement to the Shelf Registration Statement is necessary or appropriate in order for sales thereunder to be made in compliance with the Commission's applicable rules and regulations; provided that if the Company shall not have so advised such Holder within three business days after a Sale Notice has been delivered, the Company shall be deemed to have advised such Holder on such third business day that no amendment or supplement to the Shelf Registration Statement is required (a "Deemed Sale Advise") and such Holder may consummate the sale, transfer or other disposition of Transfer Restricted Securities described in such Sale Notice at any time during the five business day period commencing on the first business day following the date on which such Holder received such Deemed Sale Advise. If, after receipt of a Sale Notice from a Holder, the Company advises such Holder that no amendment or supplement to the Shelf Registration Statement is necessary or appropriate in order for sales thereunder to be made in compliance with the Commission's applicable rules and regulations (a "Sale Advice"), such Holder may consummate the sale, transfer or other disposition described in such Sale Notice at any time during the five business day period commencing on the first business day following the date on which such Holder received such Sale Advice. If, after receipt of a Sale Notice from a Holder, the Company advises such Holder in writing that the Company considers it necessary or appropriate for the Shelf Registration Statement to be amended or supplemented in order for sales thereunder to be made in compliance with the Commission's applicable rules and regulations prior to such Holder's receipt of a Sale Advise or Deemed Sale Advise with respect to such Sale Notice, such Holder shall suspend the sale, transfer or other disposition of its Transfer Restricted Securities described in such Sale Notice until the Company advises such Holder that the Shelf Registration Statement has been amended or supplemented and declared effective. The Company shall use commercially reasonable efforts to file any such amendment or supplement and cause the Shelf Registration Statement to be declared effective as soon as practicable.

(d) Notwithstanding any other provisions hereof, the Company and the Guarantors will ensure that (i)any Shelf Registration Statement and any amendment thereto and any prospectus forming part thereof and any supplement thereto complies in all material respects with the Securities Act and the rules and regulations of the Commission thereunder, (ii)any Shelf Registration Statement and any amendment thereto (in either case, other than with respect to information included therein in reliance upon or in conformity with written information furnished to the Company by or on behalf of any Holder specifically for use therein, including, without limitation, any such information provided by the Holders pursuant to Annexes A, B, C and D (the "Holders' Information")) does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii)any prospectus forming part of any Shelf Registration Statement, and

any supplement to such prospectus (in either case, other than with respect to Holders' Information), does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) Notwithstanding any other provision hereof, the Company and the Guarantors shall not be required to effect a Shelf Registration Statement pursuant to the requirements of this Section 2 unless the original principal amount of the Securities sought to be included therein is at least $20 million.

3 **. Special Interest.**

(a) If (i) the Exchange Offer Registration Statement is not filed with the Commission within 90 days following the Trigger Date, (ii) the Shelf Registration Statement is not filed within 30 days after, or is not declared effective within 150 days after, filing is required or requested pursuant to Section 2, (iii) the Exchange Offer Registration Statement is not declared effective on or prior to 150 days after the Trigger Date, (iv) the Registered Exchange Offer is not consummated on or prior to 180 days after the Trigger Date, or (v) the Shelf Registration Statement is filed and declared effective but shall thereafter cease to be effective prior to the end of the Shelf Registration Period (other than during a Suspension Period permitted under Section2(b) or as permitted under Section 2(a)) (it being understood that the Company and the Guarantors shall not be obligated to maintain such effectiveness if the failure to maintain such effectiveness was caused by a failure of Holders to perform their obligations hereunder with respect to the provision of the Holders' Information) (each such event referred to in clauses (i) through (v), a " Registration Default "), the Company and the Guarantors will be jointly and severally obligated to pay special interest (" Special Interest ") to each holder of Transfer Restricted Securities, during the period of one or more such Registration Defaults, at the rate equal to $0.05 per week per $1,000 of principal amount at Maturity for the first 90 days during the period of one or more such Registration Defaults, which amount shall increase by $0.192 per week per $1,000 of principal amount at Maturity for each subsequent 90-day period during the continuance of one or more Registration Default, until such time as no Registration Default is in effect (after which such Special Interest shall cease to be payable), up to a maximum amount of Special Interest for all Registration Defaults of $0.50 per week per $1,000 of principal amount at Maturity. As used herein, " Transfer Restricted Securities " means each Security until (i)the date on which such Security has been exchanged for a freely transferable Exchange Security in the Registered Exchange Offer, (ii)the date on which such Security has been effectively registered under the Securities Act and disposed of in accordance with the Shelf Registration Statement, (iii)the date on which such Security is distributed to the public pursuant to Rule 144 under the Securities Act or is saleable pursuant to Rule 144(k) under the Securities Act or (iv) the date on which such Security ceases to be outstanding.

(b) The Company shall notify the Trustee and the Paying Agent (as defined in the Indenture) under the Indenture immediately upon the happening of each and every Registration Default. The Company and the Guarantors shall pay the Special Interest due

on the Transfer Restricted Securities by depositing with the Paying Agent (which may not be the Company for these purposes), in trust, for the benefit of the Holders thereof, prior to 10:00 a.m., New York City time, on the next interest payment date specified by the Indenture and the Securities, sums sufficient to pay the Special Interest then due. The Special Interest due shall be payable on each interest payment date specified by the Indenture and the Securities to the record holder entitled to receive the interest payment to be made on such date. Each obligation to pay Special Interest shall be deemed to accrue from and including the date of the applicable Registration Default.

(c) The parties hereto agree that the Special Interest provided for in this Section 3 constitutes a reasonable estimate of and is intended to constitute the sole damages that will be suffered by Holders of Transfer Restricted Securities by reason of the failure of (i) the Exchange Offer Registration Statement to be filed, (ii)the Shelf Registration Statement to remain effective, (iii)the Exchange Offer Registration Statement or the Shelf Registration Statement to be declared effective, or (iv) the Registered Exchange Offer to be consummated, in each case to the extent required by this Agreement.

4. *Registration Procedures.* In connection with any Registration Statement, the following provisions shall apply:

(a) The Company shall (i)furnish to each Purchaser, prior to the filing thereof with the Commission, a copy of the Registration Statement and each amendment thereof and each supplement, if any, to the prospectus included therein and shall use its commercially reasonable efforts to reflect in each such document, when so filed with the Commission, such comments as any Purchaser may reasonably propose; (ii)include the information set forth in Annex A hereto on the cover, in Annex B hereto in the "Exchange Offer Procedures" section and the "Purpose of the Exchange Offer" section and in Annex C hereto in the "Plan of Distribution" section of the prospectus forming a part of the Exchange Offer Registration Statement, and include the information set forth in Annex D hereto in the Letter of Transmittal (as defined in the Exchange Offer Registration Statement) delivered pursuant to the Registered Exchange Offer; and (iii)if requested by any Purchaser, include the information required by Items 507 or 508 of Regulation S-K, as applicable, in the prospectus forming a part of the Exchange Offer Registration Statement.

(b) The Company shall advise each Purchaser, each Exchanging Dealer and the Holders (if applicable) and, if requested by any such person, confirm such advice in writing (which advice pursuant to clauses (ii)-(v) hereof shall be accompanied by an instruction to suspend the use of the prospectus until the requisite changes have been made):

(i) when any Registration Statement and any amendment thereto has been filed with the Commission and when such Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the Commission for amendments or supplements to any Registration Statement or the prospectus included therein or for additional information;

(iii) of the issuance by the Commission of any stop order suspending the effectiveness of any Registration Statement or the initiation of any proceedings for that purpose;

(iv) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Securities or the Exchange Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(v) of the happening of any event that requires the making of any changes in any Registration Statement so that (A) the Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or (B) any prospectus forming part of any Registration Statement, and any supplement to such prospectus, does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) The Company and the Guarantors will use their commercially reasonable efforts to obtain the withdrawal at the earliest possible time of any order suspending the effectiveness of any Registration Statement.

(d) The Company will furnish to each Holder of Transfer Restricted Securities included within the coverage of any Shelf Registration Statement, without charge, at least one conformed copy of such Shelf Registration Statement and any post-effective amendment thereto, including financial statements and schedules and, if any such Holder so requests in writing, all exhibits thereto (including those, if any, incorporated by reference).

(e) The Company will, during the Shelf Registration Period, promptly deliver to each Holder of Transfer Restricted Securities included within the coverage of any Shelf Registration Statement, without charge, as many copies of the prospectus (including each preliminary prospectus) included in such Shelf Registration Statement and any amendment or supplement thereto as such Holder may reasonably request; and the Company consents to the use of such prospectus or any amendment or supplement thereto by each of the selling Holders of Transfer Restricted Securities in connection with the offer and sale of the Transfer Restricted Securities covered by such prospectus or any amendment or supplement thereto to satisfy applicable prospectus delivery requirements for sales in accordance with the Plan of Distribution and applicable law.

(f) The Company will furnish to each Purchaser and each Exchanging Dealer, and to any other Holder who so requests, without charge, at least one conformed copy of the Exchange Offer Registration Statement and any post-effective amendment thereto, including financial statements and schedules and, if any Purchaser or Exchanging Dealer or any such Holder so requests in writing, all exhibits thereto (including those, if any, incorporated by reference).

(g) The Company will, during the Exchange Offer Registration Period, promptly deliver to each Purchaser, each Exchanging Dealer and such other persons that are required to deliver a prospectus following the Registered Exchange Offer, without charge, as many copies of the final prospectus included in the Exchange Offer Registration Statement or the Shelf Registration Statement and any amendment or supplement thereto as such Purchaser, Exchanging Dealer or other persons may reasonably request; and the Company and the Guarantors consent to the use of such prospectus or any amendment or supplement thereto by any such Purchaser, Exchanging Dealer or other persons, as applicable, as aforesaid.

(h) Prior to the effective date of any Registration Statement, the Company and the Guarantors will use its commercially reasonable efforts to register or qualify, or cooperate with the Holders of Securities or Exchange Securities included therein and their respective counsel in connection with the registration or qualification of, such Securities or Exchange Securities for offer and sale under the securities or blue sky laws of such jurisdictions as any such Holder reasonably requests in writing and do any and all other acts or things necessary or advisable to enable the offer and sale in such jurisdictions of the Securities or Exchange Securities covered by such Registration Statement; *provided* that neither the Company nor any Guarantor will be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process or to taxation in any such jurisdiction where it is not then so subject.

(i) In the case of a Shelf Registration Statement, the Company and the Guarantors will cooperate with the Holders of Transfer Restricted Securities to facilitate the timely preparation and delivery of certificates representing Transfer Restricted Securities to be sold pursuant to such Shelf Registration Statement free of any restrictive legends and in such denominations and registered in such names as the Holders thereof may reasonably request in writing prior to sales of Transfer Restricted Securities (consistent with the provisions of the Indenture) pursuant to such Shelf Registration Statement.

(j) If any event contemplated by Section 4(b)(ii) through (v) occurs during the period for which the Company and the Guarantors are required to maintain an effective Registration Statement, the Company and the Guarantors will promptly prepare and file with the Commission a post-effective amendment to the Registration Statement or a supplement to the related prospectus or file any other required document so that, as thereafter delivered to purchasers of the Securities or Exchange Securities from a Holder, the prospectus will not include an untrue statement of a material fact or omit to state a

material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) Not later than the effective date of the applicable Registration Statement, the Company will provide a CUSIP number for the Securities or the Exchange Securities, as the case may be, and provide the applicable trustee with printed certificates for the Securities or the Exchange Securities, as the case may be, in a form eligible for deposit with The Depository Trust Company.

(l) The Company and the Guarantors will comply in all material respects with all applicable rules and regulations of the Commission and the Company will make generally available (including by press release) to its security holders as soon as practicable after the effective date of the applicable Registration Statement an earnings statement satisfying the provisions of Section 11(a) of the Securities Act; *provided* that in no event shall such earnings statement be delivered later than 45 days after the end of a 12-month period (or 90 days, if such period is a fiscal year) beginning with the first month of the Company's first fiscal quarter commencing after the effective date of the applicable Registration Statement, which statement shall cover such 12-month period.

(m) The Company and the Guarantors will cause the Indenture or the Exchange Securities Indenture, as the case may be, to be qualified under the TIA as required by applicable law in a timely manner and in the event that such qualification would require the appointment of a new trustee under such indenture, the Company shall, to the extent it is permitted, appoint a new trustee thereunder pursuant to the applicable provisions of such indenture.

(n) The Company may require each Holder of Transfer Restricted Securities to be registered pursuant to any Shelf Registration Statement to furnish to the Company such information concerning the Holder and the distribution of such Transfer Restricted Securities as the Company may from time to time reasonably require for inclusion in such Shelf Registration Statement, and the Company may exclude from such registration the Transfer Restricted Securities of any Holder that fails to furnish such information within a reasonable time after receiving such request.

(o) In the case of a Shelf Registration Statement, each Holder of Transfer Restricted Securities to be registered pursuant thereto agrees by acquisition of such Transfer Restricted Securities that, upon receipt of any notice from the Company pursuant to Section 4(b)(ii) through (v), such Holder will discontinue disposition of such Transfer Restricted Securities until such Holder's receipt of copies of the supplemental or amended prospectus or other document contemplated by Section 4(j) or until advised in writing (the "Advice") by the Company that the use of the applicable prospectus may be resumed. If the Company shall give any notice under Section 4(b)(ii) through (v) during the Shelf Registration Period, such Shelf Registration Period shall not include any period during which the failure to maintain such effectiveness was caused by a failure of Holders to perform their obligations hereunder with respect to the provisions of the Holders' Information and shall be extended by the number of days during such period from and

including the date of the giving of such notice to and including the date when each seller of Transfer Restricted Securities covered by such Registration Statement shall have received (x) the copies of the supplemental or amended prospectus or other document contemplated by Section 4(j) (if an amended or supplemental prospectus or other document is required) or (y) the Advice (if no amended or supplemental prospectus or other document is required).

(p) In the case of a Shelf Registration Statement, the Company and the Guarantors shall enter into such customary agreements (including, if requested, an underwriting agreement in customary form) and take all such other customary action, if any, as Holders of a majority in principal amount at maturity of the Securities and Exchange Securities being sold or the managing underwriters (if any) shall reasonably request in order to facilitate any disposition of Securities or Exchange Securities pursuant to such Shelf Registration Statement.

(q) In the case of a Shelf Registration Statement, the Company shall (i)make available, at reasonable times and in a reasonable manner, for inspection by a representative of, and Special Counsel (as defined in Section 5) acting for, Holders of a majority in principal amount at maturity of the Securities and Exchange Securities being sold and any underwriter participating in any disposition of Securities or Exchange Securities pursuant to such Shelf Registration Statement, all relevant financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries and (ii)use its commercially reasonable efforts to have its officers, directors, employees, Guarantors, accountants and counsel supply all relevant information reasonably requested by such representative, Special Counsel or any such underwriter (an " Inspector ") in connection with such Shelf Registration Statement, in either case to the extent reasonably requested by such Inspector for the purpose of conducting customary due diligence with respect to the Company; provided that if any such information is identified by the Company or any Guarantor as being confidential or proprietary, each Person receiving such information shall take such actions as are reasonably necessary to protect the confidentiality of such information to the extent such action is otherwise not inconsistent with, an impairment of or in derogation of the rights and interests of any Inspector or Holder.

(r) In the case of a Shelf Registration Statement, the Company shall, if requested by Holders of a majority in principal amount at maturity of the Securities and Exchange Securities being sold, their Special Counsel or the managing underwriters (if any) in connection with such Shelf Registration Statement, use its commercially reasonable efforts to cause (i)its counsel to deliver an opinion relating to the Shelf Registration Statement and the Securities or Exchange Securities, as applicable, in customary form covering the matters customarily covered in opinions requested in underwritten offerings, (ii)its officers to execute and deliver all customary documents and certificates reasonably requested by Holders of a majority in principal amount at maturity of the Securities and Exchange Securities being sold, their Special Counsel or the managing underwriters (if any) and (iii)its independent public accountants to provide a comfort letter or letters in customary form, subject to receipt of appropriate

documentation as contemplated, and only if permitted, by Statement of Auditing Standards No. 72.

(s) In the case of a Shelf Registration Statement, the Company shall, in the event that any broker-dealer registered under the Exchange Act shall underwrite any Securities and Guarantees or participate as a member of an underwriting syndicate or selling group or "assist in the distribution" (within the meaning of the Rules of Conduct (the " Rules of Conduct ") of the National Association of Securities Dealers, Inc. (" NASD ")) thereof, whether as a holder of such Securities and Guarantees or as an underwriter, a placement or sales agent or a broker or dealer in respect thereof, or otherwise, assist such broker-dealer in complying with the requirements of such Rules of Conduct, including, without limitation, by (A)if such Rules of Conduct shall so require, engaging a "qualified independent underwriter" (as defined in such Rules of Conduct) to participate in the preparation of the registration statement relating to such Securities and Guarantees, to exercise usual standards of due diligence in respect thereto and, if any portion of the offering contemplated by such registration statement is an underwritten offering or is made through a placement or sales agent, to recommend the yield of such Securities and Guarantees, (B)indemnifying any such qualified independent underwriter to the extent of the indemnification of underwriters provided in Section6 , and (C)providing such information to such broker-dealer as may be required in order for such broker-dealer to comply with the requirements of the Rules of Conduct.

5 . *Registration Expenses* . The Company agrees to bear and to pay or cause to be paid all expenses incident to the Company's performance of or compliance with this Agreement, including, without limitation, (a)all Commission and any NASD registration and filing fees and expenses, (b)all expenses relating to the preparation, printing, distribution and reproduction of each registration statement required to be filed hereunder, each prospectus included therein or prepared for distribution pursuant hereto, each amendment or supplement to the foregoing, the Exchange Securities, the certificates representing the Securities and Exchange Securities and all other documents relating to the Company's performance of or compliance with this Agreement, (c)fees and expenses of the Trustee under the Indenture and of any escrow agent or custodian, (d)internal expenses of the Company related to the Company's performance of or compliance with this Agreement (including, without limitation, all salaries and expenses of the Company's officers and employees performing legal or accounting duties), (e)fees, disbursements and expenses of counsel and independent certified public accountants of the Company (including the expenses of any opinions or "cold comfort" letters required by or incident to such performance and compliance), (f)in the case of a Shelf Registration Statement, the fees and disbursements of one counsel (" Special Counsel ") for the Holders, and (g) fees and expenses of compliance with state securities or "blue sky" laws and in connection with the preparation of a "blue sky" survey, including without limitation, reasonable fees and expenses of blue sky counsel (collectively, the " Registration Expenses "). To the extent that any Registration Expenses are incurred, assumed or paid by any Holder or any placement or sales agent therefor or underwriter thereof, the Company shall reimburse such person for the full amount of the Registration Expenses so incurred, assumed or paid promptly after receipt of a request and invoice therefor. Notwithstanding the foregoing, the Holders of the Securities or Exchange Securities being registered shall pay all agency fees and commissions and underwriting discounts

and commissions attributable to the sale of such Securities or Exchange Securities and the fees and disbursements of any counsel or other advisors or experts retained by such Holders (severally or jointly), other than the counsel and experts specifically referred to above.

Notwithstanding the foregoing, the provisions of this Section5 shall be deemed amended to the extent necessary to cause these expense provisions to comply with "blue sky" laws of each state or the securities laws of any other jurisdiction in the United States and its territories in which the offering is made.

6 . *Indemnification.* (a) In the event the Company files a Shelf Registration Statement or in connection with any prospectus delivery pursuant to an Exchange Offer Registration Statement by a Holder or Exchanging Dealer, as applicable, the Company and the Guarantors shall jointly indemnify and hold harmless each Holder (including, without limitation, any Purchaser or Exchanging Dealer), its affiliates, their respective officers, partners, directors, employees, representatives and agents, and each person, if any, who controls such Holder within the meaning of the Securities Act or the Exchange Act (collectively referred to for purposes of this Section 6 and Section 7 as a Holder), from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, without limitation, any loss, claim, damage, liability or action relating to purchases and sales of Securities or Exchange Securities), to which that Holder may become subject, whether commenced or threatened, under the Securities Act, the Exchange Act, any other federal or state statutory law or regulation, at common law, or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i)any untrue statement or alleged untrue statement of a material fact contained in any such Registration Statement or any prospectus forming part thereof or in any amendment or supplement thereto or (ii)the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and shall reimburse each Holder promptly upon demand for any legal or other expenses reasonably incurred by that Holder in connection with investigating or defending or preparing to defend against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action as such expenses are incurred; *provided* , *however* , that the Company and the Guarantors shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with any information relating to any Holder furnished to the Company by such Holder; and *provided* , *further* , that with respect to any such untrue statement in or omission from any related preliminary prospectus, the indemnity agreement contained in this Section 6(a) shall not inure to the benefit of any Holder from whom the person asserting any such loss, claim, damage, liability or action received Securities or Exchange Securities to the extent that such loss, claim, damage, liability or action of or with respect to such Holder results from the fact that both (A) a copy of the final prospectus was not sent or given to such person at or prior to the written confirmation of the sale of such Securities or Exchange Securities to such person and (B) the untrue statement in or omission from the related preliminary prospectus was corrected in the final prospectus unless, in either case, such failure to deliver the final prospectus was a result of non-compliance by the Company with Section 4(d) , 4(e) , 4(f) or 4(g) .

(b) In the event the Company files a Shelf Registration Statement or in connection with any prospectus delivery pursuant to an Exchange Offer Registration Statement by a Holder or Exchanging Dealer, as applicable, each Holder shall indemnify and hold harmless the Company and the Guarantors, their affiliates, their respective officers, directors, employees, representatives and agents, and each person, if any, who controls the Company or any Guarantor within the meaning of the Securities Act or the Exchange Act (collectively referred to for purposes of this Section 6(b) and Section 7 as the "Company"), from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company may become subject, whether commenced or threatened, under the Securities Act, the Exchange Act, any other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i)any untrue statement or alleged untrue statement of a material fact contained in any such Registration Statement or any prospectus forming part thereof or in any amendment or supplement thereto or (ii)the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with any information relating to such Holder furnished to the Company by such Holder, and shall reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending or preparing to defend against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action as such expenses are incurred; *provided , however ,* that no such Holder shall be liable for any indemnity claims hereunder in excess of the amount of net proceeds received by such Holder from the sale of Securities or Exchange Securities pursuant to such Shelf Registration Statement.

(c) Promptly after receipt by an indemnified party under this Section 6 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party pursuant to Section 6(a) or 6(b) , notify the indemnifying party in writing of the claim or the commencement of that action; *provided , however ,* that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 6 or otherwise except to the extent that it has been materially prejudiced by such failure. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 6 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than the reasonable costs of investigation; *provided , however ,* that an indemnified party shall have the right to employ its own counsel in any such action, but the fees, expenses and other charges of such counsel for the indemnified party will be at the expense of such indemnified party unless (1) the employment of counsel by the indemnified party has been authorized in writing by the indemnifying party, (2) the indemnified party has reasonably concluded (based upon written advice of counsel to the indemnified party) that there may be legal defenses available to it that

are different from or in addition to those available to the indemnifying party, (3) a conflict or potential conflict exists (based upon written advice of counsel to the indemnified party) between the indemnified party and the indemnifying party (in which case the indemnifying party will not have the right to direct the defense of such action on behalf of the indemnified party) or (4) the indemnifying party has not in fact employed counsel reasonably satisfactory to the indemnified party to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, in each of which cases the reasonable fees, disbursements and other charges of counsel will be at the expense of the indemnifying party or parties. It is understood that the indemnifying party or parties shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees, disbursements and other charges of more than one separate firm of attorneys (in addition to any local counsel) at any one time for all such indemnified party or parties. Each indemnified party, as a condition of the indemnity agreements contained in Sections 6(a) and 6(b) , shall use all reasonable efforts to cooperate with the indemnifying party in the defense of any such action or claim. No indemnifying party shall be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent or if there be a final judgment for the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld), effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and does not include a statement as to, or an admission of, fault, culpability or failure to act, by or on behalf of any indemnified party.

7. *Contribution.* If the indemnification provided for in Section 6 is unavailable or insufficient to hold harmless an indemnified party under Section 6(a) or 6(b) , then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i)in such proportion as shall be appropriate to reflect the relative benefits received by the Company from the initial offering and sale of the Securities, on the one hand, and by a Holder from receiving Securities or Exchange Securities, as applicable, registered under the Securities Act, on the other, or (ii)if the allocation provided by clause (i)above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i)above but also the relative fault of the Company and the Guarantors, on the one hand, and the Holders, on the other, with respect to the statements or omissions that resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to the Company and the Guarantors or information supplied by the Company and the Guarantors, on the one hand, or to any information relating to such Holder supplied by such Holder, on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent

such untrue statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 7 were to be determined by *pro rata* allocation or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 7 shall be deemed to include, for purposes of this Section 7 , any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending or preparing to defend any such action or claim. Notwithstanding the provisions of this Section 7 , an indemnifying party that is a Holder of Securities or Exchange Securities shall not be required to contribute any amount in excess of the amount by which the total price at which the Securities or Exchange Securities sold by such indemnifying party to any purchaser exceeds the amount of any damages which such indemnifying party has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

8. *Rules 144 and 144A* .The Company shall use its commercially reasonable efforts to file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder in a timely manner and, if at any time the Company is not required to file such reports, it will, upon the written request of any Holder of Transfer Restricted Securities, make publicly available other information so long as necessary to permit sales of such Holder's securities pursuant to Rules 144 and 144A or any successor rule or regulation hereafter adopted by the Commission. The Company and the Guarantors covenant that they will take such further action as any Holder of Transfer Restricted Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Transfer Restricted Securities without registration under the Securities Act within the limitation of the exemptions provided by Rules 144 and 144A (including, without limitation, the requirements of Rule 144A(d)(4)). Upon the written request of any Holder of Transfer Restricted Securities, the Company and the Guarantors shall deliver to such Holder a written statement as to whether they have complied with such requirements. Notwithstanding the foregoing, nothing in this Section 8 shall be deemed to require the Company to register any of its securities pursuant to the Exchange Act.

9. *Underwritten Registrations.* If any of the Transfer Restricted Securities covered by any Shelf Registration Statement are to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will administer the offering will be selected by the Holders of a majority in principal amount at maturity of such Transfer Restricted Securities included in such offering, subject to the consent of the Company (which shall not be unreasonably withheld or delayed), and such Holders shall be responsible for all underwriting commissions and discounts in connection therewith.

No person may participate in any underwritten registration hereunder unless such person (i)agrees to sell such person's Transfer Restricted Securities on the basis reasonably provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (ii)completes and executes all questionnaires, powers of

attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

10. *Miscellaneous* .(a) *Amendments and Waivers* . The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company has obtained the written consent of Holders of a majority in aggregate principal amount at maturity of the Securities and the Exchange Securities, taken as a single class, affected by such amendment, modification, supplement, waiver or consent. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders whose Securities or Exchange Securities are being sold pursuant to a Registration Statement and that does not directly or indirectly affect the rights of other Holders may be given by Holders of a majority in aggregate principal amount at maturity of the Securities and the Exchange Securities being sold by such Holders pursuant to such Registration Statement.

(b) *Notices* . All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail, telecopier or air courier guaranteeing next-day delivery:

(1) if to a Holder, at the most current address given by such Holder to the Company in accordance with the provisions of this Section 10(b) , which address initially is, with respect to each Holder, the address of such Holder maintained by the Registrar under the Indenture;

(2) if to a Purchaser, initially at its address set forth in the Purchase Agreement with a copy to Fried, Frank, Harris, Shriver & Jacobson, One New York Plaza, New York, New York, 10004, Attention: F. William Reindel, Esq., or at such other address as the Purchaser or its nominee shall have specified to the Company in writing; and

(3) if to the Company or any Guarantor, initially at the address of the Company set forth in the Purchase Agreement, Attention: Mark Peterson, with a copy to Cravath, Swaine & Moore, 825 Eighth Avenue, New York, NY 10019, Attention: William V. Fogg, Esq., or at such other address as the Company shall have specified to each Holder in writing.

All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; one business day after being delivered to a next-day air courier; five business days after being deposited in the mail; and when receipt is acknowledged by the recipient's telecopier machine, if sent by telecopier.

(c) *Successors and Assigns* . This Agreement shall be binding upon the Company and its successors and assigns; provided that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Securities in violation of the terms of the Purchase Agreement or the Indenture. If any transferee of any Holder shall acquire Securities in any manner, whether by operation of law or otherwise, such Securities shall

be held subject to all the terms of this Agreement, and by taking and holding such Securities such Person shall be conclusively deemed to have agreed to be bound by and to perform all the terms and provisions of this Agreement and such Person shall be entitled to receive the benefits hereof.

(d) *Counterparts* . This Agreement may be executed in any number of counterparts (which may be delivered in original form or by telecopier) and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(e) *Definition of Terms* . For purposes of this Agreement, (a)the term "business day" means any day on which the New York Stock Exchange, Inc. is open for trading, (b)the term "subsidiary" has the meaning set forth in Rule 405 under the Securities Act and (c)except where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the Securities Act.

(f) *Headings* . The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(g) ***GOVERNING LAW*** **. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.**

(h) *Remedies* . In the event of a breach by the Company, any Guarantor or any Holder of any of their obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law, including recovery of damages (other than the recovery of damages for a breach by the Company or any Guarantor of its obligations under Sections 1 or 2 for which Special Interest has been paid pursuant to Section 3), will be entitled to specific performance of its rights under this Agreement. The Company, the Guarantors and each Holder agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by each such person of any of the provisions of this Agreement and hereby further agree that, in the event of any action for specific performance in respect of such breach, each such person shall waive the defense that a remedy at law would be adequate.

(i) *No Inconsistent Agreements* . The Company and each Guarantor represents, warrants and agrees that (i)it has not entered into, and shall not on or after the date of this Agreement, enter into any agreement that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof, (ii)the rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of any other outstanding securities issued or guaranteed by the Company or any Guarantor under any other

agreement and (iii)without limiting the generality of the foregoing, without the written consent of the Holders of a majority in aggregate principal amount at maturity of the then outstanding Transfer Restricted Securities, it will not grant to any person the right to request the Company to register any debt securities of the Company under the Securities Act unless the rights so granted are not in conflict or inconsistent with the provisions of this Agreement.

(j) *No Piggyback on Registrations* . Neither the Company nor any of its security holders (other than the Holders of Transfer Restricted Securities in such capacity) shall have the right to include any securities of the Company in any Shelf Registration or Registered Exchange Offer other than Transfer Restricted Securities.

(k) *Severability* . The remedies provided herein are cumulative and not exclusive of any remedies provided by law. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

Please confirm that the foregoing correctly sets forth the agreement among the Company and the Purchasers.

[Signature Page of Exchange and Registration Rights Agreement to Follow]

Very truly yours,
BROADWING INC.
By: /s/ Mark W. Peterson
Name: Mark W. Peterson
Title: Vice President & Treasurer
GUARANTORS:
CINCINNATI BELL PUBLIC COMMUNICATIONS INC.
By: /s/ Mark W. Peterson
Name:
Title:
ZOOMTOWN.COM INC.
By: /s/ Mark W. Peterson
Name:
Title:
CINCINNATI BELL ANY DISTANCE, INC.
By: /s/ Mark W. Peterson
Name:
Title:
CINCINNATI BELL TELECOMMUNICATIONS SERVICES INC.
By: /s/ Mark W. Peterson
Name:
Title:

BROADWING FINANCIAL LLC
By: /s/ Mark W. Peterson
Name:
Title:
CINCINNATI BELL WIRELESS COMPANY
By: /s/ Mark W. Peterson
Name:
Title:
CINCINNATI BELL WIRELESS HOLDINGS LLC
By: /s/ Mark W. Peterson
Name:
Title:
BROADWING HOLDINGS INC.
By: /s/ Mark W. Peterson
Name:
Title:

Agreed to and accepted by:

GS MEZZANINE PARTNERS II, L.P.
By: GS Mezzanine Advisors II, L.L.C.
its general partner
By:
Name:
Title:
GS MEZZANINE PARTNERS II OFFSHORE,L.P.
By: GS Mezzanine Advisors II, L.L.C.
its general partner
By:
Name:
Title:

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Registered Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Securities where such Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the consummation of the Registered Exchange Offer, it will make this Prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution ".

Each broker-dealer that receives Exchange Securities for its own account in exchange for Securities, where such Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. See "Plan of Distribution".

PLAN OF DISTRIBUTION

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Registered Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Securities where such Securities were acquired as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the consummation of the Registered Exchange Offer, it will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until , all dealers effecting transactions in the Exchange Securities may be required to deliver a prospectus.

The Company will not receive any proceeds from any sale of Exchange Securities by broker-dealers. Exchange Securities received by broker-dealers for their own account pursuant to the Registered Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Exchange Securities or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or at negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such Exchange Securities. Any broker-dealer that resells Exchange Securities that were received by it for its own account pursuant to the Registered Exchange Offer and any broker or dealer that participates in a distribution of such Exchange Securities may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of Exchange Securities and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after the consummation of the Registered Exchange Offer the Company will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. The Company has agreed to pay all expenses incident to the Registered Exchange Offer (including the expenses of one counsel for the Holders of the Securities) other than commissions or concessions of any broker-dealers and will indemnify the Holders of the Securities (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name:
Address:

If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of Exchange Securities. If the undersigned is a broker-dealer that will receive Exchange Securities for its own account in exchange for Securities that were acquired as a result of market-making activities or other trading activities, it acknowledges that it will deliver a prospectus in connection with any resale of such Exchange Securities; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

Exhibit 4(c)(ix)

Execution Copy

EQUITY REGISTRATION RIGHTS AGREEMENT

by and between

BROADWING INC.,

GS MEZZANINE PARTNERS II, L.P.,

GS MEZZANINE PARTNERS II OFFSHORE, L.P., and

OTHER PURCHASERS NAMED HEREIN

March 26, 2003

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EQUITY REGISTRATION RIGHTS AGREEMENT

THIS EQUITY REGISTRATION RIGHTS AGREEMENT (this "Agreement") is made as of March 26, 2003, by and between Broadwing Inc., an Ohio corporation (the "Company"), GS Mezzanine Partners II, L.P., a Delaware limited partnership ("GS Mezzanine"), GS Mezzanine Partners II Offshore, L.P. ("GS Offshore"), an exempted limited partnership organized under the laws of the Cayman Islands, and any other affiliate of GS Mezzanine who purchases the Offered Securities (as defined in the Purchase Agreement) being issued under the Purchase Agreement at the Closing (as defined in the Purchase Agreement) (together with GS Mezzanine, GS Offshore and one or more partnerships, corporations, trusts or other organizations specified as a Purchaser in Schedule 1 to the Purchase Agreement which controls, is controlled by, or is under common control with, GS Mezzanine or GS Offshore, the "GS Purchasers"), and any other person specified as a Purchaser in Schedule 1 to the Purchase Agreement (together with the GS Purchasers, the "Purchasers").

RECITALS

WHEREAS, on December 9, 2002, the Company and the Purchasers entered into a Purchase Agreement (as amended, supplemented or modified from time to time, the "Purchase Agreement"), pursuant to which the Company has issued, and the Purchasers have purchased, warrants (the "Warrants") to purchase shares (the "Warrant Shares") of the Company's Common Stock (defined below), as more fully described in the Purchase Agreement; and

WHEREAS, the execution and delivery of this Agreement is a condition to the closing of the Purchase Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and obligations hereinafter set forth, the parties hereto hereby agree as follows:

AGREEMENT

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

1. Definitions.

As used in this Agreement, the following capitalized terms shall have the following meanings:

"Advice" as defined in Section 5.

"Agreement" as defined in the preamble.

"Company" as defined in the preamble.

" Deemed Sale Advise " as defined in Section 3(b)(i).

" Effective Date " as defined in Section 3(b)(i).

" Exchange Act " means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

" Filing Date " as defined in Section 3(b)(i).

" GS Mezzanine " as defined in the preamble.

" GS Purchasers " as defined in the preamble.

" Holder " as defined in Section 2.

" Holder Indemnified Parties " as defined in Section 7(a).

" Holders' Information " as defined in Section 5.

" Indemnifying Party " as defined in Section 7(c).

" Initiating Holder " as defined in Section 3(a)(i).

" Liquidated Damages " as defined in Section 3(b)(ii).

" NASD " means the National Association of Securities Dealers, Inc.

" Person " means any individual, partnership, limited liability company, corporation, trust, joint stock company, business trust, joint venture, or unincorporated organization, or a government or agency or political subdivision thereof.

" Prospectus " means the prospectus included in any Registration Statement, as amended or supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by such Registration Statement and by all other amendments and supplements to the prospectus, including post-effective amendments and all material incorporated by reference in such prospectus.

" Purchase Agreement " as defined in the recitals.

" Purchasers " as defined in the preamble.

" Registrable Securities " means any (i) Registrable Warrant Shares owned by the Purchasers and (ii) shares of Common Stock issued or issuable, directly or indirectly, with respect to the Common Stock referenced in clause (i) above by way of stock dividend, stock split or combination of shares, provided that a security ceases to be a Registrable Security when it is no longer a Transfer Restricted Security.

" Registrable Warrant Shares " means all Warrant Shares issuable to the Holders of

Warrants upon exercise of such Warrants.

" Registrant Indemnified Parties " as defined in Section 7(b).

" Registration Default " as defined in Section 3(b)(ii).

" Registration Expenses " as defined in Section 6(a).

" Registration Default " as defined in Section 3(b)(ii).

" Registration Statement " means any registration statement of the Company which covers any of the Registrable Securities, including the Prospectus, amendments and supplements to such Registration Statement, including post-effective amendments, all exhibits and all material incorporated by reference in such Registration Statement.

" Sale Advice " as defined in Section 3(b)(i).

" Sale Notice " as defined in Section 3(b)(i).

" SEC " means the Securities and Exchange Commission.

" Securities Act " means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

" Shelf Registration " as defined in Section 3(b)(i).

" Shelf Registration Statement " as defined in Section 3(b)(i).

" Transfer Restricted Security " means the Registrable Securities upon original issuance thereof; provided that a Registrable Security is no longer a Transfer Restricted Security when (i)a registration statement with respect to the sale of such security shall have been declared effective under the Securities Act and such security shall have been disposed of in accordance with such registration statement, (ii)such security shall have been distributed to the public pursuant to Rule144 (or any successor provision) under the Securities Act or is saleable pursuant to Rule 144(k) under the Securities Act or (iii) such security ceases to be outstanding.

" T rigger Date " as defined in Section 3(b)(i).

" underwritten registration or underwritten offering " means a registration in which securities of the Company are sold to an underwriter for reoffering to the public.

" Warrant Agreement " means that certain Warrant Agreement, dated as of the date hereof, by and between the Company and the Purchasers.

" Warrant Shares " as defined in the recitals.

" Warrants " as defined in the recitals.

2. Holders of Registrable Securities. A Person is deemed to be a holder (a "Holder") of Registrable Securities whenever such Person owns Registrable Securities of record. This Agreement will inure to the benefit of and be binding upon subsequent Holders of Registrable Securities, if any, as provided in Section 10(e) hereof.

3. Registration Rights.

(a) Piggyback Rights.

(i) Piggyback Rights. If the Shelf Registration Statement has not been declared effective and the Company at any time after the date hereof proposes to register any of its equity securities under the Securities Act for its account or for the account of another Person (an "Initiating Holder") (other than a registration on Form S-4 or S-8, or any successor or other forms promulgated for similar purposes, a registration statement filed in order to register capital stock with respect to an acquisition or exchange offer or which constituted a part of or all the consideration for an acquisition or a registration with respect to an employee benefit plan), other than pursuant to Section 3(b), whether or not for sale for its own account, it will, at each such time, give prompt written notice (no later than 15 days prior to effectiveness of the related registration statement) to the Holders of its intention to do so (a "Piggyback Registration") and of the rights of the Holders under this Section 3(a). Upon the written request of any Holder made within 10 days after the receipt of any such notice (which request shall specify the number of Registrable Securities intended to be registered by such Holder), the Company will use its commercially reasonable efforts to effect the registration under the Securities Act of all Registrable Securities which the Company has been so requested to register by the Holders; provided, however, that should a Holder fail to provide timely notice to the Company, such Holder will forfeit any rights to participate in the Piggyback Registration with respect to such proposed offering; and further, provided that (A) if, at any time after giving written notice of its intention to register any securities the Company or an Initiating Holder shall determine for any reason not to proceed with the proposed registration of the securities to be sold by it, the Company or such Initiating Holder may, at its election, give written notice of such determination to the Holders and, thereupon, the Company shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses incurred in connection therewith in accordance with Section 6(a)), or the Company may elect to delay the registration, and (B) if such registration involves an underwritten offering, the Holders of Registrable Securities requesting to be included in the registration must sell their Registrable Securities to the underwriters selected by the Company or the Initiating Holders, as the case may be, on the same terms and conditions as apply to the Company or the Initiating Holders, as the case may be, with, in the case of a combined primary and secondary offering, such differences, including any with respect to indemnification and liability insurance, as may be customary or appropriate in combined primary and secondary offerings. If a registration requested pursuant to this Section 3(a)(i) involves an underwritten public offering, any Holder requesting to be included in such registration may elect, in writing prior to the effective date of the registration statement filed in connection with such registration, not to register all or any portion of such securities in connection with such registration.

(ii) Expenses. The Company will pay all Registration Expenses in connection

with each registration of Registrable Securities requested pursuant to this Section 3(a) in accordance with Section 6(a).

(iii) Priority in Piggyback Registrations . If a requested registration pursuant to this Section 3(a) involves an underwritten offering and the managing underwriter advises the Company in writing that, in its opinion, the number of securities requested to be included in such registration (including securities of the Company which are not Registrable Securities) exceeds the number that can be sold in such offering at a price acceptable to the Company or is such as to adversely affect the success of the offering, the Company will include in such registration (a) first, (1) if the Company initiated the registration, the securities the Company proposes to sell and (2) if an Initiating Holder initiated the registration, the securities that the Initiating Holder proposes to sell, then the securities the Company proposes to sell, if any, and (b) second, the number of Registrable Securities to be included in such registration shall be allocated so that the number of securities to be registered for each requesting Holder will equal the product of (x) the total number of Registrable Securities held by such Holder and (y) a fraction (I) the numerator of which is the number of Registrable Securities which the managing underwriter advises can be sold at a price acceptable to the Company and (II) the denominator of which is the total number of Registrable Securities held by all requesting Holders (provided that any securities hereby allocated to any such Holder that exceed such Holder's request shall be reallocated among the remaining requesting Holders in like manner).

(b) Shelf Registratio n .

(i) Filing of Shelf Registration . (A) The Company shall use its commercially reasonable efforts to prepare and file a "shelf" registration statement (the " Shelf Registration Statement ") on any appropriate form pursuant to Rule 415 (or similar rule that may be adopted by the SEC) under the Securities Act (a " Shelf Registration ") within 90 days following written demand therefor made by Holders of at least 25% of the number of Registrable Securities (the date of such demand, the " Trigger Date "), but in no event later than the date that is 120 days following the Trigger Date (the " Filing Date ") to permit resales of all of the Transfer Restricted Securities. The Company agrees to use its commercially reasonable efforts to cause such Shelf Registration to become effective as soon as practicable after the filing thereof and in no event later than 90 days after the Filing Date (the " Effective Date "), and thereafter use its commercially reasonable efforts to keep it continuously effective for the period that will terminate upon the earlier of the date on which all the Transfer Restricted Securities covered by the Shelf Registration have been sold pursuant to such Shelf Registration or are eligible for resale without volume restrictions pursuant to Rule 144(k) under the Securities Act, provided that upon the occurrence or existence of any pending corporate development or any other event that, in the sole judgment of the Company, makes it appropriate to suspend the availability of the Shelf Registration Statement and the related prospectus, the Company shall give notice (without notice of the nature of details of such events) to the Holders of Transfer Restricted Securities that the availability of the Shelf Registration Statement is suspended and, each Holder agrees not to sell any Warrant Shares pursuant to the Shelf Registration Statement until such Holder's receipt of copies of a supplemented or amended prospectus provided for in Section5(b), or until it is advised in writing by the Company that the prospectus may be used, and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference

in such prospectus. The period during which the availability of the Shelf Registration Statement and any prospectus is suspended (the " Suspension Period ") shall, without the Company incurring any obligation to pay Liquidated Damages pursuant to Section3(b)(ii), not exceed 45days in any three-month period or 90days in any 12-month period. The Company shall not be required to file more than one Shelf Registration Statement, subject to the provisions set forth in Section 5 hereof.

(B) For any sale, transfer or other disposition of Transfer Restricted Securities pursuant to the Shelf Registration Statement, each Holder shall give the Company prior written notice of such sale, transfer or other disposition (any such notice, a " Sale Notice "). Such Holder shall not consummate the sale, transfer or other disposition of Registrable Securities specified in a Sale Notice unless and until the Company has advised such Holder whether an amendment or supplement to the Shelf Registration Statement is necessary or appropriate in order for sales thereunder to be made in compliance with the Commission's applicable rules and regulations; provided that if the Company shall not have so advised such Holder within three business days after a Sale Notice has been delivered, the Company shall be deemed to have advised such Holder on such third business day that no amendment or supplement to the Shelf Registration Statement is required (a " Deemed Sale Advise ") and such Holder may consummate the sale, transfer or other disposition of Registrable Securities described in such Sale Notice at any time during the five business day period commencing on the first business day following the date on which such Holder received such Deemed Sale Advise. If, after receipt of a Sale Notice from a Holder, the Company advises such Holder that no amendment or supplement to the Shelf Registration Statement is necessary or appropriate in order for sales thereunder to be made in compliance with the Commission's applicable rules and regulations (a " Sale Advice "), such Holder may consummate the sale, transfer or other disposition described in such Sale Notice at any time during the five business day period commencing on the first business day following the date on which such Holder received such Sale Advice. If, after receipt of a Sale Notice from a Holder, the Company advises such Holder in writing that the Company considers it necessary or appropriate for the Shelf Registration Statement to be amended or supplemented in order for sales thereunder to be made in compliance with the Commission's applicable rules and regulations prior to such Holder's receipt of a Sale Advise or Deemed Sale Advise with respect to such Sale Notice, such Holder shall suspend the sale, transfer or other disposition of its Transfer Restricted Securities described in such Sale Notice until the Company advises such Holder that the Shelf Registration Statement has been amended or supplemented and declared effective. The Company shall use commercially reasonable efforts to file any such amendment or supplement and cause the Shelf Registration Statement to be declared effective as soon as practicable subject, however, to clause (A) of this Section 3(b)(i).

(ii) Liquidated Damages . If (A) a Shelf Registration Statement has not been declared effective by the SEC on or prior to the date that is 90 days from the Filing Date or (B) a Shelf Registration Statement is filed and declared effective but shall thereafter cease to be effective or fail to be usable for its intended purpose for more than 45 days (including, without limitation, by reason of a stop order or suspension) (other than during a Suspension Period permitted under Section 3(b)(i)(A) or as permitted under Section 3(b)(i)(B)) during the time period required for effectiveness in Section 3(b)(i) above without being succeeded promptly by a post-effective amendment that cures such failure and is promptly declared effective (it being

understood that the Company shall not be obligated to maintain such effectiveness if the failure to maintain such effectiveness was caused by a failure of Holders to perform their obligations hereunder with respect to the provision of any Holders' Information) (each such event referred to in clauses (A) and (B), a " Registration Default "), the Company agrees to pay liquidated damages (" Liquidated Damages ") to each Holder of Registrable Securities from and including the day following the Registration Default to but excluding the day on which the Registration Default has been cured: (1) during the first 90-day period during which a Registration Default shall have occurred and be continuing, in an amount equal to $0.05 per one thousand Warrant Shares for each week or portion thereof that the Registration Default continues following the occurrence of such Registration Default, (2) with respect to each subsequent 90-day period thereafter during which a Registration Default shall have occurred and be continuing, such amount shall increase by an additional $0.05 per one thousand Warrant Shares held by such Holder for each week or portion thereof until all Registration Defaults have been cured; provided that in no event shall the aggregate Liquidated Damages pursuant to this clause exceed $0.192 per one thousand Warrant Shares per week. All Liquidated Damages shall be calculated based on the actual number of days elapsed and a 360 day year, and all accrued Liquidated Damages shall be paid by wire transfer of immediately available funds or by federal funds check on each Interest Payment Date, as defined in the Indenture. Following the cure of all Registration Defaults relating to the Registrable Securities, the accrual of Liquidated Damages will cease. The Company shall not pay Liquidated Damages for more than one Registration Default at any one time. Except as provided in Section 7 hereof, no Holder of Registrable Securities shall be entitled to any damages for a Registration Default beyond the Liquidated Damages provided for herein. All obligations of the Company set forth in Section 3(b)(ii) that are outstanding with respect to any Registrable Security at the time such security ceases to be a Registrable Security shall survive until such time as all such obligations have been paid in full.

4. Restrictions on Public Sale by Holder of Registrable Securities

If the Company shall register its securities or securities on behalf of an Initiating Holder under the Securities Act for sale to the public in an underwritten offering and the managing underwriter of such offering shall inform the Company that the availability of the Registrable Securities for public sale pursuant to the Shelf Registration Statement or Rule 144 under the Securities Act would adversely interfere with the successful marketing or pricing of the securities proposed to be registered by the Company on its behalf or on behalf of an Initiating Holder, then, each Holder of Registrable Securities agrees, if requested by the managing underwriters not to effect any public sale or distribution of Warrant Shares or securities of the Company of the same class as the securities included in the registration statement relating to the Company's or to the Initiating Holder's securities, including a sale pursuant to Rule 144 under the Securities Act (except as part of such underwritten registration), for a period which shall begin not more than 15 days prior to, and last not more than 90 days after, the effective date of each underwritten offering made pursuant to the registration statement relating to the Company's or to the Initiating Holder's securities, to the extent timely notified by the Company or the managing underwriters. Each Holder of Registrable Securities agrees, if requested by the managing underwriters, to sign customary "lock-up" letters with respect to such underwritten offering.

The foregoing provisions of the preceding paragraph shall not apply to any Holder of

Registrable Securities if such Holder is prevented by applicable statute or regulation from entering any such agreement; provided , however , that any such Holder shall undertake, in its request to participate in any such underwritten offering, not to effect any public sale or distribution of any Registrable Securities held by such Holder and covered by a Registration Statement commencing on the date of sale of the Registrable Securities unless it has provided 90 days prior written notice of such sale or distribution to the underwriter or underwriters.

5. Registration Procedures

If and whenever the Company is required to file a Registration Statement pursuant to Section 3(b) hereof, the Company will use its commercially reasonable efforts to effect such registration to permit the sale of such Registrable Securities in accordance with the intended method or methods of distribution thereof, and the Company will use its commercially reasonable efforts to, as expeditiously as possible:

(a) prepare and file with the SEC, within the time period provided in Section 3, a Shelf Registration Statement or Shelf Registration Statements relating to such registration on any appropriate form under the Securities Act, which form shall be available for the sale of the Registrable Securities in accordance with the intended method or methods of distribution thereof and shall include all financial statements (including, if applicable, financial statements of any Person which shall have guaranteed any indebtedness of the Company) required by the SEC to be filed therewith, cooperate and assist in any filings required to be made with the NASD, and use its commercially reasonable efforts to cause such Registration Statement to become effective within the time period provided in Section 3; *provided* that before filing a Registration Statement or any amendments or supplements thereto with respect to the Registrable Securities, the Company will furnish to the Holders of the Registrable Securities covered by such Registration Statement and the underwriters, if any, drafts of all such documents proposed to be filed (without exhibits or schedules), which documents will be subject to the review by such Holders and underwriters, and the Company will not file any Registration Statement or any amendments or supplements thereto to which the Holders of a majority of the Registrable Securities or such managing underwriters, if any shall reasonably object within 4 business days unless required by law in the reasonable judgment of the Company;

(b) notify the selling Holders of Registrable Securities and the managing underwriters, if any, promptly, and (if requested by any such Person) confirm such advice in writing, (1) when the Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to the Registration Statement or any post-effective amendment, when the same has become effective, (2) of any request by the SEC for amendments or supplements to the Registration Statement or the Prospectus or for additional information, (3) of the issuance by the SEC of any stop order which the Company has knowledge of suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose, (4) if at any time the representations and warranties of the Company contemplated by paragraph (n) below cease to be true and correct in any material respect, (5) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose and (6) of the Company's becoming aware that the Prospectus (including any document incorporated

therein by reference), as then in effect, includes an untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which such statement was made.

(c) use its commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of the Registration Statement at the earliest possible moment;

(d) if reasonably requested by the managing underwriter or underwriters or the Holders of a majority of the Registrable Securities being sold in connection with an underwritten offering, the Company shall use its commercially reasonable efforts to promptly incorporate in a Prospectus supplement or post-effective amendment such information as the managing underwriter or underwriters or the Holders of a majority of the Registrable Securities being sold agree should be included therein relating to the plan of distribution with respect to such Registrable Securities, including, without limitation, information with respect to the amount of Registrable Securities being sold to such managing underwriter or underwriters, the purchase price being paid therefor by such underwriters and any other terms of the underwritten (or best efforts underwritten) offering of the Registrable Securities to be sold in such offering; and make all required filings of such Prospectus supplement or post-effective amendment as soon as notified of the matters to be incorporated in such Prospectus supplement or post-effective amendment;

(e) furnish to each selling Holder of Registrable Securities and each managing underwriter, if any, without charge, if requested, at least one conformed copy of the Registration Statement and any post-effective amendment thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference);

(f) deliver to each selling Holder of Registrable Securities and the underwriters, if any, without charge, if requested, as many copies of the Prospectus (including each preliminary Prospectus) and any amendment or supplement thereto as such Persons may reasonably request; the Company consents to the use (subject to the limitations set forth in the last paragraph of this Section 5) of the Prospectus or any amendment or supplement thereto by each of the selling Holders of Registrable Securities and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by the Prospectus or any amendment or supplement thereto;

(g) prior to any public offering of Registrable Securities, use its commercially reasonable efforts to register or qualify or cooperate with the selling Holders of Registrable Securities, the underwriters, if any, and their respective counsel in connection with the registration or qualification of such Registrable Securities for offer and sale under the securities or blue sky laws of such jurisdictions as any such seller or underwriter reasonably requests in writing and do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of such Registrable Securities; provided that the Company will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process or taxation in any such jurisdiction where it is not then so subject;

(h) cooperate with the selling Holders of Registrable Securities and the managing underwriters, if any, to facilitate the timely preparation and delivery of certificates representing such Registrable Securities to be sold and not bearing any restrictive legends; and enable such Registrable Securities to be in such denominations and registered in such names as such managing underwriters may request at least two business days prior to any sale of such Registrable Securities to the underwriters;

(i) use its commercially reasonable efforts to cause the Registrable Securities covered by the applicable Registration Statement to be registered with or approved by such other U.S. governmental agencies or U.S. authorities as may be required to enable the seller or sellers thereof or the underwriters, if any, to consummate the disposition of such Registrable Securities (subject to the proviso contained in clause (g) above and other than the NASD registration which shall be the responsibility of the lead underwriter);

(j) upon the occurrence of any event contemplated by paragraph (b)(6) above, prepare a supplement or post-effective amendment to the related Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the Holders of the Registrable Securities, the Prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances then existing;

(k) use its commercially reasonable efforts to cause all Registrable Securities covered by a Registration Statement to be listed on each securities exchange on which similar securities issued by the Company are then listed if such listing is permitted under the rules of such exchange and if requested by the Holders of a majority of such Registrable Securities or the managing underwriters, if any;

(l) not later than the effective date of the Registration Statement, provide a CUSIP number for all Registrable Securities and provide the transfer agent with printed certificates for the Registrable Securities which are in a form eligible for deposit with The Depository Trust Company;

(m) to the extent applicable, enter into such agreements (including an underwriting agreement) and take all such other actions in connection therewith in order to expedite or facilitate the disposition of such Registrable Securities if requested by a majority of the Holders of the Registrable Securities, and in such connection, whether or not an underwriting agreement is entered into and whether or not the registration is an underwritten registration, (1) make such representations and warranties (with reasonable exceptions) to the Holders of such Registrable Securities and the underwriters, if any, in form, substance and scope as are customarily made by issuers to underwriters in primary underwritten offerings; (2) obtain opinions of counsel to the Company addressed to the underwriters, if any, covering the matters customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably requested by the underwriters; (3) obtain "comfort" letters and updates thereof from the Company's independent certified public accountants addressed to such underwriters, if any, and to the extent that such independent certified public accounts agree, addressed to such Holders,

such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters by underwriters in connection with primary underwritten offerings, subject to receipt of appropriate documentation as contemplated, and only if permitted, by Statement of Auditing Standards No. 72; (4) if an underwriting agreement is entered into, include indemnification provisions in such underwriters' customary form; and (5) the Company shall deliver such documents and certificates as may be requested by the Holders of a majority of the Registrable Securities being sold and the managing underwriters, if any, to evidence compliance with paragraph (j) above and with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company. The above shall be done at each closing under such underwriting agreement or as and to the extent required thereunder. In the case of a nonunderwritten offering, the Company shall deliver to the Selling Holders such of the foregoing items as are customary in a secondary offering to be delivered to selling securityholders;

(n) upon appropriate prior notice, make available at reasonable times during normal business hours for inspection by any underwriter participating in any underwriting pursuant to Section 3(b)(i), and any attorney or accountant retained by such underwriters, if any, all financial and other records, pertinent corporate documents and properties of the Company as may be reasonably necessary to enable them to exercise their due diligence responsibilities, and provide reasonable access to appropriate officers of the Company in connection with such due diligence responsibilities; provided , however , that the Holders and any such underwriter, attorney or accountant shall agree to hold in confidence all information so provided except as required by law in accordance with the procedures established by such Holder for safe-keeping of confidential information; and

(o) use its commercially reasonable efforts to make appropriate officers of the Company available at reasonable times during normal business hours to such Holders and underwriters for meetings with prospective purchasers of the Registrable Securities and prepare and present to potential investors customary "road show" material in a manner consistent with other new issuances of other securities similar to the Registrable Securities.

The Company may require each seller of Registrable Securities as to which any registration is being effected to furnish to the Company such information regarding Holders and the distribution of such securities as the Company may from time to time reasonably request in writing (the " Holders' Information ").

Each Holder of Registrable Securities agrees by acceptance of such Registrable Securities that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 5(b)(3), (5) or (6) hereof that, in the reasonable judgment of the Company, it is advisable to suspend use of the prospectus for a discrete period of time due to pending corporate developments, public filings with the SEC or similar events, such Holder will forthwith discontinue disposition of Registrable Securities until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 5(j) hereof, or until it is advised in writing (the " Advice ") by the Company that the use of such Prospectus may be resumed, and has received copies of any additional or supplemental filings which are incorporated by reference in such Prospectus, and, if so directed by the Company such Holder will deliver to the Company

(at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of such Prospectus covering such Registrable Securities current at the time of receipt of such notice. The Company shall use its commercially reasonable efforts to insure that the use of the prospectus may be resumed as soon as practicable, and in any event shall not be entitled to require the Holder to suspend use of any prospectus for more than an aggregate of sixty (60) business days in any twelve-month period.

6. Registration Expenses

(a) All expenses incident to the Company's performance of or compliance with this Agreement, including without limitation all (i) registration and filing fees, fees and expenses associated with filings required to be made with the NASD, (ii) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel for the underwriters or selling Holders in connection with blue sky qualifications of the Registrable Securities and determination of their eligibility for investment under the laws of such jurisdictions as the managing underwriters or Holders of a majority of the Registrable Securities being sold may reasonably designate), (iii) printing expenses (including expenses of printing certificates for the Registrable Securities in a form eligible for deposit with The Depository Trust Company and of printing prospectuses), messenger, telephone and delivery expenses, and (iv) reasonable fees and disbursements of counsel for the Company and the Company's independent certified public accountants (including the expenses of any special audit and "comfort" letters required by or incident to such performance) (all such expenses being herein called "Registration Expenses") will be borne by the Company regardless whether the Registration Statement becomes effective; provided, however, that Registration Expenses shall not include (i) any transfer taxes relating to the sale or disposition of the Registrable Securities and (ii) all agency fees and commissions and underwriting discounts and commissions attributable to the sale of such Registrable Securities. The Company, in any event, will pay the Company's own internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), and the expense of any annual audit.

(b) In connection with the any Registration Statement hereunder, the Company will reimburse the selling Holders of Registrable Securities being registered in such registration for the reasonable legal fees and disbursements of one counsel chosen by the selling Holders of a majority of such Registrable Securities (which shall be reasonably acceptable to the Company).

7. Indemnification

(a) Indemnif ication by the Company. The Company agrees to indemnify and hold harmless, to the full extent permitted by law, each Holder of Registrable Securities, their officers and directors and each Person who controls such Holder (within the meaning of the Securities Act) (the "Holder Indemnified Parties") against all losses, claims, damages, liabilities and expenses reasonably incurred by such party in connection with any actual or threatened action arising out of or based upon any untrue or alleged untrue statement of a material fact contained in any Registration Statement, Prospectus or preliminary Prospectus or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a Prospectus or a preliminary Prospectus, in light of the

circumstances under which such statement was made) not misleading, except insofar as the same arises out of or are based upon any such untrue statement or omission made in reliance on and in conformity with any information furnished in writing to the Company by any underwriter or any Holder or any of their counsel or other representatives expressly for use therein; provided , that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission in the preliminary Prospectus or Prospectus, if such untrue statement or alleged untrue statement or omission or alleged omission is corrected in the Prospectus or an amendment or supplement to the Prospectus, as applicable, and the Holder thereafter fails to deliver such Prospectus or Prospectus as so amended or supplemented, as applicable, prior to or concurrently with the sale of the Registrable Securities to the person asserting such loss, claim, damage, liability or expense after the Company had furnished such Holder with a sufficient number of copies of the same. The Company shall also indemnify underwriters participating in an underwritten offering pursuant to Section 3(b)(i) and each Person who controls such Persons (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of the Holder Indemnified Parties, if requested.

(b) Indemnification by Holder of Registrable Securities . In connection with the Registration of Registrable Securities, each Holder of Registrable Securities will furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any Registration Statement or Prospectus and agrees to, severally and not jointly, indemnify and hold harmless, to the full extent permitted by law, the Company, its directors, managers and officers and each Person who controls the Company (within the meaning of the Securities Act), each underwriter participating in an underwritten offering pursuant to Section 3(b)(i) and each person controlling such underwriter within the meaning of the Securities Act (the " Registrant Indemnified Parties ") against any losses, claims, damages, liabilities and expenses resulting from any untrue statement of a material fact contained in any Registration Statement or Prospectus or any omission of a material fact required to be stated in the Registration Statement or Prospectus or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, to the extent, but only to the extent, that such untrue statement or omission relates to a Holder and is made in reliance on and in conformity with any information or affidavit furnished in writing by or on behalf of such Holder to the Company specifically for inclusion in such Registration Statement or Prospectus (or information withheld from such written information and affidavits) or any grossly negligent or fraudulent action or inaction of such Holder. In no event shall the liability of any selling Holder of Registrable Securities hereunder be greater in amount than the dollar amount of the proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation. The Registrant Indemnified Parties shall be entitled to receive indemnities from underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution of Registrable Securities to the same extent above with respect to information or affidavit furnished in writing by or on behalf of such Persons as provided specifically for any Prospectus or Registration Statement.

(c) Conduct of Indemnification Proceedings . Any Person entitled to indemnification hereunder will (i) give prompt notice to the Company or Holder of Registrable Securities, as the

case may be (in either case, as applicable, an " Indemnifying Party "), of any claim with respect to which it seeks indemnification and (ii) permit such Indemnifying Party to assume the defense of such claim with counsel reasonably satisfactory to such Person; provided , however , that any Person entitled to indemnification hereunder shall have the right to employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such Person unless (a) the Indemnifying Party has agreed to pay such fees or expenses, (b) the Indemnifying Party has failed to assume the defense of such claim or (c) in the reasonable judgment of any such Person, based upon written advice of its counsel, a conflict of interest may exist between such Person and the Indemnifying Party with respect to such claims and the representation of both would be inappropriate (in which case, if the Person notifies the Indemnifying Party in writing that such Person elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense of such claim on behalf of such Person). If such defense is not assumed by the Indemnifying Party, the Indemnifying Party will not be subject to any liability for any settlement made without its consent (but such consent will not be unreasonably withheld). No Indemnifying Party will be required to consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Person entitled to indemnification a release from all liability in respect to such claim or litigation. Any Indemnifying Party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the reasonable fees and expenses of more than one counsel for all Persons entitled to indemnification by such Indemnifying Party with respect to such claim in any one jurisdiction, unless in the reasonable judgment of such Person a conflict of interest may exist between such Person and any other Person entitled to indemnification hereunder with respect to such claim and the representation of both would be inappropriate, in which event the Indemnifying Party shall be obligated to pay the reasonable fees and expenses of such additional counsel or counsels, but only of one such additional counsel for each group of similarly situated Persons in any one jurisdiction.

(d) Contrib ution . If for any reason the indemnification provided for in the preceding paragraphs (a) and (b) is unavailable to a Person entitled to indemnification or is insufficient to hold it harmless as contemplated by the preceding paragraphs (a) and (b), then the Indemnifying Party shall contribute to the amount paid or payable by such Person as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by such Person and the Indemnifying Party, but also the relative fault of such Person and the Indemnifying Party, as well as any other relevant equitable considerations, provided that no Holder of Registrable Securities shall be required to contribute an amount greater than the dollar amount of the proceeds received by such Holder of Registrable Securities with respect to the sale of any securities. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

8. Rule 144 . The Company agrees to use commercially reasonable efforts to file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder (or, if it is not required to file such reports, it will, upon the request of any Holder of Registrable Securities, make publicly available other information so long as necessary to permit sales pursuant to Rule 144(k) under the Securities

Act), and it will take such further reasonable action requested by a Holder of Registrable Securities, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144(k) under the Securities Act, as such Rule may be amended from time to time, or (b) any similar rule or regulation hereafter adopted by the SEC. Upon the request of any Holder of Registrable Securities, the Company will deliver to such Holder a written statement as to whether it has complied with such information and filing requirements.

9. Participation i n Underwritten Offerings . No Holder of Registrable Securities may participate in any underwritten registration unless such Holder (a) agrees to sell such Holder's Transfer Restricted Securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (b) completes and executes all customary questionnaires, powers of attorney, indemnities, underwriting agreements, lock-up letters and other documents reasonably required under the terms of such underwriting arrangements.

10. Miscellaneous .

(a) Remedies . Each Holder of Registrable Securities, in addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, in connection with the breach by the Company of its obligations to register the Registrable Securities will be entitled to specific performance of its rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

(b) No Inconsistent Agreements . The Company will not on or after the date of this Agreement enter into any agreement with respect to its securities which is inconsistent with the rights granted to the Holders of Registrable Securities in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders of Registrable Securities hereunder do not in any way conflict with and are not inconsistent with the rights granted to the Holders of the Company's securities under any other agreements.

(c) Amendments and Waivers . The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions of this Agreement may not be given unless the Company has obtained the written consent of Holders of a majority of the outstanding Registrable Securities (excluding Registrable Securities held by the Company or one of its affiliates).

(d) Notices . All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, registered first-class mail, facsimile or air courier guaranteeing overnight delivery:

(i) if to the Company, to:

Broadwing Inc.
201 East Fourth Street

Cincinnati, OH 45202

(facsimile no.: (513) 397-4177)
Attention: Mark Peterson

with copies to:

Cravath, Swaine & Moore
825 Eighth Avenue
New York, NY 10019
(facsimile no.: (212) 474-3700)
Attention: William V. Fogg, Esq.

(ii) if to the Purchasers, to:

GS Mezzanine Partners II, L.P.
GS Mezzanine Partners II Offshore, L.P.
c/o Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004
(facsimile no.: (212) 902-3000)
Attention: Kaca Enquist

with copies to:

Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, New York 10004
(facsimile no.: (212) 859-4000)
Attention: F. William Reindel, Esq.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five business days after being deposited in the mail, postage prepaid if mailed; when answered back, if delivered by facsimile; and on the next business day if timely delivered, postage prepaid, to an air courier guaranteeing overnight delivery.

(e) Successors and Assigns . This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto, including without limitation and without the need for an express assignment, subsequent Holders of Registrable Securities.

(f) Counterparts . This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same

agreement.

(g) Headings . The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(h) Legend . Any certificate representing Warrants (or any other securities exercisable for or convertible into or exchangeable for Warrants) shall bear the following legend until such time as it is no longer applicable:

"THE WARRANTS REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A REGISTRATION RIGHTS AGREEMENT BETWEEN BROADWING INC. (THE "COMPANY"), GS MEZZANINE PARTNERS II, L.P. AND GS MEZZAINE PARTNERS II OFFSHORE, L.P., A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH REGISTRATION RIGHTS AGREEMENT. THE HOLDER OF THIS CERTIFICATE, BY ACCEPTANCE OF THIS CERTIFICATE, AGREES TO BE BOUND BY ALL OF THE PROVISIONS OF SUCH REGISTRATION RIGHTS AGREEMENT."

(i) New York Law; Submission to Jurisdiction; Waiver of Jury Trial . This Agreement shall be construed in accordance with and governed by the laws of the State of New York. Each party hereto hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State Court sitting in New York City for purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. Each party hereto irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. Each party hereto irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

(j) Severability . In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of any such provision in any jurisdiction in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

(k) Entire Agreement . This Agreement is intended by the parties as a final expression of their agreement with respect to the subject matter contained herein and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted by the Company with respect to the Registrable Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

IN WITNESS WHEREOF, the parties have executed this Equity Registration Rights Agreement as of the date first written above.

BROADWING INC.
B /s/ Mark W. Peterson
y:
Name: Mark W. Peterson
Title: Vice President & Treasurer
GS MEZZANINE PARTNERS II, L.P.
B GS Mezzanine Advisors II, L.L.C.
y:
its general partner
B /s/ Katherine B. Enquist
y:
Name: Katherine B. Enquist
Title: Vice President
GS MEZZANINE PARTNERS II OFFSHORE,L.P.
B GS Mezzanine Advisors II, L.L.C.
y:
its general partner
B /s/ Katherine B. Enquist
y:
Name: Katherine B. Enquist
Title: Vice President

Exhibit 4(c)(x)

Execution Copy

PURCHASE AGREEMENT

BROADWING INC.

Senior Subordinated Discount Notes due 2009

of

Broadwing Inc.,

and

Warrants to Purchase shares of Common Stock

of

Broadwing Inc.

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PURCHASE AGREEMENT

December 9, 2002

GS Mezzanine Partners II, L.P.

GS Mezzanine Partners II Offshore, L.P.

85 Broad Street

New York, New York 10004

Ladies and Gentlemen:

Broadwing Inc., an Ohio corporation (the " Company "), proposes to issue and sell to the Purchasers that principal amount at maturity of the Company's Senior Subordinated Discount Notes due 2009 (the " Notes ") determined as provided in Section 2(a) below and the Prorated Portion (as defined below) of 17,500,000 warrants (the " Warrants ") to purchase shares of the Company's common stock, par value $0.01 per share (the " Common Stock "), at an exercise price per share of $3.00, with each Warrant representing on the Closing Date (as defined below), the right to purchase one share of Common Stock (as such number and such exercise price shall be adjusted as if such Warrants were issued on the date hereof and the anti-dilution provisions set forth in Section 11 of the Warrant Agreement (as defined below) were in effect as of the date hereof). " Prorated Portion " means a fraction, the numerator of which is equal to the aggregate purchase price paid by the Purchasers for the Notes purchased at the Closing (as defined below) and the denominator of which is equal to $350,000,000.

The Notes will be issued pursuant to an Indenture, substantially in the form attached hereto as Exhibit A (the " Indenture "), by and between the Company and a trustee reasonably satisfactory to the Company and the Purchasers (the " Trustee "). The Warrants will be issued pursuant to a Warrant Agreement, substantially in the form attached hereto as Exhibit B (the " Warrant Agreement "), between the Company and the Purchasers (as defined below). The Notes and the Warrants issued hereunder are collectively referred to as the " Offered Securities ".

The Company hereby confirms its agreement, subject to the terms and conditions set forth herein, with GS Mezzanine Partners II, L.P., a Delaware limited partnership (" GS Mezzanine "), GS Mezzanine Partners II Offshore, L.P. (" GS Offshore "), an exempted limited partnership organized under the laws of the Cayman Islands, and any other affiliate of GS Mezzanine who purchase the Offered Securities being issued hereunder at the Closing (as defined below) (together with GS Mezzanine, GS Offshore and one or more partnerships, corporations, trusts or other organizations specified as a Purchaser in Schedule 1 hereto which controls, is controlled by, or is under common control with, GS Mezzanine or GS Offshore, the " GS Purchasers "), and any other person specified as a Purchaser in Schedule 1 hereto, provided such person executes a counterpart of this Agreement (" Other Purchasers ", and together with the GS Purchasers, the " Purchasers "), concerning the purchase of the Offered Securities from the Company by the Purchasers.

Holders of the Notes will be entitled to the benefits of an Exchange and Registration Rights Agreement, substantially in the form attached hereto as Exhibit C (the " Exchange and

Registration Rights Agreement "), pursuant to which, among other things, (a)the Company will, under the circumstances described therein, exchange such Notes for certain exchange notes of the Company (the " Exchange Notes "), which are identical in all material respects to the Notes (except that the Exchange Notes will not contain terms with respect to transfer restrictions), which will be registered pursuant to a registration statement under the Securities Act (the " Exchange Offer Registration Statement ") filed with the Securities and Exchange Commission (the " Commission ") and (b)the Company will, under certain circumstances described therein, file with the Commission shelf registration statements pursuant to Rule 415 under the Securities Act (" Shelf Registration Statements ") covering the resale of the Notes issued thereon.

Holders of the Warrants will be entitled to the benefits of an Equity Registration Rights Agreement, substantially in the form attached hereto as Exhibit D (the " Warrant Registration Rights Agreement "), pursuant to which, among other things, the Company will, under certain circumstances described therein, file with the Commission Shelf Registration Statements covering the resale of the Common Stock issuable upon the exercise of the Warrants.

The Offered Securities will be offered and sold to the Purchasers without being registered under the Securities Act of 1933, as amended (the " Securities Act "), in reliance upon an exemption therefrom.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Indenture. Also, "subsidiaries," as used herein, shall have the meaning ascribed to the term "Subsidiaries" in the Indenture.

1. *Representatio ns, Warranties and Agreements of the Company.* Except as set forth in the SEC Filings (as defined below) (except for purposes of Schedule 1(o) , the disclosure in which shall not be qualified by reference to the SEC Filings) filed prior to the date of this Agreement, the Company represents and warrants to, and agrees with, the Purchasers on and as of the date hereof and as of the Closing Date, that:

(a) The Company has filed all reports required to be filed with the Commission in compliance with Section13 or15(d) of the Exchange Act since December 31, 2001. All reports filed with the Commission in compliance with Section13 or15(d) of the Exchange Act (the " SEC Reports ," and, together with all filings incorporated by reference therein collectively, the " SEC Filings ") complied when filed in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and, except to the extent that information contained in any SEC Filing has been revised or superseded by a later SEC Filing, none of the SEC Filings (including all financial statements included therein and all exhibits and schedules thereto and documents incorporated by reference therein) contain any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) Assuming the accuracy of the representations and warranties of the Purchasers contained in Section2 and their compliance with the agreements set forth therein, it is not necessary, in connection with the issuance and sale of the Offered Securities to the Purchasers in the manner contemplated by this Agreement, to register the Offered Securities under the

Securities Act or to qualify the Indenture under the Trust Indenture Act of 1939, as amended (the " Trust Indenture Act ").

(c) The Company and each of its Significant Subsidiaries (as defined below) (i)is either a corporation, a limited liability company or a partnership duly organized, validly existing and in good standing (if applicable) under the laws of its jurisdiction of organization and (ii)has full corporate, limited liability company or partnership, as the case may be, power and authority to enter into and perform its obligations under each of the Transaction Documents (as defined below) to which it is a party. The Company and each of its subsidiaries (i) has full corporate, limited liability company or partnership, as the case may be, power and authority to own, lease and operate its properties and to conduct the businesses in which they are engaged and (ii)is duly qualified as a foreign corporation, a foreign limited liability company or a foreign partnership, as the case may be, to transact business and is in good standing (if applicable) in each jurisdiction in which the nature of its business or the ownership or leasing of its properties make such qualification necessary, except where the failure to so qualify or to have such power and authority could not, individually or in aggregate, reasonably be expected to have a Material Adverse Effect. Schedule 1(c) hereto sets forth (x) a list of all direct and indirect subsidiaries of the Company showing all equity ownership thereof of the Company and its subsidiaries and (y) the other equity investments of the Company and its subsidiaries in Persons that are not subsidiaries.

(d) As of September 30, 2002, (i) 218,792,775 shares of Common Stock were issued and outstanding, and 155,250 shares of voting preferred shares as represented by 3,105,000 depositary shares of 6 % Cumulative Convertible Preferred Stock (the " Preferred Stock ") bearing a par value of $0.01 per share were issued and outstanding and (ii)$494.5 million in accreted value of the Convertible Subordinated Notes (as defined below) were issued and outstanding, and sufficient shares of Common Stock are available for issuance upon the conversion of the Convertible Subordinated Notes. On the date hereof, (i)the authorized capital stock of the Company consists of 480,000,000 shares of Common Stock, 1,357,299 shares of voting preferred stock and 1,000,000 shares of non-voting preferred stock; (ii) 218,792,775 preferred purchase rights (the " Preferred Purchase Rights ") are issued and outstanding, and 400,000 shares of Series A Preferred Stock are reserved for issuance as voting preferred stock, upon the exercise of such preferred purchase rights; and (iii)31,901,435 shares of Common Stock are reserved for issuance upon exercise of options issued to directors, officers and employees of the Company under the Company's stock option plans that are in effect on the date hereof, true and correct copies of which are attached as Schedule 1(d) . On the Closing Date, all of the outstanding shares of capital stock of the Company are duly and validly authorized and issued, fully paid and non-assessable. When the Offered Securities are delivered and paid for pursuant to this Agreement on the Closing Date, the Warrants will be exercisable for shares of Common Stock (the " Warrant Shares ") in accordance with their terms and the Warrant Shares initially issuable upon exercise of such Warrants will have been duly and validly authorized and reserved for issuance upon such exercise and, when issued and paid for in accordance with the terms of the Warrant Agreement and the Warrants, will be validly issued, fully paid and non-assessable. Immediately after the Closing Date, a sufficient number of Warrant Shares will have been reserved by the Company for issuance upon exercise of the Warrants. Except as set forth in Schedule 1(d) , all of the outstanding equity interests of each subsidiary of the Company is owned by the Company or a direct or indirect subsidiary of the Company free and clear of any lien or

restriction upon voting or transfer, except for the pledge of the equity interests of subsidiaries owned by the Company or a direct or indirect subsidiary of the Company as security for the obligations of the holder thereof under the Credit Agreement (as defined below) and the 7 % Senior Notes due 2023 of the Company (the " Senior Notes "). Except as set forth on Schedule 1(d) , (i)there are no outstanding obligations of the Company to repurchase, redeem or otherwise acquire any shares of Common Stock, Preferred Stock, or other capital stock of the Company, (ii)there are no voting trusts or other agreements or understandings to which the Company or any of its subsidiaries is a party with respect to the holding, voting or disposing of Common Stock, Preferred Stock or other capital stock of the Company, and (iii)the Company has no outstanding bonds, debentures, notes or other obligations or other securities (other than the Common Stock, the Warrants, the Preferred Purchase Rights, the Preferred Stock and the 6 % Convertible Subordinated Notes due July 21, 2009 (the " Convertible Subordinated Notes ") issued pursuant to the Indenture, dated as of July 21, 1999, between the Company and the Bank of New York and sold pursuant to the Investment Agreement, dated as of July 21, 1999, among the Company and certain holders of the Convertible Subordinated Notes) that entitle the holders thereof to vote with the stockholders of the Company on any matter or which are convertible into or exercisable for securities having such a right to vote.

(e) Except as set forth on Schedule 1(e) , each of the Company and its subsidiaries, to the extent parties thereto, has full right, power and authority to execute and deliver this Agreement, the Indenture, the Exchange and Registration Rights Agreement, the Notes, the Warrants, the Warrant Agreement and the Warrant Registration Rights Agreement (collectively, all of the foregoing and all other agreements or documents specifically described in this Agreement and executed or delivered pursuant hereto, the " Transaction Documents "), and to perform its respective obligations hereunder and thereunder; and, except as set forth on Schedule 1(e) , all corporate, limited liability or partnership, as applicable, action required to be taken for the due and proper performance of each of the Transaction Documents and the consummation of the transactions contemplated by the Transaction Documents will have been duly and validly taken.

(f) This Agreement has been duly authorized, executed and delivered by the Company and constitutes a valid and legally binding agreement of the Company enforceable against the Company in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law).

(g) The Indenture has been duly authorized by the Company and its subsidiaries parties thereto and, when duly executed and delivered by the Company, its subsidiaries parties thereto and the Trustee in accordance with its terms, will constitute a valid and legally binding agreement of the Company and such subsidiaries enforceable against the Company and such subsidiaries in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law). The Indenture will conform in all material respects to the requirements of the Trust Indenture Act and the rules and regulations of the Commission applicable to an indenture which is qualified thereunder.

(h) The Notes have been duly authorized by the Company and, when duly executed, authenticated, issued and delivered as provided in the Indenture and paid for as provided herein, will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of the Company entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms, except as may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law).

(i) The Exchange and Registration Rights Agreement has been duly authorized, by the Company and its subsidiaries parties thereto and, when duly executed and delivered by all the parties thereto in accordance with its terms, will constitute a valid and legally binding agreement of the Company and such subsidiaries enforceable against the Company and such subsidiaries in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law) and except to the extent that the indemnification or contribution provisions contained therein may be unenforceable.

(j) The Warrant Agreement has been duly authorized by the Company, and, when duly executed and delivered by all the parties thereto in accordance with its terms, will constitute a valid and legally binding agreement of the Company, enforceable against the Company in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law).

(k) The Warrants have been duly authorized by the Company and, when duly executed, authenticated, issued and delivered as provided in the Warrant Agreement and paid for as provided herein and therein, will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of the Company, entitled to the benefits of the Warrant Agreement and enforceable against the Company in accordance with their terms, except as may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law) and except to the extent that the indemnification or contribution provisions contained therein may be unenforceable.

(l) The Warrant Registration Rights Agreement has been duly authorized by the Company and, when duly executed and delivered by all the parties thereto in accordance with its terms, will constitute a valid and legally binding agreement of the Company enforceable against the Company in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law) and except to the extent that the indemnification or contribution provisions contained therein may be unenforceable.

(m) Except as described in Schedule 1(m), the execution, delivery and performance by each of the Company and its subsidiaries of the Transaction Documents to which it is a party, the issuance, authentication, sale and delivery of the Notes and the Warrants and compliance by each of the Company and its subsidiaries with the terms of the Transaction Documents to which it is a party and the consummation of the transactions contemplated by the Transaction Documents will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, (ii)result in the violation of any provisions of the charter or by-laws (or similar organizational documents) of the Company or any of its subsidiaries that are either Material Subsidiaries or Guarantors (each such subsidiary, a "Significant Subsidiary") or (iii)result in the violation of, or in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to, any Applicable Law or any judgment, order or decree of any Governmental Authority having jurisdiction over the Company or any of its subsidiaries or any of their properties or assets, except in the case of clauses (i) and (iii) above, as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and no consent, approval, authorization or order of, or filing or registration with, any such Governmental Authority under any such Applicable Law, judgment, order or decree is required for the execution, delivery and performance by the Company and each of its subsidiaries of each of the Transaction Documents to which each is a party, the issuance, authentication, sale and delivery of the Offered Securities and compliance by the Company and its subsidiaries with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents, except for such consents, approvals, authorizations, filings, orders, registrations or qualifications (A)which shall have been obtained or made on or prior to the Closing Date, (B)as may be required to be obtained or made under the Securities Act and applicable state securities laws in connection with the Warrant Registration Rights Agreement and the Exchange and Registration Rights Agreement and (C) the failure of which to be obtained or made could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(n) The historical financial statements, including the related notes (collectively, the "Financial Statements") contained in the SEC Filings have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods covered thereby and fairly present in all material respects the financial position of the entities purported to be covered thereby at the respective dates indicated and the results of their operations and their cash flows for the respective periods indicated, subject, in the case of any unaudited interim financial statements, to normal year-end adjustments, in each case in accordance with GAAP, except as noted in the Financial Statements.

(o) Schedule 1(o) sets forth a complete and correct list of all Indebtedness of the Company and its subsidiaries that is in existence on the date hereof (the "Schedule 1(o) Indebtedness"). Neither the Company nor any subsidiary of the Company is in default, and no waiver of default, is currently in effect, in the payment of the principal of or interest on any Schedule 1(o) Indebtedness of the Company or such subsidiary and no event or condition exists

with respect to any Schedule 1(o) Indebtedness of the Company or any subsidiary of the Company that would permit (or that with notice, lapse of time or both, would permit) any person to cause such Schedule 1(o) Indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(p) Except as disclosed in Schedule 1(p) hereto, there are no legal or administrative proceedings pending by or before any Person to which the Company or any of its subsidiaries is a party or of which any business, property or assets of the Company or any of its subsidiaries is the subject, or, to the knowledge of the Company, by which any business, property or assets of the Company or any of its subsidiaries would reasonably be expected to be affected, which, (i)singularly or in the aggregate, if determined adversely to the Company or any of its subsidiaries, could, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect or (ii)would reasonably be expected to question the validity or enforceability of any of the Transaction Documents or any action taken or to be taken pursuant thereto; and to the knowledge of the Company, no such proceedings are threatened or contemplated.

(q) No action has been taken and no Applicable Law or order has been enacted, adopted or issued by any Governmental Authority which prevents the issuance of the Offered Securities or suspends the sale of the Offered Securities in any jurisdiction; no injunction, restraining order or order of any nature by any court or governmental agency or body of competent jurisdiction has been issued with respect to the Company or any of its subsidiaries which would prevent or suspend the issuance or sale of the Offered Securities; except as disclosed in Schedule 1(q) hereto, no action, suit or proceeding is pending against or, to the knowledge of the Company, threatened against or affecting the Company or any of its subsidiaries by or before any Governmental Authority which could reasonably be expected to interfere with or materially adversely affect the issuance of the Offered Securities or in any manner draw into question the validity or enforceability of any of the Transaction Documents or any action taken or to be taken pursuant thereto.

(r) Neither the Company nor any of its subsidiaries is (i)in the case of the Company or any Significant Subsidiary, in violation of its charter or by-laws (or similar organizational documents), (ii)in default in any respect, and no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by which it is bound or to which any of its property or assets is subject or (iii)in violation in any respect of any Applicable Law or order or decree of any Governmental Authority to which it or its property or assets are subject; except for any violation under clauses (ii) and (iii) that could not, individually or in the aggregate, reasonably be expected to (x) have a Material Adverse Effect or (y) result in an Event of Default.

(s) Except as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the Company and each of its subsidiaries possess all licenses, authorizations and permits issued by, and have made all declarations and filings with, all appropriate Governmental Authorities which are necessary for the ownership of their respective properties or the conduct of their respective businesses as described in SEC Filings, and, neither

the Company nor any of its subsidiaries has received notification of any revocation or modification of any such material license, authorization or permit.

(t) Except as disclosed on Schedule 1(t) :

(i) all material Tax Returns that are required to be filed by or with respect to the Company or any of its subsidiaries have been timely filed, and all such Tax Returns are true and complete in all material respects;

(ii) all Taxes shown to be due on the Tax Returns referred to in clause (i)or which are otherwise due and payable have been timely paid in full;

(iii) all Taxes required to be withheld and paid over by or with respect to the Company or any of its subsidiaries to any relevant taxing authority in connection with payments to employees, independent contractors, creditors, stockholders or to third parties have been so withheld and paid over;

(iv) the accruals and reserves for Taxes (other than deferred Taxes) established in the books and records of the Company and its subsidiaries are complete and adequate in all material respects to cover any liabilities for Taxes that are not yet due and payable;

(v) all material deficiencies asserted or assessments made by the Internal Revenue Service or any state, local or foreign taxing authority have been paid in full or reserved for in the books and records, or are being contested in good faith;

(vi) no audits or examinations with respect to Taxes of the Company or any of its subsidiaries are ongoing, pending or, to the knowledge of the Company or any subsidiaries, threatened or proposed by the Internal Revenue Service or any state, local or foreign taxing authority;

(vii) there are no liens for material Taxes on any of the assets of the Company or any of its subsidiaries other than liens for Taxes not yet due;

(viii) neither the Company nor any of its subsidiaries has been a member of an affiliated, combined, consolidated or unitary Tax group for purposes of filing any Tax Return other than such a group for which the Company is the common parent;

(ix) no closing agreements, private letter rulings, technical advice memoranda or similar agreement or rulings have been entered into or issued by any taxing authority with respect to the Company or any of its subsidiaries;

(x) to the knowledge of the Company or any of its subsidiaries, no taxing authority in a jurisdiction where the Company or any of its subsidiaries does not file Tax Returns has made a claim, assertion or threat that the Company or any of its subsidiaries is or may be subject to Tax in such jurisdiction; and

(xi) neither the Company nor any of its subsidiaries is, nor has ever been, a United States real property holding corporation within the meaning of Section 897(c)(2) of the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time (the " Code ").

" Tax Returns " means all reports and returns (including elections, declarations, disclosures, schedules, estimates and information returns) required to be filed with respect to Taxes.

" Taxes " means all federal, state, local or foreign income, gross receipts, windfall profits, severance, property, production, sales, use, license, excise, franchise, employment, withholding or other taxes, duties or assessments of any kind whatsoever imposed on any Person, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties and includes any liability for Taxes of another Person by contract, as a transferee or successor, under Treasury regulation Section 1.1502-6 or analogous state, local or foreign law provision or otherwise.

(u) Neither the Company nor any of its subsidiaries is (i)an "investment company" or a company "controlled by" an investment company within the meaning of the Investment Company Act of 1940, as amended (the " Investment Company Act "), and the rules and regulations of the Commission thereunder or (ii)a "holding company" or a "subsidiary company" of a holding company or an "affiliate" thereof within the meaning of the Public Utility Holding Company Act of 1935, as amended.

(v) Except as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the Company and each of its subsidiaries have insurance or adequate reserves covering their respective properties, operations, personnel and businesses, which insurance or adequate reserves are in amounts as are, in the reasonable judgment of the Company, adequate to protect the Company and its subsidiaries and their respective businesses.

(w) Except as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (i) the Company and each of its subsidiaries own or possess adequate rights to use all material patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, licenses and know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) necessary for the conduct of their respective businesses; and (ii) the conduct of the Company's or any of its subsidiaries' respective businesses do not conflict in any respect with, and the Company and its subsidiaries have not received any notice of any claim of conflict with, any such rights of others.

(x) The Company and each of its subsidiaries have good and marketable title in fee simple to, or have valid rights to lease or otherwise use, all items of real and personal property which are material to the business of the Company and its subsidiaries, in the case of the Company free and clear of all liens, encumbrances, claims and defects and imperfections of title except such as (i) arise under or are permitted under the Senior Notes or under the Amended and Restated Credit Agreement, dated November 9, 1999, as amended and restated on January 12, 2000, as amended (the " Credit Agreement "), among the Company, Broadwing

Communications Services Inc., Citicorp USA, Inc. as Administrative Agent, certain other agents and certain lenders thereto, (ii) are Permitted Liens under the Indenture, or (iii) could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(y) Except as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, there is no (i)unfair labor practice, labor dispute (other than routine individual grievances), litigation relating to labor matters involving any employee or labor arbitration proceeding pending or, to the knowledge of the Company, threatened against the Company or its subsidiaries, (ii)lockout, strike, slowdown, work stoppage or threat thereof by or with respect to any such employees, or (iii)material dispute, grievance or litigation relating to the employment of or involving any employee (other that routine individual grievances). The Company and its subsidiaries each is in compliance with all Applicable Laws (as defined in the Indenture) regarding employment, employment practices, terms and conditions of employment and wages, except for such noncompliance which individually or in the aggregate do not and could not reasonably be expected to have a Material Adverse Effect. Other than as set forth on Schedule 1(y) , no employee of the Company will receive, accrue or be entitled to receive or accrue any additional benefits, service or accelerated rights to payments of benefits, or any severance or termination payments as a result of the consummation of the transactions contemplated hereby.

(z) No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. There is no material pending, or to the knowledge of the Company threatened, litigation relating to the Company's employee benefit plans within the meaning of Section 3(3) of ERISA. Neither the Company nor any ERISA Affiliate has any contingent liability with respect to any post-retirement benefit under a welfare plan within the meaning of Section 3(1) of ERISA, other than liability for continuation coverage described in Part 6 of Title I of ERISA and except such liability as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. There has been no failure by any Plan or Multiemployer Plan to comply with the applicable requirements of ERISA and the Code other than any such failures that, individually or in the aggregate, have not had and could not reasonably be expected to have a Material Adverse Effect. As used herein:

" ERISA " means the Employee Retirement Income Security Act of 1974, as amended from time to time.

" ERISA Affiliate " means any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 414(b), (c) or (m) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

" ERISA Event " means (a) any "reportable event," as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the thirty-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section

303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Company or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the incurrence by the Company or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (f) the incurrence by the Company or any of its ERISA Affiliates of any tax or penalty imposed by either Section 4975 of the Code or Section 502(i) of ERISA, or liabilities pursuant to Section 401(a)(29) of the Code.

" Multiemployer Plan " means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

" Plan " means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Section 302 or Title IV of ERISA or Section 412 of the Code, and in respect of which the Company or any ERISA Affiliate is (or, if such Plan was terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

(aa) Except as disclosed on Schedule 1(aa) and except as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (i) there is not and has not been any presence, storage, generation, transportation, handling, treatment, disposal, discharge, emission or other release of any kind of Hazardous Materials by the Company or any of its subsidiaries, or any other entity (including any predecessor) for whose acts or omissions the Company or any of its subsidiaries is or may be liable from, in, on, at, under, about or upon any property now or, during the period of ownership, lease or operation by the Company or any of its subsidiaries, previously owned, leased or used by the Company or any of its subsidiaries, or upon any other property, in violation of any Environmental Law or which would, under any Environmental Law, give rise to any liability of the Company or any of its subsidiaries; and (ii) there is not and has not been any presence, disposal, discharge, emission or other release of any kind onto such property of any Hazardous Material with respect to which the Company has knowledge. As used herein:

" Environmental Laws " means all applicable foreign, federal, state or local laws, statutes, common law duties, rules, regulations, ordinances and codes, together with all administrative orders, Environmental Permits of, and agreements with, any Governmental Authorities, in each case relating to environmental, health, safety and land use matters; including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Clean Air Act, the Federal Water Pollution Control Act of 1972, the Solid Waste Disposal Act, the Federal Resource Conservation and Recovery Act, the Toxic Substances Control Act, and the Emergency Planning and Community Right-to-Know Act.

" Environmental Permits " means all permits, licenses, registrations, consents and other authorizations of any Governmental Authority which are required with respect to any of the facilities of the Company or any of its subsidiaries or operations under any applicable Environmental Law.

" Hazardous Materials " means (i) any petroleum or petroleum products, radioactive materials, asbestos in any form that is friable, urea formaldehyde foam insulation,

polychlorinated biphenyls and radon gas; (ii) any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous waste," "hazardous materials," "extremely hazardous substances," "restricted hazardous waste," "toxic substances," "toxic pollutants," "contaminants," or "pollutants," or words of similar meaning and effect, under any applicable Environmental Law; and (iii) any other chemical, material or substance, the Release of which is prohibited, limited or regulated by any Environmental Law.

(bb) Except as set forth in Schedule 1(bb) , (a)there is no Indebtedness between the Company or any of its subsidiaries, on the one hand, and any officer, stockholder, director or affiliate (as defined in Rule 501(b) of Regulation D under the Securities Act) (other than the Company or any of its subsidiaries) of the Company, on the other, (b)no such officer (other than in his or her capacity as an officer), stockholder, director (other than in his or her capacity as a director) or affiliate (as defined in Rule 501(b) of Regulation D under the Securities Act) provides or causes to be provided any assets, services or facilities to the Company or any of its subsidiaries, (c)neither the Company nor any of its subsidiaries provides or causes to be provided any assets, services, or facilities to any such officer, stockholder, director or affiliate (as defined in Rule 501(b) of Regulation D under the Securities Act) which, individually or in the aggregate, are material to the business, assets, condition (financial or otherwise), results of operations or prospects of the Company and its subsidiaries taken as a whole, and (d)neither the Company nor any subsidiary beneficially owns, directly or indirectly, any investment in or issued by any such officer, director or affiliate (as defined in Rule 501(b) of Regulation D under the Securities Act), which in the case of each of the clauses (a) through (d) above, individually or in the aggregate, are material to the business, assets, condition (financial or otherwise), results of operations or prospects of the Company and its subsidiaries taken as a whole. Neither the Company nor any of its subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee or other person associated with or acting on behalf of the Company or any of its subsidiaries has (i)used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii)made any unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii)violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977; or (iv)made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment; except in the case of clauses (i) through (iv) above, as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or result in criminal liability of the Company or any of its subsidiaries.

(cc) On and immediately after the Closing Date, the Company and its subsidiaries on a consolidated basis (after giving effect to the consummation of the transactions contemplated by the Transaction Documents) will be Solvent. As used in this paragraph, the term " Solvent " means, with respect to a particular date, that on such date (i)the fair value and present fair saleable value of the assets of the Company and its subsidiaries exceeds the amount required to pay the liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) of the Company and its subsidiaries; (ii)the Company and its subsidiaries have the ability to pay its debts and liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) as they become absolute and matured in the normal course of business; and (iii)the Company does not have an unreasonably small amount of capital with which to conduct its business after giving due consideration to the prevailing practice in the industry in which the Company is engaged. In computing the amount of such contingent liabilities at any

time, it is intended that such liabilities will be computed at the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

(dd) Except as described in Schedule 1(dd) hereto, or as contemplated by this Agreement, there are no outstanding subscriptions, rights, warrants, calls or options to acquire, or instruments convertible into or exchangeable for, or agreements or understandings with respect to the sale or issuance of, any shares of capital stock of or other equity or other ownership interest in the Company or any of its subsidiaries.

(ee) The Company will apply the proceeds from the sale of the Offered Securities solely to repay Indebtedness under the Credit Documents and to pay fees and expenses in connection with the transactions contemplated herein; *provided* that, to the extent the proceeds from the sale of Offered Securities exceed $300 million, the Company may use such excess proceeds for general corporate purposes in a manner to be mutually agreed in writing by the parties hereto. None of the proceeds of the sale of the Offered Securities will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security, for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry any security that currently is a margin security or for any other purpose which might cause any of the Offered Securities to be considered a "purpose credit" within the meanings of RegulationT,U orX of the Board of Governors of the Federal Reserve Board.

(ff) Except as set forth in Schedule 1(ff), neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding other than this Agreement with any person that would give rise to a valid claim against the Company or its subsidiaries or the Purchasers for a brokerage commission, finder's fee or like payment in connection with the sale of the Offered Securities, except as contemplated by this Agreement.

(gg) The Offered Securities satisfy the eligibility requirements of Rule144A(d)(3) under the Securities Act (assuming that the Warrants are eligible for resale under Rule 144A pursuant to Rule 144A(d)(3)(i)).

(hh) None of the Company, any of its subsidiaries or any of their respective affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act) has, directly or through any agent, made any offer or sale, solicited offers to buy or otherwise negotiated in respect of any of the Offered Securities or any securities of the same or similar class as the Offered Securities, the result of which would cause the sale of the Offered Securities to fail to be entitled to the exemption from registration afforded by Section 4(2) of the Securities Act. As used herein, the terms "offer" and "sale" have the meanings specified in Section 2(3) of the Securities Act.

(ii) None of the Company, any of its subsidiaries or any other person acting on its or their behalf has engaged, in connection with the sale of the Offered Securities, in any form of general solicitation or general advertising within the meaning of Rule502(c) of RegulationD under the Securities Act (" RegulationD ").

(jj) No forward-looking statement (within the meaning of Section27A of the Securities Act and Section21E of the Securities Exchange Act of 1934, as amended (the " Exchange Act ")) has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(kk) Since December 31, 2001, (i)there has been no material adverse change in the condition (financial or otherwise), operations, performance, properties or prospects of the Company and its Restricted Subsidiaries, taken as a whole, whether or not arising in the ordinary course of business and (ii)the Company and its Restricted Subsidiaries have not incurred any material liability or obligation, direct or contingent, other than (x)in the ordinary course of business consistent with past practice or (y)in connection with the transactions contemplated by the Transaction Documents.

(ll) The Guarantors (as defined in the Indenture) listed on the signature pages to the Indenture as of the Closing Date will be the only Restricted Subsidiaries (as defined in the Indenture) that guarantee the Credit Agreement on the Closing Date.

2. *Origina l Specified Amount; Delivery of Additional Commitment Letter and Cutback Notice; Purchase of the Offered Securities.* (a) On the date hereof, the Purchasers agree, pursuant to the terms and conditions of this Agreement, to purchase from the Company at the Closing, in accordance with Section2(b) , the principal amount at maturity of Notes and the number of Warrants set forth opposite the name of such Purchaser on Schedule 1 hereto for an aggregate purchase price at the Closing of $200,000,000 (the " Original Specified Amount ," and together with any Additional Specified Amount (defined below), the " Specified Amount "). At any time on or prior to December 24, 2002 (as such date may be extended to January 7, 2003 with the consent of the Company (such consent not to be unreasonably withheld), the " Additional Commitment Delivery Date "), GS Mezzanine, on behalf of the Purchasers, shall have the right (but shall not be obligated), in its sole discretion, to deliver to the Company a letter (the " Additional Commitment Letter "), notifying the Company that the Purchasers agree, pursuant to the terms and conditions of this Agreement, to purchase from the Company at the Closing, in accordance with Section2(b) , additional Notes and additional Warrants for an aggregate purchase price at the Closing of not more than $150,000,000 (such notified amount, subject to the proviso to this sentence, the " Additional Specified Amount "), and an amended Schedule 1 specifying the identity of the Purchasers and the principal amount at maturity of Notes and the number of Warrants that each Purchaser has agreed to purchase; *provided , however* , that if the Additional Specified Amount on the Additional Commitment Delivery Date is less than $150,000,000 and (x) this Agreement has not been terminated by the Company pursuant to Section 7(b) and (y) the Company has not delivered to the Purchasers a Cutback Notice (as defined below), GS Mezzanine, on behalf of the Purchasers, shall have the right (but not the obligation), at any time prior to the earliest of the Closing Date, the date on which this Agreement is terminated pursuant to Section 7 , or the date on which a Cutback Notice has been delivered to the Company, to deliver to the Company one or more amendments to the Additional Commitment Letter increasing the Additional Specified Amount to not more than $150,000,000. Following the Company's receipt of the Additional Commitment Letter, the Company may, at any time prior to the Amendment Date (as defined below), deliver to the Purchasers a written notice (the " Cutback Notice ") specifying the aggregate principal amount at maturity of Notes and the number of Warrants that the Company will issue and sell to the Purchasers at the Closing;

provided , _however_ , that the aggregate purchase price for the Notes may either be (x) zero or (y) not less than the Original Specified Amount nor more than the Specified Amount. Upon delivery of any Cutback Notice, the principal amount at maturity of Notes and the number of Warrants the Purchasers are required to purchase at the Closing shall be reduced (and as so reduced, may not thereafter be increased), if applicable, and allocated among the Purchasers in a manner determined by the GS Purchasers in their sole discretion, to the amount set forth in the Cutback Notice, and Schedule 1 shall be amended accordingly; _provided, further,_ that, notwithstanding anything herein to the contrary, no Cutback Notice may be delivered to the Purchasers unless and until the Company has delivered a similar cutback notice to the prospective purchasers of the Alternative Mezzanine Debt, if any, reducing their commitments to zero, which commitments, as so reduced, may not thereafter be increased. For the avoidance of doubt, if the Company delivers to the Purchasers a Cutback Notice reducing to zero the aggregate principal amount at maturity of Notes and the number of Warrants that the Company will issue and sell to the Purchasers at the Closing, the Purchasers shall have no further obligations to purchase Offered Securities on the Closing Date; _provided_ that all other provisions of the Purchase Agreement shall otherwise remain in full force and effect.

(b) On the basis of the representations, warranties and agreements contained herein, and subject to the terms and conditions set forth herein, the Company will issue and sell to each of the Purchasers, severally and not jointly (except that the GS Purchasers shall be jointly and severally liable with respect to the obligations of all of the Purchasers under Section2(a) up to an amount equal to the Original Specified Amount), and each of the Purchasers, severally and not jointly (except that the GS Purchasers shall be jointly and severally liable with respect to the obligations of all of the Purchasers under Section 2(a) up to an amount equal to the Original Specified Amount), agrees to purchase from the Company at the Closing the principal amount at maturity of the Notes and the number of the Warrants (equal to the Prorated Portion of 17,500,000) set forth opposite the name of such Purchaser on Schedule 1 hereto (as in effect on the Closing Date) at the purchase price set forth opposite such Purchaser's name on Schedule 1 , for an aggregate purchase price at the Closing equal to the Specified Amount, as reduced pursuant to any Cutback Notice.

(c) Each Purchaser represents to the Company that (i)it is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (ii) it has full right, power and authority to enter into and perform its obligations under each of the Transaction Documents to which it is a party, and that all corporate, limited liability company or partnership, as applicable, action required to be taken for the due and proper authorization, execution and delivery of such Transaction Documents and the transactions contemplated thereby has been validly taken, (iii) each of the Transaction Documents to which it is a party has been duly executed and delivered by such Purchaser and constitutes a valid and legally binding agreement of such Purchaser enforceable against such Purchaser in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law), (iv) it is either (A)an "accredited investor," within the meaning of Rule 501 promulgated by the Commission under the Securities Act or (B)a Qualified Institutional Buyer (" QIB ") as defined in Rule144A under the Securities Act (" Rule 144A "), (v)it is acquiring the Offered Securities to be purchased by it hereunder for its own account, for investment, and not with a view to or for sale in connection

with any distribution thereof in violation of the registration provisions of the Securities Act or the rules and regulations promulgated thereunder, (vi)it is aware that it must bear the economic risk of such investment for an indefinite period of time since the statutory basis for exemption from registration under the Securities Act would not be present if such representation meant merely that the present intention of such Purchaser is to hold these securities for a deferred sale or for any fixed period in the future, (vii)it can afford to bear such economic risk and can afford to suffer the complete loss of its investment hereunder and (viii) it has not taken any action which would subject the issuance or sale of the Offered Securities to the provisions of Section 5 of the Securities Act. Each Purchaser acknowledges that the Offered Securities are "restricted securities" under the U.S. federal securities laws, have not been registered under the Securities Act or any state securities or blue sky laws and may not be sold except pursuant to an effective registration statement thereunder or any exemption from registration under the Securities Act and applicable state securities laws. Each Purchaser further acknowledges that each Offered Security shall include the restrictive legends set forth in the Indenture in the case of the Initial Notes and the Warrant Agreement in the case of the Warrants.

Each Purchaser further acknowledges that each Note and Warrant will bear the restrictive legend set forth below:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGSITRATION."

(d) At the Closing Date, the parties to this Agreement will (i) agree for purposes of Treasury Regulation Section 1.1273-2(h) and for all other federal, state, local and foreign tax purposes as to the aggregate fair market value and the aggregate purchase price (after giving effect to the making by the Company of the Closing Payment referred to in Section 3(c)) of the Notes and the Warrants, and (ii) execute an addendum to this Agreement setting forth such aggregate fair market value and the aggregate purchase price, which addendum will be incorporated herein and will be made part hereof as if originally set forth herein. The parties agree to report the sale and purchase of the Notes and Warrants purchased pursuant to this Agreement for all federal, state, local and foreign tax purposes in a manner consistent with the aforementioned addenda and agree to take no position inconsistent with the foregoing (unless otherwise required by a final determination by the appropriate taxing authority).

3. *Delivery o f and Payment for the Offered Securities at Closing.* (a) Delivery of and payment for the Offered Securities shall be made at the offices of Fried, Frank, Harris, Shriver & Jacobson, One New York Plaza, New York, New York 10004, or at such other place as shall be agreed upon by the Purchasers and the Company, at 10:00a.m., New York time,at a

closing (the " Closing ") on the date that is 30 days after the amendment to the Credit Agreement referred to in Section 6(g) has been executed by the parties thereto (the date on which such amendment has been executed, the " Amendment Date ") (*provided* that all other conditions set forth in Section 6 have been satisfied or waived by the Purchasers prior to such date), or at such other time or date, as shall be agreed upon by the Purchasers and the Company (such date and time of payment and delivery being referred to herein as the " Closing Date "), *provided , however ,* that if any Other Purchaser fails to fund on the Closing Date as provided herein, the GS Purchasers will have the right to postpone the Closing Date for an additional 30 days. On the Closing Date, the Company will deliver to the Purchasers, against payment of the purchase price set forth in Schedule 1 , certificates evidencing an aggregate principal amount at maturity of the Notes that may be purchased for such purchase price pursuant to the Indenture duly executed by the Company and authenticated by the Trustee pursuant to the Indenture, and the Warrants, duly executed by the Company and registered in the names of the Purchasers and in the amounts set forth in Schedule 1 (and in such denominations requested by each such Purchaser not later than two business days prior to the Closing Date).

(b) On the Closing Date, payment of the purchase price for the Offered Securities (net of any amounts payable by the Company to the Purchasers pursuant to Section 3(c) of this Agreement) shall be made to the Company by wire or book-entry transfer of same-day funds to such account or accounts as the Company shall specify prior to the Closing Date or by such other means as the parties hereto shall agree prior to the Closing Date against delivery to the Purchasers of the certificates evidencing the Offered Securities issued and sold pursuant to this Agreement. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligations of the Purchasers hereunder.

(c) On the Closing Date, the Company shall pay by wire transfer of immediately available funds (or, if consented to by a Purchaser, as a pro rata reduction in the purchase price of the Offered Securities purchased by such Purchaser) to the Appropriate Parties (as defined below) a closing payment (the " Closing Payment ") equal to the sum of (x) xx% of the Specified Amount (excluding for purposes of this clause (x) any portion of the purchase price not funded as of the Closing due to the breach by any Purchaser of its obligations hereunder) and (y) xx% of the aggregate purchase price paid by the Purchasers for the Notes purchased by them on the Closing Date, without regard to the penultimate sentence of this Section 3(c) . In addition, to the extent requested to be paid on the Closing Date, the Company shall pay to each Purchaser or its designee all reasonable and documented fees and disbursements of such Purchaser conte mplated by, and subject to the limitations of, Section 14 . Any obligation owed to the Company by the Purchasers pursuant to Section 3(b) of this Agreement shall be reduced by the amount of the obligation of the Company to the Purchasers pursuant to this Section 3(c) . As used herein, the " Appropriate Parties " shall mean: (i) with respect to any payment based on the amount of the aggregate purchase price payable by the GS Purchasers for the Notes which they have committed to purchase on or prior to the Closing Date, the GS Purchasers or their designees, in proportion to their respective commitments, and (ii) with respect to any payment based on the amount of the aggregate purchase price payable by the Other Purchasers for the Notes which they have committed to purchase on the Closing Date, Goldman, Sachs & Co. or its designees.

4. *Certain Rights of the Purchasers.* If the terms of any Alternative Mezzanine Debt (as defined below), in the sole judgment of the GS Purchasers, contains terms that are more

favorable to the holders thereof than the terms of the Offered Securities, the Purchasers shall have the right, in the GS Purchasers' sole and absolute discretion, to (a) benefit from such more favorable terms by incorporating them in the appropriate Transaction Documents and/or (b) treat their commitment hereunder and under the Additional Commitment Letter as a commitment to purchase such Alternative Mezzanine Debt for an aggregate purchase price not to exceed the Specified Amount (and the Company shall then be obligated to issue and sell to the Purchasers such Alternative Mezzanine Debt) on the terms and conditions thereof.

5. *Further Agreeme nts of the Company.* The Company agrees with each of the Purchasers:

(a) At all times prior to the Closing Date, to advise the Purchasers promptly and, if reasonably requested, confirm such advice in writing, of the happening of any event which makes any statement of a fact in the SEC Filings or any representation or warranty contained in Section 1 of this Agreement untrue or incorrect in any material respect or which requires the making of any additions to or changes in the SEC Filings or Section 1 of this Agreement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, untrue or incorrect in all material respects.

(b) For so long as the Offered Securities are outstanding and are "restricted securities" within the meaning of Rule144(a)(3) under the Securities Act, to furnish to holders of the Offered Securities and prospective purchasers of the Offered Securities designated by such holders, upon the written request of such holders or such prospective purchasers, the information required to be delivered pursuant to Rule144A(d)(4) under the Securities Act, unless the Company is then subject to and in compliance with Section13 or15(d) of the Exchange Act (the foregoing agreement being for the benefit of the holders from time to time of the Offered Securities and prospective purchasers of the Offered Securities designated by such holders).

(c) Except following a Note Registration, not to, and to cause its subsidiaries not to, and to use its reasonable efforts to cause its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act) not to, and to use its commercially reasonable efforts to cause any person acting on their behalf (other than the Purchasers, as to which no covenant is given) not to, solicit any offer to buy or offer to sell the Offered Securities by means of engaging in any form of general solicitation or general advertising within the meaning of Rule 502 (c)of RegulationD under the Securities Act; and not to offer, sell, contract to sell or otherwise dispose of, or negotiate in respect of, directly or indirectly, any securities of the same or similar class as the Offered Securities under circumstances where such offer, sale, contract, negotiation or disposition could be integrated with the sale of the Offered Securities in a manner which would cause the exemption afforded by Section4(2) of the Securities Act to cease to be applicable to the sale of the Offered Securities as contemplated by this Agreement.

(d) During the period from the Closing Date until two years after the Closing Date, not to, and not permit any of its affiliates (as defined in Rule144 under the Securities Act) to, resell any of the Offered Securities that have been reacquired by them, except for Offered Securities purchased by the Company or any of its affiliates and resold in a transaction registered under the Securities Act or unless the Offered Securities bear a legend specifying the date of such resale.

(e) To, from and after such time as the Company has securities registered pursuant to Section 12 of the Exchange Act, or has securities registered pursuant to the Securities Act, make timely filing of such reports as are required to be filed by it with the Commission so that Rule 144 under the Securities Act or any successor provision thereto will be available to the security holders of the Company who are otherwise able to take advantages of the provisions of such rule.

(f) Not to, for so long as the Offered Securities are outstanding, be or become, or be or become controlled by, an open-end investment company, unit investment trust or face-amount certificate company that is or is required to be registered under Section8 of the Investment Company Act, and to not be or become, or be or become owned by, a closed-end investment company required to be registered under the Investment Company Act, but not registered thereunder.

(g) To use its commercially reasonable efforts to do and perform all things required to be done and performed by it under this Agreement that are within its control prior to or after the Closing Date.

(h) Not to take any action from and after the date hereof, and prior to the execution and delivery of the Indenture which, if taken after such execution and delivery, would have violated any of the covenants contained in the Indenture as if the Indenture was in effect in the form attached hereto and dated as of the date hereof.

(i) To apply the net proceeds from the sale of the Offered Securities as set forth in Section 1(ee) .

(j) After the Note Registration, provide to the Purchasers the same assistance in conducting offerings of the Notes as the Company is obligated to provide in connection with Private Offerings pursuant to Section 11(b) as if such Section 11(b) applied to offerings of publicly traded securities.

(k) At any time prior to the Additional Commitment Delivery Date, the Company shall cooperate with the GS Purchasers, and if requested by the GS Purchasers, shall use its best efforts to:

(i) direct contact between the Company's senior management and advisors and prospective Purchasers to enable them to conduct their due diligence investigation;

(ii) respond to reasonable inquiries of, and provide answers to, each prospective Purchaser who so inquires about the Company and its subsidiaries;

(iii) host meetings of prospective Purchasers;

(iv) promptly prepare and provide to each prospective Purchaser all information with respect to the Company, including projections, as each prospective Purchaser may reasonably request. Any such projections made available to a prospective Purchaser by the Company or any of its representatives will be prepared in good faith

based upon assumptions believed in good faith to be reasonable; provided, however, that in no event shall the Company be required to give any representations or warranties with respect to such projections; and

(v) provide to any prospective Purchaser any other information regarding the Company that such prospective Purchaser may reasonably request;

provided, however, that the Company's obligations hereunder shall be subject to prospective Purchasers expressly agreeing to be bound by the confidentiality provisions set forth in Section17 .

(l) For the period from the date hereof and ending on the earlier of the Closing Date or the date on which this Agreement is terminated pursuant to Section 7 , to deal with the Purchasers on an exclusive basis with respect to the issuance of the Offered Securities and not to, and to cause its agents, representatives, and any other person acting on its behalf not to, directly or indirectly, solicit, participate in any negotiations or discussions with or provide or afford any information to third parties with respect to, or otherwise facilitate, encourage, accept, or enter into any Alternative Transaction (as defined below); *provided , however* , that if the Specified Amount is less than $350 million, the Company shall have the right, notwithstanding this Section 5(l) , after the Additional Commitment Delivery Date and prior to the delivery of any Cutback Notice to the Purchasers, to solicit third parties to either (x) participate in the purchase of Notes and Warrants with an aggregate purchase price not to exceed the difference (the " Shortfall Amount ") between $350 million and the Specified Amount, which third parties who decide to participate in such purchase shall be deemed to be Purchasers hereunder for all purposes (including, for the avoidance of doubt, for purposes of receiving any Cutback Notice and for any reductions in the Purchasers' commitments pursuant thereto) or (y) subject to the second proviso to the last sentence of Section 2(a) , to commit to purchase Alternative Mezzanine Debt for a purchase price not to exceed the Shortfall Amount. As used herein, " Alternative Mezzanine Debt " means a mezzanine financing of the Company consisting of subordinated indebtedness, preferred equity or common equity of the Company, or any combination of the foregoing, in each case which would otherwise constitute an Alternative Transaction (as defined below), satisfying the following conditions: (i) the aggregate purchase price for such Alternative Mezzanine Debt shall not exceed the Shortfall Amount; (ii) the ranking of the most senior instrument included in such Alternative Mezzanine Debt shall be pari passu in right of payment to the Notes or junior in right of payment to the Notes to the same extent as the Notes are junior to Senior Indebtedness (as defined in the Indenture) and (iii) the maturity, mandatory redemption or similar final payment (including any call rights of the holders thereof) of each instrument included in such Alternative Mezzanine Debt shall not occur prior to the date that is 6 months after the Stated Maturity Date.

6. *Conditions to Pu rchasers' Obligations at Closing.* Each Purchaser's obligation to purchase and pay for the Offered Securities to be purchased by it at the Closing is subject to the satisfaction or waiver by it prior to or at the Closing of each of the conditions specified below in this Section6 :

(a) Each of the representations and warranties of the Company in this Agreement and in each of the other Transaction Documents shall be true and correct in all material respects

(*provided* that the representations and warranties already qualified by materiality or Material Adverse Effect shall be true and correct in all respects) when made and on or as of the Closing Date, as if made on and as of such date (unless stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct as of such earlier date).

(b) The Company and its subsidiaries, to the extent parties hereto or thereto, shall have performed and complied in all material respects with all agreements and conditions contained in this Agreement and each of the other Transaction Documents required to be performed or complied with by them prior to the Closing, and, after giving effect to the issue and sale of the Offered Securities and the consummation of the other transactions contemplated by the Transaction Documents, no default or event of default shall have occurred and be continuing under any of the Transaction Documents.

(c) The Company shall have delivered to each Purchaser a certificate of the Chief Executive Officer and the Chief Financial Officer of the Company, dated the Closing Date, in the form of Exhibit E hereto, certifying that to their knowledge the conditions specified in clauses (a), (b), (k), (l) and (m) of this Section6 have been fulfilled, except as to matters which require the approval or satisfaction of the Purchasers.

(d) Each of the Company and each of its subsidiaries which constitutes a Company Guarantor (as defined in the Indenture) shall have delivered to each Purchaser a certificate in the form of Exhibit F certifying as to the Company's or such subsidiaries' organizational documents and resolutions attached thereto, the incumbency and signatures of certain officers of the Company or such subsidiary, and other proceedings of the Company or such subsidiary, relating to the authorization, execution and delivery of the Offered Securities, this Agreement and the other Transaction Documents to which the Company or such subsidiary is a party.

(e) Each Purchaser shall have received opinions dated the date of the Closing from (i) Cravath, Swaine & Moore, counsel for the Company, to the effect set forth in ExhibitG-1 , (ii) Frost, Brown & Todd, local counsel to the Company, in form and substance reasonably satisfactory to the Purchasers and their counsel, (iii) the Company's internal counsel, to the effect set forth in Exhibit G-2 , and (iv) a regulatory counsel for the Company reasonably acceptable to the Purchasers and their counsel, to the effect that no consent, approval or authorization byany Governmental Authority is required in connection with the execution, delivery and performance by theCompany and its subsidiaries of theTransaction Documents and theexecution, delivery and performance by the Company and its subsidiaries of theTransaction Documents does not violate any applicable provision ofany statutes, rules or policies enforced or issued by any Governmental Authority.

(f) There shall not have occurred any material disruption or material adverse change in or affecting the U.S. financial, banking or capital market conditions generally from those in effect on the date of this Agreement.

(g) The Company shall have made such amendments to the Credit Agreement and documents related thereto in form and substance satisfactory to the Purchasers, and the Purchasers shall have received all such counterpart originals as it or they may reasonably

request. After giving effect to such amendments, at the Closing the Credit Agreement shall be in full force and effect, and no event of default shall have occurred and be continuing thereunder.

(h) Each Purchaser's purchase of the Offered Securities shall (a)be permitted by the laws and regulations of each jurisdiction to which it is subject, (b)not violate any Applicable Law (including, without limitation, Regulation U, T or X of the Board of Governors of the Federal Reserve System) and (c)not subject such Purchaser to any material tax, penalty or liability under or pursuant to any Applicable Law, which Applicable Law was not in effect on the date hereof.

(i) The Purchasers shall have received true and correct copies of all Transaction Documents and such documents (i)shall have been duly executed, authenticated (in the case of Notes) and will be delivered by the parties thereto, (ii)upon delivery thereof, shall be in form and substance reasonably satisfactory to the Purchasers and their special counsel and (iii) shall be valid and binding obligations of the parties thereto, enforceable against each of them in accordance with its respective terms.

(j) The Purchasers shall not have become aware of any information after the date hereof with regards to the Company and its subsidiaries or the transactions contemplated hereby which is inconsistent in a material and adverse manner with the information disclosed by or on behalf of the Company to the Purchasers on or prior to the date hereof, taken as a whole.

(k) There shall be no inquiry, injunction, restraining order, action, suit or proceeding pending or entered or any statute or rule proposed, enacted or promulgated by any Governmental Authority or any other Person which, in the reasonable opinion of the Purchasers, (i)individually or in the aggregate could reasonably be expected to have a Material Adverse Effect or which seeks to enjoin the consummation of the transactions contemplated by this Agreement and the other Transaction Documents or seeks damages against any of the Purchasers as a result of the transactions contemplated by the Transaction Documents or the issuance of the Offered Securities, (ii)alleges liability on the part of any Purchaser in connection with this Agreement, any other Transaction Documents or the transactions contemplated hereby or thereby or (iii)would bar the issuance of the Offered Securities or the use of the proceeds thereof in accordance with the terms of this Agreement.

(l) As of the Closing Date, the Consolidated EBITDA (as defined in the Indenture) after giving effect to the transactions contemplated by this Agreement for the Company and its subsidiaries (excluding BCI and its subsidiaries) for the twelve-month period most recently ending at least 15 (but no more than 30) days prior to the Closing Date shall not be less than $495 million plus the amount of any cash restructuring charges as set forth in Schedule 1.1(a) to the Indenture (excluding the December 2002 restructuring charge of $2 million, to the extent recorded) to the extent applicable to the relevant measurement period.

(m) As of the Closing Date, the Consolidated Adjusted Debt to Adjusted EBITDA Ratio (as defined in the Indenture) after giving effect to the transactions contemplated by this Agreement for the twelve-month period most recently ending at least 15 (but no more than 30) days prior to the Closing Date shall not be greater than 5.5 to 1.0.

7. *Termination; Pa yments Upon Termination.* (a) This Agreement may be terminated by the Purchasers, in their absolute discretion, by notice given to and received by the Company prior to delivery of and payment for the Offered Securities (i) if, prior to that time, any of the events described in Section 6(k) shall have occurred and be continuing, (ii) at any time after the date hereof, if the Company has breached Section 5(l) (other than an inadvertent breach which is promptly cured) or (iii) at any time after March 31, 2003 (as such date may be extended by the mutual agreement of the Purchasers and the Company or as set forth in the proviso to this sentence, the " Drop-Dead Date "); *provided , however* , that if the Amendment Date is on or after March 2, 2003 and prior to March 31, 2003, the Drop Dead Date shall be automatically extended by 30 days from the Amendment Date. This Agreement may be terminated by the Company, in its absolute discretion, by notice given to and received by the Purchasers prior to delivery of and payment for the Offered Securities, at any time after the Drop Dead Date (as may be extended as set forth above). In the event of a termination of this Agreement as provided for in this Section 7(a) , all further obligations of the parties under this Agreement will terminate without further liability of any party to another; provided that the obligations of the parties contained in Section 7 , Section 13 , Section 14 , Section 17 , Section 19 , Section 20 and Section 21 of this Agreement will survive any such termination.

(b) In addition to the termination rights of the Company set forth in Section 7(a), this Agreement may be terminated by the Company, by notice given to and received by the Purchasers within 3 business days after the Additional Commitment Delivery Date, if the Additional Specified Amount as set forth in the Additional Commitment Letter on such date is less than $150,000,000. In the event of a termination of this Agreement as provided for in this Section 7(b) , all further obligations of the parties under this Agreement will terminate without further liability of any party to another; provided that the obligations of the parties contained in Section 7(c) , Section 13 , Section 14 , Section 17 , Section 19 , Section 20 and Section 21 of this Agreement will survive any such termination.

(c) If this Agreement is terminated as set forth in the foregoing clauses (a) or (b) , the Company shall promptly pay to the Appropriate Parties a payment (the " Section 7 Payment ") equal to 2% of the Specified Amount; *provided , however* , that if the Closing does not occur as a result of the condition to the Purchasers' obligations under this Agreement set forth in Section 6(f) not being satisfied, the Purchasers shall not be entitled to such Section 7 Payment. The Company also shall pay to each Purchaser or its designee all reasonable and documented out-of-pocket fees and disbursements of such Purchaser contemplated by Section 14 .

(d) In addition to the Section 7 Payment and payment of expenses referred to in the foregoing clause (c) , if (i) this Agreement is terminated as set forth in clause (a) above and (ii) after the date hereof and on or prior to June 30, 2003 (the " 3% Period "), the Company or any subsidiary of the Company (excluding BCI and its subsidiaries) enters into (and, with respect to any such transaction entered into prior to the expiration of the 3% Period, consummates such transaction after the expiration of the 3% Period) or consummates a transaction or a series of related or unrelated transactions for the provision of any alternative debt or equity financing (any such transaction, an " Alternative Transaction ") (*provided* that, for purposes of this Section 7 and Section 5(l) , neither (1) the issuance of common stock, (2) the cashless exchange (without regard to any cash payments for fractional shares) of common stock or preferred equity (other than Disqualified Capital Stock) of the Company for preferred equity or debt securities of BCI

(whether by exchange offer, merger or otherwise), (3) the consummation of a senior secured facility with an effective yield not in excess of LIBOR plus 400 basis points nor (4) the issuance of preferred equity (other than Disqualified Capital Stock) of the Company shall be deemed to be an Alternative Transaction) then the Company shall (i) provide the Purchasers the opportunity to participate in such Alternative Transaction by providing up to 50% of the aggregate proceeds to the Company and its affiliates from such Alternative Transaction on the same terms as the providers of the remaining proceeds in such Alternative Transaction and (ii) if the Purchasers decline such opportunity, promptly pay to the Appropriate Parties a fee equal to xx% of the Specified Amount.

(e) If the Purchasers have not received, and are not entitled to receive, the payment described in the foregoing clause (d) and in addition to the Section 7 Payment and payment of expenses referred to in the foregoing clause (c) , if (i) this Agreement is terminated as set forth in clause (a) above and (ii) after June 30, 2003 and on or prior to December 31, 2003 (the " 1.5% Period "), the Company or any subsidiary of the Company (excluding BCI and its subsidiaries) enters into (and, with respect to any such transaction entered into prior to the expiration of the 1.5% Period, consummates such transaction after the expiration of the 1.5% Period) or consummates an Alternative Transaction with or involving (whether as manager, agent, underwriter, sponsor or otherwise) any current or former lender in the Credit Agreement syndicate as of March 31, 2003, or Lehman Brothers Inc. or any of their respective affiliates, then the Company shall (i) provide the Purchasers the opportunity to participate in such Alternative Transaction by providing up to 50% of the aggregate proceeds to the Company and its affiliates from such Alternative Transaction on the same terms as the providers of the remaining proceeds in such Alternative Transaction and (ii) if the Purchasers decline such opportunity, promptly pay to the Appropriate Parties a fee equal to xx% of the Specified Amount.

(f) If this Agreement is terminated by the Purchasers pursuant to clause (ii) of Section 7(a) , the Company shall promptly pay to the Appropriate Parties, as liquidated damages and in addition to the payment of expenses referred to in clause (b) , an amount equal to (x) $xxx, if such termination occurs prior to the delivery of the Additional Commitment Letter as provided in Section 2(a) , or (y) 6% of the Specified Amount, if such termination occurs on or after the Additional Commitment Delivery Date (such amount, the " Liquidated Damages Amount "); *provided , however* , that any amounts owed to the Appropriate Parties pursuant to Section 7(c) , Section 7(d) or Section 7(e) shall be reduced by the Liquidated Damages Amount actually received by the Appropriate Parties.

8. *Several Obli gations of the Purchasers.* The obligations of the Purchasers hereunder shall be several (except that the GS Purchasers shall be jointly and severally liable with respect to the obligations of all of the Purchasers under Section 2(a) up to an amount equal to the Original Specified Amount).

9. *Covenants to Pr ovide Information* .

Notwithstanding anything in the Indenture to the contrary, in addition to the information required to be delivered pursuant to Section 4.02 of the Indenture, the Company shall deliver the following information described in clauses (i) through (vii) of this Section 9 :

(a)to each Purchaser, so long as such Purchaser or any of its Affiliates is a Holder of any of the Offered Securities, and (b) prior to the date on which the Notes become Widely Held, to the purchasers of Notes from any of the Purchasers (each a " Subsequent Purchaser ") that are Institutional Accredited Investors; *provided, however,* in no event shall the Company be obligated to provide such information to Subsequent Purchasers of Notes who beneficially own less than $5,000,000 of the principal amount at maturity of the Notes; and, *provided , further* , that (1) any Subsequent Purchaser who beneficially owns at least $5,000,000 of the principal amount at maturity of the Notes shall be entitled to receive information described in clauses (i), (ii) and (vi) of this Section 9 , and (2) any Subsequent Purchaser that is a "venture capital operating company" (within the meaning of Department of Labor regulations under ERISA) who beneficially owns at least $20,000,000 of the outstanding principal amount at maturity of the Notes shall be entitled to receive information pursuant to this Section 9 that, in the opinion of such Subsequent Purchaser's counsel, is necessary for the investment of such Subsequent Purchaser in the Notes to qualify as a "venture capital investment" for purposes of the Department of Labor Regulation 2510.3-101 (or any successor provision), regardless of whether such Subsequent Purchaser has acquired the Notes prior to or after the Notes becoming Widely Held:

(i) Quarterly Statements . As soon as available, but in any event within fifty (50) days after the end of each quarter, a copy of:

(x) a consolidated balance sheet of (a) the Company and its subsidiaries and (b) the Company and its Restricted Subsidiaries, in each case as at the end of such quarter, together with consolidating balance sheets for each of the Company's primary business segments, including, without limitation, Broadwing Communications Inc., Cincinnati Bell Telephone and Cincinnati Bell Wireless (all such business segments, collectively, the " Primary Business Segments "), and

(y) consolidated statements of income, stockholders' equity and cash flows of (a) the Company and its subsidiaries and (b) the Company and its Restricted Subsidiaries, in each case for such quarter and for the portion of the fiscal year ending with such quarter, together with consolidating information for each of the Company's Primary Business Segments,

in each case setting forth in comparative form the figures for the corresponding periods in the prior fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to periodic financial statements generally, and fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from normal year-end adjustments (it being understood that quarterly statements will not be required to contain footnote disclosures) and the absence of footnotes and accompanied by a certificate signed on behalf of the Company by the chief executive officer, chief financial officer or chief accounting officer to the foregoing effect; *provided, however,* that if the Company is then subject to the reporting requirements under Section13 or Section15(d) of the Exchange Act, the delivery by the Company to such Purchaser or such Subsequent Purchaser of a Quarterly Report on Form10-Q or any successor form within

the time periods above described shall satisfy the requirements of this Section9(i) with respect to financial statements for the Company and its subsidiaries.

(ii) Annual Statements . As soon as available, but in any event within ninety-five (95) days after the end of each fiscal year of the Company, a copy of:

(x) an audited consolidated balance sheet of (a) the Company and its subsidiaries and (b) the Company and its Restricted Subsidiaries, in each case as at the end of such year, together with consolidating balance sheets for each of the Company's Primary Business Segments, and

(y) consolidated statements of income or operations, stockholders' equity and cash flows of (a) the Company and its subsidiaries and (b) the Company and its Restricted Subsidiaries, in each case for such year, together with consolidating information for each of the Company's Primary Business Segments,

in each case setting forth in comparative form the figures for the prior fiscal year, all in reasonable detail, prepared in accordance with GAAP, fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from normal year-end adjustments, and accompanied by:

(A) an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall state that such consolidated financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, except for the omission of the Unrestricted Subsidiaries, and that the examination of such accountants in connection with such financial statements (other than consolidating statements) has been made in accordance with generally accepted auditing standards in the United States, and that such audit provides a reasonable basis for such opinion in the circumstances,

(B) a written statement by the independent certified public accountants giving the report thereon stating whether, in connection with their audit examination, any condition or event that constitutes a Default or Event of Default with respect to the covenants contained in Section 5.02 and Section 5.04 of the Indenture has come to their attention and, if such a condition or event has come to their attention, specifying the nature and period of existence thereof; *provided* that such accountants shall not be liable by reason of any failure to obtain knowledge of any such Default or Event of Default that would not be disclosed in the course of their audit examination, and

(C) a certificate of the chief financial officer or chief executive officer on behalf of the Company stating that such financial statements have been prepared in accordance with GAAP applicable to periodic financial statements

generally and fairly present, in all material respects, the financial position of the companies being reported on and their results of operations and income, retained earnings and stockholders' equity, and cash flows;

provided, however, that if the Company is then subject to the reporting requirements under Section 13 or 15(d) of the Exchange Act, the delivery by the Company to such Purchaser or such Subsequent Purchaser of an Annual Report on Form10-K or any successor form within the time periods above described shall satisfy the requirements of this Section9(ii) with respect to financial statements for the Company and its subsidiaries; *provided* that the documents referred to in clauses (A) and (C) of this Section 9(ii) shall nonetheless be provided.

(iii) Concurrently with the delivery of the quarterly and annual financial statements referred to in Sections9(i) and (ii) , a certificate on behalf of the Company by a Responsible Officer (1) stating that the signer reviewed this Agreement and has made a review in reasonable detail of the transactions and condition of the Company and its subsidiaries during the fiscal quarter or year, as the case may be, and that the signer does not have knowledge of the existence and continuance as at the date of such certificate of any condition or event which constitutes a Default or an Event of Default, or, if such condition or event exists, specifying the nature and period of existence thereof and what action the Company has taken or is taking or proposes to take with respect thereto, (2) setting forth the amount of the Restricted Payments made and/or Indebtedness incurred during such period and demonstrating (with reasonably detailed calculations in support thereof) pursuant to which provisions of the Indenture such Restricted Payments were made and/or such Indebtedness was incurred, (3) setting forth the aggregate amount of Restricted Payments, Indebtedness, Investments, allowances or payments made pursuant to Section 5.11 of the Indenture for the relevant quarter and since October 1, 2002, and (4) if not specified in the quarterly and annual financial statements referred to above, the aggregate amount of interest paid or accrued by each of the Company and its subsidiaries, and the aggregate amount of depreciation and amortization charged on the books of the Company during such accounting period.

(iv) Promptly upon receipt thereof, copies of all final reports submitted to the Company or to any of its subsidiaries by independent certified public accountants in connection with each annual, interim or special audit of the books of the Company or any of its subsidiaries made by such accountants, including, without limitation, any final comment letter submitted by such accountants to management in connection with their annual audit.

(v) (1) If the Company is no longer subject to the reporting requirements of Section 12 or Section 15 of the Exchange Act, promptly upon their becoming available, copies of all financial statements, reports, notices and proxy statements sent generally to its security holders by the Company or any of its subsidiaries and all regular and periodic reports and all registration statements and final prospectuses, if any, filed by the Company or any of its subsidiaries with any securities exchange or with the Commission or any Governmental Authority succeeding to any of its functions

and (2) promptly upon request, such additional financial and other information as any Purchasers or Subsequent Purchasers may from time to time reasonably request.

(vi) Promptly, but in any event within five (5) Business Days, after a Responsible Officer of the Company becomes aware of the existence of any Default or Event of Default under the Indenture or that any Person has given any notice or taken any other action with respect to a claimed Default or Event of Default under the Indenture, a written notice thereof specifying the nature and existence thereof and what action the Company is taking or proposes to take with respect thereto.

(vii) Simultaneously with the furnishing of such information to any other holder of Indebtedness of the Company or any of its subsidiaries to the extent required thereby, (i) copies of all other financial statements, reports or projections with respect to the Company or its subsidiaries which are broader in scope or on a more frequent basis than the Company is required to provide under this Agreement and (ii) copies of all studies, reviews, reports or assessments relating to environmental matters that reveal material circumstances, events or other matters.

10. *Other Affirmative Covenants*.

(a) The Company and its subsidiaries each will keep complete and accurate books and records of their transactions in accordance with good accounting practices on the basis of GAAP applied on a consistent basis (including the establishment and maintenance of appropriate reserves). So long as a Purchaser is a Holder, the Company and its subsidiaries will provide reasonable opportunities to each such Purchaser to routinely consult with and advise management of the Company and its subsidiaries on all matters relating to the operation of the Company and its subsidiaries, including management's proposed annual operating plans. The Company agrees to and shall cause its subsidiaries to give due consideration to the advice given and any proposals made by such Purchaser. Upon reasonable notice and, at any time, at the reasonable request of any of the Purchasers so long as any such Purchaser is a Holder, the Company shall, and shall cause its subsidiaries to, subject to compliance with Applicable Laws and confidentiality obligations to third parties, give each Purchaser and their authorized representatives reasonable access during normal business hours to all contracts, books, records, personnel, offices and other facilities and properties of the Company and its subsidiaries, their legal advisors and accountants, and, to the extent available to the Company after the Company uses reasonable efforts to obtain them, the accountants' work papers, and to permit such Purchaser (and any sales or placement agent or any underwriter), to make such copies and inspections thereof as such Purchaser may reasonably request and discuss the affairs, finances and accounts with the officers thereof. Any such visit will be at the expense of such Purchaser (or sales or placement agent or underwriter), as the case may be, unless there is an occurrence and continuance of an Event of Default under the Indenture (in which case at the expense of the Company). For purposes of this Section 10(a), the term "Purchaser" shall include any Subsequent Purchaser that is a "venture capital operating company" (within the meaning of Department of Labor regulations under ERISA) who beneficially owns at least $20,000,000 of the outstanding principal amount at maturity of the Notes.

(b) So long as the GS Purchasers and their Affiliates (but not any assignee) own 25% of the aggregate principal amount at maturity of the Notes originally acquired by them, taken as a whole, GS Mezzanine shall be entitled to designate a non-voting observer (the " GS Observer ") to attend and participate in (but not vote at) all meetings of the Board of Directors of the Company, and the executive committee (and/or any other committee that is vested with the duties customarily attributable to executive committees of similar companies) of the Board of Directors of the Company. In the event of a vacancy caused by the disqualification, removal, resignation or other cessation of service of the GS Observer from the Board of Directors of the Company, the Company shall cause the appointment of a new GS Observer nominated by GS Mezzanine at least seven days prior to the date of the next regular or special meeting of the Board of Directors of the Company. The GS Observer shall be permitted to attend meetings of the Board of Directors of the Company and the executive committee (and/or any other committee that is vested with the duties customarily attributable to executive committees of similar companies) of the Board of Directors in person or telephonically. The GS Observer shall be entitled to be present at all meetings of the Board of Directors of the Company and the executive committee (and/or any other committee that is vested with the duties customarily attributable to executive committees of similar companies) of the Board of Directors of the Company and such GS Observer shall be notified of any meeting of the Board of Directors or such committee, including such meeting's time and place, in the same manner as Directors of the Company and shall have the same access to information (including any copies of all materials distributed to members of such Board of Directors or such committee) concerning the business and operations of the Company and at the same time as Directors of the Company and shall be entitled to participate in discussions and consult with, and make proposals and furnish advice to, the Board of Directors or such committee.

(c) The Company shall indemnify and hold harmless, to the fullest extent permitted under Applicable Law, the GS Observer to the same extent as all other Directors of the Company and on terms no less favorable than the terms of the Company's certificate of incorporation and bylaws in existence on the date hereof. In addition, the Company shall reimburse the GS Observer for all reasonable out-of-pocket expenses incurred by the GS Observer in connection with the performance of the duties of a non-voting observer to the same extent as all other Directors of the Company.

(d) Any GS Observer shall be reasonably acceptable to the Company; *provided* that any managing director or vice president of Goldman Sachs & Co. shall be deemed to be acceptable to the Company.

11. *Provisions Relating to Resales of Notes* .

(a) Private Offerings . The Company, on the one hand, and the Purchasers, on the other hand, agree that the following provisions will apply to any offering by any of the Purchasers of some or all of the Notes, the Warrants and the Warrant Shares (collectively, the "Covered Securities"), owned from time to time by the Purchasers, without registration under the Securities Act:

(i) Offers and Sales only to Accredited Investors or QIBs . Offers and sales of the Offered Securities will be made only by the Purchasers or any of its affiliates

who are qualified to do so in the jurisdictions in which such offers or sales are made. Each such offer or sale shall only be made (i)to persons who are QIBs, (ii)to other Accredited Investors (as defined in the Indenture) that the offeror or seller reasonably believes to be and, with respect to sales and deliveries, that are Accredited Investors who are not QIBs or (iii)non-U.S. persons outside the United States to whom offers and sales of the Securities may be made in reliance upon RegulationS under the Securities Act. A pledge by any Holder of a Note shall not constitute a sale unless and until such pledge shall be realized upon.

(ii) No General Solicitation . The Covered Securities will be offered by approaching prospective Subsequent Purchasers on an individual basis. No general solicitation or general advertising (within the meaning of Rule502(c) under the Securities Act) will be used in the United States and no directed selling efforts (as defined in RegulationS) will be made outside the United States in connection with the offering of the Securities.

(iii) Purchases by Non-Bank Fiduciaries . In the case of a non-bank Subsequent Purchaser acting as a fiduciary for one or more third parties, in connection with an offer and sale to such purchaser pursuant to this Section 11 , such third parties shall be an Institutional Accredited Investor or a QIB or a non-U.S. person outside the United States.

(iv) Restrictions on Transfer . Upon original issuance by the Company and until such time as the same is no longer required under the applicable requirements of the Securities Act, the Notes (and all securities issued in exchange therefor or in substitution thereof, other than the Exchange Notes) shall bear such legend as is required under Appendix A to the Indenture and the Warrants and the Warrant Shares shall bear such legend as is required under Section 6 of the Warrant Agreement.

(v) No Future Liability . Following the sale of the Covered Securities by the Purchasers to any Subsequent Purchaser pursuant to the terms hereof, the Purchasers shall not be liable or responsible to the Company for any losses, damages or liabilities suffered or incurred by the Company, including any losses, damages or liabilities under the Securities Act, arising from or relating to any resale or transfer of any Security previously sold by the Purchaser in compliance with this Section 11 .

(b) Syndication Assistance . Subject to Section 11(a), at any time after the 90th day following the Closing, so long as the Purchasers and their Affiliates hold Notes:

(i) The Company will, if reasonably requested by the Purchasers holding at least 25% of the then outstanding principal amount at maturity of Notes, assist the Purchasers in completing any private resale (a " Private Offering ") of Notes, but in no event shall the Company be required to assist in more than two Private Offerings and in no event more than once in any six-month period, by the Purchasers of the Notes in accordance with the Purchasers' intended method of distribution provided that the Purchasers shall comply with all restrictions applicable to the transfer of the Notes under the Indenture and under applicable federal and state securities laws. If any Purchasers

request assistance to complete a Private Offering, the Company will notify the other Purchasers of the Private Offering and the other Purchasers shall be entitled to receive the same assistance received by the initially requesting Purchasers from the Company in the Private Offering. Such assistance by the Company may, in any such case, include the following:

(A) using commercially reasonable efforts to the end that the distribution efforts benefit from the Company's existing lending relationships;

(B) using commercially reasonable efforts to direct contact between the Company's senior management and advisors and prospective purchasers to enable them to conduct their due diligence investigation;

(C) responding to reasonable inquiries of, and providing answers to, each prospective purchaser who so inquires about the Company and its subsidiaries (to the extent such information is available or can be acquired and made available to prospective purchasers without commercially unreasonable effort or expense and to the extent the provision thereof is not prohibited by Applicable Law or applicable confidentiality restrictions or would require simultaneous public disclosure under Regulation FD promulgated under the Exchange Act) and the terms and conditions of the applicable distribution;

(D) using commercially reasonable efforts to host meetings of prospective purchasers, appropriate in number for the size and nature of proposed offerings;

(E) using commercially reasonable efforts to promptly prepare and provide to the Purchasers (or any sales or placement agent therefor and any initial purchaser thereof) all information with respect to the Company, including projections, as the Purchasers (or any sales or placement agent therefor and any underwriter thereof) may reasonably request. Any such projections made available to the Purchasers (or each placement or sales agent, if any, therefor and each underwriter, if any, thereof) by the Company or any of its representatives will be prepared in good faith based upon assumptions believed in good faith to be reasonable; *provided, however,* that in no event shall the Company be required to give any representations or warranties with respect to such projections; and

(F) if requested by the Purchasers, take actions reasonably necessary to enable Standard & Poor's Rating Services, Inc. and Moody's Investors Service, Inc. to provide their respective credit ratings of the Notes; provided, that nothing contained in this Section 11(b)(i) shall require the Company or any of its subsidiaries to take any actions that would (i)unreasonably interfere with or disrupt their businesses or operations; (ii)interfere with or disrupt any securities offering by the Company;

(iii)require the Company and its subsidiaries to incur any significant expense; or (iv)require the Company or any of its subsidiaries to provide any non-public information to any third party unless such third party shall have entered into a confidentiality agreement on terms reasonably acceptable to the Company; or (v)be required to take any actions that would result in any Private Offering being deemed a public offering under the Securities Act.

(ii) The Company will allow the Purchasers (or any sales or placement agent therefor or, in the case of an underwritten offering, the lead manager and co-managers thereof, in each case, as may be selected by the Purchasers and is reasonably acceptable to the Company), in consultation with the Company, to manage all aspects of the distribution of the Notes, including decisions as to the selection of institutions to be approached and when they will be approached, when their commitment will be accepted, which institutions will participate, the allocations of the commitments among the prospective purchasers and the amount and distribution of fees from the sellers among the prospective purchasers.

(iii) At the request of the Purchasers, in order to facilitate the consummation of a Private Offering, the Company will prepare and deliver to each Purchaser copies of an offering memorandum (" Offering Memorandum ") describing the terms of the Notes proposed to be sold and of the Private Offering contemplated by such resales and containing such other information customarily included in offering memoranda for similar transactions. The Offering Memorandum for any Private Offering will not, as of its date and as of the closing of such Private Offering, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however,* that the foregoing shall not apply to statements in or omissions from the Offering Memorandum made in reliance upon and in conformity with information furnished to the Company in writing by any Purchaser or any of its agents or representatives expressly for use in the Offering Memorandum. Without limiting the foregoing, the Offering Memorandum for any Offering will contain all the information specified in, and meeting the requirements of, subsection(d)(4) of Rule144A. Prior to distributing, amending or supplementing the Offering Memorandum in connection with any Private Offering, the Company shall furnish to the Purchasers a copy of each such proposed Offering Memorandum, or amendment or supplement thereto, and, allowing for a reasonable period of review by the Purchasers, the Company shall not distribute, use or file the Offering Memorandum or any such proposed amendment or supplement to which any Purchaser selling Notes pursuant to such Offering Memorandum may reasonably object.

(iv) If, prior to the completion of the sale of the Notes by the Purchasers in any Private Offering, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the related Offering Memorandum in order to make the statements therein not contain a misstatement of a material fact or an omission of a material fact required to make the statements therein, in the light of the circumstances when the Offering Memorandum is delivered to a prospective purchaser

and at the closing of the sale of the Notes covered thereby, not misleading or if, in the reasonable opinion of the Purchasers or counsel for the Purchasers, it is otherwise necessary to amend or supplement the Offering Memorandum to comply with Applicable Law, then the Company agrees to promptly prepare, and furnish at its own expense to the Purchasers, amendments or supplements to the Offering Memorandum so that the statements in the Offering Memorandum as so amended or supplemented will not contain a misstatement of a material fact or an omission of a material fact required to make the statements therein, in the light of the circumstances when the Offering Memorandum is delivered to a prospective purchaser and at the closing of the sale of such Notes, not misleading or so that the Offering Memorandum, as amended or supplemented, will comply with Applicable Law. Notwithstanding the foregoing, upon the occurrence or existence of any pending corporate development or any other event that, in the reasonable judgment of the Company, makes it appropriate to suspend the availability of the Offering Memorandum, the Company shall give notice (without notice of the nature of details of such events) to the Purchasers that the availability of the Offering Memorandum is suspended and, each Purchaser agrees not to sell any Notes pursuant to the Offering Memorandum until such Purchaser's receipt of copies of a supplemented or amended Offering Memorandum provided for in this clause (iv) or until it is advised in writing by the Company that the Offering Memorandum may be used; *provided* that such suspension period shall not exceed 45days in any three-month period or 90days in any 12-month period.

12. *Persons Entitl ed to Benefit of Agreement.* This Agreement shall inure to the benefit of and be binding upon the Purchasers, the Company and, except for Sections 5(a) , 9 (which shall inure to the benefit of Subsequent Purchasers, as set forth therein), 10 (which, in the case of Section 10(a) , shall inure to the benefit of Subsequent Purchasers, as set forth therein) and 11(b) , their respective successors and their assigns, except to the extent prohibited by this Agreement. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except as provided in Section13 with respect to affiliates, officers, directors, stockholders, trustees, employees, representatives, agents and controlling persons of the Purchasers. Nothing in this Agreement is intended or shall be construed to give any person, other than the persons referred to in this Section12 , any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

13. *Indemnificat ion.* (a)The Company shall indemnify and hold harmless each Purchaser, its affiliates, officers, directors, stockholders, trustees, employees, and representatives, and each person, if any, who controls any such person within the meaning of the Securities Act or the Exchange Act (collectively referred to herein as the " Indemnitees "), from and against any and all liabilities, obligations, losses, damages, actual or prospective claims, litigation, investigations or proceedings, whether based on contract, tort or other theory and regardless of whether any Indemnitee is a party thereto, and the related costs and expenses, including, without limitation, all reasonable and documented legal fees and other expenses incurred in the investigation, defense, appeal and settlement of claims, actions, suits and proceedings (collectively referred to herein as the " Indemnified Liabilities "), incurred by the Indemnitees as a result of, or arising out of or relating to the transactions contemplated by the Transaction Documents, including, without limitation:

(i) any nonfulfillment or breach of any covenant or agreement on the part of the Company or any of its subsidiaries under this Agreement or any other Transaction Document;

(ii) any statements or omissions made in any disclosure or other information or materials used in connection with the transactions contemplated by the Transaction Documents; or

(iii) the execution, delivery, performance or enforcement of this Agreement, the other Transaction Documents or any other instrument or document contemplated hereby or thereby or any act, event or transaction related or attendant thereto or contemplated hereby or thereby, or any action or inaction by any Indemnitee under or in connection herewith or therewith;

provided that such indemnity shall not, as to any Indemnitee, be available to the extent that (x)such Indemnified Liabilities are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y)such Indemnified Liabilities of a Purchaser result from disputes among such Purchaser and one or more Purchasers. If and to the extent that the foregoing undertaking may be unenforceable for any reason, the Company agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under Applicable Law.

(b) The obligations of the Company under this Section 13 shall be in addition to any liability that the Company may otherwise have and shall survive the payment or prepayment in full or transfer of any Note or Warrant and the enforcement of any provision hereof or thereof.

(c) Any indemnification payment pursuant to this Agreement shall be treated for federal, state, local and foreign tax purposes as an adjustment to the purchase price of the Notes and the Warrants.

14. *Expenses* . The Company agrees, whether or not the sale of the Offered Securities hereunder or any other transactions contemplated hereby shall be consummated, to pay and hold the Purchasers harmless against any and all liability for the payment of all reasonable out-of-pocket and documented costs and expenses arising in connection with the preparation, negotiation, execution, delivery and performance of this Agreement, the Offered Securities, the Exchange Notes and any other Transaction Documents, any other agreements, instruments or documents executed pursuant thereto or in connection therewith, and the transactions contemplated by the Transaction Documents, including, without limitation, (a)the fees and expenses of the Trustee or any paying agent (including reasonable and documented fees and expenses of counselor to such parties), and (b)the reasonable and documented fees and disbursements of Fried, Frank, Harris, Shriver & Jacobson, counsel to the Purchasers, Hogan & Hartson LLP, regulatory counsel to the Purchasers, and all other tax, legal, regulatory, consulting and accounting fees and expenses; *provided , however* , that the Company's obligation to pay such costs and expenses shall not exceed $3,150,000. Notwithstanding the foregoing, the Company agrees to pay all expenses incurred by the Purchasers (including reasonable and documented counsel fees and disbursements) in connection with (a) any amendment, waiver or consent

requested by the Company under or with respect to this Agreement, the Indenture, the Offered Securities or the Exchange Notes, whether or not the same shall become effective; (b) enforcing, defending or declaring any rights or remedies under the Transaction Documents or in responding to any subpoena or other legal process or informal investigative demand issued in connection with the Transaction Documents or by reason of being a holder of any of the Offered Securities or the Exchange Notes; and (c) the insolvency or bankruptcy of the Company or any subsidiary of the Company or in connection with any work-out or restructuring of the transactions contemplated by the Transaction Documents. The obligations of the Company under this Section14 shall survive the payment for or transfer of any Note or Warrant, the enforcement of any provision hereof or thereof, any such amendments and waivers or consents. The Purchasers shall not be responsible for any fees or disbursements of the accountants or any other costs and expenses incident to the performance of the obligations of the Company under this Agreement which are not otherwise specifically provided for in this Section 14 .

15. *Surviv al.* The respective indemnities, rights of contribution, representations, warranties and agreements of the Company and the Purchasers contained in this Agreement or made by or on behalf of the Company or the Purchasers, and all fees and expenses payable by the Company, pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Offered Securities, and shall remain in full force and effect, regardless of any investigation made by or on behalf of any of them or any of their respective affiliates, officers, directors, employees, representatives, agents or controlling persons.

16. *Notice s, etc.* All statements, requests, notices and agreements hereunder shall be in writing and delivered in person or overnight courier service, mailed by first-class mail addressed as follows or delivered via facsimile transmission:

(a) if to the Purchasers:

GS Mezzanine Partners II, L.P.

GS Mezzanine Partners II Offshore, L.P.
c/o Goldman, Sachs & Co.

85 Broad Street, 10th Floor

New York, New York 10004

(facsimile no.: (212) 902-3000)

Attention: Kaca Enquist

with copies to:

Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, New York 10004
(facsimile no.: (212) 859-4000)
Attention: F. William Reindel, Esq.

(b) if to the Company:

Broadwing Inc.

201 East Fourth Street

Cincinnati, OH 45202

(facsimile no.: (513) 397-4177)

Attention: Mark Peterson

with copies to:

Cravath, Swaine & Moore
825 Eighth Avenue
New York, NY 10019
(facsimile no.: (212) 474-3700)
Attention: William V. Fogg, Esq.

The Company or the Purchasers, by notice to the other party, may designate additional or different addresses for subsequent notices or communications.

17. *Confidenti ality* . (a) Subject to the provisions of clause (b) of this Section 17 , each Purchaser agrees that it will not disclose without the prior consent of the Company (other than to its employees, auditors, creditors, advisors or counsel or to another Purchaser if the Purchaser or such Purchaser's holding or parent company in its sole discretion determines that any such party should have access to such information; *provided* such Persons shall expressly agree to be subject to the provisions of this Section 17 to the same extent as such Purchaser) any nonpublic information which is now or in the future furnished pursuant to this Agreement or any other Transaction Document; *provided* that any Purchaser may disclose any such information (i) as has become generally available to the public other than by virtue of a breach of this Section 17(a) by such Purchaser or any other Person to whom such Purchaser has provided such information as permitted by this Section 17 , (ii) as may be required in any report, statement or testimony submitted to any municipal, state or Federal regulatory body having or claiming to have jurisdiction over such Purchaser or to the Commission or similar organizations (whether in the United States of America or elsewhere) or their successors, (iii) as may be required or appropriate in respect of any summons or subpoena or in connection with any litigation, (iv) in order to comply with any law, order, regulation or ruling applicable to such Purchaser and (v) to any prospective or actual Subsequent Purchaser in connection with any contemplated transfer of any of the Offered Securities by such Purchaser; *provided* that such prospective Subsequent Purchaser expressly agrees to be bound by the confidentiality provisions contained in this Section 17 .

(b) The Company hereby acknowledges and agrees that each Purchaser may share with any of its affiliates, and such affiliates may share with such Purchaser, any information related to the Company or any of its subsidiaries (including, without limitation, any nonpublic information regarding the creditworthiness of the Company and its subsidiaries); *provided* such Persons shall be subject to the provisions of this Section 17 to the same extent as such Purchaser.

18. *Definition of Terms.* For purposes of this Agreement, (a)capitalized terms used herein without definition shall have the meanings ascribed to them in the Indenture (b)the term "business day" means any day on which the New York Stock Exchange, Inc. is open for trading

and, (b)except where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule405 under the Securities Act.

19. *GOVERNING L AW.* THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

20. *Submission to Jurisdiction; Waiver of Service and Venue* . (a)Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the U.S. District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, the Offered Securities or any other document, instrument or agreement executed or delivered in connection herewith or therewith, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such NewYork State or, to the extent permitted by law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement, the Offered Securities or any other document, instrument or agreement executed or delivered in connection herewith or therewith shall affect any right that any of the parties hereto may otherwise have to bring any action or proceeding relating to this Agreement, the Offered Securities or any other document, instrument or agreement executed or delivered in connection herewith or therewith against the Company or their properties in the courts of any jurisdiction.

(b) Each of the parties hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively 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, the Offered Securities or any other document, instrument or agreement executed or delivered in connection herewith or therewith in any court referred to in Section19 . Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section16 . Nothing in this Agreement, the Offered Securities or any other document, instrument or agreement executed or delivered in connection herewith or therewith will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

21. *WAIVER OF RIGHT TO TRIAL BY JURY* . EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OFFERED SECURITIES OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THEREWITH WHETHER NOW EXISTING OR

HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHER THEORY. EACH PARTY HERETO (a)CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (b)ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

22. ***Counterp arts.*** **This Agreement may be executed in one or more counterparts (which may include counterparts delivered by telecopier) and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.**

23. ***Entire Agreement and Amendments.*** **(a) This Agreement represents the entire agreement of the parties hereto and supersedes all prior agreements and understandings, oral or written, if any, relating to the transactions contemplated in this Agreement; and (b)no amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.**

24. ***Headi ngs.*** **The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.**

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us a counterpart hereof, whereupon this instrument will become a binding agreement between the Company and the several Purchasers in accordance with its terms.

Very truly yours,
BROADWING INC.
By /s/ Thomas L. Schilling
:
Name: Thomas L. Schilling
Title: Chief Financial Officer

Agreed to and accepted by:

GS MEZZANINE PARTNERS II, L.P.
By: GS Mezzanine Advisors II, L.L.C.,
its general partner
By: /s/ Muneer Satter
Name: Muneer Satter
Title: Vice President
GS MEZZANINE PARTNERS II OFFSHORE,L.P.
By: GS Mezzanine Advisors II, L.L.C.
its general partner
By: /s/Muneer Satter
Name: Muneer Satter
Title: Vice President

Exhibit 4.(c)(x)(2)

BROADWING INC.
201 EAST FOURTH STREET

CINCINNATI, OHIO 45202

March 26, 2003

Goldman Sachs Direct Investment Fund 2000, L.P. Dover Capital Management 2 LLC

Goldman, Sachs & Co. c/o Falcon Investment Group

c/o Goldman, Sachs & Co. 1180 Ave of Americas
85 Broad Street, Suite 1400

New York, New York 10004 New York, NY 10036

TCW/Crescent Mezzanine Partners III, L.P. C-Squared CDO Ltd.

TCW/Crescent Mezzanine Trust III c/o TCW/Crescent Mezzanine LLC

TCW/Crescent Mezzanine Partners III Netherlands, L.P. 200 Park Avenue, 22 ndFloor

c/o TCW/Crescent Mezzanine LLC New York, New York 10166

200 Crescent Court, Suite 1600

Dallas, Texas 75201

Western and Southern Life Insurance Company GS Mezzanine Partners II, L.P.

c/o Fort Washington Investment Advisers GS Mezzanine Partners II Offshore, L.P.

420 East 4th Street 85 Broad Street

Cincinnati, Ohio 45202 New York, New York 10004

Re: Amendments to the Purchase Agreement

Gentlemen:

Reference is made to the Purchase Agreement (the " Purchase Agreement "), dated as of December 9, 2002, among Broadwing Inc., an Ohio corporation (the " Company "), GS Mezzanine Partners II, L.P., a Delaware limited partnership (" GS Mezzanine "), GS Mezzanine Partners II Offshore, L.P., an exempted limited partnership organized under the laws of the Cayman Islands (" GS Offshore "), and any other affiliate of GS Mezzanine who purchases the Offered Securities (as defined in the Purchase Agreement) being issued under the Purchase Agreement at the Closing (as defined in the Purchase Agreement) (together with GS Mezzanine, GS Offshore and one or more partnerships, corporations, trusts or other organizations specified as a Purchaser in Schedule 1 to the Purchase Agreement which controls, is controlled by, or is under common control with, GS Mezzanine or GS Offshore, the " GS Purchasers "), and any other person specified as a Purchaser in Schedule 1 to the Purchase Agreement (together with the GS Purchasers, the " Purchasers "), regarding the purchase of Senior Subordinated Notes and warrants to purchase common stock of the Company. Capitalized terms used herein but not defined herein have the meanings ascribed thereto in the Purchase Agreement.

1. The Purchase Agreement shall be amended as follows:

1.1 The dollar figure " **$495 million** " in Section 6(l) of the Purchase Agreement shall be replaced with " **$507.5 million** ;"

1.2 **Schedule 1** to the Purchase Agreement shall be deleted in its entirety and replaced with **Schedule 1** attached to this letter amendment;

1.3 **Schedule 1(o)** to the Purchase Agreement shall be deleted in its entirety and replaced with **Schedule 1(o)** attached to this letter amendment and

1.4 **Exhibit A** to the Purchase Agreement shall be deleted in its entirety and replaced with **Exhibit A** attached to this letter amendment.

2. In accordance with Section 2(d) of the Purchase Agreement, the parties hereto agree that, for purposes of Treasury Regulation Section 1.1273-2(h) and for all other federal, state, local and foreign tax purposes, the aggregate fair market value and the aggregate purchase price (after giving effect to the making by the Company of the Closing Payment referred to in Section 3(c) of the Purchase Agreement) of the Notes is $300,125,000 and the Warrants is $39,375,000. The parties agree to report the sale and purchase of the Notes and Warrants purchased pursuant to this Agreement for all federal, state, local and foreign tax purposes in a manner consistent herewith and agree to take no position inconsistent with the foregoing (unless otherwise required by a final determination by the appropriate taxing authority).

Except as specifically set forth herein, the provisions of the Purchase Agreement and the Exhibits and Schedules attached thereto remain in full force and effect. This letter amendment shall not constitute an amendment or waiver of any provision of the Purchase Agreement and shall not be construed as a waiver or consent to any further or future action on the part of the Company, except to the extent expressly set forth herein.

This letter amendment shall be governed by the internal laws of the State of New York, without regard to the conflict-of-law principles thereof which would require the application of laws of any other state.

Very truly yours,
BROADWING INC.
By: /s/ Mark W. Peterson
Name: Mark W. Peterson
Title: Vice President & Treasurer

Agreed to and accepted by:

GS MEZZANINE PARTNERS II, L.P.

By: GS Mezzanine Advisors II, L.L.C.,
its general partner
By: /s/ Katherine B. Enquist
Name: Katherine B. Enquist
Title: Vice President

GS MEZZANINE PARTNERS II OFFSHORE,L.P.

By: GS Mezzanine Advisors II, L.L.C.
its general partner
By: /s/ Katherine B. Enquist
Name: Katherine B. Enquist
Title: Vice President

Agreed to and accepted by:

GOLDMAN SACHS DIRECT INVESTMENT FUND 2000, L.P.

By: GS Employee Funds 2000 GP, L.L.C.,
its general partner
By: /s/ Katherine B. Enquist
Name: Katherine B. Enquist
Title: Vice President

Agreed to and accepted by:

GOLDMAN, SACHS & Co.

By: /s/ Richard Katz
Name: Richard Katz
Title: Managing Director

Agreed to and accepted by:

TCW/CRESCENT MEZZANINE PARTNERS III, L.P.

TCW/CRESCENT MEZZANINE TRUST III

TCW/CRESCENT MEZZANINE PARTNERS III NETHERLANDS, L.P.

By: TCW/Crescent Mezzanine Management III, L.L.C.,
its Investment Manager
By: TCW Asset Management Company,
its Sub-Advisor
By: /s/ Timothy P. Costello
Name: Timothy P. Costello
Title: Managing Director

Agreed to and accepted by:

C-SQUARED CDO LTD.

By: TCW Advisors, Inc.,
as its Portfolio Manager
By: /s/ Timothy P. Costello
Name: Timothy P. Costello
Title: Managing Director

Agreed to and accepted by:

WESTERN AND SOUTHERN LIFE INSURANCE COMPANY

By: /s/ W. F. Ledwin
Name: W. F. Ledwin
Title: Sr. Vice President

Agreed to and accepted by:

DOVER CAPITAL MANAGEMENT 2 LLC

By: /s/ Richard Merage
Name: Richard Merage
Title: Manager

Exhibit 10(i)(1)

SECOND AMENDMENT AND RESTATEMENT

OF THE

CREDIT AGREEMENT

SECOND AMENDMENT AND RESTATEMENT OF THE CREDIT AGREEMENT dated as of March 26, 2003, among BROADWING INC. (f/k/a Cincinnati Bell Inc.), an Ohio corporation (" ***BRW*** "), and BROADWING COMMUNICATIONS SERVICES INC. (f/k/a IXC Communications Services, Inc.), a Delaware corporation (" ***BCSI*** ", and together with BRW, each a " ***Borrower*** " and collectively the " ***Borrowers*** "), the banks, financial institutions and other institutional lenders that are party to the Existing Credit Agreement (as hereinafter defined) on the date hereof as the Initial Lenders (the " ***Initial Lenders*** "), the banks listed on the signature pages hereof as the Initial Issuing Banks (the " ***Initial Issuing Banks*** " and, together with the Initial Lenders, the " ***Initial Lender Parties*** ") and the Swing Line Banks (as hereinafter defined), BANK OF AMERICA, N.A. (" ***Bank of America*** "), as syndication agent (together with any successor syndication agent appointed pursuant to ArticleVII, the " ***Syndication Agent*** "), CITICORP USA, INC. (" ***CUSA*** "), as administrative agent (together with any successor administrative agent appointed pursuant to ArticleVII, the " ***Administrative Agent*** ", together with the Syndication Agent, the " ***Agents*** "), Credit Suisse First Boston (" ***CSFB*** ") and The Bank of New York (" ***BNY*** "), as co-documentation agents (collectively, the " ***Co-Documentation Agents*** ") for the Lender Parties (as hereinafter defined), PNC Bank, N.A. (" ***PNC,*** " and collectively with CSFB and BNY, the " ***Co-Arrangers*** "), SALOMON SMITH BARNEY INC. (" ***SSBI*** ") and BANC OF AMERICA SECURITIES LLC (" ***BAS*** "), as joint lead arrangers and joint book managers (collectively, the " ***Arrangers*** ").

PRELIMINARY STATEMENTS:

(1) In connection with the acquisition by BRW of all of the issued and outstanding Equity Interests in IXC Communications, Inc. (" ***IXC*** "), a Delaware corporation, and the merger of IXC and a wholly owned subsidiary of BRW into a corporation subsequently renamed Broadwing Communications Inc. (" ***BCI*** "), the Borrowers entered into a Credit Agreement dated as of November 9, 1999 (the " ***Original Credit Agreement*** ") with the banks, financial institutions and other institutional lenders party thereto (the " ***Original Lenders*** "), BRW, as guarantor, the Agents, the Co-Documentation Agents, the Arrangers and the Co-Arrangers. Pursuant to the terms of the Original Credit Agreement, the Original Lenders made advances to the Borrowers in order to consummate such acquisition, to refinance certain Indebtedness of BRW and IXC and its Subsidiaries outstanding at such time, to fund capital expenditures and to pay fees and expenses incurred in connection with the consummation of such acquisition and refinancing and the other transactions described in the Original Credit Agreement.

(2) In connection with the implementation of an incremental term B facility, the Borrowers entered into an amendment and restatement of the Original Credit Agreement dated as of January 12, 2000 (the " ***Existing Credit Agreement*** ") with the banks, financial institutions and other institutional lenders party thereto, BRW, as guarantor, the Agents, the Co-Documentation Agents, the Arrangers and the Co-Arrangers. Pursuant to the Fourth Amendment

to the Amendment and Restatement of the Credit Agreement dated as of June 27, 2001, the Existing Credit Agreement was further amended to provide, in part, for the implementation of an additional incremental term C facility in accordance with the terms of the Existing Credit Agreement.

(3) Concurrently with the effectiveness of this Agreement, BRW will issue $350,000,000 of senior subordinated discount notes due 2009 (the " ***Junior Notes*** ") pursuant to the terms of an indenture (as amended in accordance with the terms of this Agreement, the " ***Junior Notes Indenture*** ") not materially less favorable to the Lenders than the form of the draft thereof dated March 26, 2003, by and among BRW, the guarantors party thereto and The Bank of New York, as trustee and the Purchase Agreement (as amended in accordance with the terms of this Agreement, the " ***Purchase Agreement*** ") dated December 9, 2002 among BRW and GS Mezzanine Partners II, L.P (" ***GSMP*** ") and GS Mezzanine Partners II Offshore, L.P. (together with GSMP, " ***Goldman*** ") together with warrants to purchase shares of common stock of BRW (the " ***Warrants*** ") pursuant to the terms of the Warrant Agreement not materially less favorable to the Lenders than the form of the draft thereof dated March 26, 2003 among BRW and Goldman (as amended in accordance with the terms of this Agreement, the " ***Warrant Agreement*** ").

(4) The Borrowers have requested that the Lenders amend and restate the terms of the Existing Credit Agreement in its entirety to provide, in part, for an extension of the maturity date of the Revolving Credit Facility to March 1, 2006, such amendments as shall be required to permit the issuance of the Junior Notes and permit the satisfaction of the conditions precedent to such issuance, approval of certain matters relating to BCI and its Subsidiaries and a modification of certain of the Lender Parties' rights with respect to BCI in exchange for a partial prepayment of outstanding Advances and reduction of the Commitments of the Lender Parties under the Facilities as otherwise hereinafter set forth. The Lender Parties have indicated their willingness to amend and restate the Existing Credit Agreement on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the Existing Credit Agreement is hereby amended and restated in its entirety and the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Certain Defined Terms.

As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

" ***Administrative Agent*** " has the meaning specified in the recital of parties to this Agreement.

" ***Administrative Agent's Account*** " means the account of the Administrative Agent maintained by the Administrative Agent with Citibank, N.A. at its office at 399 Park Avenue, NewYork, NewYork 10043, Account No. 36852248, Attention:John Judge, or such other account as the Administrative Agent shall specify in writing to the Lender Parties.

" ***Advance*** " means a Term A Advance, a Term B Advance, a Term C Advance, a Revolving Credit Advance, a Swing Line Advance or a Letter of Credit Advance and, collectively, the " ***Advances*** ".

" ***Affiliate*** " means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person means the possession, direct or indirect, of the power to vote 5% or more of the Voting Interests of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Interests, by contract or otherwise.

" ***Agents*** " has the meaning specified in the recital of parties to this Agreement.

" ***Agreement Value*** " means, for each Hedge Agreement, on any date of determination, an amount determined by the Administrative Agent equal to: (a) in the case of a Hedge Agreement documented pursuant to the Master Agreement (Multicurrency-Cross Border) published by the International Swap and Derivatives Association, Inc., as amended from time to time (the " ***Master Agreement*** "), the amount, if any, that would be payable by any Loan Party or any of its Subsidiaries to its counterparty to such Hedge Agreement, as if (i) such Hedge Agreement was being terminated early on such date of determination, (ii) such Loan Party or Subsidiary was the sole "Affected Party", and (iii) the Administrative Agent was the sole party determining such payment amount (with the Administrative Agent making such determination pursuant to the provisions of the form of Master Agreement); or (b) in the case of a Hedge Agreement traded on an exchange, the mark-to-market value of such Hedge Agreement, which will be the unrealized loss on such Hedge Agreement to the Loan Party or Subsidiary of a Loan Party party to such Hedge Agreement determined by the Administrative Agent based on the settlement price of such Hedge Agreement on such date of determination, or (c) in all other cases, the mark-to-market value of such Hedge Agreement, which will be the unrealized loss on such Hedge Agreement to the Loan Party or Subsidiary of a Loan Party party to such Hedge Agreement determined by the Administrative Agent as the amount, if any, by which (i) the present value of the future cash flows to be paid by such Loan Party or Subsidiary exceeds (ii) the present value of the future cash flows to be received by such Loan Party or Subsidiary pursuant to such Hedge Agreement; capitalized terms used and not otherwise defined in this definition shall have the respective meanings set forth in the above described Master Agreement.

" ***Applicable Lending Office*** " means, with respect to each Lender Party, such Lender Party's Domestic Lending Office in the case of a Base Rate Advance and such Lender Party's Eurodollar Lending Office in the case of a Eurodollar Rate Advance.

" ***Applicable Margin"*** means (i) in the case of the Revolving Credit Facility, 4.25% per annum for Eurodollar Rate Advances and 3.25% per annum for Base Rate Advances, and (ii) in the case of each Term Facility, 3.75% per annum for Eurodollar Rate Advances and 2.75% per annum for Base Rate Advances.

" ***Appropriate Lender*** " means, at any time, with respect to (a)any of the Term or Revolving Credit Facilities, a Lender that has a Commitment with respect to such Facility at such time, (b)the Letter of Credit Facility, (i) any Issuing Bank and (ii)if the other Revolving Credit Lenders have made Letter of Credit Advances pursuant to Section2.03(c) that are outstanding at such time, each such other Revolving Credit Lender and (c)the Swing Line Facility, (i)any Swing Line Bank and (ii)if the other Revolving Credit Lenders have made Swing Line Advances pursuant to Section2.02(b) that are outstanding at such time, each such other Revolving Credit Lender.

" ***Approved Fund*** " means, with respect to any Lender that is a fund that invests in bank loans, any other fund that invests in bank loans and is advised or managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

" ***Arrangers*** " means each of SSBI and BAS.

" ***Assignment and Acceptance*** " means an assignment and acceptance entered into by a Lender Party and an Eligible Assignee, and accepted by the Administrative Agent, in accordance with Section9.07 and in substantially the form of ExhibitC hereto.

" ***Available Amount*** " of any Letter of Credit means, at any time, the maximum amount available to be drawn under such Letter of Credit at such time (assuming compliance at such time with all conditions to drawing).

" ***Backbone Fiber"*** means a fiber connecting Los Angeles, California and New York, New York.

"Bank of America" has the meaning specified in the recital of parties to this Agreement.

"Bankruptcy Code " means the U.S. Bankruptcy Code (11 U.S.C. 101 et. seq .).

"BAS" has the meaning specified in the recital of parties to this Agreement.

" ***Base Rate*** " means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the higher of:

(a) the rate of interest announced publicly by Citibank in NewYork, NewYork, from time to time, as Citibank's base rate; and

(b) of 1% per annum above the Federal Funds Rate.

" ***Base Rate Advance*** " means an Advance that bears interest as provided in Section2.07(a)(i).

" ***BCI*** " has the meaning specified in the Preliminary Statements.

" ***BCI Default*** " means any BCI Event of Default or any event that would constitute a BCI Event of Default but for the requirement that notice be given or time elapse or both. For the avoidance of doubt, a BCI Default is not for any purpose a Default under any Loan Document. Any express statement to the effect that a reference to a Default does not include a BCI Default is made solely for the sake of clarity and does not imply that a BCI Default might in any circumstance be a Default.

" ***BCI Event of Default*** " means a BCI Event of Default under Section 7.03. For the avoidance of doubt, a BCI Event of Default is not for any purpose under any Loan Document an Event of Default. Any express statement to the effect that a reference to an Event of Default does not include a BCI Event of Default is made solely for the sake of clarity and does not imply that a BCI Event of Default might in any circumstance be an Event of Default.

" ***BCI Exchange*** " means the exchange of common or preferred stock or other Equity Interests of BRW or Subordinated Debt of BRW for the BCI Exchangeable Preferred Stock and/or the BCI Senior Subordinated Notes, including by way of a sale of common or preferred stock or other Equity Interests of BRW or Subordinated Debt of BRW to a third party in accordance with Sections 5.02(b)(i)(F) or 5.02(g)(xi).

" ***BCI Exchangeable Preferred Stock*** " means the 12% Series B Junior Exchangeable Preferred Stock Due 2009 of BCI.

" ***BCI Group*** " means BCI and its Subsidiaries.

" ***BCI Letters of Credit*** " means all letters of credit issued for the account of BCSI pursuant to Section 2.01(d) of the Existing Credit Agreement.

" ***BCI Maximum Investment*** " means the sum of (1) $118,000,000 (including Advances made to BCSI after October 1, 2002) plus (2) the aggregate amount of net cash dividends and net cash distributions paid by any member of the BCI Group after October 1, 2002 to any member of the BRW Group plus (3) the aggregate amount of Revolving Credit Borrowings made under Section 5.02(e)(ix)(E) plus (4) without duplication, the net amount of cash advanced or otherwise transferred by BCI or any of its Subsidiaries to BRW or any of its Subsidiaries pursuant to the BRW Cash Management System or so that a Default under Section 5.02(w) shall not occur or be continuing.

" ***BCI Net Cash Proceeds*** " shall mean Net Cash Proceeds from the sale, lease, transfer or other disposition of all or substantially all of the assets of BCI and/or its Subsidiaries *less* (to the extent not already deducted in computing Net Cash Proceeds) all

amounts in respect of liabilities and claims not assumed by the buyer of such assets, including, without limitation:

(i) claims paid in cash in settlement of trade payables incurred in the ordinary course of business,

(ii) amounts paid in cash to terminate circuit lease obligations, capital leases, real property leases, leasehold interests and contractual obligations for network elements,

(iii) cash collection costs of accounts receivable incurred in the ordinary course of business,

(iv) reasonable closing costs relating to sales of assets to the extent not otherwise deducted,

(v) cash settlement of Deferred Revenue liabilities of BCI and its Subsidiaries,

(vi) payment of intercompany debt other than intercompany debt owed to (i) a Subsidiary of BCI, and (ii) a Subsidiary of BRW that is not a Subsidiary Guarantor,

(vii) other current ordinary course operating expense obligations, and

(viii) reserves maintained in accordance with Section 5.02(e)(ix)(E) for amounts that may be required to be paid in respect of non-discharged liabilities or claims in the future;

but not to include prepayment or repayment of principal, interest, liquidation preference, dividends or any other amounts payable on or with respect to the BCI Senior Subordinated Notes, the BCI 12 % Senior Notes or the BCI Exchangeable Preferred Stock, and in each case to the extent, but only to the extent, that the amounts so deducted are properly attributable to BCI or any of its Subsidiaries and are actually required to be paid substantially contemporaneously with such transaction (or reflect good faith estimates of amounts taken in reserve pursuant to clause (viii)) to a Person that is not an Affiliate of such Person or any of the Loan Parties or of any Affiliate of any of the Loan Parties (other than as permitted in clause (vi) above).

" ***BCI 9% Indenture"*** means the Indenture dated as of April21, 1998, as amended in accordance with the terms of this Agreement, between BCI and The Bank of New York (as successor to IBJ Schroder Bank & Trust Company), as trustee pursuant to which the BCI Senior Subordinated Notes were issued.

" ***BCI Senior Subordinated Notes*** " means the 9% Senior Subordinated Notes due 2008 of BCI issued pursuant to the BCI 9% Indenture.

" ***BCI 12 1/2% Senior Notes*** " means the 12 1/2% Senior Notes of BCI due 2005.

" ***BCSI*** " has the meaning specified in the recital of parties to this Agreement.

" ***BCSI Sale Agreement*** " means the Agreement for the Purchase and Sale of Assets dated as of February 22, 2003, by and between BCSI and the other Sellers party thereto and the Buyers party thereto, together with all the exhibits and schedules thereto and all other agreements contemplated to be entered into thereunder as and when such other agreements become effective, in each case as amended in accordance with the terms of this Agreement.

" ***BCSI Subsidiary Guaranty*** " has the meaning specified in Section3.01(a)(iii).

" ***Blocking Event*** " means any of the following events:

(a) a Default described in Section 7.01(a) occurs and is continuing, or

(b) a Default described in Section 7.01(f) or an Event of Default (other than an Event of Default described in Section 7.01(a)) occurs and is continuing and delivery by the Administrative Agent to BRW of a notice (a " ***Blockage Notice*** ") of such Default or Event of Default (it being understood that (x) the Administrative Agent may not deliver a subsequent Blockage Notice unless and until at least 360 consecutive days shall have elapsed since the day of delivery of the immediately prior Blockage Notice and (y) no such Default or Event of Default that existed or was continuing on the date of delivery of any Blockage Notice shall be, or be made, the basis of a subsequent Blockage Notice unless such Default or Event of Default shall have been waived for a period of not less than 180 consecutive days);

provided , *however* , that a Blocking Event shall cease to occur upon the earlier of:

(i) the date upon which the Default or Event of Default giving rise to a Blocking Event described in clause (a) or (b) above is cured or waived or shall have ceased to exist, or

(ii) in the case of a Blocking Event described in clause (b) above, 179 consecutive days having passed after the Blockage Notice is received by BRW.

" ***BNY*** " has the meaning specified in the recital of parties to this Agreement.

" ***BofA Credit Agreement*** " means the 364-Day Credit Agreement dated as of September27, 1999 among BRW, as borrower, the lenders party thereto, CUSA, as administrative agent, Bank of America, as syndication agent, and SSBI and BAS, as joint lead arrangers and joint book managers.

" ***Borrower*** " and " ***Borrowers*** " have the meaning specified in the recital of parties to this Agreement.

" ***Borrower's Account*** " means (a) an account maintained by BRW with Citibank at its office at 399 Park Avenue, NewYork, NewYork 10043, or (b)such other account as BRW shall specify in writing to the Administrative Agent.

" ***Borrowing*** " means a Term A Borrowing, a Term B Borrowing, a Term C Borrowing, a Revolving Credit Borrowing or a Swing Line Borrowing.

" ***BRW*** " has the meaning specified in the recital of parties to this Agreement.

" ***BRW Administrative Expenses*** " means all administrative expenses incurred by BRW in the ordinary course of business, including, without limitation, those related to compensation arrangements, litigation, insurance, taxes (federal, state and local), health and welfare, office supplies, contractual obligations, travel, director's fees paid to and expenses of BRW's Board of Directors and payments to investment banks, advisors and consultants.

" ***BRW Cash Management System*** " has the meaning set forth in Section 5.01(r).

" ***BRW Group*** " means BRW and its Subsidiaries other than the BCI Group.

" ***BRW Guaranty*** " has the meaning specified in Section 6.01.

" ***BRW Sale Arrangements*** " means the arrangements under the Sellers' Parent Guaranty, the APTIS Software Agreement, the Intellectual Property Rights Assignment Agreement, the Transition Services Agreement and the Intercompany Agreements, in each case as defined in the BCSI Sale Agreement.

" ***BRW 7% Notes*** " means the BRW $50 Million 7% Notes due June15, 2023.

" ***BRW Subsidiary Guaranty*** " has the meaning specified in Section3.01(a)(iii).

" ***Business Day*** " means a day of the year on which banks are not required or authorized by law to close in NewYork City and, if the applicable Business Day relates to any Eurodollar Rate Advances, on which dealings are carried on in the London interbank market.

" ***Capital Expenditures*** " means, for any Person for any period, the sum of, without duplication, (a)all expenditures made, directly or indirectly, by such Person or any of its Subsidiaries during such period for equipment, fixed assets, real property or improvements, or for replacements or substitutions therefor or additions thereto, that have been or should be, in accordance with GAAP, reflected as additions to property, plant or equipment on a Consolidated balance sheet of such Person, plus (b)the aggregate principal amount of all Obligations under Capitalized Leases assumed or incurred in connection with any such expenditures. For purposes of this definition, the purchase

price of equipment that is purchased simultaneously with the trade-in of existing equipment or with insurance proceeds shall be included in Capital Expenditures only to the extent of the gross amount of such purchase price less the credit granted by the seller of such equipment for the equipment being traded in at such time or the amount of such proceeds, as the case may be.

" ***Capitalized Leases*** " means all leases that have been or should be, in accordance with GAAP, recorded as capitalized leases.

" ***Cash Equivalents*** " means any of the following, to the extent owned by BRW or any of its Subsidiaries (including BCI and its Subsidiaries) free and clear of all Liens other than Liens created under the Collateral Documents and having a maturity of not greater than 90 days from the date of acquisition thereof:

(a)readily marketable direct obligations of the Government of the United States or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of the Government of the United States,

(b)insured certificates of deposit of or time deposits with any commercial bank that is a Lender Party or a member of the Federal Reserve System, issues (or the parent of which issues) commercial paper rated as described in clause(c) below, is organized under the laws of the United States or any State thereof and has combined capital and surplus of at least $1 billion,

(c)commercial paper issued by any corporation organized under the laws of any State of the United States and rated at least "Prime-1" (or the then equivalent grade) by Moody's or "A-1" (or the then equivalent grade) by S&P's, or

(d) Investments in money market funds registered under the Investment Company Act of 1940, as amended, that satisfy the requirements of Rule 2a-7 of such Act.

" ***CBT"*** means Cincinnati Bell Telephone Company, an Ohio corporation.

" ***CERCLA*** " means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended from time to time.

" ***CERCLIS*** " means the Comprehensive Environmental Response, Compensation, and Liability Information System maintained by the U.S. Environmental Protection Agency.

" ***Certificate of Designation*** " means the certificate of designation for the BCI Exchangeable Preferred Stock, as amended in accordance with the terms of this Agreement.

" ***CFC*** " means a "controlled foreign corporation" under Section957 of the Internal Revenue Code of 1968, as amended from time to time.

" ***Change of Control*** " means the occurrence of any of the following: (a)any Person or two or more Persons acting in concert shall have acquired beneficial ownership (within the meaning of Rule13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934), directly or indirectly, of Voting Interests of BRW (or other securities convertible into such Voting Interests) representing 20% or more of the combined voting power of all Voting Interests of BRW; or (b)during any period of up to 24 consecutive months, commencing before or after the date of this Agreement, individuals who at the beginning of such 24-month period were, or who were nominated by individuals who were, directors of BRW shall cease for any reason to constitute a majority of the board of directors of BRW; or (c)any Person or two or more Persons acting in concert shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation, will result in its or their acquisition of the power to exercise, directly or indirectly, a controlling influence over the management or policies of BRW; or (d) prior to the Part II Effective Date, BRW shall cease to own 100% of the Equity Interests in BCSI or BCI (other than in connection with a sale or other disposition of assets of BCI and its Subsidiaries pursuant to Section 5.02(e)(ix) and, in the case of BCI, the BCI Exchangeable Preferred Stock); or (e)any "change of control" as defined in the BRW 7% Notes or in the Oak Hill Indenture or in the Junior Notes.

" ***Citibank*** " means Citibank, N.A., a national banking association.

" ***Co-Arrangers*** " has the meaning specified in the recital of parties to this Agreement.

" ***Co-Documentation Agents*** " has the meaning specified in the recital of parties to this Agreement.

" ***Collateral*** " means all "Collateral" referred to in the Collateral Documents and all other property that is or is intended to be subject to any Lien in favor of the Administrative Agent for the benefit of the Secured Parties.

" ***Collateral Account*** " has the meaning specified in the Security Agreements.

" ***Collateral Documents*** " means, collectively, the Shared Collateral Security Agreement, the Non-Shared Collateral Security Agreement, the Collateral Trust Agreement and any other agreement that creates or purports to create a Lien in favor of the Administrative Agent for the benefit of the Secured Parties.

" ***Collateral Trust Agreement*** " means the Second Amendment and Restatement of the Collateral Trust Agreement dated as of the date hereof by and between BRW and Wilmington Trust Company, and John M. Beeson, as collateral trustees, as amended from time to time in accordance with its terms.

" ***Commitment*** " means a Term A Commitment, a Term B Commitment, a Term C Commitment, a Revolving Credit Commitment or a Letter of Credit Commitment.

" ***Company*** " has the meaning specified in the Preliminary Statements.

" ***Confidential Information*** " means all information, including material nonpublic information within the meaning of Regulation FD promulgated by the Securities and Exchange Commission, received from the Borrowers relating to the Borrowers or their respective businesses, other than any such information that is available to any Agent or any Lender Party on a nonconfidential basis prior to disclosure by the Borrowers; provided that, in case of information received from the Borrowers after the date hereof, such information is clearly identified at the time of delivery as confidential.

" ***Consolidated*** " refers to the consolidation of accounts in accordance with GAAP.

" ***Consolidated EBITDA*** " means, with respect to any Person for any period, the sum of (a)net income (or net loss) of such Person and its Subsidiaries, plus (b) the sum of the following expenses that have been deducted from the determination of consolidated net income of such Person and its Subsidiaries for such period:

(i) all Consolidated Interest Expense (including, for purposes of this definition only, all interest and payment Obligations in respect of Debt referred to in clause (h) of the definition of "Debt" herein) plus, to the extent deducted in the computation of Consolidated Interest Expense under clause (C) or (D) of the definition thereof, all interest not payable in cash and any amortization of financing fees or other charges or expenses incurred in connection with the issuance of any Debt or preferred stock or the obtaining of any amendment, waiver or other modification in respect of any Debt or preferred stock, minus, to the extent added in the computation of Consolidated Interest Expense under clause (e) of the definition thereof, dividends paid in cash in respect of preferred stock, in each case of such Person and its Subsidiaries for such period,

(ii) income tax expense of such Person and its Subsidiaries for such period,

(iii) all depreciation expense of such Person and its Subsidiaries for such period,

(iv) without duplication of clause (i) above, all amortization expense of such Person and its Subsidiaries for such period,

(v) (A) all non-cash and non-recurring cash charges deducted in determining the consolidated net income of such Person and its Subsidiaries for such period in an amount not to exceed $100,000,000 in the aggregate for the four consecutive fiscal quarters ended on or immediately prior to the date of determination, and (B) all

extraordinary losses deducted in determining the consolidated net income of such Person and its Subsidiaries for such period (provided that any cash payment made with respect to any such non-cash charge shall be subtracted in computing Consolidated EBITDA during the period in which such cash payment is made) less (C) all extraordinary gains and non-cash or non-recurring gains added in determining the consolidated net income of such Person and its Subsidiaries for such period, in each case determined in accordance with GAAP for such period,

(vi) minority interest expense (income),

(vii) non-cash losses for such period not to exceed $200,000,000 (in aggregate for all impacted periods) and cash losses for such period not to exceed $100,000,000 (in aggregate for all impacted periods), in each case, resulting from the 2001 Restructuring and deducted in determining the consolidated net income of BRW in the first quarter of Fiscal Year 2002 and all other quarters impacted as a result of the 2001 Restructuring,

(viii) all charges taken in accordance with SFAS 142,

(ix) all charges taken in accordance with SFAS 144 (A) as of December 31, 2002 or (B) in an aggregate amount not to exceed $50,000,000 for all such charges taken in any consecutive four fiscal-quarter period commencing after December 31, 2002, and

(x) all non-cash amounts deducted from net income due to the initial recording of any expense item in respect of an obligation classified as a debt obligation under FASB Interpretation No. 45 (it being understood that all subsequent non-cash adjustments to such amount shall, as applicable, be added to ordeducted from Consolidated EBITDA).

Consolidated EBITDA of BRW and its Subsidiaries shall be computed to exclude all income (including interest income), loss and other effects of BCI and its Subsidiaries on the financial statements of BRW and its Subsidiaries, except that interest expense of BCI and its Subsidiaries in respect of the Advances shall be included in the computation of Consolidated EBITDA (it being understood that the foregoing is not intended to require any adjustments to exclude the results for BRW and its Subsidiaries in respect of operating transactions between BRW and its Subsidiaries and BCI and its Subsidiaries). It is understood and agreed that, using calculations based on the interim financial statements that have been delivered to the Lenders, Consolidated EBITDA of BRW and its Subsidiaries for the fiscal quarter ended March 31, 2002 was $127,600,000, Consolidated EBITDA of BRW and its Subsidiaries for the fiscal quarter ended June 30, 2002 was $134,500,000 and Consolidated EBITDA of BRW and its Subsidiaries for the fiscal quarter ended September 30, 2002 was $137,700,000.

" ***Consolidated Interest Expense*** " means, with respect to any Person for any period, the interest expense paid or payable on all Debt (excluding all indebtedness and payment Obligations referred to in clauses (g) and (h) of the definition of "Debt" herein, other than the BCI Exchangeable Preferred Stock) of such Person and its Subsidiaries for such period, determined on a Consolidated basis and in accordance with GAAP, including, without limitation, (a)in the case of the Borrowers, (i)interest expense paid or payable in respect of Debt resulting from Advances and (ii) all fees paid or payable pursuant to Section2.08(a), (b)the interest component of all Obligations in respect of Capitalized Leases, (c) commissions, discounts and other fees and charges paid or payable in connection with letters of credit (including, without limitation, the Letters of Credit), (d)the net payment, if any, paid or payable in connection with Hedge Agreements *less* the net credit, if any, received in connection with Hedge Agreements, and (e)dividends paid in cash in respect of preferred stock, but excluding (A)any amortization of original issue discount, (B)the interest portion of any deferred payment obligation, (C)any other interest not payable in cash, (D) any amortization of financing fees or other charges or expenses incurred in connection with the issuance of any Debt or preferred stock or the obtaining of any amendment, waiver or other modification in respect of any Debt or preferred stock, (E) to the extent included in "interest expense" in accordance with GAAP, any penalties paid or payable in connection with the prepayment of any Debt and (F) all non-cash interest expense due to the initial recording of any expense item in respect of an obligation classified as a debt obligation under FASB Interpretation No. 45 and all subsequent non-cash adjustments to such amount. It is understood and agreed that, using calculations based on the interim financial statements that have been delivered to the Lenders, Consolidated Interest Expense of BRW and its Subsidiaries for the fiscal quarter ended March 31, 2002 was $31,800,000, Consolidated Interest Expense of BRW and its Subsidiaries for the fiscal quarter ended June 30, 2002 was $32,500,000 and Consolidated Interest Expense of BRW and its Subsidiaries for the fiscal quarter ended September 30, 2002 was $32,600,000.

" ***Consultant*** " has the meaning specified in Section 5.01(j)(I)(3)(f).

" ***Contingent Obligation*** " means, with respect to any Person, any Obligation or arrangement of such Person to guarantee or intended to guarantee any Debt, leases, dividends or other payment Obligations (" ***primary obligations*** ") of any other Person (the " ***primary obligor*** ") in any manner, whether directly or indirectly, including, without limitation, (a) the direct or indirect guarantee, endorsement (other than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the Obligation of a primary obligor, (b) the Obligation to make take-or-pay or similar payments, if required, regardless of nonperformance by any other party or parties to an agreement or (c) any Obligation of such Person, whether or not contingent, (i)to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii)to advance or supply funds (A)for the purchase or payment of any such primary obligation or (B)to maintain revolving credit or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii)to purchase property, assets, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary

obligor to make payment of such primary obligation or (iv)otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made (or, if less, the maximum amount of such primary obligation for which such Person may be liable pursuant to the terms of the instrument evidencing such Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder), as determined by such Person in good faith.

" ***Conversion*** ", " ***Convert*** " and " ***Converted*** " each refer to a conversion of Advances of one Type into Advances of the other Type pursuant to Section2.09 or 2.10.

" ***Convertible Certificate of Designation*** " means the certificate of designation for the Convertible Preferred Stock, as amended in accordance with the terms of this Agreement.

" ***Convertible Preferred Stock*** " means the 6% Cumulative Convertible Preferred Stock of BRW.

" ***CSFB*** " has the meaning specified in the recital of parties to this Agreement.

" ***CSFB Fee Letter*** " means the confidential fee letter, dated May 21, 2001, from CSFB to the Borrowers.

" ***CUSA*** " has the meaning specified in the recital of parties to this Agreement.

" ***Debt*** " of any Person means, without duplication for purposes of calculating financial ratios, (a)all indebtedness of such Person for borrowed money, (b)all Obligations of such Person for the deferred purchase price of property or services (other than trade payables not overdue by more than 60 days incurred in the ordinary course of such Person's business), (c)all Obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d)all Obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e)all Obligations of such Person as lessee under Capitalized Leases, (f)all Obligations of such Person under acceptance, letter of credit or similar facilities, (g)all Obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interests in such Person or any other Person or any warrants, rights or options to acquire such capital stock, valued, in the case of Redeemable Preferred Interests, at the greater of its voluntary or involuntary liquidation preference *plus* accrued and unpaid dividends, (h)all Obligations of such Person in respect of Hedge Agreements, valued at the Agreement Value thereof, (i)all Contingent Obligations of such Person and (j)all indebtedness and other payment Obligations referred to in clauses(a) through (i) above of another Person secured by (or for which the

holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien on property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such indebtedness or other payment Obligations; *provided* that for purposes of calculating the financial ratios set forth in the financial covenants in Section 5.04, the definition of Debt shall not include contingent obligations under the Sellers' Parent Guaranty (as defined in the BCSI Sale Agreement) or any other similar guaranty by BRW of obligations of BCI and its Subsidiaries under a sale agreement entered into pursuant to Section 5.02(e)(ix) in lieu of the BCSI Sale Agreement until either a claim is made thereunder (unless the obligation underlying such claim is paid by BCI or its Subsidiaries or the total amount of such obligation is being disputed in good faith by BCI or its Subsidiaries) or BCI has defaulted on its obligations with respect to the BCSI Sale Agreement or such other sale agreement entered into in lieu of the BCSI Sale Agreement.

" ***Debt/EBITDA Ratio*** " means, at any date of determination, the ratio of Consolidated Debt of BRW and its Subsidiaries (excludingall indebtedness and payment Obligations referred to in clauses (g) and (h) of the definition of "Debt" herein) as at such date of determination to Consolidated EBITDA of BRW and its Subsidiaries for the period of four consecutive fiscal quarters of BRW ended on or immediately prior to such date.

" ***Default*** " means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

" ***Default Termination Notice*** " has the meaning specified in Section2.01(d).

" ***Defaulted Advance*** " means, with respect to any Lender Party at any time, the portion of any Advance required to be made by such Lender Party to any Borrower pursuant to Section2.01 or 2.02 at or prior to such time that has not been made by such Lender Party or by the Administrative Agent for the account of such Lender Party pursuant to Section 2.02(e) as of such time. In the event that a portion of a Defaulted Advance shall be deemed made pursuant to Section2.15(a), the remaining portion of such Defaulted Advance shall be considered a Defaulted Advance originally required to be made pursuant to Section2.01 on the same date as the Defaulted Advance so deemed made in part.

" ***Defaulted Amount*** " means, with respect to any Lender Party at any time, any amount required to be paid by such Lender Party to any Agent or any other Lender Party hereunder or under any other Loan Document at or prior to such time that has not been so paid as of such time, including, without limitation, any amount required to be paid by such Lender Party to (a)any Swing Line Bank pursuant to Section2.02(b) to purchase a portion of a Swing Line Advance made by such Swing Line Bank, (b)any Issuing Bank pursuant to Section2.03(c) to purchase a portion of a Letter of Credit Advance made by such Issuing Bank, (c)the Administrative Agent pursuant to Section2.02(e) to reimburse the Administrative Agent for the amount of any Advance made by the Administrative Agent for the account of such Lender Party, (d)any other Lender Party pursuant to

Section2.13 to purchase any participation in Advances owing to such other Lender Party and (e)any Agent or any Issuing Bank pursuant to Section8.05 to reimburse such Agent or such Issuing Bank for such Lender Party's ratable share of any amount required to be paid by the Lender Parties to such Agent or such Issuing Bank as provided therein. In the event that a portion of a Defaulted Amount shall be deemed paid pursuant to Section2.15(b), the remaining portion of such Defaulted Amount shall be considered a Defaulted Amount originally required to be paid hereunder or under any other Loan Document on the same date as the Defaulted Amount so deemed paid in part.

" ***Defaulting Lender*** " means, at any time, any Lender Party that, at such time, (a)owes a Defaulted Advance or a Defaulted Amount or (b)shall take any action or be the subject of any action or proceeding of a type described in Section7.01(f). For purposes of Section 9.01(a) and (b) only, the definition of Defaulting Lender shall not include any Lender that is a Disputing Lender.

" ***Deferred Revenue*** " means, at any date for any Person, amounts appearing as a liability on the financial statements of such Person and its Subsidiaries as prepared according to GAAP classified as deferred revenue to the extent of cash received in connection therewith.

" ***Disputing Lender"*** shall mean any Lender that becomes a Defaulting Lender because such Lender in good faith has determined that the conditions precedent to funding the applicable Advance set forth in Section 3.02 of this Agreement have not been satisfied.

" ***Domestic Lending Office*** " means, with respect to any Lender Party, the office of such Lender Party specified as its "Domestic Lending Office" opposite its name on ScheduleI hereto or in the Assignment and Acceptance pursuant to which it became a Lender Party, as the case may be, or such other office of such Lender Party as such Lender Party may from time to time specify to the Borrowers and the Administrative Agent.

" ***Domestic Subsidiary*** " means any Subsidiary other than a Foreign Subsidiary.

" ***Effective Date*** " has the meaning specified in Section 3.01(I).

" ***Eligible Assignee*** " means (a) with respect to any Facility (other than the Letter of Credit Facility), (i)a Lender; (ii) an Affiliate or an Approved Fund of a Lender; or (iii) any other Person approved by the Administrative Agent and, so long as no Default has occurred and is continuing at the time any assignment is effected pursuant to Section9.07, BRW, such approval not to be unreasonably withheld or delayed and, in the case of BRW, such approval to be deemed to have been given if no objection thereto is received by the Administrative Agent and the assigning Lender within two Business Days after the date on which notice of the proposed assignment is sent to BRW; and (b) with respect to the Letter of Credit Facility, a Person that is an Eligible Assignee under clause (a) of this definition and is a commercial bank organized under the laws of the United States of America or any state thereof; *provided, however,* that neither any Loan Party

nor any Affiliate of a Loan Party shall qualify as an Eligible Assignee under this definition.

" ***Environmental Action*** " means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, any Environmental Permit or Hazardous Material or arising from alleged injury or threat to health, safety or the environment, including, without limitation, (a)by any governmental or regulatory authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b)by any governmental or regulatory authority or third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

" ***Environmental Law*** " means any applicable Federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, writ, judgment, injunction, decree or judicial interpretation relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

" ***Environmental Permit*** " means any permit, approval, identification number, license or other authorization required under any Environmental Law.

" ***Equity Interests*** " means, with respect to any Person, shares of capital stock of (or other ownership or profit interests in) such Person, warrants, options or other rights for the purchase or other acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or other acquisition from such Person of such shares (or such other interests), and other ownership or profit interests in such Person (including, without limitation, partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are authorized or otherwise existing on any date of determination.

" ***ERISA*** " means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

" ***ERISA Affiliate*** " means any Person that for purposes of TitleIV of ERISA is a member of the controlled group of any Loan Party, or under common control with any Loan Party, within the meaning of Section414 of the Internal Revenue Code.

" ***ERISA Event*** " means (a)(i)the occurrence of a reportable event, within the meaning of Section4043 of ERISA, with respect to any Plan unless the 30-day notice requirement with respect to such event has been waived by the PBGC or (ii)the requirements of Section 4043(b) of ERISA apply with respect to a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of a Plan, and an event described in paragraph(9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably

expected to occur with respect to such Plan within the following 30 days; (b) the filing pursuant to Section412(d) of the Code or Section303(d) of ERISA of an application for a minimum funding waiver with respect to a Plan; (c)the provision by the administrator of any Plan of a notice of intent to terminate such Plan, pursuant to Section4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section4041(e) of ERISA); (d) the incurrence by any Loan Party or any ERISA Affiliate of any liability under TitleIV of ERISA with respect to any Plan; (e)the conditions for imposition of a lien under Section302(f) of ERISA shall have been met with respect to any Plan; (f)the adoption of an amendment to a Plan requiring the provision of security to such Plan pursuant to Section307 of ERISA; or (g)the institution by the PBGC of proceedings to terminate a Plan pursuant to Section4042 of ERISA, or the occurrence of any event or condition described in Section4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, such Plan.

" ***Escrow Agreements*** " means each of the Escrow Agreement (Cranberry Adjustment), the Escrow Agreement (Closing Adjustment Receivables), the Escrow Agreement (Second Stage Closing) and the Escrow Agreement (Working Capital/Indemnity), in each case as defined in the BCSI Sale Agreement.

" ***Eurocurrency Liabilities*** " has the meaning specified in RegulationD of the Board of Governors of the Federal Reserve System, as in effect from time to time.

" ***Eurodollar Lending Office*** " means, with respect to any Lender Party, the office of such Lender Party specified as its "Eurodollar Lending Office" opposite its name on ScheduleI hereto or in the Assignment and Acceptance pursuant to which it became a Lender Party (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender Party as such Lender Party may from time to time specify to the Borrowers and the Administrative Agent.

" ***Eurodollar Rate*** " means, for any Interest Period for all Eurodollar Rate Advances comprising part of the same Borrowing, an interest rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) obtained by dividing (a)the rate per annum appearing on Telerate Page3750 (or any successor page) as the London interbank offered rate for deposits in U.S. dollars at 11:00A.M. (London time) two Business Days before the first day of such Interest Period for a period equal to such Interest Period (*provided* that, if for any reason such rate is not available, the term "Eurodollar Rate" shall mean, for any Interest Period for all Eurodollar Rate Advances comprising part of the same Borrowing, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBO Page as the London interbank offered rate for deposits in Dollars at approximately 11:00A.M. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period; *provided, however*, if more than one rate is specified on Reuters Screen LIBO Page, the applicable rate shall be the arithmetic mean of all such rates) by (b)a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage for such Interest Period.

" ***Eurodollar Rate Advance*** " means an Advance that bears interest as provided in Section2.07(a)(ii).

" ***Eurodollar Rate Reserve Percentage*** " for any Interest Period for all Eurodollar Rate Advances comprising part of the same Borrowing means the reserve percentage applicable two Business Days before the first day of such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for a member bank of the Federal Reserve System in NewYork City with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference to which the interest rate on Eurodollar Rate Advances is determined) having a term equal to such Interest Period.

" ***Events of Default*** " has the meaning specified in Section7.01.

" ***Excess Cash Flow*** " means, for any period (without duplication),

(a) the sum of:

(i) Consolidated net income (or loss) of BRW and its Subsidiaries for such period adjusted to exclude any cash gains attributable to any transaction that requires prepayment of Term Advances pursuant to Section 2.06(b); *plus*

(ii) the aggregate amount of depreciation, amortization and all other non-cash charges deducted in arriving at such Consolidated net income (or loss); *plus*

(iii) the sum of (i)the amount, if any, by which Net Working Capital decreased plus (ii)the net amount, if any, by which Deferred Revenues of BRW and its Subsidiaries increased; *minus*

(b) the sum of:

(i) the sum of (A) the aggregate amount of all non-cash credits included in arriving at such Consolidated net income (or loss) *plus* (B)the amount, if any, by which Net Working Capital increased plus (c)the net amount, if any, by which Deferred Revenues of BRW and its Subsidiaries decreased; *plus*

(ii) the sum of (A)the aggregate amount of Capital Expenditures of BRW and its Subsidiaries paid in cash during such period to the extent permitted by this Agreement (except to the extent attributable to the incurrence of Obligations under Capitalized Leases or otherwise financed by long term Debt or with funds that would have constituted Net

Cash Proceeds) plus (B)cash consideration paid during such fiscal year by BRW and its Subsidiaries to make acquisitions or other capital investments (except to the extent financed by incurring long-term Debt or with funds that would otherwise have constituted Net Cash Proceeds) plus (C) the net amount of cash used by BRW and its Subsidiaries in Permitted BCI Transactions during such Fiscal Year (except to the extent financed with Advances under the Revolving Credit Facility or by incurring long-term Debt); *plus*

(iii) the aggregate amount of all regularly scheduled principal payments of Funded Debt made during such period; *plus*

(iv) the aggregate principal amount of all optional prepayments of Term Advances made during such period pursuant to Section2.06(a); *plus*

(v) the aggregate principal amount of all cash payments or prepayments of the Revolving Credit Advances that permanently reduce the Revolving Credit Commitments.

" ***Excluded Entities*** " means CBT, Wireless LLC and the Mutual Subsidiaries.

" ***Excluded Equity Agreements*** " means the (i) Operating Agreement of Wireless LLC between AT&T Wireless PCS Inc. and Wireless Co., dated as of December 31, 1998 and (ii) Network Membership License Agreement between AT&T Corp. and its affiliated companies, including AT&T Wireless Services, Inc., and Wireless LCC, dated as of February 4, 1998, as amended as of April 16, 1999.

" ***Existing Credit Agreement*** " has the meaning specified in the Preliminary Statements.

" *Existing Debt* " means Debt of each Loan Party and its Subsidiaries outstanding immediately before giving effect to the consummation of the Transaction.

" ***Extraordinary Receipt*** " means any cash received by or paid to or for the account of any Person not in the ordinary course of business, including, without limitation, tax refunds, pension plan reversions, proceeds of insurance (including, without limitation, any key man life insurance but excluding proceeds of business interruption insurance to the extent such proceeds constitute compensation for lost earnings), condemnation awards (and payments in lieu thereof), indemnity payments and any purchase price adjustment received in connection with any purchase agreement; *provided, however*, that an Extraordinary Receipt shall not include cash receipts received from proceeds of insurance, condemnation awards (or payments in lieu thereof) or indemnity payments to the extent that such proceeds, awards or payments (A) in respect of loss or damage to equipment, fixed assets or real property are applied (or in respect of which expenditures were previously incurred) to replace or repair the equipment, fixed assets or real property in respect of which such proceeds were received in accordance with the terms of the Loan

Documents, so long as the applicable Borrower or its Subsidiaries have entered into a legal, valid and binding agreement with respect thereto within 12 months after the occurrence of such damage or loss and with a closing thereunder and application of such proceeds within 6 months thereafter or (B) are received by any Person in respect of any third party claim against such Person and applied to pay (or to reimburse such Person for its prior payment of) such claim and the costs and expenses of such Person with respect thereto.

" ***Facilities Period*** " means the period commencing on the Effective Date and ending December 29, 2007.

" ***Facility*** " means the Term A Facility, the Term B Facility, the Term C Facility, the Revolving Credit Facility, the Swing Line Facility or the Letter of Credit Facility.

" ***Federal Funds Rate*** " means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of NewYork, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

" ***Fee Letters*** " means collectively, (i) the fee letter dated as of October20, 1999 between BRW and the Agents, (ii) the fee letter dated as of January 27, 2003 between BRW, SSBI and the Administrative Agent, and (iii) the fee letter dated as of January 27, 2003 between BRW and BAS.

" ***Final Maturity Date*** " means, (i) in the case of the Term A Facility, the earlier of November 9, 2004 and the date of termination in whole of the Term A Commitments pursuant to Section2.05 or 7.01, (ii) in the case of the Term B Facility, the earlier of December 30, 2006 and the date of termination in whole of the Term B Commitments pursuant to Section 2.05 or 7.01, and (iii) in the case of the Term C Facility, the earlier of June 29, 2007 and the date of termination in whole of the Term C Commitments pursuant to Section 2.05 or 7.01.

" ***Fiscal Year*** " means a fiscal year of BRW and its Consolidated Subsidiaries ending on December 31 in any calendar year.

" ***Foreign Subsidiary*** " means a Subsidiary organized under the laws of a jurisdiction other than the United States or any State thereof or the District of Columbia.

" ***FTI*** " means FTI Consulting, Inc.

" ***FTI Report*** " means the report provided by FTI and posted to the BRW IntraLinks website by the Administrative Agent on January 28, 2003 and distributed to the Lenders at the bank meeting with BRW held on the same date.

" ***Funded Debt*** " of any Person means Debt in respect of the Advances, in the case of the Borrowers, and all other Debt of such Person that by its terms matures more than one year after the date of determination or matures within one year from such date but is renewable or extendible, at the option of such Person, to a date more than one year after such date or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year after such date.

" ***GAAP*** " has the meaning specified in Section1.03.

" ***Goldman*** " has the meaning specified in the Preliminary Statements.

" ***Granting Lender"*** has the meaning specified in Section9.07(j).

" ***Guaranties*** " means the BRW Guaranty and the Subsidiary Guaranties.

" ***Guarantors*** " means BRW and the Subsidiary Guarantors.

" ***Guaranty Supplement*** " has the meaning specified in the Subsidiary Guaranties.

" ***Hazardous Materials*** " means (a)petroleum or petroleum products, by-products or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (b)any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

" ***Hedge Agreements*** " means interest rate swap, cap or collar agreements, interest rate future or option contracts, currency swap agreements, currency future or option contracts and other hedging agreements.

" ***Hedge Bank*** " means any Lender Party or an Affiliate of a Lender Party in its capacity as a party to a Secured Hedge Agreement.

" ***Indemnified Party*** " has the meaning specified in Section9.04(b).

" ***Index Debt*** " means long-term senior unsecured Debt of BRW that is not guaranteed or otherwise credit enhanced.

" ***Information Materials*** " means the Amendment Package dated as of January 2003, and the other information materials (other than the FTI Report) reviewed by BRW and posted to the BRW IntraLinks website by the Administrative Agent on January 28, 2003 and distributed to the Lenders at the bank meeting with BRW held on the same date and used by the Arrangers in connection with the seeking of approvals of the amendments effected by this Agreement.

" ***Initial Issuing Banks*** ", " ***Initial Lender Parties*** " and " ***Initial Lenders*** " each has the meaning specified in the recital of parties to this Agreement.

" ***Interest Coverage Ratio*** " means, at any date of determination, the ratio of (a)Consolidated EBITDA to (b) Consolidated Interest Expense, in each case, of or by BRW and its Subsidiaries during the four consecutive fiscal quarters most recently ended for which financial statements are required to be delivered to the Lender Parties pursuant to Section5.03(b) or (c), as the case may be.

" ***Interest Period*** " means, for each Eurodollar Rate Advance comprising part of the same Borrowing, the period commencing on the date of such Eurodollar Rate Advance or the date of the Conversion of any Base Rate Advance into such Eurodollar Rate Advance, and ending on the last day of the period selected by either Borrower pursuant to the provisions below and, thereafter, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by such Borrower pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three or six months, and, subject to clause (c) of this definition, nine or twelve months as such Borrower may, upon notice received by the Administrative Agent not later than 11:00A.M. (NewYork City time) on the third Business Day prior to the first day of such Interest Period, select; *provided, however,* that:

(a) such Borrower may not select any Interest Period with respect to any Eurodollar Rate Advance under a Facility that ends after any principal repayment installment date for such Facility unless, after giving effect to such selection, the aggregate principal amount of Base Rate Advances and of Eurodollar Rate Advances having Interest Periods that end on or prior to such principal repayment installment date for such Facility shall be at least equal to the aggregate principal amount of Advances under such Facility due and payable on or prior to such date;

(b) Interest Periods commencing on the same date for Eurodollar Rate Advances comprising part of the same Borrowing shall be of the same duration;

(c) no Borrower shall be entitled to select an Interest Period having a duration of nine or twelve months unless, by 3:00 P.M. (New York City time)on the third Business Day prior to the first day of such Interest Period, each of the Appropriate Lenders notifies the Administrative Agent that such Lender Party will be providing funding for such Borrowing with such Interest Period (the failure of any of the Appropriate Lenders to so respond by such time being deemed for all purposes of this Agreement as an objection by such Lender Party to the requested duration of such Interest Period); *provided* that if any of the Appropriate Lenders objects (or is deemed to have objected) to the requested duration of such Interest Period, the duration of the Interest Period for such Borrowing shall be one, two, three or six months, as specified by such Borrower

in the applicable Notice of Borrowing or notice of Conversion as the desired alternative to the requested Interest Period of nine or twelve months therefor;

(d) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, *provided, however,* that, if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day; and

(e) whenever the first day of any Interest Period occurs on a day of an initial calendar month for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by the number of months equal to the number of months in such Interest Period, such Interest Period shall end on the last Business Day of such succeeding calendar month.

" ***Internal Revenue Code*** " means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

" ***Investment*** " in any Person means any loan or advance to such Person, any purchase or other acquisition of any Equity Interests or Debt or the assets comprising a division or business unit or a substantial part or all of the business of such Person, any capital contribution to such Person or any other direct or indirect investment in such Person, including, without limitation, any acquisition by way of a merger or consolidation and any arrangement pursuant to which the investor incurs Debt of the types referred to in clause(i) or (j) of the definition of " ***Debt*** " in respect of such Person.

" ***Investment Grade Date*** " means the first day on which the ratings established by both S&P and Moody's for the Index Debt are, respectively, BBB- or better and Baa3 or better.

" ***IRU*** " means an indefeasible right to use fiber or telecommunications capacity.

" ***Issuing Banks*** " means each Initial Issuing Bank and any other Revolving Credit Lender approved as an Issuing Bank by the Administrative Agent and the Borrowers and any Eligible Assignee to which a Letter of Credit Commitment hereunder has been assigned pursuant to Section 9.07 so long as each such Revolving Credit Lender or each such Eligible Assignee expressly agrees to perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as an Issuing Bank and notifies the Administrative Agent of its Applicable Lending Office and the amount of its Letter of Credit Commitment (which information shall be recorded by the Administrative Agent in the Register), for so long as such Initial Issuing Bank, Revolving Credit Lender or Eligible Assignee, as the case may be, shall have a Letter of Credit Commitment.

" ***June BCSI Agreement*** " means the First Amended and Restated Credit Agreement, as amended, among BCSI, as borrower, the lenders party thereto,

NationsBank, N.A., as administrative agent, Credit Suisse First Boston, TD Securities (USA), Inc. and Export Development Corporation, as co-syndication agents and BAS as sole lead arranger and sole book runner.

" ***Junior Notes*** " has the meaning specified in the Preliminary Statements.

" ***Junior Notes Documents*** " means the Junior Notes, the Junior Notes Indenture, the Purchase Agreement, the Warrants, the Warrant Agreement and any other agreements, indentures and instruments pursuant to which the Junior Notes or the Warrants are issued.

" ***Junior Notes Indenture*** " has the meaning specified in the Preliminary Statements.

" ***L/C Cash Collateral Account*** " has the meaning specified in the Security Agreements.

" ***L/C Related Documents*** " has the meaning specified in Section2.04(d)(ii).

" ***Lender Party*** " means any Lender, any Issuing Bank or any Swing Line Bank.

" ***Lenders*** " means the Initial Lenders and each Person that shall become a Lender hereunder pursuant to Section9.07 for so long as such Initial Lender or Person, as the case may be, shall be a party to this Agreement.

" ***Letter of Credit Advance*** " means an advance made by any Issuing Bank or any Revolving Credit Lender pursuant to Section2.03(c).

" ***Letter of Credit Agreement*** " has the meaning specified in Section2.03(a).

" ***Letter of Credit Commitment*** " means, with respect to any Issuing Bank at any time, the amount set forth opposite such Issuing Bank's name on ScheduleI hereto under the caption "Letter of Credit Commitment" or, if such Issuing Bank has entered into one or more Assignment and Acceptances, set forth for such Issuing Bank in the Register maintained by the Administrative Agent pursuant to Section9.07(d) as such Issuing Bank's "Letter of Credit Commitment", as such amount may be reduced at or prior to such time pursuant to Section2.05.

" ***Letter of Credit Facility*** " means, at any time, an amount equal to the lesser of (a) the aggregate amount of the Issuing Banks' Letter of Credit Commitments at such time and (b) $20,000,000, as such amount may be reduced at or prior to such time pursuant to Section 2.05.

" ***Letters of Credit*** " has the meaning specified in Section2.01(d).

" ***Lien*** " means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien

or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

" ***Loan Documents*** " means (a) for purposes of this Agreement and the Notes and any amendment, supplement or modification hereof or thereof, (i)this Agreement, (ii)the Notes, (iii)the Guaranties, (iv)the Collateral Documents, (v)the Fee Letters and the CSFB Fee Letter, and (vi)each Letter of Credit Agreement and (b)for purposes of the Guaranties and the Collateral Documents and for all other purposes other than for purposes of this Agreement and the Notes, (i)this Agreement, (ii)the Notes, (iii)the Guaranties, (iv)the Collateral Documents, (v)the Fee Letters and the CSFB Fee Letter, (vi)each Letter of Credit Agreement, and (vii)each Secured Hedge Agreement, in each case as amended.

" ***Loan Parties*** " means the Borrowers and each of the Guarantors.

" ***Margin Stock*** " has the meaning specified in RegulationU.

" ***Material Adverse Change*** " means any material adverse change in the business, assets, condition (financial or otherwise), operations, or prospects of BRW and its Subsidiaries, taken as a whole.

" ***Material Adverse Effect*** " means a material adverse effect on (a) the business, assets, condition (financial or otherwise), operations or prospects of BRW and its Subsidiaries, taken as a whole, (b)the rights and remedies of any Agent or any Lender Party under any Transaction Document or (c)the ability of BRW or any of its Subsidiaries to perform its material Obligations under the Related Documents and its Obligations under the Loan Documents to which it is or is to be a party.

" ***Material Contract*** " means with respect to any Person, each contract or other arrangement to which such Person is a party for which breach, nonperformance, cancellation or failure to renew could be expected to have a Material Adverse Effect.

" ***Minimum Liquidity*** " means the sum of (i) collected cash balances and Cash Equivalents of BRW and its Subsidiaries and (ii) the amount available to be drawn under the Revolving Credit Facility.

" ***Moody's*** " means Moody's Investors Service Inc.

" ***Multiemployer Plan*** " means a multiemployer plan, as defined in Section4001(a)(3) of ERISA, to which any Loan Party or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

" ***Multiple Employer Plan*** " means a single employer plan, as defined in Section4001(a)(15) of ERISA, that (a)is maintained for employees of any Loan Party or any ERISA Affiliate and at least one Person other than the Loan Parties and the ERISA Affiliates or (b)was so maintained and in respect of which any Loan Party or any ERISA

Affiliate could have liability under Section4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

" ***Mutual Subsidiaries*** " means Mutual Signal Holding Corporation, Mutual Signal Corporation, Mutual Signal Corporation of Michigan and MSM Associates Limited Partnership.

" ***Net Cash Proceeds*** " means, with respect to any sale, lease, transfer or other disposition of any asset or the incurrence or issuance of any Debt or the sale or issuance of any Equity Interests (including, without limitation, any capital contribution) by any Person, or any Extraordinary Receipt received by or paid to or for the account of any Person, the aggregate amount of cash received from time to time (whether as initial consideration or through payment or disposition of deferred consideration) by or on behalf of such Person in connection with such transaction after deducting therefrom only (without duplication):

(a)reasonable and customary brokerage commissions, underwriting fees and discounts, legal fees, finder's fees and other similar fees and commissions;

(b)the amount of taxes payable in connection with or as a result of such transaction;

(c)the amount of any Debt secured by a Lien on such asset that, by the terms of the agreement or instrument governing such Debt, is required to be repaid upon such disposition; and

(d) in the case of any sale, lease, transfer or other disposition of any property or asset, the amount required to be reserved, in accordance with GAAP as in effect on the date on which the Net Cash Proceeds from such sale, lease, transfer or other disposition are determined, and so reserved, against liabilities under indemnification obligations, pension and other post-employment benefit liabilities or other similar contingent liabilities associated with the property and assets subject to such sale, lease, transfer or other disposition that are required to be so provided for under the terms of the documentation for such sale, lease, transfer or other disposition;

in each case to the extent, but only to the extent, that the amounts so deducted are properly attributable to such transaction or to the property or asset that is the subject thereof and (i) in the case of clauses (a) and (c) of this definition, are actually paid substantially contemporaneously with the receipt of such cash to a Person that is not an Affiliate of such Person or any of the Loan Parties or of any Affiliate of any of the Loan Parties and (ii) in the case of clauses (b) and (d) of this definition, are actually paid substantially contemporaneously with the receipt of such cash to a Person that is not an Affiliate of such Person or any of the Loan Parties or any Affiliate of any of the Loan Parties or, so long as such Person is not otherwise indemnified therefor, are reserved for in accordance with GAAP at the time of receipt of such cash, based upon such Person's reasonable estimate of such taxes or contingent liabilities, as the case may be (as

determined reasonably and in good faith by the treasurer or chief financial officer of such Person); *provided, however,* that if, at the time such taxes or such contingent liabilities are actually paid or otherwise satisfied, the amount of the reserve therefor exceeds the amount paid or otherwise satisfied, then the Borrowers shall reduce the Commitments in accordance with the terms of Section 2.05(b), and shall prepay the outstanding Advances in accordance with the terms of Section 2.06(b)(ii) and (iii), in an amount equal to the amount of such excess reserve.

" ***Net Working Capital*** " means, at any date, (a)the consolidated current assets of BRW and its Subsidiaries as of such date (excluding cash and cash equivalents) minus (b)the consolidated current liabilities of BRW and its Subsidiaries as of such date (excluding current liabilities in respect of Debt).

" ***New Notes*** " means (i) Subordinated Debt of BRW evidenced by the Subordinated Debt Documents, (ii) Senior Notes and (iii) the Junior Notes.

" ***Non-Shared Collateral Security Agreement*** " has the meaning specified in Section3.01(a)(ii).

" ***Note*** " means a Term A Note, a Term B Note, a Term C Note or a Revolving Credit Note.

" ***Notice of Borrowing*** " has the meaning specified in Section2.02(a).

" ***Notice of Issuance*** " has the meaning specified in Section2.03(a).

" ***Notice of Renewal*** " has the meaning specified in Section2.01(d).

" ***Notice of Swing Line Borrowing*** " has the meaning specified in Section2.02(b).

" ***Notice of Termination*** " has the meaning specified in Section2.01(d).

" ***NPL*** " means the National Priorities List under CERCLA.

"Oak Hill Debt" means the Obligations of BRW under the Oak Hill Indenture.

" ***Oak Hill Indenture*** " means the Indenture, dated as of July 21, 1999, between BRW, as Issuer, and The Bank of New York, as Trustee, as amended in accordance with the terms of this Agreement.

" ***Oak Hill Waiver*** " has the meaning specified in Section 3.01(II)(b).

" ***Obligation*** " means, with respect to any Person, any payment, performance or other obligation of such Person of any kind, including, without limitation, any liability of such Person on any claim, whether or not the right of any creditor to payment in respect of such claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, disputed, undisputed, legal, equitable, secured or unsecured, and whether or not such claim is discharged, stayed or otherwise affected by any proceeding referred to in

Section7.01(f). Without limiting the generality of the foregoing, the Obligations of any Loan Party under the Loan Documents include (a)the obligation to pay principal, interest, Letter of Credit commissions, charges, expenses, fees, attorneys' fees and disbursements, indemnities and other amounts payable by such Loan Party under any Loan Document and (b)the obligation of such Loan Party to reimburse any amount in respect of any of the foregoing that any Lender Party, in its sole discretion, may elect to pay or advance on behalf of such Loan Party.

" ***OECD*** " means the Organization for Economic Cooperation and Development.

" ***Original Credit Agreement*** " has the meaning specified in the Preliminary Statements.

" ***Other Permitted Equity*** " means an Equity Interest of BRW other than common stock that (i) is a security that is not guaranteed or secured and ranks junior to the Facilities and the New Notes in all respects, (ii) has a term extending to at least December 31, 2007 and is not mandatorily redeemable or putable prior to such date (other than pursuant to a customary change of control provision), (iii) has covenants and change of control provisions no more restrictive than those customarily contained in senior subordinated or subordinated public high yield issues for similar issuers and (iv) if convertible or exchangeable, is convertible or exchangeable only into BRW's common stock.

" ***Other Taxes*** " has the meaning specified in Section2.12(b).

" ***Part II Effective Date*** " has the meaning specified in Section 3.01(II).

" ***PBGC*** " means the Pension Benefit Guaranty Corporation (or any successor).

" ***Permitted BCI Transaction*** " means:

(A) any (a) Investment in the BCI Group, (b) Restricted Payment made to the BCI Group, (c) Debt incurred for the benefit of the BCI Group or in connection with a sale of the BCI Group permitted under Section 5.02(e)(ix), (d) Lien incurred for the benefit of the BCI Group or in connection with a sale of the BCI Group permitted under Section 5.02(e)(ix), (e) asset purchase for the benefit of the BCI Group without charge or allocation to the BCI Group, (f) payment in respect of operating expenses or net operating losses of the BCI Group (including payments for direct expenses of the BCI Group that are made by the BRW Group and not charged or allocated to the BCI Group or payments made by the BRW Group for shared expenses that are not charged or allocated to the BCI Group), (g) tax reimbursement allowed for the benefit of any member of the BCI Group, (h) Equity Interest of any member of the BRW Group issued to the BCI Group, and (i) any other transaction in, to or for the benefit of the BCI Group, excluding in each case items set forth in clause (B) below, in each case (1) made or incurred directly or indirectly by the BRW Group after October 1, 2002 and (2) after giving effect to which the aggregate amount of cash plus the fair value of non-cash property transferred from the BRW Group to the BCI Group in such transaction plus the

value of any obligations incurred or assumed by the BRW Group in connection with such transaction does not exceed the BCI Maximum Investment for all such transactions specified in clauses (a) through (i) in aggregate, and

(B) each of the following transactions:

(i) the issuance of Equity Interests or the incurrence of Debt in connection with any BCI Exchange and the application of proceeds thereof to the extent permitted under Section 5.02,

(ii) the Guarantees,

(iii) Liens under the Loan Documents,

(iv) scheduled principal and interest payments (or capital contributions made solely for the purpose of funding such payments) made or guaranteed by any member of the BRW Group in respect of the Obligations of BCSI under the Loan Documents,

(v) payments made by any member of the BRW Group under the Guarantees in respect of the Obligations of BCSI under the Loan Documents,

(vi) non-cash payments made solely through reductions in the principal amount of any intercompany notes issued by any member of the BCI Group to any member of the BRW Group in respect of net operating losses of the BCI Group used by the BRW Group or other Investments in the form of reductions of such intercompany notes,

(vii) Permitted Obligations,

(viii) interest payments made or funded by any member of the BRW Group in respect of the BCI Senior Subordinated Notes and the BCI 12 1/2% Senior Notes,

(ix) the accrual and capitalization of interest on intercompany notes issued by the BCI Group to BRW or to any other member of the BRW Group,

(x) the payment by the BCI Group of non-cash management fees to the BRW Group made solely through adjustments to intercompany notes issued by any member of the BCI Group to any member of the BRW Group in any amount not to exceed $2,000,000 per quarter,

(xi) any transactions of the type described on Schedule 1.01, and

(xii) any non-cash transition arrangements or other related services provided to or for the benefit of a buyer in connection with a transaction permitted under Section 5.02(e)(ix), including under any BRW Sale Arrangements;

provided no Default or Event of Default has occurred and is continuing at the time of such transaction; *provided further* that any such Permitted BCI Transaction is also permitted under Section 5.11 of the Junior Notes Indenture.

" ***Permitted Liens*** " means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (a)Liens for taxes, assessments and governmental charges or levies not yet due and payable; (b)Liens imposed by law, such as materialmen's, mechanics', carriers', workmen's and repairmen's Liens and other similar Liens arising in the ordinary course of business securing obligations that (i)are not overdue for a period of more than 30 days and (ii)individually or together with all other Permitted Liens outstanding on any date of determination do not materially adversely affect the use of the property to which they relate; (c)pledges or deposits to secure obligations under workers' compensation laws or similar legislation or to secure public or statutory obligations; and (d)easements, rights of way and other encumbrances on title to real property that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes.

" ***Permitted Obligations*** " means, in connection with:

(A) the BCSI Sale Agreement, all obligations under the Sellers' Parent Guaranty (as defined in the BCSI Sale Agreement) and under the other BRW Sale Arrangements, and

(B) any other sale, transfer or other disposition of the assets of BCI and/or its Subsidiaries permitted under Section 5.02(e)(ix), (a) any customary indemnification obligation of the type described in clause (A), including for excluded liabilities or tax payments of any member of the BCI Group not assumed by the purchaser as expressly set forth in the related purchase and sale agreement or (b) any obligation of the types referred to in clause (i) of the definition of "Debt" in respect of any such obligation specified in clause (a) created, incurred or otherwise arising in connection with such sale, transfer or other disposition of assets of BCI.

" ***Permitted Preferred Stock*** " means the Convertible Preferred Stock and the BCI Exchangeable Preferred Stock.

" ***Permitted Preferred Stock Documents*** " means, collectively, the Certificate of Designation and the Convertible Certificate of Designation, any subscription agreements therefor and all of the other agreements, instruments and other documents pursuant to which the Permitted Preferred Stock will be or has been issued or otherwise setting forth the terms of the Permitted Preferred Stock, in each case as such agreement, instrument or other document may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, but only to the extent permitted under the terms of the Loan Documents.

" ***Person*** " means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association,

joint venture or other entity, or a government or any political subdivision or agency thereof.

" ***Plan*** " means a Single Employer Plan or a Multiple Employer Plan.

" ***Pledged Debt*** " has the meaning specified in Section1(a)(iv) of the Shared Collateral Security Agreement and Section1(a)(vi) of the Non-Shared Collateral Security Agreement.

" ***Pledged Shares*** " has the meaning specified in Section1(a)(iii) of the Shared Collateral Security Agreement and Section 1(a)(v) of the Non-Shared Collateral Security Agreement.

" ***PNC*** " has the meaning specified in the recital of parties to this Agreement.

" ***Preferred Interests*** " means, with respect to any Person, Equity Interests issued by such Person that are entitled to a preference or priority over any other Equity Interests issued by such Person upon any distribution of such Person's property and assets, whether by dividend or upon liquidation.

" ***Prepackaged Plan*** " means a plan of reorganization filed in a proceeding under Chapter 11 of the Bankruptcy Code which plan shall have been accepted prior to such filing by the holders of the minimum amount of each class of claims or interests impaired under such plan that would be necessary to achieve acceptance thereof pursuant to Section 1126 of the Bankruptcy Code.

" ***Pro Rata Share*** " of any amount means, with respect to any Revolving Credit Lender at any time, the product of such amount *times* a fraction the numerator of which is the amount of such Lender's Revolving Credit Commitment at such time (or, if the Commitments shall have been terminated pursuant to Section2.05 or 7.01, such Lender's Revolving Credit Commitment as in effect immediately prior to such termination) and the denominator of which is the Revolving Credit Facility at such time (or, if the Commitments shall have been terminated pursuant to Section2.05 or 7.01, the Revolving Credit Facility as in effect immediately prior to such termination).

" ***Purchase Agreement*** " has the meaning specified in the Preliminary Statements.

" ***PWC*** " means PricewaterhouseCoopers LLP.

" ***Real Estate SPV*** " means Broadwing Communications Real Estate Services LLC, a Delaware limited liability company.

" ***Redeemable*** " means, with respect to any Equity Interest, any Debt or any other right or Obligation, any such Equity Interest, Debt, right or Obligation that (a)the issuer has undertaken to redeem at a fixed or determinable date or dates, whether by operation of a sinking fund or otherwise, or upon the occurrence of a condition not solely within the control of the issuer or (b)is redeemable at the option of the holder.

" ***Register*** " has the meaning specified in Section9.07(d).

" ***Regulation U*** " means RegulationU of the Board of Governors of the Federal Reserve System, as in effect from time to time.

" ***Related Documents*** " means the Junior Notes Documents, the Oak Hill Indenture, the BCSI Sale Agreement, the Subordinated Debt Documents, any intercompany notes issued pursuant to Section5.02(b)(ii) and Section 5.02(b)(i)(D), all agreements, indentures and instruments pursuant to which the Senior Notes are issued, the certificate of incorporation of Wireless Holdco, documents related to the Surviving Debt and the Permitted Preferred Stock Documents.

" ***Related Fund*** " means, with respect to any Lender which is a fund that invests in loans, any other fund that invests in loans and is controlled by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

" ***Required Lenders*** " means, at any time, Lenders owed or holding at least a majority in interest of the sum of (a)the aggregate principal amount of the Advances outstanding at such time, (b)the aggregate Available Amount of all Letters of Credit outstanding at such time and (c) the aggregate Unused Revolving Credit Commitments at such time; *provided, however,* that if any Lender shall be a Defaulting Lender at such time, there shall be excluded from the determination of Required Lenders at such time (A)the aggregate principal amount of the Advances owing to such Lender (in its capacity as a Lender) and outstanding at such time, (B)such Lender's Pro Rata Share of the aggregate Available Amount of all Letters of Credit outstanding at such time, (C)the aggregate unused Term Commitments of such Lender at such time and (D) the Unused Revolving Credit Commitment of such Lender at such time. For purposes of this definition, the aggregate principal amount of Swing Line Advances owing to any Swing Line Bank and of Letter of Credit Advances owing to any Issuing Bank and the Available Amount of each Letter of Credit shall be considered to be owed to the Revolving Credit Lenders ratably in accordance with their respective Revolving Credit Commitments.

" ***Responsible Officer*** " means the chief executive officer, the president, the chief financial officer, the principal accounting officer or the treasurer (or the equivalent of any of the foregoing) of a Borrower or any of its Subsidiaries or any other officer, partner or member (or person performing similar functions) of such Borrower or any of its Subsidiaries responsible for overseeing the administration of, or reviewing compliance with, all or any portion of this Agreement and the other Loan Documents.

" ***Restricted Payment*** " has the meaning specified in Section 5.02(g).

" ***Revolving Credit Advance*** " has the meaning specified in Section2.01(b).

" ***Revolving Credit Borrowing*** " means a borrowing consisting of simultaneous Revolving Credit Advances of the same Type made by the Revolving Credit Lenders.

" ***Revolving Credit Commitment*** " means, with respect to any Revolving Credit Lender at any time, the amount set forth opposite such Lender's name on ScheduleI hereto under the caption "Revolving Credit Commitment" or, if such Lender has entered into one or more Assignment and Acceptances, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section9.07(d) as such Lender's "Revolving Credit Commitment", as such amount may be reduced at or prior to such time pursuant to Section2.05.

" ***Revolving Credit Facility*** " means, at any time, the aggregate amount of the Revolving Credit Lenders' Revolving Credit Commitments at such time.

" ***Revolving Credit Lender*** " means any Lender that has a Revolving Credit Commitment.

" ***Revolving Credit Note*** " means a promissory note of a Borrower payable to the order of any Revolving Credit Lender, in substantially the form of ExhibitA-1 hereto, evidencing the aggregate indebtedness of such Borrower to such Lender resulting from the Revolving Credit Advances, Letter of Credit Advances and Swing Line Advances made by such Lender, as amended.

" ***Secured Hedge Agreement*** " means any Hedge Agreement required or permitted under Article V that is entered into by and between any Borrower and any Hedge Bank.

" ***Secured Obligations*** " has the meaning specified in Section2 of the Security Agreements.

" ***Secured Parties*** " means the Agents and the Lender Parties.

" ***Security Agreements*** " means the Shared Collateral Security Agreement or the Non-Shared Collateral Security Agreement.

" ***Senior Notes*** " means senior unsubordinated notes of BRW which have customary high yield covenants for similar issuers, are unsecured and have the benefit of no upstream guaranties or other claims against Subsidiaries of BRW (including BCI and its Subsidiaries).

" ***Senior Secured Debt/EBITDA Ratio*** " means, at any date of determination, the ratio of Consolidated Senior Secured Debt of BRW and its Subsidiaries as at such date of determination to Consolidated EBITDA of BRW and its Subsidiaries for the period of four consecutive fiscal quarters of BRW ended on or immediately prior to such date.

" ***Senior Secured Debt*** " means, as of any date, the Advances and that portion of the Debt (excluding all indebtedness and payment Obligations referred to in clauses (g) and (h) of the definition of "Debt" herein) of BRW and its Subsidiaries that ranks pari passu with the Advances made to BRW and is secured by any collateral, including, without limitation, the BRW 7 % Notes. " *Senior Secured Debt* " shall also at all times include the medium term notes of CBT issued under CBT's indenture dated as of October

27, 1993, and CBT's 6.30% Debentures due 2028 issued under CBT's indenture dated as of November 30, 1998.

" ***Shared Collateral Security Agreement*** " has the meaning specified in Section3.01(a)(ii).

" ***Single Employer Plan*** " means a single employer plan, as defined in Section4001(a)(15) of ERISA, that (a)is maintained for employees of any Loan Party or any ERISA Affiliate and no Person other than the Loan Parties and the ERISA Affiliates or (b)was so maintained, and in respect of which any Loan Party or any ERISA Affiliate could have liability under Section4069 of ERISA in the event such plan has been or were to be terminated.

" ***Solvent*** " and " ***Solvency*** " mean, with respect to any Person on a particular date, that on such date (a)the fair value of the property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, (b)the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c)such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature and (d)such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

" ***SPC"*** has the meaning specified in Section9.07(j).

" ***Specified Default*** " means any default or event of default under any Debt of BRW or any of its Subsidiaries of the type described in Section 7.01(p) or by reason of a cross default to the Oak Hill Indenture resulting from a default or event of default under the Oak Hill Indenture of the type described in Section 7.01(p).

" ***Spectrum Assets*** " means the E-Block spectrum license granted by the Federal Communications Commission or any spectrum license owned by Wireless Co. for which the E-Block may be exchanged.

" ***SPV*** " has the meaning specified in Section 5.01(s).

" ***S&P*** " means Standard & Poor's, a division of The McGraw-Hill Companies, Inc.

" ***SSBI*** " has the meaning specified in the recital of parties to this Agreement.

" ***Subordinated Debt*** " means any Debt of any Loan Party that is subordinated to the Obligations of such Loan Party under the Loan Documents and that either (a) contains

terms and conditions that comply with the requirements of Section 5.02(b)(i)(F)(y) or (b) contains terms and conditions reasonably satisfactory to the Required Lenders.

" ***Subordinated Debt Documents*** " means all agreements, indentures and instruments pursuant to which Subordinated Debt is issued and that either (a) contains terms and conditions that comply with the requirements of Section 5.02(b)(i)(F)(y) or (b) contains terms and conditions reasonably satisfactory to the Required Lenders, in each case as amended, to the extent permitted under the Loan Documents.

" ***Subsidiary*** " of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (a)the issued and outstanding capital stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b)the interest in the capital or profits of such partnership, joint venture or limited liability company or (c)the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries. Notwithstanding the foregoing, for purposes of this Agreement only but not the other Loan Documents, references to " *Subsidiaries* " of BRW shall not include BCI or any Subsidiary of BCI unless an express reference to BCI or BCI and its Subsidiaries is made, except that at all times after BRW shall deliver written notice to the Administrative Agent stating that Broadwing Telecommunications Inc. shall thereafter be deemed to be a Subsidiary of BRW for all purposes hereunder in accordance with Section 5.02(d)(iii), Broadwing Telecommunications Inc. shall thereafter be deemed to be a Subsidiary of BRW notwithstanding that it may at any such time be a Subsidiary of BCI.

" ***Subsidiary Guaranties*** " has the meaning specified in Section3.01(a)(iii).

" ***Subsidiary Guarantors*** " means the Subsidiaries of BRW (including BCI and its Subsidiaries) listed on ScheduleII hereto and each other Subsidiary of BRW (including BCI and its Subsidiaries) that shall be required to execute and deliver a guaranty pursuant to Section5.01(j).

" ***Surviving Debt*** " means Debt of each Loan Party and its Subsidiaries outstanding immediately prior to the Effective Date.

" ***Swing Line Advance*** " means an advance made by (a)any Swing Line Bank pursuant to Section2.01(c) or (b)any Revolving Credit Lender pursuant to Section2.02(b).

" ***Swing Line Bank*** " means, initially, each of CUSA, Bank of America and PNC or any other Lender selected by BRW pursuant to Section 2.01(c).

" ***Swing Line Borrowing*** " means a borrowing consisting of a Swing Line Advance made by any Swing Line Bank pursuant to Section2.01(c) or the Revolving Credit Lenders pursuant to Section2.02(b).

" ***Swing Line Facility*** " has the meaning specified in Section2.01(c).

"Syndication Agent" has the meaning specified in the recital of parties to this Agreement.

" ***Taxes*** " has the meaning specified in Section2.12(a).

" ***Term A Advance"*** has the meaning specified in Section 2.01(a)(i).

" ***Term A Borrowing"*** means a borrowing consisting of simultaneous Term A Advances of the same Type made by the Term A Lenders.

" ***Term A Commitment"*** means, with respect to any Term A Lender at any time, the aggregate amount set forth opposite such Lender's name on Schedule I hereto under the caption "Term A Commitment", or, if such Lender has entered into one or more Assignment and Acceptances, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 9.07(d) as such Lender's "Term A Commitment", as the case may be, in each case as such amount may be reduced at or prior to such time pursuant to Section 2.05.

" ***Term Advances*** " means, collectively, Term A Advances, Term B Advances and Term C Advances.

" ***Term A Facility"*** means, at any time, the aggregate amount of the Term A Lenders' Term A Commitments at such time.

" ***Term A Lender"*** means each Lender that has made a Term A Advance.

" ***Term A Note"*** means a promissory note of a Borrower payable to the order of any Term A Lender, in substantially the form of Exhibit A-2 hereto, evidencing the indebtedness of such Borrower to such Lender resulting from the Term A Advance made by such Lender, as amended.

" ***Term B Advance"*** has the meaning specified in Section 2.01(a)(ii).

" ***Term B Borrowing"*** means a borrowing consisting of simultaneous Term B Advances of the same Type made by the Term B Lenders.

" ***Term B Commitment"*** means, with respect to any Term B Lender at any time, the aggregate amount set forth opposite such Lender's name on Schedule I hereto under the caption "Term B Commitment", or, if such Lender has entered into one or more Assignment and Acceptances, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 9.07(d) as such Lender's "Term B Commitment", as the case may be, in each case as such amount may be reduced at or prior to such time pursuant to Section 2.05.

" ***Term B Facility"*** means, at any time, the aggregate amount of the Term B Lenders' Term B Commitments at such time.

" ***Term B Lender"*** means each Lender that has made a Term B Advance.

" ***Term B Note"*** means a promissory note of a Borrower payable to the order of any Term B Lender, in substantially the form of Exhibit A-2 hereto, evidencing the indebtedness of such Borrower to such Lender resulting from the Term B Advance made by such Lender, as amended.

" ***Term Borrowings*** " means, collectively, Term A Borrowings, Term B Borrowings and Term C Borrowings.

" ***Term C Advance"*** has the meaning specified in Section 2.01(a)(iii).

" ***Term C Borrowing"*** means a borrowing consisting of simultaneous Term C Advances of the same Type made by the Term C Lenders.

" ***Term C Commitment"*** means, with respect to any Term C Lender at any time, the aggregate amount set forth opposite such Lender's name on Schedule I hereto under the caption "Term C Commitment", or, if such Lender has entered into one or more Assignment and Acceptances, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 9.07(d) as such Lender's "Term C Commitment", as the case may be, in each case as such amount may be reduced at or prior to such time pursuant to Section 2.05.

" ***Term C Facility"*** means, at any time, the aggregate amount of the Term C Lenders' Term C Commitments at such time.

" ***Term C Lender"*** means each Lender that has made a Term C Advance.

" ***Term C Note"*** means a promissory note of a Borrower payable to the order of any Term C Lender, in substantially the form of Exhibit A-2 hereto, evidencing the indebtedness of such Borrower to such Lender resulting from the Term C Advance made by such Lender, as amended.

" ***Term Commitments"*** means, collectively, Term A Commitments, Term B Commitments and Term C Commitments.

" ***Term Facility*** " means, collectively, the Term A Facility, the Term B Facility and the Term C Facility.

" ***Termination Date*** " means the earlier of March 1, 2006 and the date of termination in whole of the Revolving Credit Commitments and the Letter of Credit Commitments pursuant to Section2.05 or 7.01.

" ***Term Lenders"*** means, collectively, Term A Lenders, Term B Lenders and Term C Lenders.

" ***Term Notes*** " means, collectively, Term A Notes, Term B Notes and Term C Notes.

" ***Transaction*** " means the issuance of the Junior Notes and the execution, delivery and performance of the Loan Documents.

" ***Transaction Documents*** " means, collectively, the Loan Documents and the Related Documents.

" ***Transfer*** " has the meaning specified in Section 5.01(j)(I)(3)(d).

" ***2004 Letters of Credit"*** means (i)the $47,742 letter of credit issued to Utah State Retirement Investment Fund issued by Bank of America that expires April20, 2004 and (ii)the $138,112 letter of credit issued to Overseas Partners (333), Inc. issued by Bank of America that expires July14, 2004.

" ***Type*** " refers to the distinction between Advances bearing interest at the Base Rate and Advances bearing interest at the Eurodollar Rate.

" ***Unused Revolving Credit Commitment*** " means, with respect to any Revolving Credit Lender at any time, (a)such Lender's Revolving Credit Commitment at such time *minus* (b)the sum of (i)the aggregate principal amount of all Revolving Credit Advances, Swing Line Advances and Letter of Credit Advances made by such Lender (in its capacity as a Lender) and outstanding at such time *plus* (ii)such Lender's Pro Rata Share of (A)the aggregate Available Amount of all Letters of Credit outstanding at such time, (B)the aggregate principal amount of all Letter of Credit Advances made by the Issuing Banks pursuant to Section2.03(c) and outstanding at such time and (C)the aggregate principal amount of all Swing Line Advances made by the Swing Line Banks pursuant to Section2.01(c) and outstanding at such time.

" ***Voting Interests*** " means shares of capital stock issued by a corporation, or equivalent Equity Interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

" ***Warrant Agreement*** " has the meaning specified in the Preliminary Statements.

" ***Warrants*** " has the meaning specified in the Preliminary Statements.

" ***Welfare Plan*** " means a welfare plan, as defined in Section3(1) of ERISA, that is maintained for employees of any Loan Party or in respect of which any Loan Party could have liability.

" ***Wireless Co.*** " means Cincinnati Bell Wireless Company, an Ohio corporation.

" ***Wireless Holdco*** " means Cincinnati Bell Wireless Holdings LLC, a Delaware limited liability company.

" ***Wireless LLC*** " means Cincinnati Bell Wireless LLC, an Ohio limited liability company.

" ***Withdrawal Liability*** " has the meaning specified in PartI of SubtitleE of TitleIV of ERISA.

SECTION 1.02. Computation of Time Periods; Other Definitional Provisions . In this Agreement and the other Loan Documents in the computation of periods of time from a specified date to a later specified date, the word " ***from*** " means "from and including" and the words " ***to*** " and " ***until*** " each mean "to but excluding". References in the Loan Documents to any agreement or contract " ***as amended*** " shall mean and be a reference to such agreement or contract as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its terms.

SECTION 1.03. Accounting Terms . All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles in effect on the Effective Date (" ***GAAP*** ").

ARTICLE II

AMOUNTS AND TERMS OF THE ADVANCES

AND THE LETTERS OF CREDIT

SECTION 2.01. The Advances and the Letters of Credit (a) The Term Advances . (i) Each Term A Lender made advances (each a " ***Term A Advance*** ") to the Borrowers prior to the Effective Date under Section 2.01(a)(i) of the Existing Credit Agreement in an aggregate amount equal to such Lender's Term A Commitment. All Term A Advances outstanding on the Effective Date shall for all purposes be deemed to have been made hereunder and shall constitute use of the Term A Facility. Amounts outstanding under this Section2.01(a)(i) and repaid or prepaid may not be reborrowed.

(ii) Each Term B Lender made incremental term B advances (each a " ***Term B Advance*** ") to the Borrowers prior to the Effective Date under Sections 2.01(a)(ii) and 2.05(c) of the Existing Credit Agreement in an aggregate amount equal to such Lender's Term B Commitment. All Term B Advances outstanding on the Effective Date shall for all purposes be deemed to have been made hereunder and shall constitute use of the Term B Facility. Amounts outstanding under this Section2.01(a)(ii) and repaid or prepaid may not be reborrowed.

(iii) Each Term C Lender made a single incremental term C advance (each a " ***Term C Advance*** ") to the Borrowers prior to the Effective Date under Sections 2.01(a)(iii) and 2.05(c) of the Existing Credit Agreement in an aggregate amount equal to such Lender's Term C Commitment. All Term C Advances outstanding on the Effective Date shall for all purposes be

deemed to have been made hereunder and shall constitute use of the Term C Facility. Amounts outstanding under this Section2.01(a)(iii) and repaid or prepaid may not be reborrowed.

(b) The Revolving Credit Advances . Each Revolving Credit Lender severally agrees, on the terms and conditions hereinafter set forth, to make advances (each a " ***Revolving Credit Advance*** ") to BRW from time to time on any Business Day during the period from the date hereof until the Termination Date in an amount for each such Advance not to exceed such Lender's Unused Revolving Credit Commitment at such time. Each Revolving Credit Borrowing shall be in an aggregate amount of (i)$10,000,000 or an integral multiple of $1,000,000 in excess thereof in respect of Eurodollar Rate Advances and (ii)$10,000,000 or an integral multiple of $1,000,000 in excess thereof in respect of Base Rate Advances (in each case, other than a Borrowing the proceeds of which shall be used solely to repay or prepay in full outstanding Swing Line Advances or outstanding Letter of Credit Advances) and shall consist of Revolving Credit Advances made simultaneously by the Revolving Credit Lenders ratably according to their Revolving Credit Commitments. The Revolving Credit Advances made to BRW and to BCSI under Section 2.01(b) of the Existing Credit Agreement and outstanding on the Effective Date shall for all purposes be deemed to have been made hereunder and shall constitute use of the Revolving Credit Facility. Within the limits of each Revolving Credit Lender's Unused Revolving Credit Commitment in effect from time to time, the Borrowers may borrow under this Section2.01(b), prepay pursuant to Section2.06(a) and reborrow under this Section2.01(b). BCSI may not borrow any new Revolving Credit Advances under this Section 2.01(b).

(c) The Swing Line Advances . BRW may request any Swing Line Bank to make, and such Swing Line Bank may, if in its sole discretion it elects to do so, make, on the terms and conditions hereinafter set forth, Swing Line Advances to BRW from time to time on any Business Day during the period from the date hereof until the Termination Date (i)in an aggregate amount owing to all Swing Line Banks not to exceed at any time outstanding $75,000,000 (the " ***Swing Line Facility*** ") and (ii)in an amount for each such Swing Line Borrowing not to exceed the aggregate of the Unused Revolving Credit Commitments of the Revolving Credit Lenders at such time. No Swing Line Advance shall be used for the purpose of funding the payment of principal of any other Swing Line Advance. Each Swing Line Borrowing shall be in an amount of $500,000 or an integral multiple of $100,000 in excess thereof and shall be made as a Base Rate Advance. Any Swing Line Advances made to BRW and to BCSI under Section 2.01(c) of the Existing Credit Agreement and outstanding on the Effective Date shall for all purposes be deemed to have been made hereunder and shall constitute use of the Swing Line Facility. Within the limits of the Swing Line Facility and within the limits referred to in clause(ii) above, so long as any Swing Line Bank, in its sole discretion, elects to make Swing Line Advances, BRW may borrow under this Section2.01(c), repay pursuant to Section2.04(c) or prepay pursuant to Section2.06(a) and reborrow under this Section2.01(c). BCSI may not borrow any new Swing Line Advances under this Section 2.01(c). BRW may select any Lender to act as a Swing Line Bank or remove any Lender as a Swing Line Bank at its discretion; *provided* that (i) each such Lender expressly agrees to perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Swing Line Bank and notifies the Administrative Agent of its acceptance of such

appointment and (ii) there are no more than four Swing Line Banks (including all Swing Line Banks that have issued Swing Line Advances that remain outstanding) at any one time.

(d) The Letters of Credit . Each Issuing Bank severally agrees, on the terms and conditions hereinafter set forth, to issue (or cause its Affiliate that is a commercial bank to issue on its behalf) letters of credit (the " ***Letters of Credit*** ") for the account of BRW from time to time on any Business Day during the period from the date hereof until 5 Business Days before the Termination Date in an aggregate Available Amount (i)for all Letters of Credit issued by such Issuing Bank not to exceed at any time the lesser of (x)the Letter of Credit Facility at such time and (y)such Issuing Bank's Letter of Credit Commitment at such time and (ii)for each such Letter of Credit not to exceed an amount equal to the Unused Revolving Credit Commitments of the Revolving Credit Lenders at such time. The 2004 Letters of Credit and all Letters of Credit issued for the account of BRW or BCSI under Section 2.01(d) of the Existing Credit Agreement and outstanding on the Effective Date shall for all purposes be deemed to have been issued hereunder and shall constitute use of the Letter of Credit Facility. No Letter of Credit shall have an expiration date (including all rights of the Borrowers or the beneficiary to require renewal) later than the earlier of 5 Business Days before the Termination Date and one year after the date of issuance thereof, but may by its terms be renewable annually upon notice (a " ***Notice of Renewal*** ") given to the Issuing Bank that issued such Letter of Credit and the Administrative Agent on or prior to any date for notice of renewal set forth in such Letter of Credit but in any event at least three Business Days prior to the date of the proposed renewal of such Letter of Credit and upon fulfillment of the applicable conditions set forth in Article III unless such Issuing Bank has notified such Borrower (with a copy to the Administrative Agent) on or prior to the date for notice of termination set forth in such Letter of Credit but in any event at least 30 Business Days prior to the date of automatic renewal of its election not to renew such Letter of Credit (a " ***Notice of Termination*** "). If either a Notice of Renewal is not given by such Borrower or a Notice of Termination is given by the relevant Issuing Bank pursuant to the immediately preceding sentence, such Letter of Credit shall expire on the date on which it otherwise would have been automatically renewed; *provided, however,* that even in the absence of receipt of a Notice of Renewal the relevant Issuing Bank may in its discretion, unless instructed to the contrary by the Administrative Agent or such Borrower, deem that a Notice of Renewal had been timely delivered and in such case, a Notice of Renewal shall be deemed to have been so delivered for all purposes under this Agreement. Each Letter of Credit shall contain a provision authorizing the Issuing Bank that issued such Letter of Credit to deliver to the beneficiary of such Letter of Credit, upon the occurrence and during the continuance of an Event of Default, a notice (a " ***Default Termination Notice*** ") terminating such Letter of Credit and giving such beneficiary 15 days to draw such Letter of Credit. Within the limits of the Letter of Credit Facility, and subject to the limits referred to above, BRW may request the issuance of Letters of Credit under this Section2.01(d), repay any Letter of Credit Advances resulting from drawings thereunder pursuant to Section2.04(d) and request the issuance of additional Letters of Credit under this Section2.01(d). BCSI may not request the issuance of any new Letters of Credit under this Section 2.01(d).

SECTION 2.02. Making the Advances (a) Except as otherwise provided in Section2.02(b) or 2.03, each Borrowing shall be made on notice, given not later than 11:00A.M. (NewYork City time) on the third Business Day prior to the date of the proposed Borrowing in

the case of a Borrowing consisting of Eurodollar Rate Advances, or the first Business Day prior to the date of the proposed Borrowing in the case of a Borrowing consisting of Base Rate Advances, by BRW to the Administrative Agent, which shall give to each Appropriate Lender prompt notice thereof by telex or telecopier. Each such notice of a Borrowing (a " ***Notice of Borrowing*** ") shall be by telephone, confirmed immediately in writing, or telex or telecopier, in substantially the form of Exhibit B hereto, specifying therein the requested (i)date of such Borrowing, (ii)Facility under which such Borrowing is to be made, (iii)Type of Advances comprising such Borrowing, (iv)aggregate amount of such Borrowing and (v)in the case of a Borrowing consisting of Eurodollar Rate Advances, initial Interest Period for each such Advance. Each Appropriate Lender shall, before 11:00A.M. (NewYork City time) on the date of such Borrowing, make available for the account of its Applicable Lending Office to the Administrative Agent at the Administrative Agent's Account, in same day funds, such Lender's ratable portion of such Borrowing in accordance with the respective Commitments under the applicable Facility of such Lender and the other Appropriate Lenders. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in ArticleIII, the Administrative Agent will make such funds available to BRW by crediting the Borrower's Account; *provided, however,* that, in the case of any Revolving Credit Borrowing, the Administrative Agent shall first make a portion of such funds equal to the aggregate principal amount of any Swing Line Advances and Letter of Credit Advances made by any Swing Line Bank or any Issuing Bank, as the case may be, and by any other Revolving Credit Lender and outstanding on the date of such Revolving Credit Borrowing, plus interest accrued and unpaid thereon to and as of such date, available to such Swing Line Bank or such Issuing Bank, as the case may be, and such other Revolving Credit Lenders for repayment of such Swing Line Advances and Letter of Credit Advances.

(b) Each Swing Line Borrowing shall be made on notice, given not later than 1:00P.M. (NewYork City time) on the date of the proposed Swing Line Borrowing, by BRW to any Swing Line Bank and the Administrative Agent. Each such notice of a Swing Line Borrowing (a " ***Notice of Swing Line Borrowing*** ") shall be by telephone, confirmed immediately in writing, or telex or telecopier, specifying therein the requested (i)date of such Borrowing, (ii)amount of such Borrowing and (iii)maturity of such Borrowing (which maturity shall be no later than the seventh day after the requested date of such Borrowing). If, in its sole discretion, it elects to make the requested Swing Line Advance, such Swing Line Bank will make the amount thereof available to the Administrative Agent at the Administrative Agent's Account, in same day funds. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in ArticleIII, the Administrative Agent will make such funds available to BRW by crediting the Borrower's Account. Upon written demand by any Swing Line Bank with an outstanding Swing Line Advance, with a copy of such demand to the Administrative Agent, each other Revolving Credit Lender shall purchase from such Swing Line Bank, and such Swing Line Bank shall sell and assign to each such other Revolving Credit Lender, such other Lender's Pro Rata Share of such outstanding Swing Line Advance as of the date of such demand, by making available for the account of its Applicable Lending Office to the Administrative Agent for the account of such Swing Line Bank, by deposit to the Administrative Agent's Account, in same day funds, an amount equal to the portion of the outstanding principal amount of such Swing Line Advance to be purchased by such Lender. BRW hereby agrees to each such sale and assignment. Each Revolving Credit Lender agrees to purchase its Pro Rata

Share of an outstanding Swing Line Advance on (i)the Business Day on which demand therefor is made by the Swing Line Bank that made such Advance, *provided* that notice of such demand is given not later than 11:00A.M. (NewYork City time) on such Business Day or (ii)the first Business Day next succeeding such demand if notice of such demand is given after such time. Upon any such assignment by a Swing Line Bank to any other Revolving Credit Lender of a portion of a Swing Line Advance, such Swing Line Bank represents and warrants to such other Lender that such Swing Line Bank is the legal and beneficial owner of such interest being assigned by it, but makes no other representation or warranty and assumes no responsibility with respect to such Swing Line Advance, the Loan Documents or any Loan Party. If and to the extent that any Revolving Credit Lender shall not have so made the amount of such Swing Line Advance available to the Administrative Agent, such Revolving Credit Lender agrees to pay to the Administrative Agent forthwith on demand such amount together with interest thereon, for each day from the date of demand by such Swing Line Bank until the date such amount is paid to the Administrative Agent, at the Federal Funds Rate. If such Lender shall pay to the Administrative Agent such amount for the account of such Swing Line Bank on any Business Day, such amount so paid in respect of principal shall constitute a Swing Line Advance made by such Lender on such Business Day for purposes of this Agreement, and the outstanding principal amount of the Swing Line Advance made by such Swing Line Bank shall be reduced by such amount on such Business Day.

(c) Anything in subsection(a) above to the contrary notwithstanding, (i)BRW may not select Eurodollar Rate Advances for any Borrowing if the aggregate amount of such Borrowing is less than $10,000,000 or if the obligation of the Appropriate Lenders to make Eurodollar Rate Advances shall then be suspended pursuant to Section2.09 or 2.10 and (ii)the Term Advances may not be outstanding as part of more than five separate Borrowings and the Revolving Credit Advances may not be outstanding as part of more than five separate Borrowings.

(d) Each Notice of Borrowing and Notice of Swing Line Borrowing shall be irrevocable and binding on BRW. In the case of any Borrowing that the related Notice of Borrowing specifies is to be comprised of Eurodollar Rate Advances, BRW shall indemnify each Appropriate Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Notice of Borrowing for such Borrowing the applicable conditions set forth in ArticleIII, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing when such Advance, as a result of such failure, is not made on such date.

(e) Unless the Administrative Agent shall have received notice from an Appropriate Lender prior to the date of any Borrowing under a Facility under which such Lender has a Commitment that such Lender will not make available to the Administrative Agent such Lender's ratable portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with subsection(a) of this Section2.02 and the Administrative Agent may, in reliance upon such assumption, make available to BRW on such date a corresponding

amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Administrative Agent, such Lender and BRW severally agree to repay or pay to the Administrative Agent forthwith on demand such corresponding amount and to pay interest thereon, for each day from the date such amount is made available to BRW until the date such amount is repaid or paid to the Administrative Agent, at (i)in the case of BRW, the interest rate applicable at such time under Section2.07 to Advances comprising such Borrowing and (ii)in the case of such Lender, the Federal Funds Rate. If such Lender shall pay to the Administrative Agent such corresponding amount, such amount so paid shall constitute such Lender's Advance as part of such Borrowing for all purposes.

(f) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

SECTION 2.03. Issuance of and Drawings and Reimbursement Under Letters of Credit (a) Request for Issuance . Each Letter of Credit shall be issued upon notice, given not later than 11:00A.M. (NewYork City time) on the fifth Business Day prior to the date of the proposed issuance of such Letter of Credit, by BRW to any Issuing Bank, which shall give to the Administrative Agent and each Revolving Credit Lender prompt notice thereof by telex or telecopier. Each such notice of issuance of a Letter of Credit (a " ***Notice of Issuance*** ") shall be by telephone, confirmed immediately in writing, or telex or telecopier, specifying therein the requested (A)date of such issuance (which shall be a Business Day), (B)Available Amount of such Letter of Credit, (C)expiration date of such Letter of Credit, (D)name and address of the beneficiary of such Letter of Credit and (E)form of such Letter of Credit, and shall be accompanied by such application and agreement for letter of credit as such Issuing Bank may specify to BRW for use in connection with such requested Letter of Credit (a " ***Letter of Credit Agreement*** "). If (x)the requested form of such Letter of Credit is acceptable to such Issuing Bank in its sole discretion and (y) it has not received notice of objection to such issuance from Lenders holding at least 50% of the Revolving Credit Commitments such Issuing Bank will, upon fulfillment of the applicable conditions set forth in ArticleIII, make such Letter of Credit available to BRW at its office referred to in Section9.02 or as otherwise agreed with BRW in connection with such issuance. In the event and to the extent that the provisions of any Letter of Credit Agreement shall conflict with this Agreement, the provisions of this Agreement shall govern.

(b) Letter of Credit Reports . Each Issuing Bank shall furnish (A)to the Administrative Agent on the first Business Day of each week a written report summarizing issuance and expiration dates of Letters of Credit issued by such Issuing Bank during the previous week and drawings during such week under all Letters of Credit issued by such Issuing Bank, (B)to each Revolving Credit Lender on the first Business Day of each month a written report summarizing issuance and expiration dates of Letters of Credit issued by such Issuing Bank during the preceding month and drawings during such month under all Letters of Credit issued by such Issuing Bank and (C)to the Administrative Agent and each Revolving Credit Lender on the first Business Day of each calendar quarter a written report setting forth the

average daily aggregate Available Amount during the preceding calendar quarter of all Letters of Credit issued by such Issuing Bank.

(c) Drawing and Reimbursement. The payment by any Issuing Bank of a draft drawn under any Letter of Credit shall constitute for all purposes of this Agreement the making by such Issuing Bank of a Letter of Credit Advance, which shall be a Base Rate Advance, in the amount of such draft. Upon written demand by any Issuing Bank with an outstanding Letter of Credit Advance, with a copy of such demand to the Administrative Agent, each Revolving Credit Lender shall purchase from such Issuing Bank, and such Issuing Bank shall sell and assign to each such Revolving Credit Lender, such Lender's Pro Rata Share of such outstanding Letter of Credit Advance as of the date of such purchase, by making available for the account of its Applicable Lending Office to the Administrative Agent for the account of such Issuing Bank, by deposit to the Administrative Agent's Account, in same day funds, an amount equal to the portion of the outstanding principal amount of such Letter of Credit Advance to be purchased by such Lender. Promptly after receipt thereof, the Administrative Agent shall transfer such funds to such Issuing Bank. BRW hereby agrees to each such sale and assignment. In consideration and in furtherance of the foregoing, each Revolving Credit Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Lender's Pro Rata Share of each Letter of Credit Advance made by the Issuing Bank and not reimbursed by the Borrower on the date made, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Revolving Credit Lender acknowledges and agrees that its obligation to purchase its Pro Rata Share pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Revolving Credit Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Revolving Credit Lender agrees to purchase its Pro Rata Share of an outstanding Letter of Credit Advance on (i)the Business Day on which demand therefor is made by the Issuing Bank which made such Advance, *provided* that notice of such demand is given not later than 11:00A.M. (NewYork City time) on such Business Day, or (ii)the first Business Day next succeeding such demand if notice of such demand is given after such time. Upon any such assignment by an Issuing Bank to any Revolving Credit Lender of a portion of a Letter of Credit Advance, such Issuing Bank represents and warrants to such other Lender that such Issuing Bank is the legal and beneficial owner of such interest being assigned by it, free and clear of any liens, but makes no other representation or warranty and assumes no responsibility with respect to such Letter of Credit Advance, the Loan Documents or any Loan Party. If and to the extent that any Revolving Credit Lender shall not have so made the amount of such Letter of Credit Advance available to the Administrative Agent, such Revolving Credit Lender agrees to pay to the Administrative Agent forthwith on demand such amount together with interest thereon, for each day from the date of demand by such Issuing Bank until the date such amount is paid to the Administrative Agent, at the Federal Funds Rate for its account or the account of such Issuing Bank, as applicable. If such Lender shall pay to the Administrative Agent such amount for the account of such Issuing Bank on any Business Day, such amount so paid in respect of principal shall constitute a Letter of Credit Advance made by such Lender on such Business Day for purposes of this Agreement, and

the outstanding principal amount of the Letter of Credit Advance made by such Issuing Bank shall be reduced by such amount on such Business Day.

(d) Failure to Make Letter of Credit Advances. The failure of any Lender to make the Letter of Credit Advance to be made by it on the date specified in Section 2.03(c) shall not relieve any other Lender of its obligation hereunder to make its Letter of Credit Advance on such date, but no Lender shall be responsible for the failure of any other Lender to make the Letter of Credit Advance to be made by such other Lender on such date.

SECTION 2.04. Repayment of Advances (a) Term Advances. (i) The Borrowers shall repay to the Administrative Agent for the ratable account of the Term A Lenders the aggregate outstanding principal amount of the Term A Advances on the following dates in the amounts set forth opposite such dates (in each case which amounts shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section 2.06):

Date		Amount
June 27, 2003	$	172,992,155.71
September 29, 2003		42,515,080.83
December 30, 2003		42,515,080.83
March 30, 2004		64,536,193.98
June 29, 2004		64,536,193.98
September 29, 2004		64,536,193.98
November 9, 2004		64,536,193.98

provided, however, that, notwithstanding the foregoing provisions of this Section 2.04(a)(i), the final principal repayment installment of the Term A Advances shall be repaid in full on the Final Maturity Date and in any event shall be in an amount equal to the aggregate principal amount of all Term A Advances outstanding on such date.

(ii) The Borrowers shall repay to the Administrative Agent for the ratable account of the Term B Lenders the aggregate outstanding principal amount of the Term B Advances on the following dates in an amount equal to the percentage of the aggregate principal amount of all of the Term B Advances outstanding on January 12, 2002 under the Existing Credit Agreement (after giving effect to all Borrowings under Section 2.01(a)(ii) of the Existing Credit Agreement, if any, made during such period) set forth opposite such dates (in each case which amounts shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section2.06):

Date	Percentage
March 29, 2003	0.25 %
June 27, 2003	0.25 %
September 29, 2003	0.25 %
December 30, 2003	0.25 %
March 30, 2004	0.25 %
June 29, 2004	0.25 %
September 29, 2004	0.25 %
December 30, 2004	0.25 %
March 30, 2005	0.25 %
June 29, 2005	0.25 %
September 29, 2005	0.25 %
December 30, 2005	0.25 %
March 30, 2006	24.00 %
June 29, 2006	24.00 %
September 29, 2006	24.00 %
December 30, 2006	24.00 %

provided, however, that, notwithstanding the foregoing provisions of this Section 2.04(a)(ii), the final principal repayment installment of the Term B Advances shall be repaid in full on the Final Maturity Date and in any event shall be in an amount equal to the aggregate principal amount of all Term B Advances outstanding on such date.

(iii) The Borrowers shall repay to the Administrative Agent for the ratable account of the Term C Lenders the aggregate outstanding principal amount of the Term C Advances on the following dates in an amount equal to the percentage of the aggregate principal amount of all of the Term C Advances outstanding on January 12, 2002 under the Existing Credit Agreement set forth opposite such dates (in each case which amounts shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section 2.06):

Date	Percentage
March 29, 2003	0.25 %
June 27, 2003	0.25 %
September 29, 2003	0.25 %
December 30, 2003	0.25 %
March 30, 2004	0.25 %
June 29, 2004	0.25 %

September 29, 2004	0.25 %
December 30, 2004	0.25 %
March 30, 2005	0.25 %
June 29, 2005	0.25 %
September 29, 2005	0.25 %
December 30, 2005	0.25 %
March 30, 2006	0.25 %
June 29, 2006	0.25 %
September 29, 2006	23.875 %
December 30, 2006	23.875 %
March 30, 2007	23.875 %
June 29, 2007	23.875 %

provided, however , that, notwithstanding the foregoing provisions of this Section 2.04(a)(iii), the final principal repayment installment of the Term C Advances shall be repaid in full on the Final Maturity Date and in any event shall be in an amount equal to the aggregate principal amount of all Term C Advances outstanding on such date.

(b) Revolving Credit Advances . Each of the Borrowers shall repay to the Administrative Agent for the ratable account of the Revolving Credit Lenders on the Termination Date the aggregate principal amount of the Revolving Credit Advances made to such Borrower and outstanding on such date.

(c) Swing Line Advances . Each of the Borrowers shall repay to the Administrative Agent for the account of each Swing Line Bank and each other Revolving Credit Lender that has made a Swing Line Advance the outstanding principal amount of each Swing Line Advance made to such Borrower by each of them on the earlier of the maturity date specified in the applicable Notice of Swing Line Borrowing (which maturity shall be no later than the seventh day after the requested date of such Borrowing) and the Termination Date.

(d) Letter of Credit Advances . (i) Each of the Borrowers shall repay to the Administrative Agent for the account of each Issuing Bank and each other Revolving Credit Lender that has made a Letter of Credit Advance on the earlier of the day on which such Advance was made and the Termination Date, the outstanding principal amount of each Letter of Credit Advance made to such Borrower by each of them; provided , that to the extent not promptly repaid by such Borrower, a Base Rate Advance shall be deemed made automatically by each Issuing Bank and each other Revolving Credit Lender, in an amount equal to such Issuing Bank's or Lender's Pro Rata Share of such outstanding Letter of Credit Advance, on the date on which such repayment is required in the aggregate amount of such Letter of Credit Advance, without regard to minimum borrowing amounts or to the conditions set forth in Section 3.02.

(ii) The Obligations of each of the Borrowers under this Agreement, any Letter of Credit Agreement and any other agreement or instrument relating to any Letter of Credit shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement, such Letter of Credit Agreement and such other agreement or instrument under all circumstances, including, without limitation, the following circumstances:

(A) any lack of validity or enforceability of any Loan Document, any Letter of Credit Agreement, any Letter of Credit or any other agreement or instrument relating thereto (all of the foregoing being, collectively, the " ***L/C Related Documents*** ");

(B) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations of such Borrower in respect of any L/C Related Document or any other amendment or waiver of or any consent to departure from all or any of the L/C Related Documents;

(C) the existence of any claim, set-off, defense or other right that such Borrower may have at any time against any beneficiary or any transferee of a Letter of Credit (or any Persons for which any such beneficiary or any such transferee may be acting), any Issuing Bank or any other Person, whether in connection with the transactions contemplated by the L/C Related Documents or any unrelated transaction;

(D) any statement or any other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(E) payment by any Issuing Bank under a Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit;

(F) any exchange, release or non-perfection of any Collateral or other collateral, or any release or amendment or waiver of or consent to departure from the Guaranties or any other guarantee, for all or any of the Obligations of such Borrower in respect of the L/C Related Documents; or

(G) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including, without limitation, any other circumstance that might otherwise constitute a defense available to, or a discharge of, such Borrower or a guarantor.

(e) Designation of Amortization Payments . BRW may elect to have any amortization payment of any Facility made pursuant to this Section 2.04 applied to the Advances made to BRW rather than the Advances made to BCSI upon prior notice to the Administrative Agent.

SECTION 2.05. Termination or Reduction of the Commitments; Increase of the Commitments. (a) Optional . BRW may, upon at least three Business Days' notice to the Administrative Agent, terminate in whole or reduce in part the unused portions of the Letter of

Credit Facility and the Unused Revolving Credit Commitments; *provided, however,* that each partial reduction of a Facility shall be in an aggregate amount of $10,000,000 or an integral multiple of $1,000,000 in excess thereof. Each reduction of the Unused Revolving Credit Commitments pursuant to this Section 2.05(a) shall be applied to the scheduled commitment reduction installments of the Revolving Credit Facility on a pro rata basis.

(b) Mandatory . (i) Each Term Facility shall be automatically and permanently reduced, on a pro rata basis, on each date on which the Term Advances outstanding thereunder are repaid or prepaid by an amount equal to the amount by which the aggregate Term Commitments for such Facility immediately prior to such reduction exceed the aggregate unpaid principal amount of such Term Advances then outstanding.

(ii) The Letter of Credit Facility shall be permanently reduced from time to time on the date of each reduction in the Revolving Credit Facility by the amount, if any, by which the amount of the Letter of Credit Facility exceeds the Revolving Credit Facility after giving effect to such reduction of the Revolving Credit Facility.

(iii) The Swing Line Facility shall be permanently reduced from time to time on the date of each reduction in the Revolving Credit Facility by the amount, if any, by which the amount of the Swing Line Facility exceeds the Revolving Credit Facility after giving effect to such reduction of the Revolving Credit Facility.

(iv) The Revolving Credit Facility shall be automatically and permanently reduced, on the following dates in the amount set forth opposite such dates (after giving effect to all reductions in such amounts on or prior to any such date as a result of the application of commitment reductions in accordance with the order of priority set forth in subsection (a) or (b)(v) of this Section 2.05), *provided* that each such reduction of the Revolving Credit Facility shall be made ratably among the Revolving Credit Lenders in accordance with their Revolving Credit Commitments:

Date		**Amount**
March 30, 2005	$	50,000,000
June 29, 2005	$	50,000,000
September 29, 2005	$	50,000,000
December 30, 2005	$	50,000,000

provided, however, that notwithstanding the foregoing provisions of this clause (iv), all of the Revolving Credit Commitments of the Revolving Credit Lenders shall be terminated in whole on the Termination Date.

(v) The Revolving Credit Facility shall be automatically and permanently reduced ratably among the Revolving Credit Lenders in accordance with their Revolving Credit Commitments in an amount equal to the prepayments of the Revolving Credit Advances pursuant to clause (x) of the *proviso* in Section 5.02(b)(i)(B), and each reduction of the

Revolving Credit Commitments pursuant to this Section 2.05(b)(v) shall be applied to the scheduled commitment reduction installments of the Revolving Credit Facility on a pro rata basis.

SECTION 2.06. Prepayments . (a) Optional . Each Borrower may, upon at least one Business Day's notice in the case of Base Rate Advances and three Business Days' notice in the case of Eurodollar Rate Advances, in each case to the Administrative Agent stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given such Borrower shall, prepay the outstanding aggregate principal amount of the Advances comprising part of the same Borrowing made by such Borrower in whole or ratably in part, together with accrued interest to the date of such prepayment on the aggregate principal amount prepaid; *provided, however*, that (x)each partial prepayment shall be in an aggregate principal amount of $10,000,000 or an integral multiple of $1,000,000 in excess thereof and (y) if any prepayment of a Eurodollar Rate Advance is made on a date other than the last day of an Interest Period for such Advance, such Borrower shall also pay any amounts owing pursuant to Section9.04(c). Each such prepayment of any Term Advances shall be applied to the installments thereof for such Facility pro rata to the remaining installments thereof.

(b) Mandatory . (i) Following the end of each Fiscal Year of BRW commencing with the Fiscal Year ending December 31, 2003, the Borrowers shall, on the 90th day following the end of such Fiscal Year, prepay an aggregate principal amount of the Advances comprising part of the same Borrowings made by such Borrower in an amount equal to 75% of the Excess Cash Flow for such Fiscal Year. Each such prepayment shall be applied ratably *first* to the Term Facilities and to the installments thereof pro rata to the remaining installments thereof, and *second* to the Revolving Credit Facility as set forth in clause (vi) below.

(ii) The Borrowers shall, on the date of receipt of the Net Cash Proceeds by any Loan Party or any of its Subsidiaries from (A)the sale, lease, transfer or other disposition of any assets of any Loan Party or any of its Subsidiaries (other than any sale, lease, transfer or other disposition of assets pursuant to (x) clauses (i) through (vii) and (ix) of Section 5.02(e) or (y) pursuant to clause (viii) of Section 5.02(e) if the proceeds are being reinvested in the existing lines of business of BRW and its Subsidiaries in accordance with such clause (viii)) or (B) any Extraordinary Receipt received by or paid to or for the account of any Loan Party or any of its Subsidiaries and not otherwise included in clause (A) above, prepay an aggregate principal amount of the Advances comprising part of the same Borrowings in an amount equal to the amount of such Net Cash Proceeds. Each such prepayment shall be applied ratably *first* to the Term Facilities and to the installments thereof pro rata to the remaining installments thereof and *second* to the Revolving Credit Facility as set forth in clause (vi) below.

(iii) The Borrowers shall, on the date of the incurrence or issuance by any Loan Party or any of its Subsidiaries of any Debt (other than Debt incurred or issued pursuant to Section 5.02(b)), prepay an aggregate principal amount of the Advances comprising part of the same Borrowings in an amount equal to the amount of such Net Cash Proceeds. Each such prepayment shall be applied ratably *first* to the Term Facilities and to the installments thereof pro rata to the remaining installments thereof and *second* to the Revolving Credit Facility as set forth in clause (vi) below.

(iv) The Borrowers shall, on each Business Day, prepay an aggregate principal amount of the Revolving Credit Advances comprising part of the same Borrowings, the Letter of Credit Advances and the Swing Line Advances in an amount equal to the amount by which (A)the sum of the aggregate principal amount of (x) the Revolving Credit Advances, (y) the Letter of Credit Advances and (z)the Swing Line Advances then outstanding plus the aggregate Available Amount of all Letters of Credit then outstanding exceeds (B)the Revolving Credit Facility on such Business Day.

(v) The Borrowers shall, on each Business Day, pay to the Administrative Agent for deposit in the L/C Cash Collateral Account an amount sufficient to cause the aggregate amount on deposit in the L/C Cash Collateral Account to equal the amount by which the aggregate Available Amount of all Letters of Credit then outstanding exceeds the Letter of Credit Facility on such Business Day.

(vi) Prepayments of the Revolving Credit Facility made pursuant to clause (i), (ii), (iii) or (iv) above shall be *first* applied to prepay Letter of Credit Advances then outstanding until such Advances are paid in full, *second* applied to prepay Swing Line Advances then outstanding until such Advances are paid in full, *third* applied to prepay Revolving Credit Advances then outstanding comprising part of the same Borrowings until such Advances are paid in full and *fourth* deposited in the L/C Cash Collateral Account to cash collateralize 100% of the Available Amount of the Letters of Credit then outstanding. Upon the drawing of any Letter of Credit for which funds are on deposit in the L/C Cash Collateral Account, such funds shall be applied to reimburse the relevant Issuing Bank or Revolving Credit Lenders, as applicable.

(vii) All prepayments under this subsection(b) shall be made together with accrued interest to the date of such prepayment on the principal amount prepaid.

(viii) Anything contained in this Section 2.06(b) to the contrary notwithstanding, (A) if, following the occurrence of any "Asset Disposition" (as such term is defined in the Junior Notes Indenture or any comparable definition in any other Debt document to which either Borrower is a party (any " ***Other Debt Document*** ")), the issuance of equity or any other event under any Other Debt Document (a " ***Prepayment Event*** "), by any Loan Party or any of its Subsidiaries, either Borrower is required to commit by a particular date (a " ***Commitment Date*** ") to apply or cause its Subsidiaries to apply an amount equal to any of the "Net Proceeds" (as defined in the Junior Notes Indenture or any comparable definition in any Other Debt Document, as the case may be) thereof in a particular manner, or to apply by a particular date (an " ***Application Date*** ") an amount equal to any such "Net Proceeds" in a particular manner, in either case in order to excuse such Borrower from being required to make an "Asset Sale Offer" (as defined in the Junior Notes Indenture or any comparable definition in any Other Debt Document, as the case may be) or any other prepayment of such Debt under such Other Debt Document (a " ***Debt Prepayment*** ") in connection with such "Asset Sale" or other Prepayment Event, as the case may be, and such Borrower shall have failed to so commit or to so apply an amount equal to such "Net Proceeds" at least 30 days before the Commitment Date or the Application Date, as the case may be, or (B) if either Borrower at any other time shall have failed to apply or commit or cause to be applied any amount equal to any such "Net Proceeds" and ,

within 30 days thereafter assuming no further application or commitment of an amount equal to such "Net Proceeds" such Borrower would otherwise be required to make an "Asset Sale Offer" or Debt Prepayment, as the case may be, in respect thereof, then in either such case such Borrower shall immediately apply or cause to be applied an amount equal to such "Net Proceeds" to the payment of the Advances in the manner set forth in Section 2.06(b)(ii) in such amounts as shall excuse such Borrower from making any such "Asset Sale Offer" or Debt Prepayment, as the case may be.

(c) Pro Rata Treatment . All prepayments of the Term Facilities under this Section 2.06 shall be applied to prepay the Term A Advances then outstanding, the Term B Advances then outstanding and the Term C Advances then outstanding on a pro rata basis.

(d) Designation of Prepayments . BRW may elect to have any prepayment of the Facilities made pursuant to this Section 2.06 applied to the Advances made to BRW rather than the Advances made to BCSI upon prior notice to the Administrative Agent.

SECTION 2.07. Interest . (a) Scheduled Interest . Each Borrower shall pay interest on the unpaid principal amount of each Advance owing to each Lender from such Borrower from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(i) Base Rate Advances . During such periods as such Advance is a Base Rate Advance, a rate per annum equal at all times to the sum of (A)the Base Rate in effect from time to time *plus* (B)the Applicable Margin in effect from time to time, payable in arrears quarterly on the last day of each month March, June, September and December during such periods and on the date such Base Rate Advance shall be Converted or paid in full.

(ii) Eurodollar Rate Advances . During such periods as such Advance is a Eurodollar Rate Advance, a rate per annum equal at all times during each Interest Period for such Advance to the sum of (A)the Eurodollar Rate for such Interest Period for such Advance *plus* (B)the Applicable Margin in effect from time to time, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period and on the date such Eurodollar Rate Advance shall be Converted or paid in full.

(b) Default Interest . Upon the occurrence and during the continuance of a Default under7.01(a), (e) or (f), the Borrowers shall pay interest on (i)the unpaid principal amount of each Advance owing to each Lender, payable in arrears on the dates referred to in clause(a)(i) or (a)(ii) above and on demand, at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid on such Advance pursuant to clause(a)(i) or (a)(ii) above and (ii)to the fullest extent permitted by law, the amount of any interest, fee or other amount payable under the Loan Documents that is not paid when due, from the date such amount shall be due until such amount shall be paid in full, payable in arrears on the date such amount shall be paid in full and on demand, at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid, in the case of interest, on the Type of

Advance on which such interest has accrued pursuant to clause(a)(i) or (a)(ii) above and, in all other cases, on Base Rate Advances pursuant to clause (a)(i) above.

(c) Notice of Interest Period and Interest Rate. Promptly after receipt of a Notice of Borrowing pursuant to Section 2.02(a), a notice of Conversion pursuant to Section2.09 or a notice of selection of an Interest Period pursuant to the terms of the definition of "Interest Period", the Administrative Agent shall give notice to the appropriate Borrower and each Appropriate Lender of the applicable Interest Period and the applicable interest rate determined by the Administrative Agent for purposes of clause (a)(i) or (a)(ii) above.

SECTION 2.08 Fees. (a) Commitment Fee. BRW shall pay to the Administrative Agent for the account of the Lenders a commitment fee, from the date hereof in the case of each Initial Lender and from the effective date specified in the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Lender until the Termination Date, payable in arrears on the date of the initial Borrowing hereunder, thereafter quarterly on the last day of each March, June, September and December, and on the Termination Date, at a rate per annum equal to 0.625% on the sum of the average daily Unused Revolving Credit Commitment of such Lender *plus* its Pro Rata Share of the average daily outstanding Swing Line Advances during such quarter; *provided, however*, that no commitment fee shall accrue on any of the Commitments of a Defaulting Lender so long as such Lender shall be a Defaulting Lender.

(b) Letter of Credit Fees, Etc. (i) BRW shall pay to the Administrative Agent for the account of each Revolving Credit Lender a commission, payable in arrears quarterly on the last day of each March, June, September and December and on the earliest to occur of the full drawing, expiration, termination or cancellation of any Letter of Credit and on the Termination Date, on such Lender's ProRata Share of the average daily aggregate Available Amount during such quarter of all Letters of Credit outstanding from time to time at the Applicable Margin from time to time on Eurodollar Rate Advances.

(ii) BRW shall pay to each Issuing Bank, for its own account, (A)a commission, payable in arrears quarterly on the last day of each March, June, September and December and on the Termination Date, on the average daily amount of its Letter of Credit Commitment during such quarter, from the date hereof until the Termination Date, at the rate of 0.25% per annum, (B)customary fees for issuance of letters of credit for each Letter of Credit issued by such Issuing Bank in an amount to be agreed upon between the Borrowers and such Issuing Bank on the date of issuance of such Letter of Credit, payable on such date and (C) such other commissions, transfer fees and other fees and charges in connection with the issuance or administration of each Letter of Credit as the Borrowers and such Issuing Bank shall agree.

(c) Agents' Fees. BRW shall pay to each Agent for its own account such fees as may from time to time be agreed between BRW and such Agent.

SECTION 2.09 Conversion of Advances (a) Optional. Each Borrower may on any Business Day, upon notice given to the Administrative Agent not later than 11:00A.M. (NewYork City time) on the third Business Day prior to the date of the proposed Conversion

and subject to the provisions of Sections2.07 and 2.10, Convert all or any portion of the Advances of one Type comprising the same Borrowing made by such Borrower into Advances of the other Type; *provided, however*, that any Conversion of Eurodollar Rate Advances into Base Rate Advances shall be made only on the last day of an Interest Period for such Eurodollar Rate Advances, any Conversion of Base Rate Advances into Eurodollar Rate Advances shall be in an amount not less than the minimum amount specified in Section2.02(c), no Conversion of any Advances shall result in more separate Borrowings than permitted under Section2.02(c) and each Conversion of Advances comprising part of the same Borrowing under any Facility shall be made ratably among the Appropriate Lenders in accordance with their Commitments under such Facility. Each such notice of Conversion shall, within the restrictions specified above, specify (i)the date of such Conversion, (ii)the Advances to be Converted and (iii)if such Conversion is into Eurodollar Rate Advances, the duration of the initial Interest Period for such Advances. Each notice of Conversion shall be irrevocable and binding on such Borrower.

(b) Mandatory . (i) On the date on which the aggregate unpaid principal amount of Eurodollar Rate Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than $10,000,000, such Advances shall automatically Convert into Base Rate Advances.

(ii) If a Borrower shall fail to select the duration of any Interest Period for any Eurodollar Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section1.01, the Administrative Agent will forthwith so notify such Borrower and the Appropriate Lenders, whereupon each such Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance.

(iii) Upon the occurrence and during the continuance of any Default, (x)each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (y)the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended.

SECTION 2.10. Increased Costs, Etc. (a) If, due to either (i)the introduction of or any change in or in the interpretation of any law or regulation or (ii)the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law), there shall be any increase in the cost to any Lender Party of agreeing to make or of making, funding or maintaining Eurodollar Rate Advances or of agreeing to issue or of issuing or maintaining or participating in Letters of Credit or of agreeing to make or of making or maintaining Letter of Credit Advances (excluding, for purposes of this Section2.10, any such increased costs resulting from (x)Taxes or Other Taxes (as to which Section 2.12 shall govern) and (y)changes in the basis of taxation of overall net income or overall gross income by the United States or by the foreign jurisdiction or state under the laws of which such Lender Party is organized or has its Applicable Lending Office or any political subdivision thereof), then the Borrowers shall from time to time, upon demand by such Lender Party (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender Party additional amounts sufficient to compensate such Lender Party for such increased cost; *provided, however*, that a Lender Party claiming additional amounts under this Section 2.10(a)

agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different Applicable Lending Office if the making of such a designation would avoid the need for, or reduce the amount of, such increased cost that may thereafter accrue and would not, in the reasonable judgment of such Lender Party, be otherwise disadvantageous to such Lender Party. A certificate as to the amount of such increased cost, submitted to the Borrowers by such Lender Party, shall be conclusive and binding for all purposes, absent manifest error.

(b) If any Lender Party determines that compliance with any law or regulation or any guideline or request from any central bank or other governmental authority (whether or not having the force of law) affects or would affect the amount of capital required or expected to be maintained by such Lender Party or any corporation controlling such Lender Party and that the amount of such capital is increased by or based upon the existence of such Lender Party's commitment to lend or to issue or participate in Letters of Credit hereunder and other commitments of such type or the issuance or maintenance of or participation in the Letters of Credit (or similar contingent obligations), then, upon demand by such Lender Party or such corporation (with a copy of such demand to the Administrative Agent), the Borrowers shall pay to the Administrative Agent for the account of such Lender Party, from time to time as specified by such Lender Party, additional amounts sufficient to compensate such Lender Party in the light of such circumstances, to the extent that such Lender Party reasonably determines such increase in capital to be allocable to the existence of such Lender Party's commitment to lend or to issue or participate in Letters of Credit hereunder or to the issuance or maintenance of or participation in any Letters of Credit. A certificate as to such amounts submitted to the Borrowers by such Lender Party shall be conclusive and binding for all purposes, absent manifest error.

(c) If, with respect to any Eurodollar Rate Advances under any Facility, Lenders owed or holding not less than a majority in interest of the then aggregate unpaid principal amount thereof notify the Administrative Agent that the Eurodollar Rate for any Interest Period for such Advances will not adequately reflect the cost to such Lenders of making, funding or maintaining their Eurodollar Rate Advances for such Interest Period, the Administrative Agent shall forthwith so notify the Borrowers and the Appropriate Lenders, whereupon (i)each such Eurodollar Rate Advance under such Facility will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (ii)the obligation of the Appropriate Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrowers that such Lenders have determined that the circumstances causing such suspension no longer exist.

(d) Notwithstanding any other provision of this Agreement, if the introduction of or any change in or in the interpretation of any law or regulation shall make it unlawful, or any central bank or other governmental authority shall assert that it is unlawful, for any Lender or its Eurodollar Lending Office to perform its obligations hereunder to make Eurodollar Rate Advances or to continue to fund or maintain Eurodollar Rate Advances hereunder, then, on notice thereof and demand therefor by such Lender to the Borrowers through the Administrative Agent, (i)each Eurodollar Rate Advance under each Facility under which such Lender has a Commitment will automatically, upon such demand, Convert into a Base Rate Advance and (ii)the obligation of the Appropriate Lenders to make, or to Convert Advances into, Eurodollar

Rate Advances shall be suspended until the Administrative Agent shall notify the Borrowers that such Lender has determined that the circumstances causing such suspension no longer exist; *provided, however*, that, before making any such demand, such Lender agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different Eurodollar Lending Office if the making of such a designation would allow such Lender or its Eurodollar Lending Office to continue to perform its obligations to make Eurodollar Rate Advances or to continue to fund or maintain Eurodollar Rate Advances and would not, in the judgment of such Lender, be otherwise disadvantageous to such Lender.

SECTION 2.11. Payments and Computations . (a) The Borrowers shall make each payment hereunder and under the Notes, irrespective of any right of counterclaim or set-off (except as otherwise provided in Section 2.15), not later than 11:00A.M. (NewYork City time) on the day when due in U.S. dollars to the Administrative Agent at the Administrative Agent's Account in same day funds, with payments being received by the Administrative Agent after such time being deemed to have been received on the next succeeding Business Day. The Administrative Agent will promptly thereafter cause like funds to be distributed (i)if such payment by such Borrower is in respect of principal, interest, commitment fees or any other Obligation then payable hereunder and under the Notes to more than one Lender Party, to such Lender Parties for the account of their respective Applicable Lending Offices ratably in accordance with the amounts of such respective Obligations then payable to such Lender Parties and (ii)if such payment by such Borrower is in respect of any Obligation then payable hereunder to one Lender Party, to such Lender Party for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section9.07(d), from and after the effective date of such Assignment and Acceptance, the Administrative Agent shall make all payments hereunder and under the Notes in respect of the interest assigned thereby to the Lender Party assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) Each Borrower hereby authorizes each Lender Party and each of its Affiliates, if and to the extent payment owed to such Lender Party is not made when due hereunder or, in the case of a Lender, under the Note held by such Lender, to charge from time to time, to the fullest extent permitted by law, against any or all of such Borrower's accounts with such Lender Party or such Affiliate any amount so due.

(c) All computations of interest based on the Base Rate shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the Eurodollar Rate or the Federal Funds Rate and of fees and Letter of Credit commissions shall be made by the Administrative Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest, fees or commissions are payable. Each determination by the Administrative Agent of an interest rate, fee or commission hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder or under the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or commitment fee, as the case may be; *provided, however,* that, if such extension would cause payment of interest on or principal of Eurodollar Rate Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(e) Unless the Administrative Agent shall have received notice from the applicable Borrower prior to the date on which any payment is due to any Lender Party hereunder that such Borrower will not make such payment in full, the Administrative Agent may assume that such Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each such Lender Party on such due date an amount equal to the amount then due such Lender Party. If and to the extent such Borrower shall not have so made such payment in full to the Administrative Agent, each such Lender Party shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender Party together with interest thereon, for each day from the date such amount is distributed to such Lender Party until the date such Lender Party repays such amount to the Administrative Agent, at the Federal Funds Rate.

(f) If the Administrative Agent receives funds for application to the Obligations under the Loan Documents under circumstances for which the Loan Documents do not specify the Advances or the Facility to which, or the manner in which, such funds are to be applied, the Administrative Agent may, but shall not be obligated to, elect to distribute such funds to each Lender Party ratably in accordance with such Lender Party's proportionate share of the principal amount of all outstanding Advances and the Available Amount of all Letters of Credit then outstanding, in repayment or prepayment of such of the outstanding Advances or other Obligations owed to such Lender Party, and for application to such principal installments, as the Administrative Agent shall direct.

SECTION 2.12. Taxes . (a) Any and all payments by the Borrowers hereunder or under the Notes shall be made, in accordance with Section2.11, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, *excluding,* in the case of each Lender Party and each Agent, (i) taxes that are imposed on its overall net income (including franchise taxes imposed in lieu thereof) by the United States and taxes that are imposed on its overall net income (and franchise taxes imposed in lieu thereof) by the state or foreign jurisdiction under the laws of which such Lender Party or such Agent, as the case may be, is organized or in which its principal office is located or any political subdivision thereof, (ii) in the case of each Lender Party, taxes that are imposed on its overall net income (and franchise taxes imposed in lieu thereof) by the state or foreign jurisdiction of such Lender Party's Applicable Lending Office or any political subdivision thereof and (iii) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction described in clauses (i) or (ii) above (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities in respect of payments hereunder or under the Notes being hereinafter referred to as " ***Taxes*** "). If any Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under

any Note to any Lender Party or any Agent, (i)the sum payable by such Borrower shall be increased as may be necessary so that after such Borrower and the Administrative Agent have made all required deductions (including deductions applicable to additional sums payable under this Section2.12) such Lender Party or such Agent, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii)such Borrower shall make all such deductions and (iii)such Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrowers shall pay any present or future stamp, documentary, excise, property or similar taxes, charges or levies that arise from any payment made hereunder or under the Notes or from the execution, delivery or registration of, performance under, or otherwise with respect to, this Agreement or the Notes (hereinafter referred to as " ***Other Taxes*** ").

(c) The Borrowers shall indemnify each Lender Party and each Agent for and hold them harmless against the full amount of Taxes and Other Taxes (including Taxes or Other Taxes imposed on amounts payable under this Section2.12) imposed on or paid by such Lender Party or such Agent (as the case may be) and any liability (including penalties, additions to tax, interest and expenses) arising therefrom or with respect thereto. This indemnification shall be made within 30 days from the date such Lender Party or such Agent (as the case may be) makes written demand therefor.

(d) Promptly after the date of any payment of Taxes, the Borrowers shall furnish to the Administrative Agent, at its address referred to in Section9.02, the original or a certified copy of a receipt evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Each Lender Party organized under the laws of a jurisdiction outside the United States shall, on or prior to the date of its execution and delivery of this Agreement in the case of each Initial Lender Party, on or prior to the date of its designation of a new lending office and on the date of the Assignment and Acceptance pursuant to which it becomes a Lender Party in the case of each other Lender Party, and from time to time thereafter as requested in writing by the Borrowers (but only so long thereafter as such Lender Party remains lawfully able to do so), provide each of the Administrative Agent and the Borrowers with two properly completed original Internal Revenue Service formsW-8BEN or W-8ECI, as appropriate, or any properly completed successor or other form prescribed by the Internal Revenue Service, certifying that such Lender Party is exempt from or entitled to a reduced rate of United States withholding tax on payments pursuant to this Agreement or the Notes. If the forms provided by a Lender Party at the time such Lender Party first becomes a party to this Agreement (or designates a new lending office) accurately indicate a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered excluded from Taxes unless and until such Lender Party provides the appropriate forms accurately certifying that a lesser rate applies, whereupon withholding tax at such lesser rate only shall be considered excluded from Taxes for periods governed by such forms; *provided, however*, that if, at the effective date of the Assignment and Acceptance pursuant to which a Lender Party becomes a party to this Agreement, the Lender Party assignor was entitled to payments under subsection(a) of this

Section2.12 in respect of United States withholding tax with respect to interest paid at such date, then, to such extent, the term Taxes shall include (in addition to withholding taxes that may be imposed in the future or other amounts otherwise includable in Taxes) United States withholding tax, if any, applicable with respect to the Lender Party assignee on such date. If any form or document referred to in this subsection(e) requires the disclosure of information, other than information necessary to compute the tax payable and information required on the date hereof by Internal Revenue Service formW-BEN or W-8ECI, that the applicable Lender Party reasonably considers to be confidential, such Lender Party shall give notice thereof to the Borrowers and shall not be obligated to include in such form or document such confidential information.

(f) For any period with respect to which a Lender Party has failed to provide such Borrower with the appropriate form described in subsection(e) above (*other than* if such failure is due to a change in law occurring after the date on which a form originally was required to be provided (but only so long as such Lender Party is not lawfully able to provide such form) or if such form otherwise is not required under subsection(e) above), such Lender Party shall not be entitled to indemnification under subsection(a) or (c) of this Section2.12 with respect to Taxes imposed by the United States by reason of such failure; *provided, however*, that should a Lender Party become subject to Taxes because of its failure to deliver a form required hereunder, the Borrowers shall take such steps as such Lender Party shall reasonably request to assist such Lender Party to recover such Taxes.

(g) In the event that an additional payment is made under Section 2.12 for the account of any Lender Party and such Lender Party, in its sole opinion, determines that it has finally and irrevocably received or been granted a refund in respect of any Taxes or Other Taxes paid pursuant to this Section 2.12, such Lender Party shall promptly remit such refund to the Borrowers, net of all out-of-pocket expenses of Lender Party; provided, however, that the Borrowers, upon request of such Lender Party, agree to promptly return such refund to such Lender Party in the event such Lender Party is required to repay such refund to the relevant taxing authority. Nothing contained herein shall interfere with the right of a Lender Party to arrange its tax affairs in whatever manner it thinks fit nor oblige any Lender Party to apply for any refund or to disclose any information relating to its tax affairs or any computations in respect thereof.

SECTION 2.13. Sharing of Payments, Etc. If any Lender Party shall obtain at any time any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise, other than as a result of an assignment pursuant to Section9.07) (a)on account of Obligations due and payable to such Lender Party hereunder and under the Notes at such time in excess of its ratable share (according to the proportion of (i)the amount of such Obligations due and payable to such Lender Party at such time to (ii)the aggregate amount of the Obligations due and payable to all Lender Parties hereunder and under the Notes at such time) of payments on account of the Obligations due and payable to all Lender Parties hereunder and under the Notes at such time obtained by all the Lender Parties at such time or (b)on account of Obligations owing (but not due and payable) to such Lender Party hereunder and under the Notes at such time in excess of its ratable share (according to the proportion of (i)the amount of such Obligations owing to such Lender Party at such time to (ii)the aggregate amount of the Obligations owing (but not due and payable) to all Lender Parties hereunder and under the Notes

at such time) of payments on account of the Obligations owing (but not due and payable) to all Lender Parties hereunder and under the Notes at such time obtained by all of the Lender Parties at such time, such Lender Party shall forthwith purchase from the other Lender Parties such interests or participating interests in the Obligations due and payable or owing to them, as the case may be, as shall be necessary to cause such purchasing Lender Party to share the excess payment ratably with each of them; *provided, however*, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender Party, such purchase from each other Lender Party shall be rescinded and such other Lender Party shall repay to the purchasing Lender Party the purchase price to the extent of such Lender Party's ratable share (according to the proportion of (i)the purchase price paid to such Lender Party to (ii)the aggregate purchase price paid to all Lender Parties) of such recovery together with an amount equal to such Lender Party's ratable share (according to the proportion of (i)the amount of such other Lender Party's required repayment to (ii)the total amount so recovered from the purchasing Lender Party) of any interest or other amount paid or payable by the purchasing Lender Party in respect of the total amount so recovered; *provided further* that, so long as the Obligations under the Loan Documents shall not have been accelerated, any excess payment received by any Appropriate Lender shall be shared on a pro rata basis only with other Appropriate Lenders. Each Borrower agrees that any Lender Party so purchasing an interest or participating interest from another Lender Party pursuant to this Section2.13 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such interest or participating interest, as the case may be, as fully as if such Lender Party were the direct creditor of such Borrower in the amount of such interest or participating interest, as the case may be.

SECTION 2.14. Use of Proceeds . The proceeds of the Term Advances were used prior to the Effective Date (and each Borrower represents that it used such proceeds) as follows: (i) by BCSI solely to refinance certain existing debt outstanding on the closing date of the Original Credit Agreement, including the June BCSI Agreement, to fund Capital Expenditures, to pay transaction fees and expenses under the Original Credit Agreement and other general corporate purposes, in each case, to the extent permitted hereunder and under applicable Surviving Debt documents (as defined under the Original Credit Agreement) and to repurchase a portion of the BCI Senior Subordinated Notes; and (ii)by BRW solely to refinance the BofA Credit Agreement, to pay transaction fees and expenses under the Original Credit Agreement, to make equity contributions and intercompany loans to BCI and its Subsidiaries, to enable BCI to refinance certain existing debt outstanding on the closing date of the Original Credit Agreement and to repurchase a portion of the BCI Senior Subordinated Notes and for other general corporate purposes, in each case, to the extent permitted hereunder and under applicable Surviving Debt documents (as defined under the Original Credit Agreement). The proceeds of the Revolving Credit Advances and issuances of Letters of Credit shall be available to BRW (and BRW agrees that it shall use such proceeds and Letters of Credit) solely to fund Capital Expenditures, to make limited equity contributions and intercompany loans to BCI and its Subsidiaries and for other general corporate purposes, in each case, to the extent permitted hereunder and under the applicable Surviving Debt documents and the Junior Notes.

SECTION 2.15. Defaulting Lenders . (a)In the event that, at any one time, (i)any Lender Party shall be a Defaulting Lender, (ii)such Defaulting Lender shall owe a Defaulted Advance to BRW and (iii)BRW shall be required to make any payment hereunder or

under any other Loan Document to or for the account of such Defaulting Lender, then BRW may, so long as no Default shall occur or be continuing at such time and to the fullest extent permitted by applicable law, set off and otherwise apply the Obligation of BRW to make such payment to or for the account of such Defaulting Lender against the obligation of such Defaulting Lender to make such Defaulted Advance. In the event that, on any date, BRW shall so set off and otherwise apply its obligation to make any such payment against the obligation of such Defaulting Lender to make any such Defaulted Advance on or prior to such date, the amount so set off and otherwise applied by BRW shall constitute for all purposes of this Agreement and the other Loan Documents an Advance by such Defaulting Lender made on the date of such setoff under the Facility pursuant to which such Defaulted Advance was originally required to have been made pursuant to Section2.01. Such Advance shall be considered, for all purposes of this Agreement, to comprise part of the Borrowing in connection with which such Defaulted Advance was originally required to have been made pursuant to Section2.01, even if the other Advances comprising such Borrowing shall be Eurodollar Rate Advances on the date such Advance is deemed to be made pursuant to this subsection(a). BRW shall notify the Administrative Agent at any time BRW exercises its right of set-off pursuant to this subsection(a) and shall set forth in such notice (A)the name of the Defaulting Lender and the Defaulted Advance required to be made by such Defaulting Lender and (B)the amount set off and otherwise applied in respect of such Defaulted Advance pursuant to this subsection(a). Any portion of such payment otherwise required to be made by BRW to or for the account of such Defaulting Lender which is paid by BRW, after giving effect to the amount set off and otherwise applied by BRW pursuant to this subsection(a), shall be applied by the Administrative Agent as specified in subsection(b) or (c) of this Section2.15.

(b) In the event that, at any one time, (i)any Lender Party shall be a Defaulting Lender, (ii)such Defaulting Lender shall owe a Defaulted Amount to any Agent or any of the other Lender Parties and (iii) the applicable Borrower shall make any payment hereunder or under any other Loan Document to the Administrative Agent for the account of such Defaulting Lender, then the Administrative Agent may, on its behalf or on behalf of such other Agents or such other Lender Parties and to the fullest extent permitted by applicable law, apply at such time the amount so paid by such Borrower to or for the account of such Defaulting Lender to the payment of each such Defaulted Amount to the extent required to pay such Defaulted Amount. In the event that the Administrative Agent shall so apply any such amount to the payment of any such Defaulted Amount on any date, the amount so applied by the Administrative Agent shall constitute for all purposes of this Agreement and the other Loan Documents payment, to such extent, of such Defaulted Amount on such date. Any such amount so applied by the Administrative Agent shall be retained by the Administrative Agent or distributed by the Administrative Agent to such other Agents or such other Lender Parties, ratably in accordance with the respective portions of such Defaulted Amounts payable at such time to the Administrative Agent, such other Agents and such other Lender Parties and, if the amount of such payment made by such Borrower shall at such time be insufficient to pay all Defaulted Amounts owing at such time to the Administrative Agent, such other Agents and such other Lender Parties, in the following order of priority:

(i) *first* , to the Agents for any Defaulted Amounts then owing to them, in their capacities as such, ratably in accordance with such respective Defaulted Amounts then owing to the Agents;

(ii) *second* , to the Issuing Banks and the Swing Line Banks for any Defaulted Amounts then owing to them, in their capacities as such, ratably in accordance with such respective Defaulted Amounts then owing to the Issuing Banks and the Swing Line Banks; and

(iii) *third* , to any other Lender Parties for any Defaulted Amounts then owing to such other Lender Parties, ratably in accordance with such respective Defaulted Amounts then owing to such other Lender Parties.

Any portion of such amount paid by such Borrower for the account of such Defaulting Lender remaining, after giving effect to the amount applied by the Administrative Agent pursuant to this subsection(b), shall be applied by the Administrative Agent as specified in subsection(c) of this Section2.15.

(c) In the event that, at any one time, (i)any Lender Party shall be a Defaulting Lender, (ii)such Defaulting Lender shall not owe a Defaulted Advance or a Defaulted Amount and (iii)any Borrower, any Agent or any other Lender Party shall be required to pay or distribute any amount hereunder or under any other Loan Document to or for the account of such Defaulting Lender, then such Borrower or such Agent or such other Lender Party shall pay such amount to the Administrative Agent to be held by the Administrative Agent, to the fullest extent permitted by applicable law, in escrow or the Administrative Agent shall, to the fullest extent permitted by applicable law, hold in escrow such amount otherwise held by it. Any funds held by the Administrative Agent in escrow under this subsection(c) shall be deposited by the Administrative Agent in an account with Citibank, in the name and under the control of the Administrative Agent, but subject to the provisions of this subsection(c). The terms applicable to such account, including the rate of interest payable with respect to the credit balance of such account from time to time, shall be Citibank's standard terms applicable to escrow accounts maintained with it. Any interest credited to such account from time to time shall be held by the Administrative Agent in escrow under, and applied by the Administrative Agent from time to time in accordance with the provisions of, this subsection(c). The Administrative Agent shall, to the fullest extent permitted by applicable law, apply all funds so held in escrow from time to time to the extent necessary to make any Advances required to be made by such Defaulting Lender and to pay any amount payable by such Defaulting Lender hereunder and under the other Loan Documents to the Administrative Agent or any other Lender Party, as and when such Advances or amounts are required to be made or paid and, if the amount so held in escrow shall at any time be insufficient to make and pay all such Advances and amounts required to be made or paid at such time, in the following order of priority:

(i) *first* , to the Agents for any amounts then due and payable by such Defaulting Lender to them hereunder, in their capacities as such, ratably in accordance with such respective amounts then due and payable to the Agents;

(ii) *second* , to the Issuing Banks and the Swing Line Banks for any amounts then due and payable to them hereunder, in their capacities as such, by such Defaulting Lender, ratably in accordance with such respective amounts then due and payable to the Issuing Banks and the Swing Line Banks;

(iii) *third* , to any other Lender Parties for any amount then due and payable by such Defaulting Lender to such other Lender Parties hereunder, ratably in accordance with such respective amounts then due and payable to such other Lender Parties; and

(iv) *fourth* , to BRW for any Advance then required to be made by such Defaulting Lender pursuant to a Commitment of such Defaulting Lender.

In the event that any Lender Party that is a Defaulting Lender shall, at any time, cease to be a Defaulting Lender, any funds held by the Administrative Agent in escrow at such time with respect to such Lender Party shall be distributed by the Administrative Agent to such Lender Party and applied by such Lender Party to the Obligations owing to such Lender Party at such time under this Agreement and the other Loan Documents ratably in accordance with the respective amounts of such Obligations outstanding at such time.

(d) The rights and remedies against a Defaulting Lender under this Section2.15 are in addition to other rights and remedies that BRW may have against such Defaulting Lender with respect to any Defaulted Advance and that any Agent or any Lender Party may have against such Defaulting Lender with respect to any Defaulted Amount.

SECTION 2.16. Evidence of Debt . (a) Each Lender Party shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Advance owing to such Lender Party from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder. Each Borrower agrees that upon notice by any Lender Party to such Borrower (with a copy of such notice to the Administrative Agent) to the effect that a promissory note or other evidence of indebtedness is required or appropriate in order for such Lender Party to evidence (whether for purposes of pledge, enforcement or otherwise) the Advances owing to, or to be made by, such Lender Party, such Borrower shall promptly execute and deliver to such Lender Party, with a copy to the Administrative Agent, a Revolving Credit Note and one or more Term Notes, as applicable, in substantially the form of Exhibits A-1 and A-2 hereto, as the case may be, payable to the order of such Lender Party in a principal amount equal to the Revolving Credit Commitment, the Term A Commitment, the Term B Commitment and the Term C Commitment, as the case may be, of such Lender Party. All references to Notes in the Loan Documents shall mean Notes, if any, to the extent issued hereunder.

(b) The Register maintained by the Administrative Agent pursuant to Section9.07(d) shall include a control account, and a subsidiary account for each Lender Party, in which accounts (taken together) shall be recorded (i)the Borrower and the date and amount of each Borrowing made hereunder (or under the Existing Credit Agreement, as the case may be), the Type of Advances comprising such Borrowing and, if appropriate, the Interest Period applicable thereto, (ii)the terms of each Assignment and Acceptance delivered to and accepted by it, (iii)the amount of any principal or interest due and payable or to become due and payable

from such Borrower to each Lender Party hereunder, and (iv)the amount of any sum received by the Administrative Agent from such Borrower hereunder and each Lender Party's share thereof.

(c) Entries made in good faith by the Administrative Agent in the Register pursuant to subsection (b) above, and by each Lender Party in its account or accounts pursuant to subsection (a) above, shall be *prima facie* evidence of the amount of principal and interest due and payable or to become due and payable from each Borrower to, in the case of the Register, each Lender Party and, in the case of such account or accounts, such Lender Party, under this Agreement, absent manifest error; *provided, however*, that the failure of the Administrative Agent or such Lender Party to make an entry, or any finding that an entry is incorrect, in the Register or such account or accounts shall not limit or otherwise affect the obligations of the Borrowers under this Agreement.

ARTICLE III

CONDITIONS OF EFFECTIVENESS, LENDING AND

ISSUANCES OF LETTERS OF CREDIT

SECTION 3.01. (I) Conditions Precedent to Effectiveness of this Agreement**.** This Agreement (other than as set forth in Section 3.01(II)) shall become effective on and as of the first date (the "***Effective Date***") on which all of the following conditions precedent shall have been satisfied:

(a) The Administrative Agent shall have received on or before the Effective Date the following, each dated such day (unless otherwise specified), in form and substance satisfactory to the Agents (unless otherwise specified) and (except for the Notes) in sufficient copies for each Lender Party:

(i) The Notes payable to the order of the Lenders that have requested replacement Notes prior to the Effective Date.

(ii) An amended and restated security agreement from (a) BRW in substantially the form of ExhibitD-1 hereto (the "***Shared Collateral Security Agreement***") and (b)the other Loan Parties in substantially the form of ExhibitD-2 hereto (the "***Non-Shared Collateral Security Agreement***"; together with the Shared Collateral Security Agreement, each other security agreement and security agreement supplement delivered pursuant to Section5.01(j), in each case as amended, the "***Security Agreements***"), duly executed by each Loan Party party thereto).

(iii) An amended and restated guaranty from (a)the Subsidiary Guarantors who have guaranteed the Obligations of BCSI and its Subsidiaries under the Loan Documents (the "***BCSI Subsidiary Guaranty***") and (b)the Subsidiary Guarantors who have guaranteed the Obligations of BRW and its Subsidiaries under the Loan Documents (the "***BRW Subsidiary Guaranty***"), in each case, in substantially the form of ExhibitE hereto (together with each other guaranty and guaranty supplement delivered pursuant to Section5.01(j), in each

case as amended, the " ***Subsidiary Guaranties*** "), duly executed by each Subsidiary Guarantor party thereto.

(iv) Certified copies of the resolutions of the Board of Directors (or persons performing similar functions), or, in the case of wholly owned Subsidiaries, action by unanimous written consent of the sole shareholder, of each Loan Party approving the Transaction and each Loan Document to which it is or is to be a party, the consummation of each aspect of the Transaction involving or affecting such Loan Party and the other transactions contemplated by any of the foregoing, and of all documents evidencing other necessary corporate action and governmental and other third party approvals, consents, authorizations, notices and filings of actions with respect to the Transaction and each Loan Document to which it is or is to be a party.

(v) A certificate of each Loan Party, signed on behalf of such Loan Party by its President or a Vice President or Treasurer and its Secretary or any Assistant Secretary (or persons performing similar functions), dated the Effective Date (the statements made in which certificate shall be true on and as of the Effective Date), certifying as to (A)the absence of any amendments to the charter, articles of incorporation or certificate of formation, as applicable, of such Loan Party since the date such documents were delivered to the Administrative Agent under the Existing Credit Agreement, (B)the absence of any amendments to the bylaws or limited liability company agreement, as applicable, of such Loan Party since the date such documents were delivered to the Administrative Agent under the Existing Credit Agreement, (C)no proceeding for dissolution or liquidation of such Loan Party has been commenced by such Loan Party, (D)the truth of the representations and warranties contained in the Loan Documents as they relate to such Loan Party as though made on and as of the Effective Date (except to the extent they expressly relate to an earlier date, in which case certifying that such representations and warranties are true and correct as of such earlier date) and (E)the absence of any event relating to such Loan Party occurring and continuing, or reasonably expected to result from the consummation of the Transaction, that constitutes a Default.

(vi) A certificate of the Secretary or an Assistant Secretary of each Loan Party certifying the names and true signatures of the officers, partners, members or equivalent persons of such Loan Party authorized to sign each Transaction Document to which it is or is to be a party and the other documents to be delivered hereunder and thereunder.

(vii) A favorable opinion of Cravath, Swaine & Moore, with respect to the Loan Documents, in form reasonably acceptable to the Agents.

(viii) A favorable opinion of Frost Brown Todd, with respect to the Loan Documents, in form reasonably acceptable to the Agents.

(ix) A favorable opinion of Shearman& Sterling, counsel for the Administrative Agent, in form and substance satisfactory to the Administrative Agent.

(x) Counterparts of this Agreement duly executed by the Required Lenders, all of the Revolving Credit Lenders, the Agents and the Borrowers.

(xi) Such other documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the authorization of the Transaction and other legal matters relating to the Borrowers and the Transaction.

(b) Before giving effect and immediately after giving pro forma effect to the Transaction, there shall have occurred no Material Adverse Change since December 31, 2001.

(c) There shall exist no action, suit, investigation, litigation or proceeding affecting any Loan Party or any of its Subsidiaries pending or, to the best knowledge of any Loan Party or any of its Subsidiaries, threatened before any court, governmental agency or arbitrator that (i)could be reasonably likely to have a Material Adverse Effect or (ii)purports to affect the legality, validity or enforceability of any Transaction Document except for the matters described in Schedule4.01(f) hereto (the " ***Disclosed Litigation*** "), as they relate to the consummation of the Transaction; and there shall have been no material adverse change in the status, or the reasonably anticipated financial effect on any Loan Party or any of its Subsidiaries, of such Disclosed Litigation from that described on Schedule4.01(f) hereto.

(d) All governmental and third party consents and approvals and authorizations of, notices and filings to or with, and other actions by any other Person necessary in connection with any aspect of the Transaction, any of the Loan Documents or the Related Documents or any of the other transactions contemplated thereby, shall have been obtained (without the imposition of any conditions that are not acceptable to the Lender Parties) and shall remain in effect; all applicable waiting periods in connection with the Transaction shall have expired without any action being taken by any competent authority, and no law or regulation shall be applicable in the judgment of the Lender Parties, in each case that restrains, prevents or imposes materially adverse conditions upon the Transaction or the rights of the Loan Parties or their Subsidiaries freely to transfer or otherwise dispose of, or to create any Lien on, any properties now owned or hereafter acquired by any of them.

(e) The final Junior Note Documents executed by BRW and the other parties thereto shall have terms and conditions not materially less favorable to the Lender Parties than those set forth in the version of the drafts of the Purchase Agreement and the Junior Notes Indenture most recently posted on or before March 21, 2003 to the BRW IntraLinks website by the Administrative Agent for review by the Lender Parties.

(f) BRW shall have received not less than $339,500,000 in net cash proceeds from the sale of the Junior Notes and not less than $169,750,000 of such net cash

proceeds shall have been applied to the prepayment of the Facilities in accordance with clause (x) of the *proviso* in Section 5.02(b)(i)(B) and not less than $50,250,000 of such net cash proceeds shall have been applied as a prepayment to the Revolving Credit Advances made by BRW with a corresponding permanent reduction in the Revolving Credit Commitment.

(g) The Borrowers shall have paid all accrued fees of the Agents and the Lender Parties (including the amendment fees payable to the Lender Parties on the Effective Date as agreed among the Agents and BRW) and all accrued expenses of the Agents (including the reasonable accrued fees and expenses of counsel to the Administrative Agent to the Lender Parties).

(II) Conditions Precedent to Effectiveness of the Part II Effective Date **.** The Part II Effective Date shall become effective without any further action on the part of any party hereto on and as of the first date (the " ***Part II Effective Date*** ") on which all of the following conditions precedent shall have been satisfied:

(a) The Effective Date shall have occurred.

(b) BRW shall have obtained a waiver (the " ***Oak Hill Waiver*** ") from the holders of the Oak Hill Debt of all default provisions in Sections 6.1(f) or (g) of the Oak Hill Indenture by, against or with respect to BCI or any of its Subsidiaries and similar provisions, if any, in the notes issued in connection therewith in form and substance reasonably satisfactory to the Agents.

(c) As of the date of effectiveness of the Oak Hill Waiver, no other Debt of BRW or any of its Subsidiaries shall have been accelerated by reason of a Specified Default.

(d) BRW shall be in compliance with Section 5.02(v) with respect to fees, cash pay interest or other cash pay financial consideration paid to holders of any Debt in connection with any matter referred to in clauses (b) or (c) above, if any.

(e) The Facilities, or any part thereof, shall not have been accelerated pursuant to Section 7.01.

SECTION 3.02. Conditions Precedent to Each Borrowing and Issuance and Renewal . The obligation of each Appropriate Lender to make an Advance (other than a Letter of Credit Advance made by an Issuing Bank or a Revolving Credit Lender pursuant to Section2.03(c) and a Swing Line Advance made by a Revolving Credit Lender pursuant to Section2.02(b)) on the occasion of each Borrowing (including the initial Borrowing), and the obligation of each Issuing Bank to issue a Letter of Credit (including the initial issuance) or renew a Letter of Credit and the right of BRW to request a Swing Line Borrowing, shall be subject to the further conditions precedent that on the date of such Borrowing or issuance or renewal (a)the following statements shall be true (and each of the giving of the applicable Notice of Borrowing, Notice of Swing Line Borrowing, Notice of Issuance or Notice of Renewal and the acceptance by BRW of the proceeds of such Borrowing or of such Letter of Credit or the

renewal of such Letter of Credit shall constitute a representation and warranty by BRW, on its behalf and on behalf of BCSI, that both on the date of such notice and on the date of such Borrowing or issuance or renewal such statements are true):

(i) the representations and warranties contained in each Loan Document (except to the extent made by or relating to BCI or any Subsidiary of BCI) are correct on and as of such date, before and after giving effect to such Borrowing or issuance or renewal as though made on and as of such date; and

(ii) no Default has occurred and is continuing, or would result from such Borrowing or issuance or renewal or from the application of the proceeds therefrom; and

(b)the Administrative Agent shall have received such other certificates, opinions and other documentsas any Appropriate Lender through the Administrative Agent may reasonably request in order to confirm (i)the accuracy of BRW's representations and warranties (except to the extent relating to BCI or any Subsidiary of BCI), (ii)BRW's timely compliance with the terms, covenants and agreements set forth in this Agreement and (iii)the absence of any Default; and (c) prior to and after giving effect to any Revolving Credit Advance (and giving effect to any debt service and other payments anticipated to be made within 20 days of such Revolving Credit Advance), the total cash and Cash Equivalents held by BRW and its Subsidiaries, on a Consolidated basis, shall not exceed (A) prior to the completion of the Second Stage Closing under the BCSI Sale Agreement (or the final consummation of any transaction effected under Section 5.02(e)(ix) in lieu of a transaction under the BCSI Sale Agreement), $50,000,000 and (B) thereafter, $40,000,000, excluding, in each case in clauses (A) and (B), amounts held in cash collateral accounts pursuant to Section 5.02(e)(ix)(E).

SECTION 3.03. Determinations Under Section 3.01 . For purposes of determining compliance with the conditions specified in Section3.01, each Lender Party shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lender Parties unless an officer of the Administrative Agent responsible for the transactions contemplated by the Loan Documents shall have received notice from such Lender Party prior to the Effective Date specifying its objection thereto and, if an initial Borrowing is requested to be made on the Effective Date, such Lender Party shall not have made available to the Administrative Agent such Lender Party's ratable portion of such Borrowing.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Borrowers . Each Borrower represents and warrants as follows:

(a) Each Loan Party and each of its Subsidiaries (i)is a corporation or limited liability company duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii)is duly qualified and in good standing as a foreign corporation or limited liability company in each other jurisdiction in which it owns or

leases property or in which the conduct of its business requires it to so qualify or be licensed except where the failure to so qualify or be licensed could not be reasonably likely to have a Material Adverse Effect and (iii)has all requisite power and authority (including, without limitation, all governmental licenses, permits and other approvals) to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted. Each of the Loan Parties has all of the requisite power and authority, and the legal right, to execute and deliver each of the Loan Documents and the Related Documents to which it is or is to be a party, to perform all of its Obligations hereunder and thereunder and to consummate the Transaction and all of the other transactions contemplated hereby and thereby.

(b) Set forth on Schedule4.01(b) hereto is a complete and accurate list of all Subsidiaries of each Loan Party, showing as of the date hereof (as to each such Subsidiary) the jurisdiction of its organization, the number and type of each class of its Equity Interests authorized, and the number outstanding, on the date hereof and the percentage of each such class of its Equity Interests owned (directly or indirectly) by such Loan Party and the number of shares covered by all outstanding options, warrants, rights of conversion or purchase and similar rights at the date hereof. All of the outstanding Equity Interests in each Loan Party's Subsidiaries has been validly issued, are fully paid and non-assessable and are owned by such Loan Party or one or more of its Subsidiaries free and clear of all Liens, except those created under the Collateral Documents.

(c) The execution, delivery and performance by each Loan Party of each Transaction Document to which it is or is to be a party, and the consummation of the Transaction, are within such Loan Party's corporate powers, have been duly authorized by all necessary corporate action, and do not (i)contravene such Loan Party's charter or bylaws, (ii)violate any law, rule, regulation (including, without limitation, RegulationX of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination or award, (iii)conflict with or result in the breach of, or constitute a default or, except as set forth in the attached Schedule 4.01(c)(iii), require any payment to be made under, any contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument binding on or affecting any Loan Party, any of its Subsidiaries or any of their properties or (iv)except for the Liens created under the Loan Documents, result in or require the creation or imposition of any Lien upon or with respect to any of the properties of any Loan Party or any of its Subsidiaries. No Loan Party or any of its Subsidiaries is in violation of any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or in breach of any such contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument, the violation or breach of which could have a Material Adverse Effect.

(d) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for (i)the due execution, delivery, recordation, filing or performance by any Loan Party of any Transaction Document to which it is or is to be a party, or for the consummation of the Transaction, (ii)the grant by any Loan Party of the Liens granted by it pursuant to the Collateral Documents, (iii)the perfection or maintenance of the Liens created under

the Collateral Documents (including the first priority nature thereof) or (iv)the exercise by any Agent or any Lender Party of its rights under the Loan Documents or the remedies in respect of the Collateral pursuant to the Collateral Documents, except for the authorizations, approvals, actions, notices and filings listed on Schedule4.01(d) hereto, all of which have been duly obtained, taken, given or made and are in full force and effect. Notwithstanding the foregoing, it is understood that (i) no regulatory approvals have been obtained in connection with the pledge of shares of any regulated entity and (ii) as of the date hereof no regulatory approvals have been obtained or are being sought in connection with the possible exercise of remedies under this Agreement or any of the Collateral Documents. All applicable waiting periods in connection with the Transaction have expired without any action having been taken by any competent authority restraining, preventing or imposing materially adverse conditions upon the Transaction or the rights of the Loan Parties or their Subsidiaries freely to transfer or otherwise dispose of, or to create any Lien on, any properties now owned or hereafter acquired by any of them.

(e) This Agreement has been, and each other Transaction Document when delivered hereunder will have been, duly executed and delivered by each Loan Party party thereto. This Agreement is, and each other Transaction Document when delivered hereunder will be, the legal, valid and binding obligation of each Loan Party party thereto, enforceable against such Loan Party in accordance with its terms.

(f) There is no action, suit, investigation, litigation or proceeding affecting any Loan Party or any of its Subsidiaries pending or, to the best knowledge of any Loan Party, threatened before any court, governmental agency or arbitrator of any kind that (i)either individually or in the aggregate, could be reasonably likely to have a Material Adverse Effect other than any such action, suit, investigation, litigation or proceeding affecting BCI or any of its Subsidiaries after the Part II Effective Date which does not affect BRW or any of its Subsidiaries, or (ii)in which there is a reasonable likelihood of an adverse determination and which purports to affect the legality, validity or enforceability of any Transaction Document or the consummation of the Transaction, any of the Loan Documents or the Related Documents or any of the other transactions contemplated hereby.

(g) The Consolidated balance sheets of BRW and its Subsidiaries (including BCI and its Subsidiaries) as at December 31, 2001, and the related Consolidated and consolidating, if any, statements of income and Consolidated statement of cash flows of BRW and its Subsidiaries (including BCI and its Subsidiaries) for the fiscal year then ended, accompanied by an unqualified opinion of PWC independent public accountants, and the Consolidated and consolidating, if any, balance sheets of BRW and its Subsidiaries (including BCI and its Subsidiaries) as at September 30, 2002, and the related Consolidated and consolidating statements of income and Consolidated statement of cash flows of BRW and its Subsidiaries (including BCI and its Subsidiaries) for the nine months then ended, duly certified by the Chief Financial Officer of BRW, copies of which have been furnished to each Lender Party, fairly present the Consolidated and consolidating financial condition of BRW and its Subsidiaries (including BCI and its

Subsidiaries) as at such dates and the Consolidated and consolidating results of operations of BRW and its Subsidiaries (including BCI and its Subsidiaries) for the periods ended on such dates, all in accordance with generally accepted accounting principles applied on a consistent basis, and since December31, 2001, there has been no Material Adverse Change;

(h) [Intentionally Omitted.]

(i) The Consolidated and consolidating forecasted balance sheets, statements of income and statements of cash flows of BRW and its Subsidiaries included in the Information Materials (as applicable) or delivered to the Lender Parties pursuant to Section5.03 were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair in light of the conditions existing at the time of delivery of such forecasts, and represented, at the time of delivery, BRW's best estimate of its future financial performance.

(j) Neither the Information Materials nor any other information, exhibit or report furnished by or on behalf of any Loan Party to any Agent or any Lender Party in connection with the Loan Documents or pursuant to the terms of the Loan Documents contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements made therein not misleading.

(k) No Borrower is engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and following the application of the proceeds of each Advance or drawing under each Letter of Credit, not more than 25% of the value of the assets (of BRW and its Subsidiaries (including BCI and its Subsidiaries) on a Consolidated basis) subject to the provisions of Section5.02(a) or 5.02(e) or subject to any restriction contained in any agreement or instrument between BRW and any Lender Party or any Affiliate of any Lender Party relating to Debt within the scope of 7.01(e) will be Margin Stock. For purposes of this Section4.01(k), "assets" of BRW or any of its Subsidiaries includes, without limitation, treasury stock of BRW that has not been retired.

(l) Neither any Loan Party nor any of its Subsidiaries is an "investment company", or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended. Neither any Loan Party nor any of its Subsidiaries is a "holding company", or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", as such terms are defined in the Public Utility Holding Company Act of 1935, as amended. Neither the making of any Advances, nor the issuance of any Letters of Credit, nor the application of the proceeds or repayment thereof by such Borrower, nor the consummation of the other transactions contemplated by the Transaction Documents, will violate any provision of any such Act or any rule, regulation or order of the Securities and Exchange Commission thereunder.

(m) Neither any Loan Party nor any of its Subsidiaries is a party to any indenture, loan or credit agreement or any lease or other agreement or instrument or subject to any charter or corporate restriction that could have a Material Adverse Effect.

(n) All filings and other actions necessary or desirable to perfect and protect the security interest in the Collateral created under the Collateral Documents have been duly made or taken and are in full force and effect, and the Collateral Documents create in favor of the Administrative Agent for the benefit of the Secured Parties a valid and, together with such filings and other actions, perfected first priority security interest in the Collateral, securing the payment of the Secured Obligations, and all filings and other actions necessary or desirable to perfect and protect such security interest have been duly taken. The Loan Parties are the legal and beneficial owners of the Collateral free and clear of any Lien, except for the liens and security interests created or permitted under the Loan Documents.

(o) BRW and its Subsidiaries, on a consolidated basis, is Solvent (it being understood and agreed that a going concern qualification for Fiscal Year 2002 shall not in and of itself be deemed to evidence that BRW is not Solvent).

(p) (i) No ERISA Event has occurred or is reasonably expected to occur with respect to any Plan that has resulted in or is reasonably expected to have a Material Adverse Effect on any Loan Party or any ERISA Affiliate.

(ii) Schedule B (Actuarial Information) to the most recent annual report (Form5500 Series) for each Plan, copies of which have been filed with the Internal Revenue Service and furnished or made available to the Lender Parties, is complete and accurate in all material respects and fairly presents the funding status of such Plan, and since the date of such ScheduleB there has been no material adverse change in such funding status.

(iii) Neither any Loan Party nor any ERISA Affiliate has incurred or to the best knowledge of any Loan Party or any ERISA Affiliate is reasonably expected to incur any Withdrawal Liability in respect of any Multiemployer Plan.

(iv) Neither any Loan Party nor any ERISA Affiliate has been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or has been terminated, within the meaning of TitleIV of ERISA, and no such Multiemployer Plan to the best knowledge of any Loan Party or any ERISA Affiliate is reasonably expected to be in reorganization or to be terminated, within the meaning of TitleIV of ERISA.

(q) Except for such matters that could not be reasonably likely to have a Material Adverse Effect (i) the operations and properties of each Loan Party and each of its Subsidiaries comply in all respects with all Environmental Laws and Environmental Permits, all past non-compliance with such Environmental Laws and Environmental Permits has been resolved without ongoing obligations or costs, and no circumstances exist that could be reasonably likely to (A)form the basis of an Environmental Action

against any Loan Party or any of its Subsidiaries or any of their properties or (B)cause any such property to be subject to any liens and/or environmental transfer act restrictions under any Environmental Law. In addition to the foregoing, it is understood and agreed that the Borrowers will comply with regulatory requirements set forth in Schedule4.01(q);

(ii) none of the properties currently or formerly owned or operated by any Loan Party or any of its Subsidiaries is listed or, to the knowledge of any Loan Party or any of their Subsidiaries, proposed for listing on the NPL or on the CERCLIS or any analogous foreign, state or local list; and during the ownership or operation thereof by any Loan Party or any of their Subsidiaries, Hazardous Materials were not and have not been released, discharged or disposed of on any property currently or formerly owned or operated by any Loan Party or any of its Subsidiaries; and

(iii) neither any Loan Party nor any of its Subsidiaries is undertaking, and has not completed, either individually or together with other potentially responsible parties, any investigation or assessment or remedial or response action relating to any actual or threatened release, discharge or disposal of Hazardous Materials at any site, location or operation, either voluntarily or pursuant to the order of any governmental or regulatory authority or the requirements of any Environmental Law; and during the ownership or operation thereof by any Loan Party or any of their Subsidiaries, all Hazardous Materials generated, used, treated, handled or stored at, or transported to or from, any property currently or formerly owned or operated by any Loan Party or any of its Subsidiaries were and have been disposed of in a manner not reasonably expected to result in liability to any Loan Party or any of its Subsidiaries.

(r) (i) Each Loan Party and each of its Subsidiaries and Affiliates has filed, has caused to be filed or has been included in all material tax returns (Federal, state, local and foreign) required to be filed and has paid all taxes shown thereon to be due, together with applicable interest and penalties, except any taxes that are being contested in good faith by appropriate proceedings and for which the Loan Party, its Subsidiaries or its Affiliates, as the case may be, has set aside on its books adequate reserves;

(ii) The aggregate unpaid amount, as of the date hereof, of adjustments to the Federal, state, local and foreign income tax liability of each Loan Party and each of its Subsidiaries and Affiliates proposed by the Internal Revenue Service or by any state, local and foreign taxing authorities with respect to any years for which the expiration of the applicable statute of limitations for assessment or collection has not occurred by reason of extension or otherwise along with any issues raised by the Internal Revenue Service in respect of such years could not, in the aggregate, reasonably be expected to have a Material Adverse Effect; and

(s) [Intentionally Omitted.]

(t) Set forth on Schedule4.01(t) hereto is a complete and accurate list of all Surviving Debt, showing as of the date hereof the obligor and the principal amount outstanding thereunder, the maturity date thereof and the amortization schedule therefor.

(u) Set forth on Schedule4.01(u) hereto is a complete and accurate list of all Liens as of the date of the Existing Credit Agreement on the property or assets of any Loan Party or any of its Subsidiaries; provided that each Borrower further represents and warrants that no Liens exist on such property or assets other than Liens created under the Loan Documents, those listed on Schedule 4.01(u) and those permitted under Section 5.02(a).

(v) Set forth on Schedule4.01(v) hereto is a complete and accurate list of all Investments held by any Loan Party or any of its Subsidiaries on the date hereof, showing as of the date hereof the amount, obligor or issuer and maturity, if any, thereof.

(w) Set forth on Schedule4.01(w) hereto is a complete and accurate list of all Material Contracts of each Loan Party and its Subsidiaries, showing as of the date hereof the parties, subject matter and term thereof. Each such Material Contract has been duly authorized, executed and delivered by all parties thereto, has not been amended or otherwise modified, is in full force and effect and is binding upon and enforceable against all parties thereto in accordance with its terms, and there exists no default under any Material Contract by any party thereto.

ARTICLE V

COVENANTS OF THE BORROWERS

SECTION 5.01. Affirmative Covenants . So long as any Advance or any other Obligation of any Loan Party under any Loan Document shall remain unpaid, any Letter of Credit shall be outstanding or any Lender Party shall have any Commitment hereunder, BRW and, where specifically indicated, BCSI will:

(a) Compliance with Laws, Etc . (i) Comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, compliance with ERISA and the Racketeer Influenced and Corrupt Organizations Chapter of the Organized Crime Control Act of 1970 and(ii) except as provided in Section 5.01(e), obtain and maintain in effect all Governmental Authorizations that are necessary (A) to own or lease and operate their respective property and assets and to conduct their respective businesses as now conducted and as proposed to be conducted, except where and to the extent that the failure to obtain or maintain in effect any such Governmental Authorization, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, or (B) for the due execution, delivery or performance by BRW or any of its Subsidiaries of any of the Loan Documents or the Related Documents to which it is or is to be a party, or for the consummation of any aspect of the Transaction or any of the other transactions contemplated hereby and thereby. This Section 5.01(a) shall not apply to compliance with Environmental Laws or Environmental Permits (which is the subject of Section 5.01(c)).

(b) Payment of Taxes, Etc . Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i)all taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii)all lawful claims that, if unpaid, might by law become a Lien upon its property; *provided, however,* that neither BRW nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

(c) Compliance with Environmental Laws . Comply, cause each of its Subsidiaries and use its best efforts (which efforts shall include ensuring that all applicable leases, licenses or other such agreements include provisions requiring such compliance) to cause all lessees and other Persons operating or occupying its properties to comply, in all material respects, with all Environmental Laws and Environmental Permits; obtain and renew and cause each of its Subsidiaries to obtain and renew all Environmental Permits necessary for its operations and properties; and conduct, and cause each of its Subsidiaries to conduct, any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary to remove and clean up Hazardous Materials from any of its properties, to the extent required by Environmental Laws, except where and to the extent that the failure to comply with Environmental Laws, obtain or renew Environmental Permits or to conduct such cleanup, removal, remedial or other action, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect; *provided, however,* that neither BRW nor any of its Subsidiaries shall be required to undertake any such cleanup, removal, remedial or other action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances.

(d) Maintenance of Insurance . Maintain, and cause each of its Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which BRW or such Subsidiary operates (it being understood that, to the extent consistent with prudent business practice of persons carrying on a similar business in a similar location, a program of self-insurance for first or other loss layers may be utilized in an aggregate amount not to exceed $50,000,000).

(e) Preservation of Corporate Existence, Etc . Except as otherwise permitted under Section 5.02(d) or 5.02(e)(ix), preserve and maintain, and cause each of its Subsidiaries to preserve and maintain, its existence, legal structure, legal name (it being understood that legal name changes for BRW and any of its Subsidiaries (including BCI and its Subsidiaries) may be made so long as BRW makes arrangements acceptable to the Agents to timely refile financing statements and other filings relating to security interests), rights (charter and statutory), permits, licenses, approvals, privileges and franchises.

(f) Visitation Rights . Upon reasonable notice, at any reasonable time and from time to time, permit any of the Agents or any of the Lender Parties (coordinated through the Administrative Agent), or any agents or representatives thereof, to examine and, with the consent of BRW, which consent shall not be unreasonably withheld, make copies of and abstracts from the records and books of account of, and visit the properties of, each Borrower and any of its Subsidiaries, and to discuss the affairs, finances and accounts of each Borrower and any of its Subsidiaries with any of their officers or directors and, together with an authorized representative of a Loan Party, with their independent certified public accountants.

(g) Keeping of Books . Keep, and cause each of its Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of BRW and each such Subsidiary in accordance with generally accepted accounting principles in effect from time to time.

(h) Maintenance of Properties, Etc . Maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted.

(i) Transactions with Affiliates . With respect to each Borrower, conduct, and cause each of its Subsidiaries to conduct, all transactions otherwise permitted under the Loan Documents with any of their Affiliates on terms that are fair and reasonable and no less favorable to each Borrower or such Subsidiary than it would obtain in a comparable arm's-length transaction with a Person not an Affiliate (it being understood that any transaction involving the Oak Hill Debt, the Junior Notes or any Related Document that is expressly permitted under Section 5.02, any Permitted BCI Transaction, any transaction of the type described in Schedule 1.01 and any non-cash transition arrangements or other related services provided to or for the benefit of a buyer in connection with a transaction permitted under Section 5.02(e)(ix), including under any BRW Sale Arrangements, shall be deemed not to violate this Section 5.01(i)).

(j) Covenant to Guarantee Obligations and Give Security . (I) Upon (A) the occurrence and during the continuance of a Default or (B)the Index Debt of BRW being rated lower than BB- by S&P or Ba3 by Moody's, then each Borrower shall, in each case at such Borrower's expense and to the fullest extent permitted under the Certificate of Designation and the BCI 9% Indenture (it being acknowledged by the Agents that all actions required to be taken under this subsection (j)(I) on or prior to the Effective Date have already been taken):

(1) as soon as practicable but in any event by April 15, 2002, furnish to the Administrative Agent a description of the real and personal properties of each of the Loan Parties and their respective Subsidiaries (other than the Excluded Entities) (by street address and property type maintained at such address) in detail reasonably satisfactory to the Administrative Agent;

(2) by June 2, 2002, cause each Subsidiary (other than the Excluded Entities and a CFC) (to the extent it has not already done so), to duly execute and deliver to the Administrative Agent a guaranty or Guaranty Supplement, in form and substance satisfactory to the Administrative Agent, guaranteeing the other Loan Parties' obligations under the Loan Documents,

(3) within 15 days thereafter duly execute and deliver, and cause each such Subsidiary (other than the Excluded Entities) and each direct and indirect parent of such Subsidiary (if it has not already done so) to duly execute and deliver, to the Administrative Agent mortgages, pledges, assignments, security agreement supplements and other security agreements, as specified by and in form and substance satisfactory to the Administrative Agent, securing payment of all the Obligations of the applicable Loan Party, such Subsidiary or such parent, as the case may be, under the Loan Documents and constituting Liens on all such real and personal properties other than:

a. fiber in which an IRU has been granted prior to the date hereof or pursuant to Section 5.02(e)(i) or 5.02(e)(viii)(B);

b. the Equity Interests of Wireless LLC held by Wireless Holdco;

c. the Spectrum Assets;

d. any item of real property of BRW or such Subsidiaries that has been irrevocably transferred under title documents satisfactory to the Agents to the Real Estate SPV under terms and conditions acceptable to the Agents (a " ***Transfer*** "); *provided* that if such real property is transferred out of the Real Estate SPV, the Real Estate SPV will be required to deliver mortgages, assignments, surveys (if requested by the Administrative Agent) and title insurance all in form and substance satisfactory to the Agents on such real property at or before the time of such transfer unless such real property is sold or otherwise transferred to a Person in a transaction permitted by Section 5.02(e);

e. any item of real property, the mortgage or Transfer, as the case may be, of which is prohibited by or would constitute a breach of or a default under or give rise to a right of termination under the underlying documentation, where despite the use of best efforts by BRW or such Subsidiaries to obtain a consent to so mortgage or Transfer, such consent cannot be obtained; *provided* that BRW or such Subsidiaries will attempt to obtain the

consent to Transfer if a consent to mortgage any such property interest cannot be obtained;

f. any property interest that BRW has requested be excluded and as to which the Agents, after consultation with an independent consultant to be retained on behalf of the Agents (the "***Consultant***"), determine that a mortgage or Transfer, as the case may be, is not cost effective in relationship to the benefits to be received by the Lenders from the mortgage or Transfer of such property interest (a list of which real property interests excluded from the requirements of Section 5.01(j)(I) pursuant to clause (e) or (f) hereof will be provided to the Lenders as promptly as practicable by BRW);

provided, *however*, that:

(A) for purposes of this Section 5.01(j)(I)(3), the use of "best efforts" will not require the payment of any monetary consideration or expending continued efforts to obtain such consent if BRW has diligently followed all agreed upon procedures in attempting to obtain such consent unless, after BRW advises that it cannot obtain a particular consent, the Agents, in their discretion reasonably exercised and in consultation with the Consultant, determine that the value to the Lenders of such collateral warrants paying additional consideration or expending continuing efforts to obtain such consent;

(B) notwithstanding the foregoing, the Agents may request that BRW or its Subsidiaries (including BCI and its Subsidiaries) grant mortgages on additional real property (other than real property that is held in the Real Estate SPV) and provide surveys, title insurance or other reports specified in Section 5.02(j)(I)(6) on any real property (other than real property that is held in the Real Estate SPV) at any time in their sole discretion; and

(C) in the event that there is a change in the circumstances which gave rise to any real property interest being excluded from the requirements of this Section 5.01(j)(I) or the restrictions which prevented delivering documents hereunder or consummating a Transfer of such real property no longer exist, BRW and its Subsidiaries (including BCI and its Subsidiaries) shall promptly Transfer such real property to the Real Estate SPV or execute and deliver to the Administrative Agent all applicable documents required to be delivered under this Section 5.01(j)(I);

(D) if (1) CBT ceases to be subject to all regulation relating to telecommunications businesses by all federal, state and local

governmental authorities which prohibits, restricts or requires regulatory approval for the (x) pledging of assets or (y) incurrence of indebtedness, and (2) any action described in clause (x) or (y) could not in the determination of BRW reasonably exercised be expected to result in any such regulatory authority taking an action or refusing to take an action which action or refusal to take any action could have a material adverse effect on CBT, then CBT shall cease to be an Excluded Entity and shall as promptly as practicable deliver to the Administrative Agent supplements to the Security Agreements and Subsidiary Guaranties in form and substance satisfactory to the Administrative Agent and shall as promptly as practicable take all steps necessary to comply with this Section 5.01(j **)** .

(4) within 30 days thereafter, take, and cause such Subsidiary or such parent to take, whatever action (including, without limitation, the recording of mortgages, the filing of Uniform Commercial Code financing statements, the giving of notices and the endorsement of notices on title documents) may be necessary or advisable in the opinion of the Administrative Agent to vest in the Administrative Agent (or in any representative of the Administrative Agent designated by it) valid and subsisting Liens on and security interests in the real and personal properties purported to be subject to the mortgages, pledges, assignments, security agreement supplements and security agreements delivered pursuant to this Section5.01(j), enforceable against all third parties in accordance with their terms,

(5) within 35 days thereafter, deliver to the Administrative Agent, upon the request of the Administrative Agent in its sole discretion, a signed copy of a favorable opinion, addressed to the Administrative Agent and the other Secured Parties, of counsel for the Loan Parties acceptable to the Administrative Agent (x)as to the matters contained in clauses(1) through (4) above, as to such guaranties, guaranty supplements, mortgages, pledges, assignments, security agreement supplements and security agreements being legal, valid and binding obligations of each Loan Party party thereto enforceable in accordance with their terms, (y)as to the matters contained in clause(4) above, as to such recordings, filings, notices, endorsements and other actions being sufficient to create valid perfected Liens on such properties, and (z)as to such other matters as the Administrative Agent may reasonably request,

(6) as promptly as practicable thereafter, deliver to the Administrative Agent title search reports (review of which shall be limited to the verification of the transferees of such property except in the case of real properties for which mortgages are being delivered) on all real property held by BRW and its Subsidiaries (including BCI and its Subsidiaries but excluding Excluded Entities) as requested by the Administrative Agent, and upon the request of the Administrative Agent in its sole discretion, deliver to the Administrative Agent with respect to each parcel of real property owned or held by the entity that is the subject of such request, formation or acquisition title reports (review of which

shall be limited to the verification of the transferees of such property except in the case of real properties for which mortgages are being delivered), surveys and engineering, soils and other reports, and environmental assessment reports, each in scope, form and substance satisfactory to the Administrative Agent, *provided, however*, that title insurance policies, surveys and engineering, soils and other reports, and environmental assessment reports will not be required for any real property that is held in the Real Estate SPV, *provided further* to the extent that any Loan Party or any of its Subsidiaries shall have otherwise received any of the foregoing items with respect to such real property, such items shall, promptly after the receipt thereof, be delivered to the Administrative Agent,

(7) upon the occurrence and during the continuance of a Default, promptly cause to be deposited any and all cash dividends paid or payable to it or any of its Subsidiaries from any of its Subsidiaries from time to time into the Administrative Agent's Account, and with respect to all other dividends paid or payable to it or any of its Subsidiaries from time to time, promptly execute and deliver, or cause such Subsidiary to promptly execute and deliver, as the case may be, any and all further instruments and take or cause such Subsidiary to take, as the case may be, all such other action as the Administrative Agent may deem necessary or desirable in order to obtain and maintain from and after the time such dividend is paid or payable a perfected, first priority lien on and security interest in such dividends,

(8) at any time and from time to time, promptly execute and deliver any and all further instruments and documents and take all such other action as the Administrative Agent may deem necessary or desirable in obtaining the full benefits of, or in perfecting and preserving the Liens of, such guaranties, mortgages, pledges, assignments, security agreement supplements and security agreements;

provided , *however* , that the Agents, acting jointly, may extend any of the time limits set forth above by up to 30 days (or up to an additional (x) 90 days, solely in the case of obtaining required approvals or consents for the pledging of assets, or (y) 120 days, solely in the case of obtaining required regulatory approvals for the pledging of assets)(it being understood that the Agents will grant any requested extension pursuant to this *proviso* if such extension is required solely because of the need to obtain regulatory approvals and BRW, BCI and their Subsidiaries are using their best efforts to obtain such approvals); and

(II) Upon (A)the formation or acquisition of any new direct or indirect Subsidiaries by any Loan Party (other than CBT or any of CBT's Subsidiaries) or (B) the date on which (x) all Excluded Equity Agreements in effect on the date hereof that limit, restrict or prohibit the creation, pledge or assignment of a security interest in the Excluded Equity Interests (as defined in the Security Agreements) are no longer in effect or (y) the creation, pledge or assignment of such security interest is no longer prohibited, then each Borrower shall, in each case at such Borrower's expense:

(1) within 10 days thereafter, cause each Subsidiary, to duly execute and deliver to the Administrative Agent a guaranty or Guaranty Supplement, in form and substance satisfactory to the Administrative Agent, guaranteeing the other Loan Parties' obligations under the Loan Documents,

(2) within 15 days thereafter duly execute and deliver, and cause each such Subsidiary and each direct and indirect parent of such Subsidiary (if it has not already done so) to duly execute and deliver, to the Administrative Agent pledges, assignments, security agreement supplements and other security agreements, as specified by and in form and substance satisfactory to the Administrative Agent, securing payment of all the Obligations of the applicable Loan Party, such Subsidiary or such parent, as the case may be, under the Loan Documents and constituting Liens on all such personal property,

(3) within 30 days thereafter, take, and cause such Subsidiary or such parent to take, whatever action (including, without limitation, the filing of Uniform Commercial Code financing statements) may be necessary or advisable in the opinion of the Administrative Agent to vest in the Administrative Agent (or in any representative of the Administrative Agent designated by it) valid and subsisting Liens on and security interests in the personal property purported to be subject to the pledges, assignments, security agreement supplements and security agreements delivered pursuant to this Section5.01(j) enforceable against all third parties in accordance with their terms,

(4) within 35 days thereafter, deliver to the Administrative Agent, upon the request of the Administrative Agent in its sole discretion, a signed copy of a favorable opinion, addressed to the Administrative Agent and the other Secured Parties, of counsel for the Loan Parties acceptable to the Administrative Agent (x)as to the matters contained in clauses(1) through (3) above, as to such guaranties, Guaranty Supplements, pledges, assignments, security agreement supplements and security agreements being legal, valid and binding obligations of each Loan Party party thereto enforceable in accordance with their terms, (y)as to the matters contained in clause(3) above, as to such recordings, filings, and other actions being sufficient to create valid perfected Liens on such properties, and (z)as to such other matters as the Administrative Agent may reasonably request, and

(5) at any time and from time to time, promptly execute and deliver any and all further instruments and documents and take all such other action as the Administrative Agent may deem necessary or desirable in obtaining the full benefits of, or in perfecting and preserving the Liens of, such guaranties, pledges, assignments, security agreement supplements and security agreements.

(k) Further Assurances. (i)Promptly upon request by any Agent, or any Lender Party through the Administrative Agent, in the case of each Borrower, correct, and cause each of its Subsidiaries promptly to correct, any material defect or error that

may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and

(ii) Promptly upon request by any Agent, or any Lender Party through the Administrative Agent, in the case of each Borrower, do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, conveyances, pledge agreements, mortgages, deeds of trust, trust deeds, assignments, financing statements and continuations thereof, termination statements, notices of assignment, transfers, certificates, assurances and other instruments as any Agent, or any Lender Party through the Administrative Agent, may reasonably require from time to time in order to (A)carry out more effectively the purposes of the Loan Documents, (B)to the fullest extent permitted by applicable law, subject any Loan Party's or any of its Subsidiaries' properties, assets, rights or interests to the Liens now or hereafter intended to be covered by any of the Collateral Documents, (C)perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents and any of the Liens intended to be created thereunder and (D)assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Secured Parties the rights granted or now or hereafter intended to be granted to the Secured Parties under any Loan Document or under any other instrument executed in connection with any Loan Document to which any Loan Party or any of its Subsidiaries is or is to be a party, and cause each of its Subsidiaries to do so.

(l) Performance of Related Documents . Perform and observe, and cause each of its Subsidiaries to perform and observe, all of the terms and provisions of each Related Document to be performed or observed by it, maintain each such Related Document in full force and effect (other than in connection with a BCI Exchange to the extent permitted by Section 5.02), enforce such Related Document in accordance with its terms, take all such action to such end as may be from time to time requested by the Administrative Agent and, upon request of the Administrative Agent, make to each other party to each such Related Document such demands and requests for information and reports or for action BRW or any of its Subsidiaries is entitled to make under such Related Document.

(m) Preparation of Environmental Reports . Upon the occurrence of a Default or other circumstances that may reasonably be likely to have a Material Adverse Effect, at the request of the Administrative Agent, provide to the Lender Parties within 60 days after such request, at the expense of BRW, an environmental site assessment report in connection with such Default or other circumstances for any of its or its Subsidiaries' properties described in such request, prepared by an environmental consulting firm acceptable to the Administrative Agent, indicating the presence or absence of Hazardous Materials and the estimated cost of any compliance, removal or remedial action in connection with any Hazardous Materials on such properties; without limiting the generality of the foregoing, if the Administrative Agent determines at any time that a material risk exists that any such report will not be provided within the time referred to above, the Administrative Agent may retain an environmental consulting firm to prepare such report at the expense of BRW, and BRW hereby grants and agrees to cause any

Subsidiary that owns any property described in such request to grant at the time of such request to the Agents, the Lender Parties, such firm and any agents or representatives thereof an irrevocable non-exclusive license, subject to the rights of tenants, to enter onto their respective properties to undertake such an assessment.

(n) Compliance with Terms of Leaseholds. Make all payments and otherwise perform all obligations in respect of all leases of real property to which BRW or any of its Subsidiaries is a party, keep such leases in full force and effect and not allow such leases to lapse or be terminated or any rights to renew such leases to be forfeited or cancelled, notify the Administrative Agent of any default by any party with respect to such leases and cooperate with the Administrative Agent in all respects to cure any such default, and cause each of its Subsidiaries to do so, except, in any case, where the failure to do so, either individually or in the aggregate, could not be reasonably likely to have a Material Adverse Effect.

(o) Interest Rate Hedging. Maintain in full force and effect each of the interest rate Hedge Agreements in existence on the Effective Date that were entered into pursuant to Section 5.01(o) of the Existing Credit Agreement to the extent such Hedge Agreements were required thereunder immediately prior to the occurrence of the Effective Date.

(p) Performance of Material Contracts. Perform and observe all the terms and provisions of each Material Contract to be performed or observed by it, maintain each such Material Contract in full force and effect, enforce each such Material Contract in accordance with its terms, take all such action to such end as may be from time to time requested by the Administrative Agent and, upon request of the Administrative Agent, make to each other party to each such Material Contract such demands and requests for information and reports or for action as BRW or any of its Subsidiaries is entitled to make under such Material Contract, and cause each of its Subsidiaries to do so, except, in any case, where the failure to do so, either individually or in the aggregate, could not be reasonably likely to have a Material Adverse Effect.

(q) [Intentionally Omitted].

(r) Cash Management System. Maintain the cash management system with Broadwing Financial LLC, as more particularly described in the attached Schedule 5.01(r) (the "***BRW Cash Management System***").

(s) Separate Corporate Existence of Special Purpose Vehicles. Cause each of Wireless Holdco and, so long as any Collateral is held thereby, Broadwing Communications Real Estate Services LLC (each an "***SPV***") to comply in all respects with the terms and provisions of the corporate separateness covenants set forth in the supplements to the Subsidiary Guaranties to which each SPV is a party as if such covenants were set forth in full in this Agreement.

(t) Separate Corporate Existence of BCI Group . With respect to each Borrower, comply and cause each of its Subsidiaries to comply with the following to the extent applicable to it:

(i) to the extent that any member of the BCI Group has cash, each member of the BCI Group will maintain its own deposit account or accounts, separate from those of the BRW Group, with commercial banking institutions and ensure that its funds will not be used for other than its corporate uses, nor will such funds be commingled with the funds of any member of the BRW Group and vice versa (except as contemplated by paragraph (r) above);

(ii) each member of the BCI Group will maintain a separate address from the address of any member of the BRW Group and vice versa, or to the extent any members of the BCI Group have offices in the same location as any members of the BRW Group, maintain a fair and appropriate allocation of overhead costs among them, with each such entity bearing its fair share of such expense;

(iii) the BCI Group will issue separate financial statements prepared not less frequently than quarterly and prepared in accordance with GAAP (except for the omission of certain footnotes and other presentation items required by GAAP with respect to audited financial statements), which financial statements need not be separately audited or reviewed by an independent accounting firm;

(iv) each member of the BCI Group will conduct its affairs strictly in accordance with its certificate of formation and limited liability company agreement (or similar constitutive documents) and observe all necessary, appropriate and customary company (or corporate) formalities, including, but not limited to, holding all regular and special members' and board of managers' (or stockholders' and directors' or other similar Persons) meetings appropriate to authorize all company (or corporate) action, keeping separate and accurate minutes of its meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, and maintaining accurate and separate books, records and accounts, including, but not limited to, payroll and intercompany transaction accounts, to the extent applicable;

(v) other than as required under the Loan Documents or pursuant to the terms of any documents governing any Existing Debt, and except for any transaction of the type described on Schedule 1.01 and any non-cash transition arrangements or other related services provided to or for the benefit of a buyer in connection with a transaction permitted under Section 5.02(e)(ix), including any BRW Sale Arrangements, each member of the BCI Group will refrain from assuming or guaranteeing any of the liabilities or pledging any of its assets for the benefit of any member of the BRW Group and each member of the BRW Group will refrain from assuming or guaranteeing any of the liabilities or pledging any of its assets for the benefit of any member of the BCI Group or holding out its

credit as being available to satisfy the obligations of the BCI Group;

(vi) each member of the BCI Group will use its best efforts to refrain from using the stationery of any member of the BRW Group but instead effecting all written communications in its own name (it being understood that it may use the same domain name for electronic mail as members of the BRW Group) and vice versa; and

(vii) each member of the BCI Group will conduct all its business in its own name and use its best efforts to avoid the appearance that it is conducting business on behalf of any member of the BRW Group and vice versa; *provided* that in the event either Group conducts business on behalf of any member of the other Group, such agency relationship shall be fully disclosed to applicable third parties when acting in such capacity, in each case except for any transaction of the type described on Schedule 1.01 and any non-cash transition arrangements or other related services provided to or for the benefit of a buyer in connection with a transaction permitted under Section 5.02(e)(ix), including any BRW Sale Arrangements.

(u) Minimum Liquidity Plan . In the event that the Minimum Liquidity of BRW and its Subsidiaries is below $50,000,000 for more than 5 consecutive Business Days, (i) notify the Agents thereof in writing within 3 Business Days after the end of such 5 Business Day period, (ii) prepare a contingent liquidity plan for BRW to be delivered to the Agents within 30 days after the date of such notification which plan shall demonstrate to the reasonable satisfaction of the Agents the actions that BRW will take to ensure that the Minimum Liquidity of BRW will be greater than $50,000,000 through December 31, 2005 and (iii) meet with the Agents to discuss the contingent liquidity plan and the finances of BRW as they may reasonably request and provide the Agents access to the books and records of BRW so that the Agents may complete such due diligence analysis of the liquidity and finances of BRW as they reasonably deem necessary.

SECTION 5.02. Negative Covenants . So long as any Advance or any other Obligation of any Loan Party under any Loan Document shall remain unpaid, any Letter of Credit shall be outstanding or any Lender Party shall have any Commitment hereunder, no Borrower will, at any time:

(a) Liens, Etc . Create, incur, assume or suffer to exist, or permit any of its Subsidiaries to create, incur, assume or suffer to exist, any Lien on or with respect to any of its properties of any character (including, without limitation, accounts) whether now owned or hereafter acquired, or sign or file or suffer to exist, or permit any of its Subsidiaries to sign or file or suffer to exist, under the Uniform Commercial Code of any jurisdiction, a financing statement that names any Borrower or any of its Subsidiaries as debtor, or sign or suffer to exist, or permit any of its Subsidiaries to sign or suffer to exist, any security agreement authorizing any secured party thereunder to file such financing statement, or assign, or permit any of its Subsidiaries to assign, any accounts or other right to receive income, except:

(i) Liens created under the Loan Documents;

(ii) Permitted Liens;

(iii) Liens existing on the date hereof and described on Schedule4.01(u) hereto;

(iv) purchase money Liens upon or in real property or equipment acquired or held by such Borrower or any of its Subsidiaries in the ordinary course of business to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition, construction or improvement of any such property or equipment to be subject to such Liens, or Liens existing on any such property or equipment at the time of acquisition (other than any such Liens created in contemplation of such acquisition that do not secure the purchase price), or extensions, renewals, refundings or replacements of any of the foregoing for the same or a lesser amount; *provided, however* , that no such Lien shall extend to or cover any property other than the property or equipment being acquired,constructed or improved, and no such extension, renewal, refunding or replacement shall extend to or cover any property not theretofore subject to the Lien being extended, renewed, refunded or replaced (except to the extent of financed construction or improvement); and *provided further* that the aggregate principal amount of the Debt secured by Liens permitted by this clause(iv) shall not exceed the amount permitted under Sections 5.02(b)(iii)(B) and 5.02(b)(v)(B) at any time outstanding;

(v) Liens arising in connection with Capitalized Leases permitted under Sections 5.02(b)(iii)(C) and 5.02(b)(v)(C); *provided* that no such Lien shall extend to or cover any Collateral or assets other than the assets subject to such Capitalized Leases;

(vi) Liens (including financing statements and undertakings to file financing statements) arising solely from precautionary filings of financing statements under the Uniform Commercial Code of the applicable jurisdiction in respect of equipment leases under which the Borrowers or any of their Subsidiaries is the lessee; *provided* that any such Lien in respect of any equipment lease is limited to the equipment being leased under such lease and the proceeds thereof;

(vii) Leases, subleases, licenses and sublicenses of the type referred to in Section 5.02(e)(vii) granted to third parties in the ordinary course of business, in each case not interfering in any respect with the Liens of the Administrative Agent or the Lenders granted by the Loan Documents and not otherwise prohibited by the terms of the Loan Documents;

(viii) banker's liens and rights of offset of the holders of Debt of the Borrowers or any Subsidiary on monies deposited by the Borrowers or any

Subsidiary with such holders of Debt in the ordinary course of business of the Borrowers or any such Subsidiary;

(ix) other Liens that do not, in the aggregate, attach to a material portion of the assets of the Borrowers or any of their Subsidiaries and do not secure obligations in an aggregate amount in excess of $5,000,000;

(x) Liens for judgments not in excess of $30,000,000 for which appropriate reserves have been maintained in accordance with GAAP and Liens for judgments in excess of $30,000,000 in respect of which (i) no enforcement proceedings have been commenced by any creditor upon such judgment or (ii) there has been no period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, has not been in effect;

(xi) Liens, leases and grants of indefeasible rights of use, rights of use and similar rights in respect of capacity, dark fiber and similar assets of BRW, BCI and their Subsidiaries in the ordinary course of business either existing as of the date hereof or as permitted under Section 5.02(e)(i) or 5.02(e)(viii)(B);

(xii) any Lien, lease or other grant on or of any assets of BRW or its Subsidiaries other than assets constituting Collateral under the Loan Documents that at the time created, incurred, assumed or otherwise arising constituted or resulted from a Permitted BCI Transaction so long as at such time no BCI Event of Default specified under Section 7.03(b) shall have occurred with respect to BCI or any of its Subsidiaries (other than a proceeding in connection with a Prepackaged Plan or a sale agreement executed prior to commencement of such proceedings which agreement contemplates a sale of all or substantially all of the assets of BCI and its Subsidiaries pursuant to Section 363 of the Bankruptcy Code); and

(xiii) any escrow arrangement funded with or constituted from asset sale proceeds in respect of any agreement providing for Permitted Obligations (including escrow arrangements under each of the Escrow Agreements) and Liens on Acquired Assets (as defined in the BCSI Sale Agreement) under the Security Agreement (as defined in the BCSI Sale Agreement).

(b) Debt . Create, incur, assume or suffer to exist, or permit any of its Subsidiaries to create, incur, assume or suffer to exist, any Debt, except:

(i) in the case of BRW,

(A) Debt in respect of Hedge Agreements maintained under Section5.01(o) and other Hedge Agreements not in violation of Section5.02(n); *provided* that no Hedge Agreement with any Person other than a Lender Party (or Affiliate of a Lender Party) may be a Secured Hedge Agreement,

(B) New Notes issued for cash (without duplication of clause (E) below); *provided* that (x) 100% of the first $150 million (after giving effect to the issuance of the Junior Notes) of Net Cash Proceeds from the issuance of New Notes shall be applied to prepay the Facilities, with such prepayment to be allocated ratably to the Revolving Credit Advances (as set forth in Section 2.06(b)(v)), the Term A Advances, the Term B Advances and the Term C Advances and to the remaining installments of the Term A Advances, Term B Advances and Term C Advances, respectively, pro rata and (y) 100% of the Net Cash Proceeds in excess of $150 million (after giving effect to the issuance of the Junior Notes) from the issuance of New Notes shall be applied to prepay the Facilities, with such prepayment to be allocated *first* ratably to the Term A Advances, the Term B Advances and the Term C Advances and applied to the remaining installments thereof pro rata and *second* to the Revolving Credit Advances as set forth in clause 2.06(b)(v) (it being understood that all expenses or other amounts deducted in determining the calculation of Net Cash Proceeds from the issuance of New Notes at the same time shall be applied equally over the total principal amount of the New Notes being issued at such time); *provided* that the Administrative Agent shall have received a certificate of a Responsible Officer of BRW certifying that after giving effect to such issuance, BRW and its Subsidiaries are on a pro forma basis in compliance with Section5.04 during the Facilities Period,

(C) Paid in kind interest in respect of the Oak Hill Debt, the Junior Notes, and any other Debt permitted under this Section,

(D) Debt owed to a wholly owned Subsidiary of BRW permitted under Section 5.02(f)(xi); *provided* that such Debt (x) shall constitute Pledged Debt, (y) shall be on terms acceptable to the Agents and (z)if evidenced by promissory notes, shall be in form and substance satisfactory to the Agents and such promissory notes shall be pledged as security for the Obligations of the holder thereof under the Loan Documents to which such holder is a party and delivered to the Administrative Agent pursuant to the terms of the Security Agreements; *provided further , however ,* that BRW may not incur such Debt to service Debt under the New Notes or make payments in respect of Other Permitted Equity if a Blocking Event has occurred and is continuing,

(E) Debt in respect of the Junior Notes and any Debt extending the maturity of, or refunding, renewal or refinancing, in whole or in part, the Junior Notes, *provided* that the terms of any such extending, refunding, renewal or refinancing Debt, and of any agreement entered into and of any instrument issued in connection therewith, are otherwise permitted by the Loan Documents, *provided further* that (1) the principal amount of such Debt shall not be increased above the principal amount thereof outstanding (plus accrued interest and fees thereon) immediately prior to such

extension, refunding, renewal or refinancing, (2) the direct and contingent obligors therefor shall not be changed, as a result of or in connection with such extension, refunding, renewal or refinancing, (3) such Debt as so refunded, refinanced or renewed shall not mature prior to the stated maturity date or mandatory redemption date of the Junior Notes being so extended, refunded, refinanced or renewed, (4) such extended, refunded, renewed or refinanced Debt shall be subordinated to the Obligations under the Facilities to at least the same extent as the Junior Notes, (5) such Debt as so refunded, refinanced or renewed shall not contain any grant of collateral or rights to collateral or any covenants or defaults that are more restrictive, or subordination terms that are more narrow, in any material respect than the terms of the Junior Notes being so extended, refunded, refinanced or renewed, and (6) such Debt as so refunded, refinanced or renewed will not provide any put, redemption or prepayment right, or any amortization or maturity date, prior to the end of the Facilities Period, and

(F) Debt of BRW incurred in connection with a BCI Exchange including Debt of BRW issued to a third party provided that the proceeds of such Debt are applied to the prepayment or retirement of the BCI Senior Subordinated Notes (and any Debt extending the maturity of, or refunding, renewing or refinancing, in whole or in part, such Debt of BRW, *provided* that the terms of any such extending, refunding, renewal or refinancing Debt, and of any agreement entered into and of any instrument issued in connection therewith, satisfy the requirements set forth in clause (E) above with each reference therein to Junior Notes being replaced with a reference to the Debt under this clause (F)); *provided* that such Debt (v) contains only pay in kind interest payment obligations during the Facilities Period, (w) is not convertible or exchangeable for any Equity Interests other than common stock of BRW, (x) the aggregate amount of cash paid in respect of redemptions, repayments or fees in connection with all BCI Exchanges shall not exceed the amounts agreed to in writing by BRW and the Agents and (y) any instrument or agreement evidencing such Debt entered into in connection with any BCI Exchange will not contain any grant of collateral or rights to collateral or any covenants or defaults that are more restrictive, or subordination terms that are more narrow (e.g., no less favorable to the Lender Parties), in any material respect than the terms of the Oak Hill Indenture and will not provide any put, redemption or prepayment right, or any amortization or maturity date, prior to the end of the Facilities Period;

(ii) in the case of any Subsidiary of BRW (including BCI and its Subsidiaries), Debt owed to BRW or to a wholly owned Subsidiary of BRW, *provided* that, in each case, such Debt (A) shall constitute Pledged Debt, (B) shall be on terms acceptable to the Agents, (C)if evidenced by promissory notes, in form and substance satisfactory to the Agents and such promissory notes shall be pledged as security for the Obligations of the holder thereof under the Loan

Documents to which such holder is a party and delivered to the Administrative Agent pursuant to the terms of the Security Agreements and (D) in the case of BCI or any of its Subsidiaries, the incurrence of such Debt is permitted under Section 5.02(f)(xiii); and

(iii) in the case of BRW and its Subsidiaries other than Wireless LLC,

(A) Debt under the Loan Documents,

(B) Debt secured by Liens permitted by Section5.02(a)(iv) not to exceed $75,000,000 in aggregate principal amount at any time outstanding; provided that any Debt outstanding under this clause (B) of a type described in Section 5.02(b)(v)(B), will automatically reduce the amount of Debt of such type permitted to be outstanding at such time under Section 5.02(b)(v)(B),

(C) Capitalized Leases not to exceed in the aggregate $125,000,000 at any time outstanding, and to the extent included in "Capitalized Leases" for purposes of GAAP, IRUs incurred in the ordinary course of business; provided that any Debt outstanding under this clause (C) of a type described in Section 5.02(b)(v)(C), will automatically reduce the amount of Debt of such type permitted to be outstanding at such time under Section 5.02(b)(v)(C),

(D) the Surviving Debt (other than Debt under (iii)(C) above), and any Debt extending the maturity of, or refunding, renewal or refinancing, in whole or in part, any Surviving Debt, *provided* that the terms of any such extending, refunding, renewal or refinancing Debt, and of any agreement entered into and of any instrument issued in connection therewith, are otherwise permitted by the Loan Documents, *provided further* that (1) the principal amount of such Surviving Debt shall not be increased above the principal amount thereof outstanding (plus accrued interest and fees thereon) immediately prior to such extension, refunding, renewal or refinancing, (2) the direct and contingent obligors therefor shall not be changed, as a result of or in connection with such extension, refunding, renewal or refinancing, (3) such Surviving Debt as so refunded, refinanced or renewed shall not mature prior to the stated maturity date or mandatory redemption date of the Surviving Debt being so extended, refunded, refinanced or renewed, (4) if the Surviving Debt being so extended, refunded, refinanced or renewed is subordinated in right of payment or otherwise to the Obligations of the Borrowers or any of their Subsidiaries under and in respect of the Loan Documents, such extended, refunded, renewed or refinanced Surviving Debt shall be subordinated to such Obligations to at least the same extent, (5) such Surviving Debt as so refunded, refinanced or renewed shall not contain any grant of collateral or rights to collateral or any covenants or defaults that are more restrictive, or

subordination terms that are more narrow, in any material respect than the terms of the Surviving Debt being so extended, refunded, refinanced or renewed and (6) such Surviving Debt as so refunded, refinanced or renewed will not provide any put, redemption or prepayment right, or any amortization or maturity date, prior to the end of the Facilities Period,

(E) unsecured Debt incurred in the ordinary course of business for borrowed money or for the deferred purchase price of property or services, maturing after the Final Maturity Date of the Term C Facility, and aggregating, on a Consolidated basis, not more than $65,000,000 in aggregate principal amount at any one time outstanding,

(F) endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business,

(G) unsecured short-term Debt in an aggregate principal amount not to exceed $20,000,000,

(H) Contingent Obligations of BRW or any of its Subsidiaries that are Subsidiary Guarantors guaranteeing all or any portion of the outstanding Obligations of any of the other Loan Parties other than with respect to the Senior Notes or in connection with the BCI Exchange; *provided* that (i) such Obligations are not otherwise prohibited under the terms of the Loan Documents and such Contingent Obligations are unsecured or (ii) in the case of such outstanding Contingent Obligations in respect of obligations of BCI or any of its Subsidiaries, such Contingent Obligations are permitted under Section 5.02(f)(xiii),

(I) Debt consisting of debits and credits among the Subsidiaries of BRW arising under the BRW Cash Management System,

(J) Debt of one or more Foreign Subsidiaries arising in the ordinary course of business in an aggregate principal amount not to exceed $5,000,000 at any time outstanding; provided that all such Debt incurred pursuant to this subclause (K) shall be nonrecourse in all respects to the property and assets of the Loan Parties and their Subsidiaries (other than one or more of the Foreign Subsidiaries),

(K) Debt consisting of guaranties of the obligations of BRW under the Junior Notes,

(L) Debt constituting Permitted Obligations, and

(M) Debt that at the time created, incurred, assumed or otherwise arising constituted a Permitted BCI Transaction so long as at such time no BCI Event of Default specified under Section 7.03(b) shall have occurred with respect to BCI or any of its Subsidiaries (other than a

proceeding in connection with a Prepackaged Plan or a sale agreement executed prior to commencement of such proceedings which agreement contemplates a sale of all or substantially all of the assets of BCI and its Subsidiaries pursuant to Section 363 of the Bankruptcy Code); and

(iv) in the case of Wireless LLC,

(A) Debt relating to the acquisition of the Spectrum Assets not to exceed $60,000,000 in aggregate principal amount at any time outstanding,

(B) Capitalized Leases, Debt secured by Liens permitted by Section 5.02 (a)(iv) or unsecured Debt, in the case of such unsecured Debt, maturing after the Final Maturity Date of the Term C Facility, in the ordinary course of business for borrowed money or for the deferred purchase price of property or services, not to exceed $50,000,000 in aggregate principal amount at any time outstanding under this clause (B), *provided* that any Debt outstanding under this clause (B) of a type described in Section 5.02(b)(iii)(B), (C) or (E), as the case may be, will automatically reduce the amount of Debt of such type permitted to be outstanding at such time under such clause (B), (C) or (E), as applicable,

(C) Debt of the type and subject to the restrictions set forth in Sections 5.02(b)(ii) and 5.02(b)(iii)(F) and (I), and

(D) Debt (x) existing on May 1, 2002 and (y) refinancings of such Debt, in the case of clause (y), subject to the restrictions set forth in Section 5.02(b)(iii)(D) except that no Surviving Debt to be refinanced pursuant to this clause (D) that is owed to BRW or to a Subsidiary of BRW may be refinanced with Debt owed to a Person other than a Subsidiary of BRW; *provided* that any Debt outstanding at any time under clause (x) of a type described in any clause of Section 5.02(b)(iii) will automatically reduce the amount of Debt of such type permitted to be outstanding at such time under such clause of Section 5.02(b)(iii), as applicable.

(v) in the case of BCI and its Subsidiaries,

(A) Debt under the Loan Documents,

(B) Debt secured by Liens permitted by Section5.02(a)(iv) existing on the Effective Date not to exceed $75,000,000 in aggregate principal amount at any time outstanding, *provided* that any Debt outstanding under this clause (B) of a type described in Section 5.02(b)(iii)(B), will automatically reduce the amount of Debt of such type permitted to be outstanding at such time under Section 5.02(b)(iii)(B),

(C) Capitalized Leases existing on the Effective Date not to exceed in the aggregate $125,000,000 at any time outstanding, and to the extent included in "Capitalized Leases" for purposes of GAAP, IRUs incurred in the ordinary course of business *provided* that any Debt outstanding under this clause (C) of a type described in Section 5.02(b)(iii)(C), will automatically reduce the amount of Debt of such type permitted to be outstanding at such time under Section 5.02(b)(iii)(C),

(D) the Surviving Debt (other than Debt under Section 5.02(b)(v)(C) above), and any Debt extending the maturity of, or refunding, renewal or refinancing, in whole or in part, any Surviving Debt, *provided* that the terms of any such extending, refunding, renewal or refinancing Debt, and of any agreement entered into and of any instrument issued in connection therewith, are otherwise permitted by the Loan Documents, *provided further* that (1) the principal amount of such Surviving Debt shall not be increased above the principal amount thereof outstanding (plus accrued interest and fees thereon) immediately prior to such extension, refunding, renewal or refinancing, (2) the direct and contingent obligors therefor shall not be changed, as a result of or in connection with such extension, refunding, renewal or refinancing (other than in connection with a BCI Exchange), (3) such Surviving Debt as so refunded, refinanced or renewed shall not mature prior to the stated maturity date or mandatory redemption date of the Surviving Debt being so extended, refunded, refinanced or renewed, (4) if the Surviving Debt being so extended, refunded, refinanced or renewed is subordinated in right of payment or otherwise to the Obligations of the Borrowers or any of their Subsidiaries under and in respect of the Loan Documents, such extended, refunded, renewed or refinanced Surviving Debt shall be subordinated to such Obligations to at least the same extent, (5) such Surviving Debt as so refunded, refinanced or renewed shall not contain any grant of collateral or rights to collateral or any covenants or defaults that are more restrictive, or subordination terms that are more narrow, in any material respect than the terms of the Surviving Debt being so extended, refunded, refinanced or renewed and (6) such Surviving Debt as so refunded, refinanced or renewed will not provide any put, redemption or prepayment right, or any amortization or maturity date, prior to the end of the Facilities Period,

(E) Debt in respect of intercompany notes issued by BCI or its Subsidiaries to any member of the BRW Group,

(F) Debt under the Escrow Agreements or under the Security Agreement (as defined in the BCSI Sale Agreement) and all joint and several obligations of the Sellers (as defined in the BCSI Sale Agreement) under the BCSI Sale Agreement,

(G) endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business,

(H) Debt consisting of debits and credits among BCI and its Subsidiaries arising under the BRW Cash Management System,

(I) unsecured Debt in an amount not to exceed $10,000,000, and

(J) Capitalized Leases and vendor financing entered into after the Effective Date not to exceed in the aggregate $10,000,000 at any time outstanding.

(c) Change in Nature of Business. Make, or permit any of its Subsidiaries to make, any material change in the nature of its business as carried on at the date hereof, it being agreed that no transaction under Section 5.02(e)(ix) shall constitute such a change.

(d) Mergers, Etc. Merge into or consolidate with any Person or permit any Person to merge into it, or permit any of its Subsidiaries to do so, except that:

(i) any Subsidiary of BRW may merge into or consolidate with any other Subsidiary of BRW and any Subsidiary of BCI may merge into or consolidate with any other Subsidiary of BCI, *provided* that, in the case of any such merger or consolidation, the Person formed by such merger or consolidation shall be a wholly owned Subsidiary of BRW or BCI, as the case may be, *provided further* that, in the case of any such merger or consolidation to which a Subsidiary Guarantor is a party, the Person formed by such merger or consolidation shall be a Subsidiary Guarantor (or, any transaction to which BCSI is a party, a Borrower);

(ii) BRW may merge with or into any wholly owned Subsidiary of BRW that is formed solely for the purpose of effecting a corporate name change and the transfer of related intellectual property, *provided* that BRW is the surviving corporation in respect of such merger;

(iii) after the consummation of a sale of all or substantially all of the assets of BCI and its Subsidiaries in accordance with Section 5.02(e)(ix) or the consummation of a confirmed plan of reorganization under Chapter 11 of the Federal Bankruptcy Code with respect to BCI, Cincinnati Bell Any Distance, Inc. may merge with or into Broadwing Telecommunications Inc.; *provided* that the surviving corporation in respect of such merger shall be deemed to be a Subsidiary of BRW for all purposes hereunder notwithstanding that it may be a Subsidiary of BCI, and BRW shall deliver written notice to the Administrative Agent to that effect;

(iv) any Mutual Subsidiary may merge into another Mutual Subsidiary or into BCSI, and

(v) following the completion of a BCI Exchange in respect of 66 2/3% or more of the outstanding BCI Exchangeable Preferred Stock, BCI may merge with a newly formed special purpose Subsidiary of BRW, *provided* that the surviving corporation in respect of such merger shall be deemed to be BCI for all purposes hereunder, including without limitation, the covenants set forth in Section 5.01(t);

provided, however, that in each case, immediately after giving effect thereto, no event shall occur and be continuing that constitutes a Default and, in the case of any such merger to which BCSI is a party, BCSI is the surviving corporation.

(e) Sales, Etc., of Assets . Sell, lease, transfer or otherwise dispose of, or permit any of its Subsidiaries to sell, lease, transfer or otherwise dispose of, any assets, or grant any option or other right to purchase, lease or otherwise acquire any assets other than Inventory to be sold in the ordinary course of its business, except:

(i) dispositions of inventory in the ordinary course of its business, including, without limitation, fiber swaps and capacity swaps in the ordinary course of business;

(ii) dispositions of equipment which, in the aggregate during any Fiscal Year, have a fair market value or book value, whichever is greater, of $250,000 or less;

(iii) dispositions of property that is substantially worn, damaged, obsolete or, in the reasonable judgment of the applicable Borrower, no longer best used or useful in the conduct of its business or operations or that of any of its Subsidiaries;

(iv) transfers of assets necessary to give effect to merger or consolidation transactions permitted by Section 5.02(d); *provided , however* , that no assets shall be transferred hereunder by any Loan Party to CBT or its Subsidiaries in an amount exceeding $1,000,000 in book value of assets;

(v) the disposition of cash or investment securities in the ordinary course of management of the investment portfolio of the applicable Borrower and its Subsidiaries and any disposition of any Investment acquired as consideration received in respect of or as a result of any transaction under Section 5.02(e)(ix);

(vi) the sale or discount without recourse of delinquent accounts receivable or notes receivable for collection purposes, or the conversion or exchange of delinquent accounts receivable into or for notes receivable in connection with the compromise or collection thereof, each in the ordinary course of business and not intended to constitute a financing arrangement;

(vii) operating leases entered into in the ordinary course of business and subleases of real property and licenses of intellectual property in the ordinary

course of its business, in each case, not intended to constitute a financing arrangement;

(viii) so long as immediately before and after giving effect to such asset sale, no event shall occur and be continuing that constitutes a Default, Restricted Asset Dispositions. " ***Restricted Asset Dispositions*** " means

(A) any sale of assets of BRW and its Subsidiaries not otherwise permitted to be sold, leased, transferred or disposed of pursuant to this Section 5.02(e) so long as the fair market value of all of the property and assets of BRW and its Subsidiaries so sold, leased, transferred or otherwise disposed of pursuant to this clause (viii) does not exceed $50,000,000 per annum, *provided* , that (x) the gross proceeds received from any such sale shall be at least equal to the fair market value of the property and assets so sold, leased, transferred or otherwise disposed of, determined at the time of such sale, lease, transfer or other disposition and (y) at least 80% of the value of the aggregate consideration received from any such sale, lease, transfer or other disposition shall be in cash and shall be received within 5 Business Days after the date of consummation of such transaction; or

(B) any sale of or granting of any interest in dark fiber or IRUs in dark fiber or fiber capacity, *provided* (i) that such sale or granting would not result in BRW and its Subsidiaries having the cumulative indefeasible right to use the telecommunications capacity on less than 12 Backbone Fibers, and (ii) that the Responsible Officers or Board of Directors, as the case may be, of BRW has determined in good faith that the disposition of the fiber capacity involved in such sale or granting would not cause a shortage of fiber capacity to BRW or any of its Subsidiaries that would interfere with BRW's or any of its Subsidiaries' ability to continue to provide telecommunications services at the then current level and those levels projected over the term of this Agreement,

provided that, BRW shall, on the date of receipt by any Loan Party or any of its Subsidiaries of the Net Cash Proceeds from any such sale, lease, transfer, or other disposition pursuant to this subclause (viii), prepay the Advances pursuant to, and in the amount and order of priority set forth in, Section2.06(b)(ii), as specified therein *unless* such Net Cash Proceeds in an amount not to exceed $20,000,000 in any Fiscal Year are reinvested in the existing lines of business as of the Effective Date of BRW and its Subsidiaries with reasonable promptness and, in any event, not later than 3 months from the date of receipt thereof. The failure of BRW to prepay the Advances with such Net Cash Proceeds on the date of receipt of such proceeds shall constitute a representation by BRW as of such date that the Net Cash Proceeds from such sale, lease, transfer or other disposition will be reinvested in the existing lines of business of BRW and its Subsidiaries with reasonable promptness and, in any event, not later than 3 months from the date of

receipt thereof and that such reinvested Net Cash Proceeds do not exceed $20,000,000 in aggregate for such Fiscal Year. The quarterly compliance certificate of the Chief Financial Officer of BRW delivered pursuant to Section 5.03(c) shall contain a certification by such officer that all such Net Cash Proceeds received during such fiscal quarter from each asset sale pursuant to this subclause (viii) will be so reinvested within such time period and all such Net Cash Proceeds so reinvested during such Fiscal Year do not exceed such dollar limit. A Responsible Officer of BRW shall notify the Administrative Agent in writing on the date of receipt of such Net Cash Proceeds in the event that such Net Cash Proceeds will not be so reinvested within such 3 month period or if the amount of reinvested Net Cash Proceeds exceeds $20,000,000 in such Fiscal Year and such Net Cash Proceeds shall be applied within 3 Business Days following receipt of such Net Cash Proceeds to prepay the Advances outstanding at such time pursuant to, and in the amount and order of priority set forth in Section 2.06(b)(ii);

(ix) the sale, lease, transfer or other disposition of all or substantially all of the assets of BCI and its Subsidiaries for cash or other consideration and/or the assumption of liabilities of BCI and its Subsidiaries; *provided* that:

(A) so long as no BCI Event of Default specified under Section 7.03(b) shall have occurred with respect to BCI or any of its Subsidiaries (other than a proceeding in connection with a Prepackaged Plan or a sale agreement executed prior to commencement of such proceedings which agreement contemplates a sale of all or substantially all of the assets of BCI and its Subsidiaries pursuant to Section 363 of the Bankruptcy Code), promptly after the determination of the BCI Net Cash Proceeds in respect thereof, 60% of the BCI Net Cash Proceeds from any such disposition shall be applied to prepay the Advances in the order of priority set forth in Section2.06(b)(ii),

(B) if a BCI Event of Default specified under Section 7.03(b) (other than a proceeding in connection with a Prepackaged Plan or a sale agreement executed prior to commencement of such proceedings which agreement contemplates a sale of all or substantially all of the assets of BCI and its Subsidiaries pursuant to Section 363 of the Bankruptcy Code) shall have occurred and be continuing with respect to BCI or any of its Subsidiaries, promptly after the determination of the BCI Net Cash Proceeds in respect thereof, 100% of the Net Cash Proceeds from any such disposition shall be applied to prepay the Advances in the order of priority set forth in Section2.06(b)(ii),

(C) the remaining 40% of BCI Net Cash Proceeds (together with any unused portion of the BCI Maximum Investment) may be applied (x) to the prepayment of the BCI Senior Subordinated Notes and

the BCI 12 1/2% Senior Notes and (y) to amounts paid in connection with a BCI Exchange to the extent permitted under Section 5.02(v),

(D) collected cash balances remaining at BCI and its Subsidiaries on the first anniversary of such disposition that are not required in the ongoing business of BCI and its Subsidiaries and are not being held in reserves taken in respect of good faith estimates of amounts that may be required to be paid in respect of non-discharged liabilities or claims in the future shall be applied to prepay the Advances in the order of priority set forth in Section 2.06(b)(ii),

(E) BRW may retain part of the Net Cash Proceeds for the payment of current ordinary course operating expense obligations of BCI and its Subsidiaries and in respect of reserves in accordance with GAAP for good faith estimates of amounts that may be required to be paid in respect of non-discharged liabilities or claims in the future; *provided* that (w) BRW shall advise the Administrative Agent of the aggregate amount so retained, (x) such amounts shall be applied to prepay Revolving Credit Borrowings (without any reduction of the Revolving Credit Commitments) and a portion of the Revolving Credit Commitments (the "***Reserved Commitments***") equal to such amount shall thereafter be available solely for the uses specified in this paragraph (E) or to prepay the Advances in the order of priority set forth in Section 2.06(b)(ii) (it being understood that if BRW intends that any portion of the Revolving Credit Borrowing is to be used for any such purpose it shall give the Administrative Agent written notice of the amount thereof to be so used and the amount of the Reserved Commitments remaining after giving effect to such use), (y) at the time BRW determines that all such operating expenses or such non-discharged liabilities or contingent liabilities are actually paid or otherwise satisfied, BRW shall so advise the Administrative Agent and shall make a request for a Revolving Credit Borrowing in the amount of the unused portion of the Reserved Commitments and shall apply the proceeds of such Borrowing to prepay the Advances in the order of priority set forth in Section 2.06(b)(ii), and (z) from time to time, if BRW determines that the unused portion of the Reserved Commitments exceeds the amount of all such operating expenses or such non-discharged liabilities or contingent liabilities that have not at such time yet been paid or otherwise satisfied, BRW may so advise the Administrative Agent and make a request for a Revolving Credit Borrowing in the amount of such excess and apply the proceeds of such Borrowing to prepay the Advances in the order of priority set forth in Section 2.06(b)(ii), *provided further* that (1) upon the occurrence of a

Default under Section 7.01(a), (f) or 7.03(b) or an Event of Default, a request for a Revolving Credit Borrowing shall automatically be deemed to have been made by BRW in an amount equal to the amount of Reserved Commitments or (2) upon the request of the Agents upon the occurrence of any other Default (other than a Default specified in clause (1) above) or in the event that the Minimum Liquidity (including the amount of the Reserved Commitments) is less than $50,000,000, BRW shall make a request for a Revolving Credit Borrowing in an amount equal to such Reserved Commitments and upon such request or deemed request, (x) the proceeds of such Revolving Credit Borrowing shall be deposited by BRW to a deposit account maintained with the Administrative Agent in which the Administrative Agent, for the benefit of the Lender Parties, has a security interest pursuant to the terms of the Security Agreements, and (y) such funds will be held in such deposit account as Collateral for the Obligations hereunder pursuant to the terms of the Security Agreements; *provided still further* that (x) so long as no Default under Section 7.01(a), (f) or 7.03(b) or Event of Default exists, BRW may withdraw funds from such account in accordance with the terms of the Security Agreements for the uses specified in this paragraph (E) or to prepay the Advances in the order of priority set forth in Section2.06(b)(ii) and (y) if, at the time such operating expenses or such non-discharged liabilities or contingent liabilities are actually paid or otherwise satisfied, the amount of the funds reserved therefor exceeds the amount paid or otherwise satisfied, then BRW shall prepay the Advances in accordance with Section 2.06(b)(ii) in an amount equal to such excess reserve, and

(F) BRW shall use commercially reasonable efforts to dispose of any consideration (other than cash, assumption of liabilities and any Equity Interest in C III Communications, LLC, or any Affiliate thereof not to exceed 5% of the total Equity Interests outstanding of such issuance, in connection with the BCSI Sale Agreement) received in respect of such sale, lease, transfer or other disposition for cash as promptly as reasonably practicable and for fair value subject to restrictions on sales of such non-cash assets contained in any agreement or instrument in respect of such non-cash asset and shall promptly thereafter prepay the Advances in accordance with Section 2.06(b)(ii) in an amount equal to 60% of such BCI Net Cash Proceeds; and

(x) any sale, lease, transfer or other disposition of any asset of BRW and its Subsidiaries that constituted or resulted from a Permitted BCI Transaction so long as at such time no BCI Event of Default specified under Section 7.03(b) shall have occurred with respect to BCI or any of its Subsidiaries (other than a

proceeding in connection with a Prepackaged Plan or a sale agreement executed prior to commencement of such proceedings which agreement contemplates a sale of all or substantially all of the assets of BCI and its Subsidiaries pursuant to Section 363 of the Bankruptcy Code).

(f) Investments in Other Persons. Make or hold, or permit any of its Subsidiaries to make or hold, any Investment in any Person, unless such investment satisfies the requirements of one or more of (i) through (xiv) below:

(i) equity Investments by BRW and its Subsidiaries (including BCI and its Subsidiaries) in their Subsidiaries outstanding on the date hereof and (A) additional investmentsin wholly owned Subsidiaries of BRW that are Subsidiary Guarantors, (B)additional investments in Excluded Entities other than the Mutual Subsidiaries in an aggregate amount invested from January 12, 2000 not to exceed $10,000,000, (C) additional investments in Foreign Subsidiaries in an aggregate amount invested from January 12, 2000 not to exceed $2,000,000, and (D)additional investments in Cincinnati Bell Wireless LLC (x) in an aggregate amount invested from January 12, 2000 not to exceed $25,000,000 and (y) other investments resulting in it or its Subsidiaries owning the Spectrum Assets;

(ii) loans and advances to employees in the ordinary course of the business of BRW and its Subsidiaries as presently conducted in an aggregate principal amount not to exceed $25,000,000 at any time outstanding; *provided, however,* for purposes of this Section, "advances" will not restrict advances for travel expenses to employees advanced and repaid in the ordinary course of business; *provided further* that such loans and advances are made in compliance with Section 5.01(t)(iv);

(iii) Investments by BRW and its Subsidiaries (including BCI and its Subsidiaries) in Cash Equivalents;

(iv) Investments existing on the date hereof and described on Schedule4.01(v) hereto;

(v) Investments by BRW in Hedge Agreements permitted under Section5.02(b)(i)(A);

(vi) Investments consisting of intercompany Debt permitted under Section5.02(b)(ii);

(vii) other Investments made prior to May 1, 2002 and other Investments made on or after May 1, 2002 (other than Investments in BRW and the Mutual Subsidiaries made after April 15, 2002) in an aggregate amount invested not to exceed $25,000,000 at any time with Investments valued, in the case of each Investment, at the time such Investment is made *less* the aggregate amount of Investments made under Section5.02(f)(viii) (it being understood that any Investment may continue to be held if permitted when made notwithstanding

subsequent changes in the value of such Investment), *provided* that with respect to Investments made under this clause(vii): (1)any newly acquired or organized Subsidiary of BRW or any of its Subsidiaries shall be a wholly owned Subsidiary of BRW or its Subsidiaries; (2)immediately before and after giving effect thereto, no Default shall have occurred and be continuing or would result therefrom; (3)any company or business acquired or invested in pursuant to this clause(vii) shall be in the same line of business (or a related line of business) as the business of BRW or any of its Subsidiaries; (4)immediately after giving effect to the acquisition of a company or business pursuant to this clause(vii), BRW shall be in pro forma compliance with the covenants contained in Section5.04, calculated based on the financial statements most recently delivered to the Lender Parties pursuant to Section5.03 and as though such acquisition had occurred at the beginning of the four-quarter period covered thereby, as evidenced by a certificate of the Chief Financial Officer of BRW delivered to the Lender Parties demonstrating such compliance; (5) BRW and/or its Subsidiaries and such newly created or acquired Subsidiary shall comply with the requirements of 5.01(j); (6) any Investment made under this clause (vii) that is not an acquisition of an Equity Interest shall be made by a Subsidiary of BRW that is a Subsidiary Guarantor; and (7) no Investment made under this clause (vii) may be made in BCI or any of its Subsidiaries unless such Investment is a Permitted BCI Transaction and BCI and/or such Subsidiary and such newly created or acquired Subsidiary shall comply with the requirements of 5.01(j);

(viii) Investments other than Investments in BRW and the Mutual Subsidiaries made after April 15, 2002 in an aggregate amount of $50,000,000 for any investments valued as of the date such Investment is made, including, without limitation, joint ventures; *provided, however* , that with respect to any joint venture, such Investment shall be (1) made through a newly organized bankruptcy remote special purpose vehicle, wholly owned by BRW or any of its Subsidiaries; (2)immediately before and after giving effect thereto, no Default shall have occurred and be continuing or would result therefrom; (3)any company or business acquired or invested in pursuant to this clause(viii) shall be in the same line of business (or related line of business) as the business of BRW or any of its Subsidiaries; (4)BRW and/or its Subsidiaries and such newly created or acquired Subsidiary shall comply with the requirements of 5.01(j); (5) neither the Borrowers nor any of their Subsidiaries (other than such special purpose vehicle) shall become liable for the Debt of the joint venture except to the extent the Borrowers or such Subsidiary would be permitted under Section 5.02(b) to incur such Debt; and (6)any company or business acquired or invested in pursuant to this clause(viii) shall not be or become a Subsidiary of BCI unless such Investment is a Permitted BCI Transaction and BCI and such newly created or acquired Subsidiary shall comply with the requirements of 5.01(j);

(ix) Investments consisting of debits and credits between Broadwing Financial LLC and BRW and its Subsidiaries (including BCI and its Subsidiaries) pursuant to the BRW Cash Management System; *provided* that such Investments

between Broadwing Financial LLC and BRW shall be subject to the restrictions set forth in Section 5.02(f)(xi), and Investments that arose under the centralized cash management system between BRW and its Subsidiaries (including BCI and its Subsidiaries) prior to May 31, 2002; *provided further* that all such Investments made by BRW and each Subsidiary Guarantor are evidenced by promissory notes and constitute Pledged Debt;

(x) Investments consisting of loans, advances and payables due from suppliers or customers made by the Borrowers or their Subsidiaries in the ordinary course of business;

(xi) Investments consisting of cash advances to BRW to pay (x) BRW Administrative Expenses, (y) dividends and payments referred to in clauses (iv) and (v) of Section 5.02(g) and (z) debt service for Debt of BRW that is permitted under this Agreement; *provided* that (1) such advances are evidenced by promissory notes, in form and substance satisfactory to the Agents, and such promissory notes shall be pledged as security for the Obligations of the holder thereof under the Loan Documents to which such holder is a party and delivered to the Administrative Agent pursuant to the terms of the Security Agreements, (2) such advances are not made earlier than 1 Business Day before the day that the obligations are to be paid and (3) the proceeds of such advances are either deposited directly to a deposit account maintained with the Administrative Agent or another Lender and in which the Administrative Agent, for the benefit of the Lenders, has a security interest pursuant to the terms of the Security Agreements or applied directly for a purpose referred to in clause (x), (y) or (z) above; *provided further* , *however* , that if a Blocking Event has occurred and is continuing, no such Investments shall be made in respect of a payment on the New Notes or the Other Permitted Equity;

(xii) Investments in respect of Permitted Obligations;

(xiii) (I) Investments by BRW and its Subsidiaries in BCI and its Subsidiaries outstanding on the date hereof, and (II) each additional Investment by BRW and its Subsidiaries in BCI and its Subsidiaries that at the time created, incurred, assumed, made or otherwise arising constituted or resulted from a Permitted BCI Transaction so long as at such time no BCI Event of Default specified under Section 7.03(b) shall have occurred with respect to BCI or any of its Subsidiaries (other than a proceeding in connection with a Prepackaged Plan or a sale agreement executed prior to commencement of such proceedings which agreement contemplates a sale of all or substantially all of the assets of BCI and its Subsidiaries pursuant to Section 363 of the Bankruptcy Code);

(xiv) any Investment acquired as consideration received in respect of or as a result of any transaction under Section 5.02(e)(ix); and

(xv) Investments by BCI and its Subsidiaries in BCI and its Subsidiaries;

provided that no Investments shall be made on or after April 15, 2002 in Excluded Entities other than (x) Investments in Wireless LLC, (y) Investments consisting of debits and credits arising pursuant to the BRW Cash Management System (including such Investments made by Excluded Entities that are Subsidiaries of BCI prior to the date that is 30 days after the Effective Date); *provided* that all such cash advances made to such Excluded Entities constitute Pledged Debt; *provided further* that all such Investments made to the Mutual Subsidiaries be in an amount not to exceed $100,000 in aggregate at any time, and (z) in the case of CBT, Investments made pursuant to Section 5.02(f)(vi)).

(g) Restricted Payments . Declare or pay any dividends, purchase, redeem, retire, defease or otherwise acquire for value any of its Equity Interests now or hereafter outstanding, return any capital to its stockholders, partners or members (or the equivalent Persons thereof) as such, make any distribution of assets, Equity Interests, obligations or securities to its stockholders, partners or members (or the equivalent Persons thereof) as such or issue or sell any Equity Interests or accept any capital contributions, or permit any of its Subsidiaries to do any of the foregoing, or permit any of its Subsidiaries to purchase, redeem, retire, defease or otherwise acquire for value any Equity Interests in BRW or to issue or sell any Equity Interests therein (each a "***Restricted Payment***"), except that, so long as no Default shall have occurred and be continuing at the time of any action described below or would result therefrom:

(i) BRW may declare and pay dividends and distributions payable only in common stock of BRW or issue common stock of BRW to officers, directors and employees as part of compensation arrangements,

(ii) any Subsidiary may (A) declare and pay cash dividends to any other wholly owned Subsidiary of BRW (including BCI and its Subsidiaries) of which it is a Subsidiary and (B) accept capital contributions from its parent to the extent permitted under Sections 5.02(f)(i) and 5.02(f)(xii),

(iii) BCI may declare and pay scheduled dividend payments on the BCI Exchangeable Preferred Stock,

(iv) BRW may declare and pay scheduled dividend payments on the Convertible Preferred Stock and the Other Permitted Equity,

(v) payments pursuant to stock option plans or other stock related benefit plans approved by the Board of Directors of the Borrowers and in the ordinary course of business made to directors, officers, and employees of the Borrowers to repurchase capital stock of the Borrowers or equity equivalents of the Borrowers held by such Persons in case of resignation, the cessation of the employment or retirement of such Person (by death, disability or otherwise),

(vi) any Subsidiary of BRW (including BCI and its Subsidiaries) may:

(A) declare and pay cash dividends to BRW to pay (x) BRW Administrative Expenses, (y) dividends and payments referred to in

clauses (iv) and (v) of Section 5.02(g) and (z) debt service for Debt of BRW that is permitted under this Agreement; *provided* that (1) such dividends are not paid earlier than 1 Business Day before the day that the obligations are to be paid and (2) the proceeds of such dividends are deposited directly to a deposit account maintained with the Administrative Agent in which the Administrative Agent, for the benefit of the Lenders, has a security interest pursuant to the terms of the Security Agreements or applied directly for a purpose referred to in clause (x), (y) or (z) above, and

(B) distribute non-cash assets to BRW in connection with the merger or consolidation of a Subsidiary; *provided* that no Default has occurred and is continuing at the time of such transfer and the distribution of such non-cash assets is accompanied by a substantially simultaneous transfer of such non-cash assets from BRW to another Subsidiary,

(vii) (x) any Subsidiary of BRW (including BCI and its Subsidiaries) may make a dividend of Equity Interests, or distribution of Equity Interests, of any of its Subsidiaries to BRW or any wholly-owned Subsidiary of BRW that is a Subsidiary Guarantor and (y) Mutual Signal Holding Corp. may distribute all or substantially all of its assets to BCSI; *provided* in the case of clauses (x) and (y) such dividend or distribution is not materially adverse to the Lenders in the sole determination of the Administrative Agent.

(viii) BRW may issue and sell additional common stock for cash; *provided* that 50% of the Net Cash Proceeds of such issuance of additional common stock (other than common stock issued to employees, officers and directors as part of compensation arrangements) in excess of the first $50,000,000 in aggregate of such Net Cash Proceeds received pursuant to this clause (viii) and clause (x) below shall be applied to prepay the Facilities *first* ratably to the Term A Advances, the Term B Advances and the Term C Advances and to the remaining installments thereof pro rata and *second* to the Revolving Credit Advances as set forth in clause 2.06(b)(v); *provided further* that the Administrative Agent shall have received a certificate of a Responsible Officer of BRW certifying that after giving effect to such issuance, BRW and its Subsidiaries are on a pro forma basis in compliance with Section5.04 during the Facilities Period,

(ix) BRW may issue additional common stock upon the conversion of any of the Convertible Preferred Stock and the Other Permitted Equity,

(x) BRW may issue and sell Other Permitted Equity for cash; *provided* that 50% of the Net Cash Proceeds of the issuance of such Other Permitted Equity in excess of the first $50,000,000 in aggregate of such Net Cash Proceeds received pursuant to this clause (x) and clause (viii) above shall be applied to prepay the Facilities *first* ratably to the Term A Advances, the Term B Advances

and the Term C Advances and to the remaining installments thereof pro rata and *second* to the Revolving Credit Advances as set forth in clause 2.06(b)(v); *provided further* that the Administrative Agent shall have received a certificate of a Responsible Officer of BRW certifying that after giving effect to such issuance, BRW and its Subsidiaries are on a pro forma basis in compliance with Section5.04 during the Facilities Period,

(xi) as part of any BCI Exchange, (1) BCI may redeem the BCI Exchangeable Preferred Stock and (2) BRW may issue capital or preferred stock or other Equity Interests of BRW (including capital or preferred stock or other Equity Interests of BRW issued to a third party provided that the proceeds of such issuance are applied to the prepayment or retirement of the BCI Senior Subordinated Notes); *provided* that (A) any such preferred stock or other Equity Interest (x) contains only pay in kind interest payment obligations during the Facilities Period, and (y) is not convertible or exchangeable for any Equity Interests other than common stock of BRW, (B) the aggregate amount of cash paid in respect of redemptions, repayments or fees in connection with all BCI Exchanges shall not exceed the amounts agreed to in writing by BRW and the Agents and (C) any instrument or agreement evidencing such preferred stock or other Equity Interest entered into in connection with a BCI Exchange will not contain any grant of collateral or rights to collateral or any covenants or defaults that are more restrictive, or subordination terms that are more narrow, in any material respect than the terms of the Oak Hill Indenture and will not provide any put, redemption or prepayment right, or any amortization or maturity date, prior to the end of the Facilities Period,

(xii) BRW may issue the Warrants and additional shares of common stock of BRW upon exercise of the Warrants in accordance with the terms of the Warrant Agreement as in effect on the date hereof, and

(xiii) BRW and its Subsidiaries may effect any such transaction that at the time so effected constituted or resulted from a Permitted BCI Transaction so long as at such time no BCI Event of Default specified under Section 7.03(b) shall have occurred with respect to BCI or any of its Subsidiaries (other than a proceeding in connection with a Prepackaged Plan or a sale agreement executed prior to commencement of such proceedings which agreement contemplates a sale of all or substantially all of the assets of BCI and its Subsidiaries pursuant to Section 363 of the Bankruptcy Code).

(h) Amendments of Constitutive Documents . Amend, or permit any of its Subsidiaries to amend, its certificate of incorporation or bylaws or other constitutive documents, except (i) in connection with any BCI Exchange, or (ii) where such amendment could not reasonably be expected to have a Material Adverse Effect or to adversely affect the rights or interests of the Lender Parties; *provided* that copies of any such amendment to the certificate of incorporation, by-laws or other constitutive

documents of any Borrower or any Subsidiary shall be delivered promptly to the Administrative Agent.

(i) Accounting Changes . Make or permit, or permit any of its Subsidiaries (other than BCI and its Subsidiaries) to make or permit, any change in (i)accounting policies or reporting practices, except as required by generally accepted accounting principles, or (ii)Fiscal Year.

(j) Prepayments, Etc., of Debt . Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, or make any payment in violation of any subordination terms of, any Debt, except (i)the prepayment of the Advances in accordance with the terms of this Agreement, (ii)the repurchase of the BCI Senior Subordinated Notes and the BCI 12 1/2% Senior Notes to the extent permitted under Section 5.02(e)(ix)(C) or otherwise repurchase the BCI 12 1/2% Senior Notes for an aggregate amount not to exceed an amount agreed to in writing by BRW and the Agents or, (iii)regularly scheduled or required repayments or redemptions of Surviving Debt so long as such repayment or redemption does not violate any subordination terms of such Surviving Debt, (iv) consummation of any BCI Exchange to the extent permitted under Sections 5.02(b)(i)(F) and 5.02(g)(xi), (v) the payment of guaranty obligations of BRW in respect of Permitted Obligations, or (vi) the tender of Junior Notes to effect the exercise of the Warrants to the extent provided in the Junior Note Documents in effect on the date hereof, or amend, modify or change in any manner any term or condition of any Surviving Debt or Subordinated Debt , or permit any of its Subsidiaries to do any of the foregoing other than to prepay any Debt payable to the Borrowers *provided* that, with respect to any prepayment of Debt of any member of the BCI Group by any member of the BRW Group, such prepayment is permitted under Section 5.02(f)(xiii), and amendments, modifications or changes to any instrument relating to the BCI Senior Subordinated Notes in connection with any BCI Exchange to the extent permitted under Sections 5.02(b)(i)(F).

(k) Amendment, Etc., of Related Documents . Cancel or terminate any Related Document or consent to or accept any cancellation or termination thereof, amend, modify or change in any manner any term or condition of any Related Document or give any consent, waiver or approval thereunder, waive any default under or any breach of any term or condition of any Related Document, agree in any manner to any other amendment, modification or change of any term or condition of any Related Document or take any other action in connection with any Related Document, in each case if such action would in any material respect impair the value of the interest or rights of any Loan Party thereunder or the rights or interests of any Agent or any Lender Party, or permit any of its Subsidiaries to do any of the foregoing, other than amendments, modifications or changes to the Related Documents in connection with (i) effecting any BCI Exchange or (ii) to the extent permitted under Section 5.02(v).

(l) Negative Pledge . Enter into or suffer to exist, or permit any of its Subsidiaries (other than BCI and its Subsidiaries) to enter into or suffer to exist, any agreement prohibiting or conditioning the creation or assumption of any Lien upon any of

its property or assets except (i)in favor of the Secured Parties or (ii)in connection with(A) any Surviving Debt to the extent such agreement is in effect on the date hereof (and any extension, renewal, refunding or replacement thereof), (B) any purchase money Debt permitted by Section5.02(b)(iii)(B) solely to the extent that the agreement or instrument governing such Debt prohibits a Lien on the property acquired with the proceeds of such Debt, and (C) any agreement setting forth customary restrictions on the subletting, assignment or transfer of any property or asset that is a lease, license or conveyance of similar property or assets or (iii) provisions in the Junior Notes and customary provisions in the New Notes; *provided* such provisions permit Liens under the Loan Documents.

(m) Partnerships, Etc . Become a general partner in any general or limited partnership or joint venture, or permit any of its Subsidiaries (other than BCI and its Subsidiaries) to do so except to the extent that the investment in any such partnership or joint venture is an investment permitted by Section5.02(f) and the indebtedness of any such entity (to the extent BRW or any Subsidiary is liable therefor) is permitted pursuant to Section5.02(b).

(n) Speculative Transactions . Engage, or permit any of its Subsidiaries (other than BCI and its Subsidiaries) to engage, in any transaction speculative in nature, except those entered into in the ordinary course of business to eliminate or mitigate risks to which BRW or any of its Subsidiaries is exposed in the conduct of its business or the management of its liabilities (including but not limited to transactions entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise)).

(o) Formation of Subsidiaries; Existing Lines of Business . (i) Organize or invest, or permit any Subsidiary (other than BCI and its Subsidiaries) to organize or invest, in any new Subsidiary except as permitted under Sections5.02(d) and 5.02(f)(i) or (ii) enter into, or permit any Subsidiary to enter into, any line of business other than the lines of business currently engaged in by BRW and its Subsidiaries on the Effective Date.

(p) Payment Restrictions Affecting Subsidiaries . Directly or indirectly, enter into or suffer to exist, or permit any of its Subsidiaries (other than BCI and its Subsidiaries) to enter into or suffer to exist, any agreement or arrangement limiting the ability of any of its Subsidiaries to declare or pay dividends or other distributions in respect of its Equity Interests or repay or prepay any Debt owed to, make loans or advances to, or otherwise transfer assets to or invest in, BRW or any of its Subsidiaries (whether through a covenant restricting dividends, loans, asset transfers or investments, a financial covenant or otherwise), except (i)the Loan Documents, (ii)any agreement or instrument evidencing Surviving Debt as in effect on the date hereof, (iii)any Permitted Preferred Stock Documents, (iv) the Junior Notes and (v) any Debt or preferred stock issued pursuant to a BCI Exchange in accordance with Sections 5.02(b)(i)(F) or 5.02(g)(xi).

(q) Section 355(e). With respect to BRW, take any action that could reasonably be expected to result in BRW being required to recognize gain under Section355(e) of the Code.

(r) Exchange of BCI Exchangeable Preferred Stock. Exchange the BCI Exchangeable Preferred Stock into Debt except to the extent such Debt is permitted under Section 5.02(b)(i)(F).

(s) Deposit Accounts. (i) Except for accounts subject to the Escrow Agreements or any similar escrow accounts entered into pursuant to a sale agreement in accordance with Section 5.02(e)(ix) in lieu of the BCSI Sale Agreement, hold any deposit accounts of either Borrower or any of their Subsidiaries (other than payroll, workmen's compensation, health and welfare, PAC accounts and similar types of accounts) that are not held with the Administrative Agent or with a third party bank subject to a control agreement that is in form and substance reasonably satisfactory to the Administrative Agent.

(ii) Upon release to the Borrowers or any of their Subsidiaries of any amounts in any account subject to an Escrow Agreement or any similar escrow accounts entered into pursuant to a sale agreement in accordance with Section 5.02(e)(ix) in lieu of the BCSI Sale Agreement, if BRW makes a good faith determination that additional amounts are needed to pay liabilities pursuant to Section 5.02(e)(ix)(E), BRW shall apply such amounts to prepay Revolving Credit Borrowings (without any reduction of the Revolving Credit Commitments) and such amounts shall increase the Reserved Commitments under Section 5.02(e)(ix)(E); *provided* that if the Reserved Commitments shall previously have been drawn to fund a collateral account pursuant to Section 5.02(e)(ix)(E), such amount shall instead be deposited to such account; *provided further* that if BRW makes a good faith determination that additional amounts are not needed to pay liabilities pursuant to Section 5.02(e)(ix)(E), such Net Cash Proceeds shall be applied to repay the Advances in accordance with clauses (A), (B) and (C) of Section 5.02(e)(ix).

(t) Negative Covenants Applicable to Wireless Holdco. Notwithstanding Section 5.02, permit Wireless Holdco to enter into or conduct any business, or engage in any activity (including, without limitation, any action or transaction that is restricted under Section 5.02 without regard to any of the enumerated exceptions to such covenants) other than providing general management services to Wireless LLC, holding the Equity Interests of Wireless LLC, exercising the voting rights and obligations as a member of Wireless LLC, holding and operating the Spectrum Assets, performing any obligations under the Loan Documents and engaging in other activities incidental and directly related to its existence and the foregoing.

(u) Negative Covenants Applicable to the Real Estate SPV. Notwithstanding Section 5.02, so long as the Real Estate SPV holds any Collateral, permit the Real Estate SPV to enter into or conduct any business, or engage in any activity (including, without limitation, any action or transaction that is restricted under Section 5.02 without regard to any of the enumerated exceptions to such covenants) other than holding real property

interests and entering into and performing its obligations under leases with respect thereto, performing its obligations under the Loan Documents and engaging in other activities incidental and directly related to its existence and the foregoing.

(v) Covenant Regarding Other Debt Holders . In connection with obtaining the Oak Hill Waiver or any other waiver or forbearance by any holder of any Debt of any right to accelerate such Debt as a result of a Specified Default, (i) prior to the end of the Facilities Period, pay or otherwise provide cash fees, additional cash pay interest or other cash pay financial consideration in excess of the amounts agreed to in writing by BRW and the Agents to any holder of any such Debt or (ii) modify any existing agreement or instrument or enter into any additional agreement or instrument after the date hereof with any holder of any such Debt in connection with effecting any of the foregoing unless such modifications or additional agreements or instruments provide that (A) any additional payment obligations arising under any such modification or additional agreement or instrument shall be (x) permitted under clause (i) above or (y) payable in kind and not be subject to any put, redemption or prepayment right during the Facilities Period, and (B) no such modification will (w) add any collateral or rights to collateral, (x) advance any amortization requirement or maturity date, (y) change any covenant, default or provision with the result that it is in any material respect more restrictive (e.g., less favorable to the Borrowers or their Subsidiaries or the Lender Parties) than the terms of the Junior Notes Indenture or change any term of subordination with the result that it is in any material respect more narrow (e.g., less favorable to the Borrowers or their Subsidiaries or the Lender Parties) than the terms of the Junior Notes Indenture or (z) add any new covenant or default provision that is in any material respect more restrictive (e.g., less favorable to the Borrowers or their Subsidiaries or the Lender Parties) than the terms of the Junior Notes Indenture.

(w) Covenant Regarding BCI Cash and Cash Expenditures . Permit BCI and its Subsidiaries to (A) except as a result of any transaction permitted under Section 5.02(e)(ix), hold collected cash balances (net of any cash in accounts subject to the Escrow Agreements or other escrow arrangements permitted under Section 5.02(a)(xiii) or required under Section 5.02(e)(ix)(E)) in excess of $15,000,000 at any time, and (B) other than in connection with the payment of claims and liabilities following any transaction permitted under Section 5.02(e)(ix), make cash expenditures other than in the ordinary course of business consistent with past practices.

SECTION 5.03. Reporting Requirements. So long as any Advance or any other Obligation of any Loan Party under any Loan Document shall remain unpaid, any Letter of Credit shall be outstanding or any Lender Party shall have any Commitment hereunder, the Borrowers will furnish to the Agents and the Lender Parties:

(a) Default Notice . As soon as possible and in any event within two days after the occurrence of each Default or any event, development or occurrence reasonably likely to have a Material Adverse Effect continuing on the date of such statement, a statement of the chief financial officer of BRW setting forth details of such Default and the action that the Borrowers have taken and proposes to take with respect thereto.

(b) Annual Financials . As soon as available and in any event within 95 days after the end of each Fiscal Year, a copy of (1) the annual audit report for such year for BRW and its Subsidiaries (including BCI and its Subsidiaries), including therein a Consolidated balance sheet of BRW and its Subsidiaries (including BCI and its Subsidiaries) as of the end of such Fiscal Year and Consolidated and consolidating statements of income and Consolidated and consolidating statements of cash flows of BRW and its Subsidiaries (including BCI and its Subsidiaries) for such Fiscal Year, in each case accompanied by an opinion acceptable to the Required Lenders of PWC or other independent public accountants of recognized standing acceptable to the Required Lenders (it being understood and agreed that a qualified opinion for Fiscal Year 2002 shall not be deemed to be not "acceptable" solely because of such qualification provided that the Agents receive confirmation from PWC as to the absence of significant factors resulting in the qualification other than the financial condition and liquidity of BCI and the bankruptcy default relating to BCI in the Oak Hill Indenture), together with (i)a certificate of such accounting firm to the Lender Parties stating that in the course of the regular audit of the business of BRW and its Subsidiaries (including BCI and its Subsidiaries), which audit was conducted by such accounting firm in accordance with generally accepted auditing standards, such accounting firm has obtained no knowledge that a Default has occurred and is continuing, or if, in the opinion of such accounting firm, a Default has occurred and is continuing, a statement as to the nature thereof, (ii)a schedule in form satisfactory to the Administrative Agent of the computations used by such accountants in determining, as of the end of such Fiscal Year, compliance with the covenants contained in Section5.04, *provided* that in the event of any change in GAAP used in the preparation of such financial statements, BRW shall also provide, if necessary for the determination of compliance with Section 5.04, a statement of reconciliation conforming such financial statements to GAAP, (2) the annual unaudited report for such year for BRW and its Subsidiaries (other than BCI and its Subsidiaries), including therein a Consolidated balance sheet of BRW and its Subsidiaries as of the end of such Fiscal Year and Consolidated and consolidating statements of income and Consolidated and consolidating statements of cash flows of BRW and its Subsidiaries for such Fiscal Year, all in reasonable detail and duly certified (subject to normal year-end audit adjustments) by the Chief Financial Officer of BRW as having been prepared in accordance with GAAP, and (3)a certificate of the Chief Financial Officer of BRW stating that no Default has occurred and is continuing or, if a default has occurred and is continuing, a statement as to the nature thereof and the action that BRW has taken and proposes to take with respect thereto.

(c) Quarterly Financials . As soon as available and in any event within 50 days after the end of each of the first three quarters of each Fiscal Year, Consolidated and consolidating balance sheets of BRW and its Subsidiaries (including BCI and its Subsidiaries) and of BRW and its Subsidiaries (other than BCI and its Subsidiaries), in each case, as of the end of such quarter and Consolidated and consolidating statements of income and a Consolidated and consolidating statement of cash flows of BRW and its Subsidiaries (including BCI and its Subsidiaries) and of BRW and its Subsidiaries (other than BCI and its Subsidiaries), in each case, for the period commencing at the end of the previous fiscal quarter and ending with the end of such fiscal quarter and Consolidated

and consolidating statements of income and a Consolidated and consolidating statement of cash flows of BRW and its Subsidiaries (including BCI and its Subsidiaries) and of BRW and its Subsidiaries (other than BCI and its Subsidiaries), in each case, for the period commencing at the end of the previous Fiscal Year and ending with the end of such quarter, setting forth in each case in comparative form the corresponding figures for the corresponding date or period of the preceding Fiscal Year, all in reasonable detail and duly certified (subject to normal year-end audit adjustments) by the Chief Financial Officer of BRW as having been prepared in accordance with GAAP, together with (i)a certificate of said officer stating that no Default has occurred and is continuing or, if a Default has occurred and is continuing, a statement as to the nature thereof and the action that BRW has taken and proposes to take with respect thereto and (ii)a schedule in form satisfactory to the Administrative Agent of the computations used by BRW in determining compliance with the covenants contained in Section 5.04, *provided* that in the event of any change in GAAP used in the preparation of such financial statements, BRW shall also provide, if necessary for the determination of compliance with Section 5.04, a statement of reconciliation conforming such financial statements to GAAP.

(d) Annual Forecasts . As soon as available and in any event no later than 15 days before the end of each Fiscal Year, forecasts prepared by management of BRW in form satisfactory to the Agents, of balance sheets, income statements and cash flow statements on a quarterly basis for the Fiscal Year following such Fiscal Year and on an annual basis for each Fiscal Year thereafter until the Final Maturity Date of the Term C Facility.

(e) Quarterly Cash Budget . As soon as available and in any event no later than 20 Business Days after the commencement of each fiscal quarter, (i) a forecasted budget of BCI's cash expenditures for such fiscal quarter, (ii) a reconciliation of actual results to the budget for the immediately preceding fiscal quarter and (iii) a review and reconciliation for the immediately preceding fiscal quarter of all reserves referred to under Section 5.02(e)(ix)(E), with a copy delivered to FTI by BRW, which items shall be reviewed by FTI in consultation with BRW for one day each fiscal quarter at the expense of BRW not to exceed $10,000 plus reasonable out-of-pocket expenses per review; provided that the expense of each such review may be increased to not more than $25,000 plus reasonable out-of-pocket expenses if the First Stage Closing Date (as defined in the BCSI Sale Agreement) does not occur by June 30, 2003 or if the Agents reasonably determine that the scope of FTI's review should be increased.

(f) Litigation . Promptly after the commencement thereof, notice of all actions, suits, investigations, litigation and proceedings before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting any Loan Party or any of its Subsidiaries of the type described in Section4.01(f).

(g) Securities Reports . Promptly after the sending or filing thereof, copies of all proxy statements, financial statements and reports that any Loan Party or any of its Subsidiaries sends to its stockholders, and copies of all regular, periodic and special

reports, and all registration statements, that any Loan Party or any of its Subsidiaries files with the Securities and Exchange Commission or any governmental authority that may be substituted therefor, or with any national securities exchange (or, unless any Lender Party requests otherwise, if any mailing or filing is available electronically on Edgar, any website maintained by BRW or any other electronic source generally accessible, in lieu of providing physical copies, a notice of such mailing or filing may be given to each Lender Party together with instructions for the electronic retrieval thereof).

(h) Creditor Reports. Promptly after the furnishing thereof, copies of any statement or report furnished to any holder of Debt securities of any Loan Party or of any of its Subsidiaries pursuant to the terms of any indenture, loan or credit or similar agreement and not otherwise required to be furnished to the Lender Parties pursuant to any other clause of this Section5.03.

(i) Agreement Notices. Promptly upon receipt thereof, copies of all notices, requests and other documents received by any Loan Party or any of its Subsidiaries under or pursuant to any Related Document or instrument, indenture, loan or credit or similar agreement and copies of all notices of default or termination under or related to any Material Contract and, from time to time upon request by the Administrative Agent, such information and reports regarding the Related Documents, the Material Contracts and such instruments, indentures and loan and credit and similar agreements as the Administrative Agent may reasonably request.

(j) ERISA. (i) ERISA Events and ERISA Reports. (A)Promptly and in any event within 10 days after any Loan Party or any ERISA Affiliate knows or has reason to know that any ERISA Event has occurred, a statement of the Chief Financial Officer of BRW describing such ERISA Event and the action, if any, that such Loan Party or such ERISA Affiliate has taken and proposes to take with respect thereto and (B)on the date any records, documents or other information must be furnished to the PBGC with respect to any Plan pursuant to Section 4010 of ERISA, a copy of such records, documents and information;

(ii) Plan Terminations. Promptly and in any event within five Business Days after receipt thereof by any Loan Party or any ERISA Affiliate, copies of each notice from the PBGC stating its intention to terminate any Plan or to have a trustee appointed to administer any Plan;

(iii) Plan Annual Reports. Promptly upon the request of either Agent, copies of each ScheduleB (Actuarial Information) to the annual report (Form5500 Series) with respect to each Plan; and

(iv) Multiemployer Plan Notices. Promptly and in any event within five Business Days after receipt thereof by any Loan Party or any ERISA Affiliate from the sponsor of a Multiemployer Plan, copies of each notice concerning (A)the imposition of Withdrawal Liability by any such Multiemployer Plan, (B)the reorganization or termination, within the meaning of TitleIV of ERISA, of any such Multiemployer Plan or (C)the amount of liability incurred, or that

may be incurred, by such Loan Party or any ERISA Affiliate in connection with any event described in clause(A) or (B);

provided , *however* , that the statement under Section5.03(i)(i)(A) and the notice under Section5.03(i)(iv) are required to be given only if the event or circumstance identified in such statement or notice, when aggregated with any other events or circumstances required to be reported under this Section5.03(i) could reasonably be expected to result in a Material Adverse Effect.

(k) Environmental Conditions . Promptly and in any event within five Business Days after a Responsible Officer becomes aware of the assertion or occurrence thereof, notice of:

(i) any condition or occurrence on or arising from any property owned or operated by any of the Loan Parties or any of their respective Subsidiaries that resulted or is alleged to have resulted in noncompliance by any such Loan Party or any such Subsidiary with any Environmental Law or Environmental Permit in such a manner as, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect; and

(ii) any condition or occurrence on any property owned or operated by any of the Loan Parties or any of their respective Subsidiaries that could reasonably be expected to cause such property to be subject to any restrictions on the ownership, occupancy, use or transferability by any such Loan Party or any such Subsidiary of such property under any Environmental Law which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

All such notices shall set forth in reasonable detail the nature of the condition, occurrence, removal or remedial action described therein and, in the case of each such condition or occurrence, the action that such Loan Party or such Subsidiary has taken and/or proposes to take with respect thereto.

(l) Insurance . As soon as available and in any event within 30 days after the end of each Fiscal Year, a report summarizing the insurance coverage (specifying type, amount and carrier) in effect for each Loan Party and its Subsidiaries and containing such additional information as any Agent, or any Lender Party through the Administrative Agent, may reasonably specify.

(m) BCI Sale Information . At the end of each fiscal quarter following the First Stage Closing Date (as defined in the BCSI Sale Agreement) or any other closing of the sale of all or substantially all of the assets of BCI and its Subsidiaries pursuant to Section 5.02(e)(ix) if other than pursuant to the BCSI Sale Agreement, a report summarizing the amount of funds held in the accounts subject to an Escrow Agreement, all amounts held in reserve pursuant to Section 5.02(e)(ix)(E), and the status of the sale of assets of BCI and its Subsidiaries pursuant to the BCSI Sale Agreement (or any similar agreement entered into pursuant to Section 5.02(e)(ix) if other than the BCSI Sale Agreement).

(n) Other Information . Such other information respecting the business, condition (financial or otherwise), operations, performance, properties or prospects of any Loan Party or any of its Subsidiaries as any Agent, or any Lender Party through the Administrative Agent, may from time to time reasonably request.

SECTION 5.04. Financial Covenants . So long as any Advance or any other Obligation of any Loan Party under any Loan Document shall remain unpaid, any Letter of Credit shall be outstanding or any Lender Party shall have any Commitment hereunder:

(a) Debt to EBITDA Ratio . BRW and its Subsidiaries, on a consolidated basis, will maintain at all times a Debt/EBITDA Ratio of not more than the amount set forth below during each period set forth below:

Period	Ratio
From January 1, 2003 through March 31, 2003	5.20
From April 1, 2003 through June 30, 2003	5.60
From July 1, 2003 through September 30, 2003	5.90
From October 1, 2003 through March 30, 2004	6.20
From March 31, 2004 through June 29, 2004	6.10
From June 30, 2004 through September 29, 2004	5.95
From September 30, 2004 through December 30, 2004	5.85
From December 31, 2004 through March 30, 2005	5.75
From March 31, 2005 through June 29, 2005	5.60
From June 30, 2005 through September 29, 2005	5.45
From September 30, 2005 through December 30, 2005	5.25
From December 31, 2005 through March 30, 2006	5.10
From March 31, 2006 through June 29, 2006	5.00
From June 30, 2006 through September 29, 2006	4.90
From September 30, 2006 December 30, 2006	4.75
From December 31, 2006 through March 30, 2007	4.70
From March 31, 2007 through June 29, 2007	4.65
From June 30, 2007 and thereafter	4.55

(b) Senior Secured Debt to EBITDA Ratio . BRW and its Subsidiaries, on a consolidated basis, will maintain at all times a Senior Secured Debt/EBITDA Ratio of not more than the amount set forth below during each period set forth below:

Period	Ratio
From January 1, 2003 through March 31, 2003	3.45
From April 1, 2003 through June 30, 2003	3.70
From July 1, 2003 through September 30, 2003	3.85
From October 1, 2003 through March 30, 2004	4.00
From March 31, 2004 through June 29, 2004	3.85
From June 30, 2004 through September 29, 2004	3.75
From September 30, 2004 through December 30, 2004	3.60
From December 31, 2004 through March 30, 2005	3.50
From March 31, 2005 through June 29, 2005	3.35
From June 30, 2005 through September 29, 2005	3.25
From September 30, 2005 thorough December 30, 2005	3.05
From December 31, 2005 through March 30, 2006	2.95
From March 31, 2006 through June 29, 2006	2.85
From June 30, 2006 through September 29, 2006	2.75
From September 30, 2006 through December 30, 2006	2.60
From December 31, 2006 through March 30, 2007	2.60
From March 31, 2007 through June 29, 2007	2.50
From June 30, 2007 and thereafter	2.45

(c) Interest Coverage Ratio . BRW and its Subsidiaries, on a consolidated basis, will maintain at all times an Interest Coverage Ratio of not less than the amount set forth below during each period set forth below:

Period	Ratio
From January 1, 2003 through March 31, 2003	3.75
From April 1, 2003 through June 30, 2003	3.30
From July 1, 2003 through September 30, 2003	2.95
From October 1, 2003 through December 31, 2003	2.70
From January 1, 2004 through March 31, 2004	2.65
From April 1, 2004 through June 30, 2004	2.80
From July 1, 2004 through September 30, 2004	2.70
From October 1, 2004 through December 31, 2004	2.60
From January 1, 2005 through March 31, 2005	2.45
From April 1, 2005 through June 30, 2005	2.35
From July 1, 2005 through September 30, 2005	2.35
From October 1, 2005 through December 31, 2005	2.35
From January 1, 2006 through March 31, 2006	2.40
From April 1, 2006 through June 30, 2006	2.40
From July 1, 2006 through September 30, 2006	2.45
From October 1, 2006 through December 31, 2006	2.45
From January 1, 2007 through March 31, 2007	2.50
From April 1, 2007 through June 30, 2007 and thereafter	2.50

(d) Maximum Capital Expenditures . BRW will not make, or permit any of its Subsidiaries to make, any Capital Expenditures that would cause the aggregate of all such Capital Expenditures made by BRW and such Subsidiaries in any period set forth below to exceed the amount set forth below for such period:

Period		Amount
January 1, 2003 through December 31, 2003	$	146,000,000
January 1, 2004 through December 31, 2004	$	114,000,000
January 1, 2005 through December 31, 2005	$	114,000,000
January 1, 2006 through December 31, 2006	$	112,000,000
January 1, 2007 through June 29, 2007 and thereafter	$	118,000,000

provided that (i) any amount permitted above that is not used in any Fiscal Year may be carried forward to the next Fiscal Year (but not to succeeding years) it being understood that any such amounts carried forward will be the first funds used in such next Fiscal Year, (ii) BRW shall be permitted to make any Capital Expenditures that are required pursuant to any binding direction or requirement of any applicable telecommunications regulatory authority or any regulatory authority having jurisdiction over BRW's telecommunications operations or equipment which becomes effective after the date hereof not to exceed $25,000,000 in any Fiscal Year or $50,000,000 in aggregate for the term of the Facilities, so long as BRW provides satisfactory documentation thereof, (iii) the amount of permitted Capital Expenditures in any Fiscal Year will be increased by the amount of Net Cash Proceeds from issuances of common stock or Other Permitted Equity that are retained by BRW pursuant to Sections 5.02(g)(viii) and 5.02(g)(x) (after giving effect to all required prepayments of the Facilities) in an amount not to exceed $25,000,000 per Fiscal Year and (iv) any amount permitted under clause (iii) that is not used in the Fiscal Year in which such additional amount arises may be carried forward to the next Fiscal Year (but not to succeeding years) it being understood that any such amounts carried forward will be the first funds used in such next Fiscal Year after the application of any amount under clause (i) in such Fiscal Year. To the extent that any consideration paid for Capital Expenditures constitutes capital stock of BRW, such consideration shall not constitute a Capital Expenditure for purposes of the limitations in this Section 5.04(d).

ARTICLE VI

BRW GUARANTY

SECTION 6.01. BRW Guaranty . (a) BRW hereby unconditionally and irrevocably guarantees (the undertaking by BRW under this Article VI being, as amended from time to time, the "***BRW Guaranty***") the punctual payment when due, whether at scheduled maturity or at a date fixed for prepayment or by acceleration, demand or otherwise, of all of the Obligations of each of the other Loan Parties now or hereafter existing under or in respect of the Loan Documents (including, without limitation, any extensions, modifications, substitutions, amendments or renewals of any or all of the foregoing Obligations), whether direct or indirect, absolute or contingent, and whether for principal, interest, premium, fees, indemnification payments, contract causes of action, costs, expenses or otherwise (such Obligations being the "***Guaranteed Obligations***"), and agrees to pay any and all expenses (including, without limitation, reasonable fees and expenses of counsel) incurred by the Administrative Agent or any of the other Secured Parties in enforcing any rights under this BRW Guaranty. Without limiting the generality of the foregoing, the liability of BRW shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by any of the other Loan Parties to the Administrative Agent or any of the other Secured Parties under or in respect of the Loan Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving such other Loan Party.

(b) BRW and, by its acceptance of this BRW Guaranty, the Administrative Agent and each of the other Secured Parties, hereby confirm that it is the intention of all such Persons that this BRW Guaranty and the Obligations of BRW hereunder not constitute a fraudulent transfer or conveyance for purposes of the United States Federal Bankruptcy Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state Requirements of Law covering the protection of creditors' rights or the relief of debtors to the extent applicable to this BRW Guaranty and the BRW Obligations hereunder. To effectuate the foregoing intention, BRW, the Administrative Agent and each of the other Secured Parties hereby irrevocably agree that, solely with respect to the Guaranteed Obligations and the other liabilities of BRW under this BRW Guaranty which result from or arise out of its guarantee under subsection (a) of this Section 6.01 of the Obligations of the Loan Parties under or in respect of the Loan Documents, such Guaranteed Obligations and other liabilities shall be limited to the maximum amount as will, after giving effect to such maximum amount and all other contingent and fixed liabilities of BRW that are relevant under such Requirements of Law, and after giving effect to any collections from, any rights to receive contributions from, or payments made by or on behalf of, any of the Subsidiaries of BRW in respect of the Obligations of such Subsidiary under the Subsidiaries Guarantees and, in the case of this BRW Guaranty, result in the Guaranteed Obligations and all other liabilities of BRW under this BRW Guarantee not constituting a fraudulent transfer or conveyance.

(c) BRW hereby unconditionally and irrevocably agrees that, in the event any payment shall be required to be made to the Secured Parties under this BRW Guaranty or the Subsidiary Guaranties or any other guarantee, BRW will contribute, to the maximum extent

permitted by law, such amounts to each other guarantor as would maximize the aggregate amount payable to the Secured Parties under or in respect of the Loan Documents.

SECTION 6.02. Guarantee Absolute . (a) BRW guarantees that all of the Guaranteed Obligations will be paid strictly in accordance with the terms of the Loan Documents, regardless of any Requirements of Law now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Administrative Agent or any of the other Secured Parties with respect thereto. The Obligations of BRW under this BRW Guaranty are independent of the Guaranteed Obligations or any other Obligations of any of the other Loan Parties under or in respect of the Loan Documents, and a separate action or actions may be brought and prosecuted against BRW to enforce this BRW Guaranty, irrespective of whether any action is brought against any of the other Loan Parties or whether any of the other Loan Parties is joined in any such action or actions. The liability of BRW under this BRW Guaranty shall be absolute, unconditional and irrevocable irrespective of, and BRW hereby irrevocably waives any defenses it may now have or may hereafter acquire in any way relating to, any and all of the following:

(i) any lack of validity or enforceability of any of the Loan Documents or any other agreement or instrument relating thereto;

(ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations or any other Obligations of any of the Loan Parties under or in respect of the Loan Documents, or any other amendment or waiver of, or any consent to departure from, any of the Loan Documents (including, without limitation, any increase in the Guaranteed Obligations resulting from the extension of additional credit to any of the other Loan Parties or any of their respective Subsidiaries or otherwise);

(iii) any taking, exchange, release or nonperfection of any of the Collateral, or any taking, release or amendment or waiver of, or consent to departure from, the Subsidiary Guaranties or any other guarantee, for all or any of the Guaranteed Obligations;

(iv) any manner of application of Collateral, or proceeds thereof, to all or any of the Guaranteed Obligations, or any manner of sale or other disposition of any Collateral for all or any of the Guaranteed Obligations or any other Obligations of any of the other Loan Parties under or in respect of the Loan Documents, or any other property and assets of any of the other Loan Parties or any of their respective Subsidiaries;

(v) any change, restructuring or termination of the legal structure or existence of any of the other Loan Parties or any of their respective Subsidiaries;

(vi) any failure of any of the Secured Parties to disclose to any of the Loan Parties any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any of the other Loan Parties now or hereafter known to such Secured Party;

(vii) the failure of any other Person to execute the Subsidiary Guaranties or any other guarantee or agreement or the release or reduction of liability of any of the other Loan Parties or any other guarantor or surety with respect to the Guaranteed Obligations; or

(viii) any other circumstance (including, without limitation, any statute of limitations or any existence of or reliance on any representation by the Administrative Agent or any of the other Secured Parties) that might otherwise constitute a defense available to, or a discharge of, BRW, such Borrower, any of the other Loan Parties or any other guarantor or surety.

This BRW Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Administrative Agent or any of the other Secured Parties or by any other Person upon the insolvency, bankruptcy or reorganization of any of the other Loan Parties or otherwise, all as though such payment had not been made, and BRW hereby unconditionally and irrevocably agrees that it will indemnify the Administrative Agent and each of the other Secured Parties, upon demand, for all of the costs and expenses (including, without limitation, reasonable fees and expenses of counsel) incurred by the Administrative Agent or such other Secured Party in connection with any such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, a fraudulent transfer or a similar payment under any bankruptcy, insolvency or similar Requirements of Law.

(b) BRW hereby further agrees that, as between BRW on the one hand, and the Administrative Agent and the Secured Parties, on the other hand, (i) the Guaranteed Obligations of BRW may be declared to be forthwith due and payable as provided in Section 7.01 (and shall be deemed to have become automatically due and payable in the circumstances provided in Section 7.01) for purposes of Section 6.01, notwithstanding any stay, injunction or other prohibition preventing such declaration in respect of the Obligations of any of the Loan Parties guaranteed hereunder (or preventing such Guaranteed Obligations from becoming automatically due and payable) as against any other Person and (ii) in the event of any declaration of acceleration of such Guaranteed Obligations (or such Guaranteed Obligations being deemed to have become automatically due and payable) as provided in Section 7.01, such Guaranteed Obligations (whether or not due and payable by any other Person) shall forthwith become due and payable by BRW for all purposes of this Guarantee.

SECTION6.03. Waivers and Acknowledgments. (a) BRW hereby unconditionally and irrevocably waives promptness, diligence, notice of acceptance, presentment, demand for performance, notice of nonperformance, default, protest, dishonor and any other notice with respect to any of the Guaranteed Obligations and this BRW Guaranty, and any requirement that the Administrative Agent or any of the other Secured Parties protect, secure, perfect or insure any Lien or any property or assets subject thereto or exhaust any right or take any action against any of the other Loan Parties or any other Person or any of the Collateral.

(b) BRW hereby waives (i)any defense arising by reason of any claim or defense based upon an election of remedies by the Administrative Agent or the other Secured Parties which in any manner impairs, reduces, releases or otherwise adversely affects the subrogation, reimbursement, exoneration, contribution or indemnification rights of BRW or any other rights of BRW to proceed against any of the other Loan Parties, any other guarantor or any other Person or any of the Collateral, and (ii)any defense based on any right of setoff or counterclaim against or in respect of the Obligations of BRW under this BRW Guaranty.

(c) BRW hereby unconditionally and irrevocably waives any duty on the part of the Administrative Agent or any of the other Secured Parties to disclose to BRW any matter, fact or thing relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any of the other Loan Parties or any of their respective Subsidiaries or the property and assets thereof now or hereafter known by the Administrative Agent or such other Secured Party.

(d) BRW hereby unconditionally waives any right to revoke this BRW Guaranty, and acknowledges that this BRW Guaranty is continuing in nature and applies to all Guaranteed Obligations, whether existing now or in the future.

(e) BRW hereby acknowledges that it will receive substantial direct and indirect benefits from the financing arrangements contemplated by the Loan Documents and that the waivers set forth in Section 6.02 and in this Section 6.03 are knowingly made in contemplation of such benefits.

SECTION 6.04. Subrogation. BRW hereby unconditionally and irrevocably agrees not to exercise any rights that it may now have or may hereafter acquire against any of the other Loan Parties or any other insider guarantor that arise from the existence, payment, performance or enforcement of the Obligations of BRW under this BRW Guaranty or any of the other Loan Documents, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of the Administrative Agent or any of the other Secured Parties against such other Loan Party or any other insider guarantor or any Collateral, whether or not such claim, remedy or right arises in equity or under contract, statute, common law or any other Requirements of Law, including, without limitation, the right to take or receive from such other Loan Party or any other insider guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right, unless and until such time as all of the Guaranteed Obligations and all of the other amounts payable under this BRW Guaranty shall have been paid in full in cash, all of the Secured Hedge Agreements shall have expired or

been terminated and the Commitments shall have expired or terminated. If any amount shall be paid to BRW in violation of the immediately preceding sentence at any time prior to the latest of (a) the payment in full in cash of all of the Guaranteed Obligations and all of the other amounts payable under this BRW Guaranty, (b) the expiration or termination of all of the Secured Hedge Agreements and (c) the Termination Date, such amount shall be received and held in trust for the benefit of the Administrative Agent and the other Secured Parties, shall be segregated from the other property and funds of BRW and shall be delivered forthwith to the Administrative Agent in the same form as so received (with any necessary endorsement or assignment) to be credited and applied to the Guaranteed Obligations and the other amounts payable under this BRW Guaranty, whether matured or unmatured, in accordance with the terms of the Loan Documents, or to be held as Collateral for any of the Guaranteed Obligations or any of the other amounts payable under this BRW Guaranty thereafter arising. If (i) BRW shall pay to the Administrative Agent all or any part of the Guaranteed Obligations, (ii) all of the Guaranteed Obligations and all of the other amounts payable under this BRW Guaranty shall have been paid in full in cash, (iii) all of the Secured Hedge Agreements shall have expired or been terminated and (iv)the Termination Date shall have occurred, the Administrative Agent and the other Secured Parties will, at BRW's request and expense, execute and deliver to BRW appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer of subrogation to BRW of an interest in the Guaranteed Obligations resulting from the payment made by BRW under this BRW Guaranty.

SECTION 6.05. Continuing Guarantee; Assignments . This BRW Guaranty is a continuing guarantee and shall (a)remain in full force and effect until the latest of (i) the payment in full in cash of all of the Guaranteed Obligations and all of the other amounts payable under this BRW Guaranty, (ii) the expiration or termination of all of the Secured Hedge Agreements and (iii) the Termination Date, (b)be binding upon BRW and its respective successors and assigns and (c)inure to the benefit of, and be enforceable by, the Administrative Agent and the other Secured Parties and their respective successors, transferees and assigns. Without limiting the generality of clause(c) of the immediately preceding sentence, any of the Lenders may assign or otherwise transfer all or any portion of its rights and obligations under this Agreement (including, without limitation, all or any portion of its Commitment or Commitments, the Advances owing to it and the Note or Notes held by it) to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Lender under this Article VI or otherwise, in each case as provided in Section9.07.

ARTICLE VII

EVENTS OF DEFAULT

SECTION 7.01. Events of Default . If any of the following events (" ***Events of Default*** ") shall occur and be continuing:

(a) (i) either Borrower shall fail to pay any principal of any Advance made to it when the same shall become due and payable, whether by scheduled maturity or at a date fixed for prepayment or by acceleration, demand or otherwise, or (ii) either

Borrower shall fail to pay any interest on any Advance made to it, or any Loan Party shall fail to make any other payment under or in respect of any Loan Document required to have been made by it, whether by scheduled maturity or at a date fixed for prepayment or by acceleration, demand or otherwise in each case under this clause (ii) within three Business Days after the same becomes due and payable; *provided* that the failure by BCSI to pay any such amount upon an acceleration of Advances made to BCSI due to a BCI Event of Default shall not constitute an Event of Default of BRW; or

(b) any representation or warranty made by BRW or any of its Subsidiaries (or any of its officers) under or in connection with any Loan Document shall prove to have been incorrect in any material respect (except to the extent relating to BCI or any Subsidiary of BCI) on the date as of which it was made or deemed made; or

(c) BRW shall fail to perform or observe any term, covenant or agreement contained in Section2.14, 5.01(e), (f), (i), (j), (m) or (o), 5.02, 5.03 or 5.04; or

(d) BRW or any of its Subsidiaries shall fail to perform or observe any other term, covenant or agreement contained in any Loan Document on its part to be performed or observed if such failure shall remain unremedied for 30 days after the earlier of the date on which (i)a Responsible Officer becomes aware of such failure or (ii)written notice thereof shall have been given to BRW by any Agent or any Lender Party; or

(e) BRW or any of its Subsidiaries shall fail to pay any principal of, premium or interest on or any other amount payable in respect of any Debt of BRW (other than amounts under the Sellers' Parent Guaranty (as defined in the BCSI Sale Agreement) that are the subject of a good faith dispute by BRW) or such Subsidiary (as the case may be) that is outstanding in a principal amount (or, in the case of any Hedge Agreement, an Agreement Value) of at least $20,000,000 either individually or in the aggregate (but excluding Debt outstanding hereunder), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt or otherwise to cause, or to permit the holder thereof to cause, such Debt to mature; or any such Debt shall be declared to be due and payable or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; *provided* that any Specified Default under the Oak Hill Indenture shall not constitute an Event of Default under this clause (e) at any time after the Part II Effective Date; or

(f) BRW or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall

make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against BRW or any of its Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it) that is being diligently contested by it in good faith, either such proceeding shall remain undismissed or unstayed for a period of 30 days or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or any substantial part of its property) shall occur; or BRW or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this subsection(f); or

(g) any judgments or orders, either individually or in the aggregate, for the payment of money in excess of $30,000,000 shall be rendered against BRW or any of its Subsidiaries and either (i)enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii)there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(h) any non-monetary judgment or order shall be rendered against BRW or any of its Subsidiaries that could have a Material Adverse Effect, and there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(i) any provision of any Loan Document of BRW or any of its Subsidiaries after delivery thereof pursuant to Section3.01 or 5.01(j) shall for any reason cease to be valid and binding on or enforceable against any such Loan Party party to it, or any such Loan Party shall so state in writing; or

(j) any Collateral Document of BRW or any of its Subsidiaries or financing statement after delivery thereof pursuant to Section3.01 or 5.01(j) shall for any reason (other than pursuant to the terms thereof) cease to create a valid and perfected first priority lien on and security interest in the Collateral purported to be covered thereby; if such Collateral is property of BRW or its Subsidiaries; or

(k) a Change of Control shall occur; or

(l) any ERISA Event shall have occurred with respect to a Plan that could reasonably be expected to have a Material Adverse Effect; or

(m) any Loan Party or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that it has incurred Withdrawal Liability to such Multiemployer Plan in an amount that, when aggregated with all other amounts required to be paid to Multiemployer Plans by the Loan Parties and the ERISA Affiliates as

Withdrawal Liability (determined as of the date of such notification) could reasonably be expected to have a Material Adverse Effect; or

(n) any Loan Party or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of TitleIV of ERISA, and as a result of such reorganization or termination the aggregate annual contributions of the Loan Parties and the ERISA Affiliates to all Multiemployer Plans that are then in reorganization or being terminated have been or will be increased over the amounts contributed to such Multiemployer Plans for the plan years of such Multiemployer Plans immediately preceding the plan year in which such reorganization or termination occurs by an amount that could reasonably be expected to have a Material Adverse Effect; or

(o) an "Event of Default" (as defined in the Junior Notes Indenture or the Oak Hill Indenture, as the case may be) shall have occurred and be continuing under the Junior Notes Indenture or the Oak Hill Indenture other than an Event of Default specified in clause (p)(i) below; or

(p) (i) prior to the occurrence of the Part II Effective Date, the occurrence of any of (x) an "Event of Default" (as defined in the Oak Hill Indenture) under Section 6.1(f) or (g) of the Oak Hill Indenture (as in effect on the date hereof) in respect of any default of the type specified in clause (f) above by, against or with respect to BCI or any of its Subsidiaries or (y) any default of the type specified in clause (f) shall have occurred by, against or with respect to BCI or any of its Subsidiaries or (ii) repayment of the Oak Hill Debt shall have been accelerated,

then, and in any such event, the Administrative Agent (i)shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrowers, declare the Commitments of each Lender Party and the obligation of each Lender Party to make Advances (other than Letter of Credit Advances by an Issuing Bank or a Revolving Credit Lender pursuant to Section2.03(c) and Swing Line Advances by a Revolving Credit Lender pursuant to Section2.02(b)) and of each Issuing Bank to issue Letters of Credit to be terminated, whereupon the same shall forthwith terminate, and (ii)shall at the request, or may with the consent, of the Required Lenders, (A)by notice to the Borrowers, declare the Notes, all interest thereon and all other amounts payable under this Agreement and the other Loan Documents to be forthwith due and payable, whereupon the Notes, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrowers and (B) by notice to each applicable Issuing Bank, direct such Issuing Bank to deliver a Default Termination Notice to the beneficiary of each Letter of Credit issued by it and each such Issuing Bank shall deliver such Default Termination Notices; *provided, however, that* ,

(A) prior to the Part II Effective Date, in the event of an actual or deemed entry of an order for relief with respect to either Borrower under the Federal Bankruptcy Code, (x)the Commitments of each Lender Party and the obligation of each Lender Party to make Advances (other than Letter of Credit Advances by an Issuing Bank or a Revolving

Credit Lender pursuant to Section2.03(c) and Swing Line Advances by a Revolving Credit Lender pursuant to Section2.02(b)) and of each Issuing Bank to issue Letters of Credit shall automatically be terminated and (y)the Notes, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrowers, and

(B) on and after the Part II Effective Date, in the event of an actual or deemed entry of an order for relief with respect to BRW or any of its Subsidiaries under the Federal Bankruptcy Code, (1)the Commitments of each Lender Party and the obligation of each Lender Party to make Advances (other than Letter of Credit Advances by an Issuing Bank or a Revolving Credit Lender pursuant to Section2.03(c) and Swing Line Advances by a Revolving Credit Lender pursuant to Section2.02(b)) and of each Issuing Bank to issue Letters of Credit shall automatically be terminated and (2)the Notes of the Borrowers, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrowers.

For the avoidance of doubt, the Administrative Agent and the Lenders agree that a BCI Default or BCI Event of Default shall not under any circumstances give rise to any right to accelerate any of the Obligations of BRW or any of its Subsidiaries or to seek any recourse under the Guarantees or Collateral provided by BRW or its Subsidiaries to support the Obligations of BCSI prior to the earlier of (a) the final maturity date of the Facilities and (b) the acceleration of the Notes of BRW resulting from an independent Event of Default.

SECTION 7.02. Actions in Respect of the Letters of Credit upon Default. If any Event of Default shall have occurred and be continuing, the Administrative Agent may, or shall at the request of the Required Lenders, irrespective of whether it is taking any of the actions described in Section7.01 or otherwise, make demand upon the Borrowers to, and forthwith upon such demand the Borrowers will, pay to the Administrative Agent on behalf of the Lender Parties in same day funds at the Administrative Agent's office designated in such demand, for deposit in the L/C Cash Collateral Account, an amount equal to the aggregate Available Amount of all Letters of Credit then outstanding. If at any time the Administrative Agent determines that any funds held in the L/C Cash Collateral Account are subject to any right or claim of any Person other than the Agents and the Lender Parties or that the total amount of such funds is less than the aggregate Available Amount of all Letters of Credit, the Borrowers will, forthwith upon demand by the Administrative Agent, pay to the Administrative Agent, as additional funds to be deposited and held in the L/C Cash Collateral Account, an amount equal to the excess of (a)such aggregate Available Amount over (b)the total amount of funds, if any, then held in the L/C Cash Collateral Account that the Administrative Agent determines to be free and clear of any such right and claim. Upon the drawing of any Letter of Credit for which funds are on deposit in the L/C Cash Collateral Account, such funds shall be applied to reimburse the relevant Issuing Bank or Revolving Credit Lenders, as applicable, to the extent permitted by applicable law.

SECTION 7.03. BCI Events of Default. If any of the following events ("***BCI Events of Default***") shall occur and be continuing:

(a) any default of the type specified in clauses (b), (c), (d), (e), (g), (h), (i) or (j) of Section 7.01 shall have occurred by, against or with respect to BCI or any of its Subsidiaries; or

(b) any default of the type specified in clause (f) of Section 7.01 shall have occurred by, against or with respect to BCI or any of its Subsidiaries;

then, and in any such event, the Administrative Agent (i)shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrowers, declare the Notes of BCSI, all interest thereon and all other amounts payable by BCSI under this Agreement and the other Loan Documents to be forthwith due and payable, whereupon the Notes of BCSI, all such interest thereon and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrowers and (ii) by notice to each applicable Issuing Bank, direct such Issuing Bank to deliver a Default Termination Notice to the beneficiary of each Letter of Credit issued by it for the account of BCSI or any of its Subsidiaries and each such Issuing Bank shall deliver such Default Termination Notices; *provided, however, that* , in the event of an actual or deemed entry of an order for relief with respect to BCI or any of its Subsidiaries under the Federal Bankruptcy Code,the Notes of BCSI, all such interest and all such amounts due by BCSI shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by BCSI, it being understood and agreed that any such entry of an order for relief with respect to BCI or any of its Subsidiaries will not at any time after the Part II Effective Date, constitute an Event of Default or cause an automatic acceleration of the Notes of BRW or the termination of the Commitments of each Lender Party or the obligation of each Lender Party to make Advances or of each Issuing Bank to issue Letters of Credit to BRW.

For the avoidance of doubt, the Administrative Agent and the Lenders agree that a BCI Default or BCI Event of Default shall not under any circumstances give rise to any right to accelerate any of the Obligations of BRW or any of its Subsidiaries or to seek any recourse under the Guarantees or Collateral provided by BRW or its Subsidiaries to support the Obligations of BCSI prior to the earlier of (a) the final maturity date of the Facilities and (b) the acceleration of the Notes of BRW resulting from an independent Event of Default.

ARTICLE VIII

THE AGENTS

SECTION 8.01. Authorization and Action . (a) Each Lender Party (in its capacities as a Lender, a Swing Line Bank (if applicable), an Issuing Bank (if applicable) and on behalf of itself and its Affiliates as potential Hedge Banks) hereby appoints and authorizes each Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement and the other Loan Documents as are delegated to such Agent by the terms hereof and thereof, together with such powers and discretion as are reasonably incidental thereto. As to any matters not expressly provided for by the Loan Documents (including, without

limitation, enforcement or collection of the Notes), no Agent shall be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding upon all Lender Parties and all holders of Notes; *provided, however,* that no Agent shall be required to take any action that exposes such Agent to personal liability or that is contrary to this Agreement or applicable law. Each Agent agrees to give to each Lender Party prompt notice of each notice given to it by the Borrowers pursuant to the terms of this Agreement.

(b) The Administrative Agent shall also act as the " *collateral agent* " under the Loan Documents, and each Lender Party (in its capacity as a Lender and a Secured Party) hereby appoints and authorizes the Administrative Agent to act as the agent of such Lender Party for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Secured Obligations, together with such powers and discretion as are reasonably incidental thereto. The Administrative Agent may from time to time in its discretion appoint any of the other Lender Party or any of the Affiliates of a Lender Party to act as its co-agent or sub-agent for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents or of exercising any rights and remedies thereunder at the direction of the Administrative Agent. In this connection, the Administrative Agent, as "collateral agent", and such co-agents and sub-agents shall be entitled to the benefits of all provisions of this Article VIII (including, without limitation, Section8.05, as though such co-agents or sub-agents were the "collateral agent" under the Loan Documents) as if set forth in full herein with respect thereto.

(c) Each of the Co-Arrangers shall have no powers or discretion under this Agreement or any of the other Loan Documents other than those bestowed upon it as a co-agent or sub-agent from time to time by the Administrative Agent pursuant to subsection (b) of this Section 8.01, and each Lender Party hereby acknowledges that none of the Co-Arrangers have any liability under this Agreement or any of the other Loan Documents.

SECTION 8.02. Agents' Reliance, Etc . Neither any Agent nor any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with the Loan Documents, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, each Agent: (a)may treat the payee of any Note as the holder thereof until, in the case of the Administrative Agent, the Administrative Agent receives and accepts an Assignment and Acceptance entered into by the Lender that is the payee of such Note, as assignor, and an Eligible Assignee, as assignee, or, in the case of any other Agent, such Agent has received notice from the Administrative Agent that it has received and accepted such Assignment and Acceptance, in each case as provided in Section9.07; (b)may consult with legal counsel (including counsel for any Loan Party), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (c)makes no warranty or representation to any Lender Party and shall not be responsible to any Lender Party for any statements, warranties or representations (whether written or oral) made in or in connection with the Loan Documents; (d)shall not have any duty to ascertain or to inquire as to the performance

or observance of any of the terms, covenants or conditions of any Loan Document on the part of any Loan Party or to inspect the property (including the books and records) of any Loan Party; (e)shall not be responsible to any Lender Party for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, any Loan Document or any other instrument or document furnished pursuant thereto; and (f)shall incur no liability under or in respect of any Loan Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by telegram, telecopy or telex) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 8.03. The Administrative Agent, the Syndication Agent, the Co-Arrangers and Affiliates. With respect to its Commitments, the Advances made by it and the Notes issued to it, CUSA, Bank of America, SSBI and BAS shall have the same rights and powers under the Loan Documents as any other Lender Party and may exercise the same as though it were not an Agent; and the term "Lender Party", "Lender Parties", "Secured Party" or "Secured Parties" shall, unless otherwise expressly indicated, include CUSA, Bank of America, SSBI and BAS in their respective individual capacities. CUSA, Bank of America, SSBI and BAS and their respective affiliates (whether or not parties hereto) may accept deposits from, lend money to, act as trustee under indentures of, accept investment banking engagements from and generally engage in any kind of business with, any Loan Party, any of its Subsidiaries and any Person that may do business with or own securities of any Loan Party or any such Subsidiary, all as if CUSA, Bank of America, SSBI and BAS were not Agents and without any duty to account therefor to the Lender Parties.

SECTION 8.04. Lender Party Credit Decision. Each Lender Party acknowledges that it has, independently and without reliance upon any Agent or any other Lender Party and based on the financial statements referred to in Section4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender Party also acknowledges that it will, independently and without reliance upon any Agent or any other Lender Party and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 8.05. Indemnification. (a) Each Lender Party severally agrees to indemnify each Agent (to the extent not promptly reimbursed by the Borrowers) from and against such Lender Party's ratable share (determined as provided below) of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against such Agent in any way relating to or arising out of the Loan Documents or any action taken or omitted by such Agent under the Loan Documents (collectively, the "***Lender Indemnified Costs***"); *provided, however,* that no Lender Party shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct as found in a final, non-appealable judgment by a court of competent jurisdiction. In the case of any claim, investigation, litigation or proceeding giving rise to any Lender Indemnified Costs, the indemnification provided by the Lender Parties under this Section 8.05 shall apply whether or

not any such claim, investigation, litigation or proceeding is brought by such Agent, any of the Lender Parties or a third party. Without limiting any of the provisions of the immediately preceding sentence, each of the Lender Parties hereby agrees to reimburse the Agents promptly upon demand for its ratable share of any costs and expenses (including, reasonable fees and expenses of counsel) incurred by such Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any of the other Loan Documents, to the extent that such Agent is not promptly reimbursed for such costs and expenses by the Borrowers.

(b) Each Lender Party severally agrees to indemnify each Issuing Bank (to the extent not promptly reimbursed by the Borrowers) from and against such Lender Party's ratable share (determined as provided below) of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against such Issuing Bank in any way relating to or arising out of the Loan Documents or any action taken or omitted by such Issuing Bank under the Loan Documents; *provided, however,* that no Lender Party shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Issuing Bank's gross negligence or willful misconduct as found in a final, non-appealable judgment by a court of competent jurisdiction. Without limitation of the foregoing, each Lender Party agrees to reimburse such Issuing Bank promptly upon demand for its ratable share of any costs and expenses (including, without limitation, fees and expenses of counsel) payable by such Borrower under Section 9.04, to the extent that such Issuing Bank is not promptly reimbursed for such costs and expenses by such Borrower.

(c) For purposes of this Section8.05, the Lender Parties' respective ratable shares of any amount shall be determined, at any time, according to the sum of (i)the aggregate principal amount of the Advances outstanding at such time and owing to the respective Lender Parties, (ii)their respective Pro Rata Shares of the aggregate Available Amount of all Letters of Credit outstanding at such time, (iii)the aggregate unused portions of their respective Term Commitments at such time and (iv)their respective Unused Revolving Credit Commitments at such time; *provided* that the aggregate principal amount of Swing Line Advances owing to any Swing Line Bank and of Letter of Credit Advances owing to any Issuing Bank shall be considered to be owed to the Revolving Credit Lenders ratably in accordance with their respective Revolving Credit Commitments. The failure of any Lender Party to reimburse any Agent or any Issuing Bank, as the case may be, promptly upon demand for its ratable share of any amount required to be paid by the Lender Parties to such Agent or such Issuing Bank, as the case may be, as provided herein shall not relieve any other Lender Party of its obligation hereunder to reimburse such Agent or such Issuing Bank, as the case may be, for its ratable share of such amount, but no Lender Party shall be responsible for the failure of any other Lender Party to reimburse such Agent or such Issuing Bank, as the case may be, for such other Lender Party's ratable share of such amount. Without prejudice to the survival of any other agreement of any Lender Party hereunder, the agreement and obligations of each Lender Party contained in this Section8.05 shall survive the payment in full of principal, interest and all other amounts payable hereunder and under the other Loan Documents.

SECTION 8.06. Successor Agents. Any Agent may resign as to any or all of the Facilities at any time by giving written notice thereof to the Lender Parties and the Borrowers and may be removed as to all of the Facilities at any time with or without cause by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Agent as to such of the Facilities as to which such Agent has resigned or been removed. If no successor Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Agent's giving of notice of resignation or the Required Lenders' removal of the retiring Agent, then the retiring Agent may, on behalf of the Lender Parties, appoint a successor Agent, which shall be a commercial bank organized under the laws of the United States or of any State thereof and having a combined capital and surplus of at least $250,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent as to all of the Facilities and upon the execution and filing or recording of such financing statements, or amendments thereto, and such amendments or supplements to the mortgages, if any, and such other instruments or notices, as may be necessary or desirable, or as the Required Lenders may request, in order to continue the perfection of the Liens granted or purported to be granted by the Collateral Documents, such successor Administrative Agent shall succeed to and become vested with all the rights, powers, discretion, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under the Loan Documents. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent as to less than all of the Facilities and upon the execution and filing or recording of such financing statements, or amendments thereto, and such amendments or supplements to the mortgages, if any, and such other instruments or notices, as may be necessary or desirable, or as the Required Lenders may request, in order to continue the perfection of the Liens granted or purported to be granted by the Collateral Documents, such successor Administrative Agent shall succeed to and become vested with all the rights, powers, discretion, privileges and duties of the retiring Administrative Agent as to such Facilities, other than with respect to funds transfers and other similar aspects of the administration of Borrowings under such Facilities, issuances of Letters of Credit (notwithstanding any resignation as Administrative Agent with respect to the Letter of Credit Facility) and payments by the Borrowers in respect of such Facilities, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement as to such Facilities, other than as aforesaid. If within 45 days after written notice is given of the retiring Agent's resignation or removal under this Section 8.06 no successor Agent shall have been appointed and shall have accepted such appointment, then on such 45th day (a)the retiring Agent's resignation or removal shall become effective, (b)the retiring Agent shall thereupon be discharged from its duties and obligations under the Loan Documents and (c)the Required Lenders shall thereafter perform all duties of the retiring Agent under the Loan Documents until such time, if any, as the Required Lenders appoint a successor Agent as provided above. After any retiring Agent's resignation or removal hereunder as Agent as to any of the Facilities shall have become effective, the provisions of this ArticleVIII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent as to such Facilities under this Agreement.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. Amendments , Etc . No amendment or waiver of any provision of this Agreement, the Notes or any of the other Loan Documents, nor consent to any departure by any of the Loan Parties therefrom, shall in any event be effective unless the same shall be in writing and signed by each of the Loan Parties party to such Loan Document and directly affected by such amendment, waiver or consent and signed (or in the case of the Collateral Documents, consented to) by the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however,* that:

(a) no amendment, waiver or consent shall, unless in writing and signed by the Borrowers and all of the Lenders (other than any of the Lenders that is, at such time, a Defaulting Lender), do any of the following at any time:

(i) waive any of the conditions specified in Section3.01 or, in the case of the initial Borrowing under any Facility, Section 3.02;

(ii) change the number of Lenders or the percentage of the Commitments or the aggregate outstanding principal amount of Advances or the aggregate Available Amount of outstanding Letters of Credit that, in each case, shall be required for the Lender Parties or any of them to take any action hereunder;

(iii) release (x) the guarantee of BRW under Article VI herein or (y) all or substantially all of the value of the guarantees of the Subsidiaries under the Subsidiary Guaranties (other than in connection with a disposition or sale of assets permitted by this Agreement);

(iv) release all or substantially all of the Collateral in any transaction or series of related transactions (other than in connection with a disposition or sale of assets permitted by this Agreement);

(v) change any purchase obligation of any Lender under Section 2.13; or

(vi) amend this Section9.01;

(b) no amendment, waiver or consent shall, unless in writing and signed by the Borrowers and the Required Lenders and each of the Lenders (other than any of the Lenders that is, at such time, a Defaulting Lender) that has a Commitment or an Advance then outstanding under the Term A Facility, the Term B Facility, the Term C Facility or the Revolving Credit Facility, as the case may be, if such Lender is directly affected by such amendment, waiver or consent:

(i) increase the Commitments of such Lender;

(ii) reduce the principal of, or stated rate of interest on, the Advances held by such Lender or any fees or other amounts payable hereunder to such

Lender or reduce or relieve any repayment obligation of the Revolving Credit Lenders under Section 2.03(c); or

(iii) postpone any date scheduled for any payment of principal of, or interest on, the Advances held by such Lender pursuant to Section 2.04 or 2.07, or postpone scheduled reductions of the Revolving Credit Facility pursuant to Section 2.05 or any date fixed for any payment of fees or the Guaranteed Obligations payable hereunder to such Lender; and

(c) no amendment, waiver or consent shall, unless in writing and signed by the Borrowers and the Required Lenders and, if the Lenders under any such Facility are directly affected by such amendment, waiver or consent, Lenders holding more than 50% of the aggregate Commitments or, if no Commitments are then outstanding under such Facility, the Advances then outstanding, under the Term A Facility, the Term B Facility, the Term C Facility or the Revolving Credit Facility, as the case may be, change the order of application of any reduction in the Commitments in any manner that materially affects any Lender Party under such Facility at any time when all or a portion of the Term A Facility, the Term B Facility or the Term C Facility remains in effect or permanently reduce the Revolving Credit Facility;

and *provided further* that no amendment, waiver or consent shall, unless in writing and signed by each Swing Line Bank or each Issuing Bank, as the case may be, in addition to the Lenders required above to take such action, affect the rights or duties of such Swing Line Bank or such Issuing Bank under this Agreement or any of the other Loan Documents; and *provided further* that no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lender Parties required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement or any of the other Loan Documents. Notwithstanding any of the foregoing provisions of this Section 9.01, none of the defined terms set forth in Section1.01 shall be amended, supplemented or otherwise modified hereafter in any manner that would change the meaning, purpose or effect of this Section 9.01 or any section referred to herein unless such amendment, supplement or modification is agreed to in writing by the number and percentage of Lenders (and each Swing Line Bank, each Issuing Bank and the Administrative Agent, in each case, if applicable) otherwise required to amend such section under the terms of this Section9.01.

SECTION 9.02. Notices , Etc . All notices and other communications provided for hereunder shall be in writing (including telegraphic, telecopy or telex communication) and mailed, telegraphed, telecopied, telexed or delivered, if to any of the Borrowers, at its address at 201 East Fourth Street, 102-760, P.O. Box 2301, Cincinnati, Ohio 45201-2301, Attention: Treasurer, Telecopier No.: 513-397-4177; if to any Initial Lender Party, at its Domestic Lending Office specified opposite its name on ScheduleI hereto; if to any other Lender Party, at its Domestic Lending Office specified in the Assignment and Acceptance pursuant to which it became a Lender Party; if to the Syndication Agent, at its address at 1101Wootton Parkway, Third Floor, Rockville, Maryland 20852-1059, Attention: Michael Heredia, Telecopier No.: (301) 517-3236, with a copy to Wayne Gero, One Independence Center, 101 N. Tryon St., Charlotte, NC 28255, Telecopier No.: 704-409-0050; and if to the Administrative Agent, at its

address at 388 Greenwich Street, 21 stFloor, New York, NY 10013, Attention:John Judge; Telecopier No.: 212-816-8084; or, as to the Borrowers or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrowers and the Administrative Agent. All such notices and other communications shall, when mailed, telegraphed, telecopied or telexed, be effective when deposited in the mails, delivered to the telegraph company, transmitted by telecopier or confirmed by telex answerback, respectively, except that notices and communications to any Agent pursuant to ArticleII, III or VIII shall not be effective until received by such Agent. Delivery by telecopier of an executed counterpart of any amendment or waiver of any provision of this Agreement or the Notes or of any Exhibit hereto to be executed and delivered hereunder shall be effective as delivery of an original executed counterpart thereof.

SECTION 9.03. No Waiver ; Remedies . No failure on the part of any Lender Party or any Agent to exercise, and no delay in exercising, any right hereunder or under any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 9.04. Costs and Expenses . (a) Each of the Borrowers hereby agrees to pay on demand (i)all costs and expenses of each Agent in connection with the preparation, execution, delivery, administration, modification and amendment of the Loan Documents (including, without limitation, (A)all due diligence, collateral review, syndication, transportation, computer, duplication, appraisal, audit, insurance, consultant, search, filing and recording fees and expenses and (B)the reasonable fees and expenses of counsel for the Agents with respect thereto, with respect to advising the Agents as to their rights and responsibilities, or the perfection, protection or preservation of rights or interests, under the Loan Documents, with respect to negotiations with any Loan Party or with other creditors of any Loan Party or any of its Subsidiaries arising out of any Default or any events or circumstances that may give rise to a Default and with respect to presenting claims in or otherwise participating in or monitoring any bankruptcy, insolvency or other similar proceeding involving creditors' rights generally and any proceeding ancillary thereto) and (ii)all costs and expenses of each Agent and each Lender Party in connection with the enforcement of the Loan Documents, whether in any action, suit or litigation, or any bankruptcy, insolvency or other similar proceeding affecting creditors' rights generally (including, without limitation, the reasonable fees and expenses of counsel for the Administrative Agent and each Lender Party with respect thereto).

(b) Each of the Borrowers hereby jointly and severally agrees to indemnify, defend and save and hold harmless each Agent, each Lender Party and each of their Affiliates and their respective officers, directors, employees, agents and advisors (each, an " ***Indemnified Party*** ") from and against, and shall pay on demand, any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including, without limitation, in connection with any investigation, litigation or proceeding or preparation of a defense in connection

therewith) (i) the Transaction (or any aspect thereof), (ii)the Facilities, the actual or proposed use of the proceeds of the Advances or the Letters of Credit, the Transaction Documents or any of the transactions contemplated thereby, including, without limitation,any acquisition or proposed acquisition (including, without limitation, the Transaction) by BRW or any of its Subsidiaries (including BCI and its Subsidiaries) or Affiliates of all or any portion of the Equity Interests in or Debt securities or substantially all of the property or assets of any other Person or (iii)the actual or alleged presence of Hazardous Materials on any property of any Loan Party or any of its Subsidiaries or any Environmental Action relating in any way to any Loan Party or any of its Subsidiaries, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 9.04(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by any Loan Party, its directors, shareholders or creditors or an Indemnified Party, whether or not any Indemnified Party is otherwise a party thereto and whether or not the Transaction is consummated. Each Borrower also agrees not to assert any claim against any Agent, any Lender Party or any of their Affiliates, or any of their respective officers, directors, employees, agents and advisors, on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to the Facilities, the actual or proposed use of the proceeds of the Advances or the Letters of Credit, the Transaction Documents or any of the transactions contemplated by the Transaction Documents.

It is understood and agreed that, unless (i) a conflict of interest between such Indemnified Party and any Loan Party or any of their respective Affiliates may exist in respect of such Indemnifiable Matter in the reasonable opinion of counsel for such Indemnified Party or (ii) there may be one or more legal defenses available to such Indemnified Party that are different from or in addition to, but in any such case are adverse to, any other Loan Parties or any of their respective Affiliates, each Indemnified Party shall reasonably endeavor to work cooperatively with each of the Borrowers with a view toward minimizing the legal and other expenses associated with any defense and any potential settlement or judgment; provided that no Indemnified Party shall be required to disclose information of a type that lenders do not generally disclose to borrowers or that such Indemnified Party would be prohibited from disclosing based on any Federal, state or foreign authority or examiner regulating such Indemnified Party. To the extent reasonably practicable and not disadvantageous to any Indemnified Party, it is anticipated that a single counsel selected by the Borrowers and reasonably satisfactory to such Indemnified Party may be used and such Borrowers shall be responsible for all fees and expenses of each such counsel. Notwithstanding the foregoing, such Indemnified Party shall have the right (but not any obligation) to retain separate co-counsel and shall have the right, but not the obligation, to assert any and all defenses, cross-claims and counterclaims that it may have, and the fees and expenses of any such co-counsel shall be at the expense of such Indemnified Party (except that such Borrower or Borrowers shall be responsible for the fees and expenses of the separate co-counsel (x)to the extent such Indemnified Party reasonably concludes that any of the counsel chosen by such Borrower or Borrowers to participate in the defense of any such Indemnifiable Matter has a conflict of interest, (y)if such Borrower or Borrowers do not employ counsel reasonably satisfactory to such Indemnified Party or (z) if such Borrower or Borrowers or its counsel does not at all times defend such

Indemnifiable Matter vigorously and in good faith. Settlement of any claim or litigation involving any material indemnified amount will require the approval of the Borrowers (not to be unreasonably withheld).

(c) If any payment of principal of, or Conversion of, any Eurodollar Rate Advance is made by any Borrower to or for the account of a Lender Party other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section2.06, 2.09(b)(i) or 2.10(d), acceleration of the maturity of the Notes pursuant to Section7.01 or for any other reason, or by an Eligible Assignee to a Lender Party other than on the last day of the Interest Period for such Advance upon an assignment of rights and obligations under this Agreement pursuant to Section9.07 as a result of a demand by such Borrower pursuant to Section9.07(a), or if such Borrower fails to make any payment or prepayment of an Advance for which a notice of prepayment has been given or that is otherwise required to be made, whether pursuant to Section2.04, 2.06 or 7.01 or otherwise, such Borrower shall, upon demand by such Lender Party (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender Party any amounts required to compensate such Lender Party for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion or such failure to pay or prepay, as the case may be, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender Party to fund or maintain such Advance.

(d) If any Loan Party fails to pay when due any costs, expenses or other amounts payable by it under any Loan Document, including, without limitation, fees and expenses of counsel and indemnities, such amount may be paid on behalf of such Loan Party by the Administrative Agent or any Lender Party, in its sole discretion.

(e) Without prejudice to the survival of any other agreement of any Loan Party hereunder or under any other Loan Document, the agreements and obligations of each Borrower contained in Sections2.10 and 2.12 and this Section9.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder and under any of the other Loan Documents.

SECTION 9.05. Right of Set-off . Upon (a)the occurrence and during the continuance of any Event of Default and (b)the making of the request or the granting of the consent specified by Section7.01 to authorize the Administrative Agent to declare the Notes due and payable pursuant to the provisions of Section7.01, each Agent and each Lender Party and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and otherwise apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Agent, such Lender Party or such Affiliate to or for the credit or the account of each Borrower against any and all of the Obligations of the Borrowers now or hereafter existing under the Loan Documents, irrespective of whether such Agent or such Lender Party shall have made any demand under this Agreement or such Note or Notes and although such Obligations may be unmatured. Each Agent and each Lender Party agrees promptly to notify the Borrowers after any such set-off and application; *provided, however*, that the failure to give such notice

shall not affect the validity of such set-off and application. The rights of each Agent and each Lender Party and their respective Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Agent, such Lender Party and their respective Affiliates may have.

SECTION 9.06. Binding Effect . The amendment and restatement contemplated by this Agreement shall become effective as set forth in Section 3.01 and thereafter shall be binding upon and inure to the benefit of each Borrower, each Agent and each Lender Party and their respective successors and assigns, except that no Borrower shall have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lender Parties.

SECTION 9.07. Assignments and Participations . (a) Each Lender may and, so long as no Default shall have occurred and be continuing, if demanded by BRW (following a demand by such Lender pursuant to Section2.10 or 2.12) upon at least five Business Days' notice to such Lender and the Administrative Agent, will assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment or Commitments, the Advances owing to it and the Note or Notes held by it); *provided, however*, that (i)each such assignment shall be of a uniform, and not a varying, percentage of all rights and obligations under and in respect of one or more Facilities, (ii)except in the case of an assignment to a Person that, immediately prior to such assignment, was a Lender, an Affiliate of any Lender or an Approved Fund of any Lender or an assignment of all of a Lender's rights and obligations under this Agreement, the aggregate amount of the Commitments being assigned to such Eligible Assignee pursuant to such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than $1,000,000 or an integral multiple of $1,000,000 in excess thereof (or such lesser amount as shall be approved by the Administrative Agent and, so long as no Default shall have occurred and be continuing at the time of effectiveness of such assignment, the Borrowers) under each Facility for which a Commitment is being assigned; provided, that in the event of concurrent assignments to two or more Related Funds, all such concurrent assignments shall be aggregated in determining compliance with this requirement, (iii)each such assignment shall be to an Eligible Assignee, (iv)each such assignment made as a result of a demand by the Borrowers pursuant to this Section9.07(a) shall be arranged by the Borrowers after consultation with the Administrative Agent and shall be either an assignment of all of the rights and obligations of the assigning Lender under this Agreement or an assignment of a portion of such rights and obligations made concurrently with another such assignment or other such assignments that together cover all of the rights and obligations of the assigning Lender under this Agreement, (v)no Lender shall be obligated to make any such assignment as a result of a demand by the Borrowers pursuant to this Section9.07(a) unless and until such Lender shall have received one or more payments from either the Borrowers or one or more Eligible Assignees in an aggregate amount at least equal to the aggregate outstanding principal amount of the Advances owing to such Lender, together with accrued interest thereon to the date of payment of such principal amount and all other amounts payable to such Lender under this Agreement, (vi) [intentionally omitted] and (vii) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with any Note or Notes subject to such assignment and a processing and recordation fee of $3,500; *provided, however*, that for each such assignment

made as a result of a demand by any Borrower pursuant to this Section9.07(a), such Borrower shall pay to the Administrative Agent the applicable processing and recordation fee *; provided further*, that no such fee shall be payable in the case of any assignment to a Related Fund; and *provided still further* that, in the case of contemporaneous assignments by a Lender to more than one fund managed by the same investment advisor (which funds are not then Lenders hereunder), only a single such fee shall be payable for such contemporaneous assignments.

(b) Upon such execution, delivery, acceptance and recording, from and after the effective date specified in such Assignment and Acceptance, (i)the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender or Issuing Bank, as the case may be, hereunder and (ii)the Lender or Issuing Bank assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (other than its rights under Sections2.10, 2.12 and 9.04 to the extent any claim thereunder relates to an event arising prior to such assignment) and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the remaining portion of an assigning Lender's or Issuing Bank's rights and obligations under this Agreement, such Lender or Issuing Bank shall cease to be a party hereto).

(c) By executing and delivering an Assignment and Acceptance, each Lender Party assignor thereunder and each assignee thereunder confirm to and agree with each other and the other parties thereto and hereto as follows: (i)other than as provided in such Assignment and Acceptance, such assigning Lender Party makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with any Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, any Loan Document or any other instrument or document furnished pursuant thereto; (ii)such assigning Lender Party makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Loan Party or the performance or observance by any Loan Party of any of its obligations under any Loan Document or any other instrument or document furnished pursuant thereto; (iii)such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section4.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv)such assignee will, independently and without reliance upon any Agent, such assigning Lender Party or any other Lender Party and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v)such assignee confirms that it is an Eligible Assignee; (vi)such assignee appoints and authorizes each Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Loan Documents as are delegated to such Agent by the terms hereof and thereof, together with such powers and discretion as are reasonably incidental thereto; and (vii)such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender or Issuing Bank, as the case may be.

(d) The Administrative Agent, acting for this purpose (but only for this purpose) as the agent of each of the Borrowers, shall maintain at its address referred to in Section9.02 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lender Parties and the Commitment under each Facility of, and principal amount of the Advances owing under each Facility to, each Lender Party from time to time (the " ***Register*** "). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and each Borrower, the Agents and the Lender Parties may treat each Person whose name is recorded in the Register as a Lender Party hereunder for all purposes of this Agreement. The Register shall be available for inspection by any Borrower or any Agent or any Lender Party at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender Party and an assignee, together with any Note or Notes subject to such assignment, the Administrative Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of ExhibitC hereto, (i)accept such Assignment and Acceptance, (ii)record the information contained therein in the Register and (iii)give prompt notice thereof to the Borrowers and each other Agent. In the case of any assignment by a Lender, within five Business Days after its receipt of such notice, each Borrower, at its own expense, shall execute and deliver to the Administrative Agent in exchange for the surrendered Note or Notes a new Note to the order of such Eligible Assignee in an amount equal to the Commitment assumed by it under each Facility pursuant to such Assignment and Acceptance and, if any assigning Lender has retained a Commitment hereunder under such Facility, a new Note to the order of such assigning Lender in an amount equal to the Commitment retained by it hereunder. Such new Note or Notes shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered Note or Notes, shall be dated the effective date of such Assignment and Acceptance and shall otherwise be in substantially the form of ExhibitA-1 or A-2 hereto, as the case may be.

(f) Each Issuing Bank may assign to one or more Eligible Assignees all or a portion of its rights and obligations under the undrawn portion of its Letter of Credit Commitment at any time; *provided, however,* that (i) except in the case of an assignment to a Person that immediately prior to such assignment was an Issuing Bank or an assignment of all of an Issuing Bank's rights and obligations under this Agreement, the amount of the Letter of Credit Commitment of the assigning Issuing Bank being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than $5,000,000 and shall be in an integral multiple of $1,000,000 in excess thereof, (ii) each such assignment shall be to an Eligible Assignee and (iii) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with a processing and recordation fee of $3,500.

(g) Each Lender Party may sell participations to one or more Persons (other than any Loan Party or any of its Affiliates) in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitments, the Advances owing to it and the Note or Notes (if any) held by it); *provided, however,* that (i)such

Lender Party's obligations under this Agreement (including, without limitation, its Commitments) shall remain unchanged, (ii)such Lender Party shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii)such Lender Party shall remain the holder of any such Note for all purposes of this Agreement, (iv)the Borrowers, the Agents and the other Lender Parties shall continue to deal solely and directly with such Lender Party in connection with such Lender Party's rights and obligations under this Agreement and (v)no participant under any such participation shall have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, postpone any date fixed for any payment of principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, or release all or substantially all of the Collateral.

(h) Any Lender Party may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section9.07, disclose to the assignee or participant or proposed assignee or participant any information relating to the Borrowers furnished to such Lender Party by or on behalf of the Borrowers; *provided, however,* that, prior to any such disclosure, the assignee or participant or proposed assignee or participant shall agree to preserve the confidentiality of any Confidential Information received by it from such Lender Party.

(i) Notwithstanding any other provision set forth in this Agreement, any Lender Party may at any time create a security interest in all or any portion of its rights under this Agreement (including, without limitation, the Advances owing to it and the Note or Notes held by it) in favor of any Federal Reserve Bank in accordance with RegulationA of the Board of Governors of the Federal Reserve System.

(j) Notwithstanding anything to the contrary contained herein, any Lender Party, (a " ***Granting Lender"***) may grant to a special purpose funding vehicle identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrowers (an " ***SPC"***) the option to provide all or any part of any Advance that such Granting Lender would otherwise be obligated to make pursuant to this Agreement; provided that (i)nothing herein shall constitute a commitment by any SPC to fund any Advance, and (ii)if an SPC elects not to exercise such option or otherwise fails to make all or any part of such Advance, the Granting Lender shall be obligated to make such Advance pursuant to the terms hereof. The making of an Advance by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Advance were made by such Granting Lender. Each party hereto hereby agrees that (i) no SPC shall be liable for any indemnity or similar payment obligation under this Agreement for which a Lender Party would otherwise be liable for so long as, and to the extent, the Granting Lender provides such indemnity or makes such payment and (ii) no SPC shall be entitled to the benefits of Sections 2.10 and 2.12 (or any other increased costs protection provision). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior Debt of any SPC, it will not institute against, or join any other person in instituting

against, such SPC any bankruptcy, reorganization, arrangement, insolvency, or liquidation proceeding under the laws of the United States or any State thereof. Notwithstanding anything to the contrary contained in this Agreement, any SPC may (i)with notice to, but without prior consent of, the Borrower, the Syndication Agent and the Administrative Agent and without paying any processing fee therefor, assign all or any portion of its interest in any Advance to the Granting Lender and (ii)disclose on a confidential basis any non-public information relating to its funding of Advances to any rating agency, commercial paper dealer or provider of any surety or guarantee or credit or liquidity enhancement to such SPC. This subsection 9.07(j) may not be amended without the prior written consent of each Granting Lender, all or any part of whose Advances are being funded by the SPC at the time of such amendment. For the avoidance of doubt, with respect to the Agents, the other Lender Parties and the Borrowers, the Granting Bank shall for all purposes, including, without limitation, the approval of any amendment or waiver of any provision of any Loan Document, be the Lender Party of record hereunder.

(k) Notwithstanding any other provision set forth in this Agreement, any Lender Party that is a fund that invests in bank loans may pledge all or any portion of its rights in connection with this Agreement to the trustee for holders of obligations owed, or securities issued, by such fund as security for such obligations or securities; *provided* that nothing contained herein shall affect any obligations of the Lender Party or such pledgee to comply with the requirements of Section 9.07 in order for such pledgee to become a Lender Party under this Agreement. No pledge described in the immediately preceding sentence shall release such Lender Party from its obligations under this Agreement.

SECTION 9.08. Execution in Counterparts . This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of an original executed counterpart of this Agreement.

SECTION 9.09. No Liability of the Issuing Banks . Each Borrower assumes all risks of the acts or omissions of any beneficiary or transferee of any Letter of Credit issued on behalf of such Borrower with respect to its use of such Letter of Credit. Neither any Issuing Bank nor any of its officers or directors shall be liable or responsible for: (a)the use that may be made of any Letter of Credit or any acts or omissions of any beneficiary or transferee in connection therewith; (b)the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c)payment by such Issuing Bank against presentation of documents that do not comply with the terms of a Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit; or (d)any other circumstances whatsoever in making or failing to make payment under any Letter of Credit, except that such Borrower shall have a claim against such Issuing Bank, and such Issuing Bank shall be liable to such Borrower, to the extent of any direct, but not consequential, damages suffered by such Borrower that such Borrower proves were caused by (i)such Issuing Bank's willful misconduct or gross negligence as determined in a final, non-appealable judgment by a court of competent jurisdiction in determining whether documents presented under any Letter of

Credit comply with the terms of the Letter of Credit or (ii)such Issuing Bank's willful failure to make lawful payment under a Letter of Credit after the presentation to it of a draft and certificates strictly complying with the terms and conditions of the Letter of Credit. In furtherance and not in limitation of the foregoing, such Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

SECTION 9.10. Confidentiality . (a) The parties hereto hereby agree that each party (and each employee, representative or other agent of such party) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure (as such terms are used in Sections 6011, 6111 and 6112 of the Internal Revenue Code and the Treasury Regulations promulgated thereunder) of the Transaction and all materials of any kind (including opinions or other tax analyses) that are provided to such party relating to such tax treatment and tax structure, other than any information for which nondisclosure is reasonably necessary in order to comply with applicable securities laws. For this purpose, tax treatment and tax structure shall not include the identity of any existing or future party (or any Affiliate of such party) to the Transaction.

(b) Subject to paragraph (a) of this Section 9.10, neither the Agents nor any Lender Party may disclose to any Person any confidential, proprietary or non-public information of the Borrowers furnished to the Agents or the Lender Parties by the Borrowers (such information being referred to collectively herein as the " *Borrower Information* "), except that each of the Agents and each of the Lender Parties may disclose Borrower Information (i)to its and its affiliates' employees, officers, directors, agents, accountants, attorneys and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Borrower Information and instructed to keep such Borrower Information confidential on substantially the same terms as provided herein), (ii)to the extent requested by any regulatory authority or self regulatory body operating pursuant to statutory authority having or claiming authority to regulate or oversee any aspect of any business of any Lender or that of any of its Affiliates, (iii)to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (iv)to any other party to this Agreement who have agreed to hold the Borrower Information in confidence on substantially the same terms as provided herein, (v)in connection with the exercise of any remedies hereunder or under any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (vi)subject to an agreement containing provisions substantially the same as those of this Section 9.10, to any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement, (vii) to the extent such Borrower Information (A) is or becomes generally available to the public on a non-confidential basis other than as a result of a breach of this Section 9.10 by such Agent or such Lender Party, or (B) is or becomes available to such Agent or such Lender Party on a nonconfidential basis from a source other than the Borrowers, (viii)with the consent of the Borrowers, or (xi) to any direct or indirect contractual counterparty in swap agreements or such contractual counterparty's professional advisor (so long as such contractual counterparty or professional advisor to such contractual counterparty is subject to the confidentiality obligations of this Agreement). Any Person required to maintain the confidentiality of Borrower Information as provided in this Section 9.10 shall be considered to

have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Borrower Information as such Person would accord to its own confidential information; provided , however , that with respect to disclosures pursuant to clauses (ii) and (iii) of this Section 9.10 (other than disclosures pursuant to routine regulatory examinations), unless prohibited by law or applicable court order, each Lender Party and each Agent shall attempt to notify the Borrowers of any request by any governmental agency or representative thereof or other Person for disclosure of Borrower Information after receipt of such request, and if reasonable, practicable and permissible, before disclosure of such Borrower Information. It is understood and agreed that the Borrowers and their respective Affiliates may rely upon this Section 9.10 for any purpose, including without limitation to comply with Regulation FD promulgated by the Securities and Exchange Commission.

(c) Subject to paragraph (a) of this Section 9.10, the Borrowers may not disclose to any Person the amount or terms of any fees (other than as set forth in this Agreement) payable to the Agents (such information being collectively referred to herein as the "*Facility Information*"), except that the Borrowers may disclose the Facility Information (i) to its and its affiliates' employees, officers, directors, agents and advisors who have a need to know the Facility Information in connection with this Agreement and the transactions contemplated hereby or (ii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process.

SECTION 9.11. Release of Collateral . Upon (a) the Investment Grade Date or (b)the sale, lease, transfer or other disposition of any item of Collateral of any Loan Party (including, without limitation, as a result of the sale, in accordance with the terms of the Loan Documents, of the Loan Party that owns such Collateral) in accordance with the terms of the Loan Documents, the Administrative Agent will, at the Borrowers' expense, execute and deliver to such Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Collateral Documents in accordance with the terms of the Loan Documents. Without limiting the foregoing, the lenders hereby authorize and direct the Administrative Agent, at the Borrowers' expense, in connection with any transaction permitted under Section 5.02(e)(ix) to take any and all actions required to release from the assignment and security interest granted under the Collateral Documents any and all Collateral consisting of assets of BCI and its Subsidiaries subject to such transaction and to terminate any and all other arrangements for the benefit of the Lenders in respect of assets of BCI and its Subsidiaries subject to such transaction (including but not limited to the arrangements in respect of the Real Estate SPV).

SECTION 9.12. Jurisdiction , Etc . (a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in NewYork City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any of the other Loan Documents to which it is a party, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the fullest extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such

action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement or any of the other Loan Documents in the courts of any jurisdiction.

(b) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that 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 or any of the other Loan Documents to which it is a party in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

SECTION 9.13. Integration . This Agreement and the other Loan Documents represent the entire agreement of the Borrowers, the Guarantors, the Administrative Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by any Borrower, any Guarantor, the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

SECTION 9.14. Governing Law . This Agreement and the Notes shall be governed by, and construed in accordance with, the laws of the State of NewYork.

SECTION 9.15. Waiver of Jury Trial . Each of the Borrowers, the Agents and the Lender Parties irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to any of the Loan Documents, the Advances, the Letters of Credit or the actions of any Agent or any Lender Party in the negotiation, administration, performance or enforcement thereof.

SECTION 9.16. BCSI Sale Agreement . Each of the Borrowers, the Agents and the Lender Parties agrees that it is their intent to permit the BCSI Sale Agreement and the transactions contemplated thereby. Notwithstanding any other provision of any Loan Document to the contrary, (a) the BCSI Sale Agreement and each transaction contemplated thereby shall be permitted and (b) no action taken or omitted to be taken in compliance with or in furtherance of the BCSI Sale Agreement and the transactions contemplated thereby shall for any purpose constitute a Default or Event of Default, a BCI Default or BCI Event of Default or a breach of any representation or warranty, covenant or other agreement under any Loan Document.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written

BROADWING INC.
By /s/ Mark W. Peterson
Title: Vice President and Treasurer
BROADWING COMMUNICATIONS SERVICES INC.
By /s/ Mark W. Peterson
Title: Vice President and Treasurer
CITICORP USA, INC.,
as Administrative Agent, Initial Lender, Initial Issuing Bank and Swing Line Lender
By /s/ John T. Judge
Title: Vice President
BANK OF AMERICA, N.A.,
as Syndication Agent, Initial Lender, Initial Issuing Bank and Swing Line Lender
By /s/ Michael R. Heredia
Title: Managing Director

Lenders:

Name of Institution
By
Title:

Schedule II to the

Credit Agreement

List of Subsidiary Guarantors

BRW Guarantors:

Broadwing Financial LLC

Broadwing Holdings Inc.

Zoomtown.Com Inc.

Cincinnati Bell Any Distance Inc.

Cincinnati Bell Wireless Company

Cincinnati Bell Wireless Holdings LLC

Cincinnati Bell Public Communications Inc.

Cincinnati Bell Telecommunications Services Inc.

BCSI Guarantors:

Broadwing Financial LLC

Broadwing Communications Inc.

Broadwing Communications Services Inc.

Broadwing Holdings Inc.

Zoomtown.Com Inc.

Cincinnati Bell Any Distance Inc.

Cincinnati Bell Wireless Company

Cincinnati Bell Wireless Holdings LLC

Broadwing Telecommunications Inc.

IXC Business Services, LLC

Broadwing Communications Services of Virginia, Inc.

IXC Internet Services, Inc.

Broadwing Communications Real Estate Services LLC

Broadwing Technology Solutions Inc.

Cincinnati Bell Public Communications Inc.

Cincinnati Bell Telecommunications Services Inc.

Broadwing Services LLC

Description of Centralized
BRW Cash Management System: Cash Management
Procedures and Intercompany Lending

BRW and its Subsidiaries (including, for all purposes of this Schedule 5.01(r), BCI and its Subsidiaries) each maintain a cash concentration account at PNC Bank, N.A., in Cincinnati, Ohio. These accounts are directly connected to each other through daily sweeping transactions. The sweeping transactions are set up to automatically transfer any excess balances at BRW and its Subsidiaries into the cash concentration account (the "***Cash Concentration Account***") held by Broadwing Financial LLC at the end of each business day. If BRW or a Subsidiary concentration account has a negative balance at the end of a business day, funds are automatically transferred from the Cash Concentration Account into BRW's or such Subsidiary's account. Sweeping transfers made from the Cash Concentration Account into the BRW account or a Subsidiary account are booked as a loan to BRW or such Subsidiary, as the case may be. Sweeping transfers made from the BRW account or a Subsidiary account to the Cash Concentration Account are booked as a loan to Broadwing Financial LLC. The net amount borrowed or loaned by BRW or each Subsidiary is added to BRW's or such Subsidiary's previous outstanding loan balance with Broadwing Financial LLC and rolled forward.

No amount may be transferred to the BRW concentration account in respect of a payment on the New Notes or the Other Permitted Equity if a Blocking Event has occurred and is continuing.

EXHIBITS D-1, D-2, E-1 and E-2

PLEASE SEE SEPARATELY EXECUTED DOCUMENTS.

EXECUTION COPY

$1,605,041,000

SECOND AMENDMENT AND RESTATEMENT

OF THE

CREDIT AGREEMENT

Dated as of March 26, 2003

Among

BROADWING INC.

and

BROADWING COMMUNICATIONS SERVICES INC.

as Borrowers

and

BROADWING INC.

as Parent Guarantor

THE INITIAL LENDERS, INITIAL ISSUING BANKS AND

SWING LINE BANKS NAMED HEREIN

as Initial Lenders , Initial Issuing Banks and Swing Line Banks

and BANK OF AMERICA, N.A.

as Syndication Agent

and

CITICORP USA, INC.

as Administrative Agent

and

CREDIT SUISSE FIRST BOSTON
and

THE BANK OF NEW YORK

as Co-Documentation Agents

and

PNC BANK, N.A.

as Agent

and

SALOMON SMITH BARNEY INC.

BANC OF AMERICA SECURITIES LLC

as Joint Lead Arrangers and Joint Book Managers

SCHEDULES

Schedule I	- Commitments and Applicable Lending Offices
Schedule II	- Subsidiary Guarantors
Schedule 1.01	- BCI Group Transactions
Schedule 4.01(b)	- Subsidiaries
Schedule 4.01(c)(iii)	- Conflicts
Schedule 4.01(d)	- Authorizations, Approvals, Actions, Notices and Filings
Schedule 4.01(f)	- Disclosed Litigation
Schedule 4.01(q)	- Environmental
Schedule 4.01(t)	- Surviving Debt
Schedule 4.01(u)	- Liens
Schedule 4.01(v)	- Investments
Schedule 4.01(w)	- Material Contracts
Schedule 5.01(r)	- Cash Management

EXHIBITS

Exhibit A-1	- Form of Revolving Credit Note
Exhibit A-2	- Form of Term Note
Exhibit B	- Form of Notice of Borrowing
Exhibit C	- Form of Assignment and Acceptance
Exhibit D-1	- Form of Shared Collateral Security Agreement
Exhibit D-2	- Form of Non-Shared Collateral Security Agreement
Exhibit E-1	- Form of BCSI Subsidiary Guaranty
Exhibit E-2	- Form of BRW Subsidiary Guaranty

Exhibit 12 to
Form 10-K for 2002

Broadwing Inc.
Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Dividends
(millions of dollars)

	2002	2001	2000	1999	1998
Pre-tax income (loss) from continuing operations before adjustment for minority interests in consolidated subsidiaries or income or loss from equity investees plus fixed charges	$ (3,880.5)	$ (127.2)	$ (306.1)	$ 146.1	$ 186.8
Fixed Charges:					
Interest expense, etc.	173.3	191.7	188.3	65.5	24.2
Appropriate portion of rentals	13.5	13.9	10.7	7.7	3.9
Preferred stock dividends of majority subsidiaries	27.7	27.7	28.3	4.0	—
Total Fixed Charges	214.5	233.3	227.3	77.2	28.1
Preferred dividend requirements	10.4	10.4	8.1	2.1	—
Total Fixed Charges and preferred dividends	$ 224.9	$ 243.7	$ 235.4	$ 79.3	$ 28.1
Ratio of earnings to combined fixed charges and preferred dividends	(17.3)	(0.5)	(1.3)	1.8	6.6
Coverage Deficiency	$ 4,105.4	$ 370.9	$ 541.5	n/a	n/a

Exhibit 21 to

Form 10-K for 2001

Subsidiaries of the Registrant

(as of February 28, 2003)

Subsidiary Name	State of Incorporation
Broadwing Holdings Inc.	Delaware
Cincinnati Bell Telephone Company	Ohio
Cincinnati Bell Telecommunications Services Inc.	Ohio
ZoomTown.com Inc.	Ohio
Cincinnati Bell Wireless Company	Ohio
Cincinnati Bell Wireless Holdings LLC	Delaware
Cincinnati Bell Wireless LLC	Ohio
Broadwing Financial LLC	Delaware
Cincinnati Bell Any Distance Inc.	Ohio
Cincinnati Bell Public Communications Inc.	Ohio
Broadwing Communications Inc.	Delaware
Broadwing Communications Services Inc.	Delaware
Broadwing Technology Solutions Inc.	Ohio
Broadwing Communications Services of VA, Inc.	Virginia
Broadwing Communications Real Estate Services LLC	Delaware
Broadwing Services LLC	Delaware
Broadwing Telecommunications Inc.	Delaware
IXC Business Services LLC	Delaware
IXC Internet Services Inc.	Delaware
Broadwing Logistics LLC	Delaware
Mutual Signal Holding Corporation	Delaware
Mutual Signal Corporation	New York
Mutual Signal Corporation of Michigan	New York
MSM Assoc. Limited Partnership	Delaware

Exhibit 23 to

Form 10-K for 2002

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (File No. 333-60370), Form S-8 (File No. 333-60376), Form S-8 (File No. 333-60378), Form S-8 (File No. 60384), Form S-8 (File No. 33-29332), Form S-8 (File No. 33-1462), Form S-8 (File No. 33-36380), Form S-14 (File No. 2-82253), Form S-8 (File No. 333-38743), Form S-8 (File No. 33-1487), Form S-8 (File No. 33-36831), Form S-8 (File No. 333-38763), Form S-8 (File No. 333-86971), Form S-8 (File No. 33-29331), Form S-3 (File No. 333-65581), Form S-8 (File No. 333-28385), Form S-8 (File No. 333-28381), Form S-8 (File No. 33-60209), Form S-8 (File No. 333-77011), Form S-3 (File No. 333-90711) of Broadwing Inc. of our report dated March 27, 2003 relating to the financial statements and financial statement schedule, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Cincinnati, Ohio

March 31, 2003

Exhibit 24

POWER OF ATTORNEY

WHEREAS, Broadwing Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2002 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby constitutes and appoints Kevin W. Mooney, Thomas L. Schilling and Jeffrey C. Smith, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 31 stday of January, 2003.

/s/ Phillip R. Cox
Phillip R. Cox
Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 31 stday of January, 2003, personally appeared before me Phillip R. Cox, to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 31 stday of January, 2003.

/s/ Susan D. McClarnon
Notary Public

POWER OF ATTORNEY

WHEREAS, Broadwing Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2002 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby constitutes and appoints Kevin W. Mooney, Thomas L. Schilling and Jeffrey C. Smith, and each of them singly, her attorneys for her and in her name, place and stead, and in her office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as she might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set her hand this 31 stday of January, 2003.

/s/ Karen M. Hoguet
Karen M. Hoguet
Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 31 stday of January, 2003, personally appeared before me Karen M. Hoguet, to me known and known to me to be the person described in and who executed the foregoing instrument, and she duly acknowledged to me that she executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 31 stday of January, 2003.

/s/ Susan D. McClarnon
Notary Public

POWER OF ATTORNEY

WHEREAS, Broadwing Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2002 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby constitutes and appoints Kevin W. Mooney, Thomas L. Schilling and Jeffrey C. Smith, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 31 stday of January, 2003.

/s/ Daniel J. Meyer
Daniel J. Meyer
Chairman of the Board of Directors

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 31 stday of January, 2003, personally appeared before me Daniel J. Meyer, to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 31 stday of January, 2003.

/s/ Susan D. McClarnon
Notary Public

POWER OF ATTORNEY

WHEREAS, Broadwing Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2002 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby constitutes and appoints Kevin W. Mooney, Thomas L. Schilling and Jeffrey C. Smith, and each of them singly, her attorneys for her and in her name, place and stead, and in her office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set her hand this 31 stday of January, 2003.

/s/ Mary D. Nelson
Mary D. Nelson
Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 31 stday of January, 2003, personally appeared before me Mary D. Nelson, to me known and known to me to be the person described in and who executed the foregoing instrument, and she duly acknowledged to me that she executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 31 stday of January, 2003.

/s/ Susan D. McClarnon
Notary Public

POWER OF ATTORNEY

WHEREAS, Broadwing Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2002 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby constitutes and appoints Kevin W. Mooney, Thomas L. Schilling and Jeffrey C. Smith, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 31 stday of January, 2003.

/s/ David B. Sharrock
David B. Sharrock
Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 31 stday of January, 2003, personally appeared before me David B. Sharrock, to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 31 stday of January, 2003.

/s/ Susan D. McClarnon
Notary Public

POWER OF ATTORNEY

WHEREAS, Broadwing Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2002 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby constitutes and appoints Kevin W. Mooney, Thomas L. Schilling and Jeffrey C. Smith, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 31 stday of January, 2003.

/s/ J. Taylor Crandall
J. Taylor Crandall
Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 31 stday of January, 2003, personally appeared before me J. Taylor Crandall, to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 31 stday of January, 2003.

/s/ Susan D. McClarnon
Notary Public

POWER OF ATTORNEY

WHEREAS, Broadwing Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2002 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby constitutes and appoints Kevin W. Mooney, Thomas L. Schilling and Jeffrey C. Smith, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 31 stday of January, 2003.

/s/ John M. Zrno
John M. Zrno
Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 31 stday of January, 2003, personally appeared before me John M. Zrno, to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 31 stday of January, 2003.

/s/ Susan D. McClarnon
Notary Public

POWER OF ATTORNEY

WHEREAS, Broadwing Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2002 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby constitutes and appoints Kevin W. Mooney, Thomas L. Schilling and Jeffrey C. Smith, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 31 stday of January, 2003.

/s/ Carl Redfield
Carl Redfield
Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 31 stday of January, 2003, personally appeared before me Carl Redfield, to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 31 stday of January, 2003.

/s/ Susan D. McClarnon
Notary Public

POWER OF ATTORNEY

WHEREAS, Broadwing Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2002 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby constitutes and appoints Kevin W. Mooney, Thomas L. Schilling and Jeffrey C. Smith, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 31 stday of January, 2003.

/s/ Lawrence J. Bouman
Lawrence J. Bouman
Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 31 stday of January, 2003, personally appeared before me Lawrence Bouman, to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 31 stday of January, 2003.

/s/ Susan D. McClarnon
Notary Public

POWER OF ATTORNEY

WHEREAS, Broadwing Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2002 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby constitutes and appoints Kevin W. Mooney, Thomas L. Schilling and Jeffrey C. Smith, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 31 stday of January, 2003.

/s/ John F. Cassidy
John F. Cassidy
Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 31 stday of January, 2003, personally appeared before me John F. Cassidy, to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 31 stday of January, 2003.

/s/ Susan D. McClarnon
Notary Public

POWER OF ATTORNEY

WHEREAS, Broadwing Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2002 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby constitutes and appoints Kevin W. Mooney, Thomas L. Schilling and Jeffrey C. Smith, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 31 stday of January, 2003.

/s/ Kevin W. Mooney
Kevin W. Mooney
Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 31 stday of January, 2003, personally appeared before me Kevin Mooney, to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 31 stday of January, 2003.

/s/ Susan D. McClarnon
Notary Public

Exhibit 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Broadwing Inc. (the "Company") on Form 10-K for the period ending December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kevin W. Mooney, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Kevin W. Mooney
Kevin W. Mooney
Chief Executive Officer
March 31, 2003

Exhibit 99.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Broadwing Inc. (the "Company") on Form 10-K for the period ending December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas L. Schilling, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Thomas L. Schilling
Thomas L. Schilling
Chief Financial Officer
March 31, 2003

Exhibit 99.3

THIS AGREEMENT IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ANY KIND. SUCH AN OFFER OR SOLICITATION WILL BE MADE ONLY IN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS

EXCHANGE AND VOTING AGREEMENT

EXCHANGE AND VOTING AGREEMENT, dated as of March 24, 2003, by and among Broadwing Inc., an Ohio corporation (the "***Company***"), and the undersigned beneficial owners of (or investment managers or advisors for accounts or funds that own) the 9% Senior Subordinated Notes due 2008 (the "***Notes***") of Broadwing Communications Inc., a Delaware corporation and a subsidiary of the Company ("***BCI***") (together with their applicable transferees, successors and assigns, each a "***Noteholder***" and, collectively, the "***Noteholders***").

WHEREAS, the Company intends to offer to exchange (the "***Exchange Offer***") any and all outstanding Notes for shares of the Company's common stock, par value $0.01 per share (the "***Broadwing Stock***"), and concurrently with making the Exchange Offer, the Company plans to engage in a related solicitation (the "***Consent Solicitation***") of consents of the Noteholders to certain amendments to the Indenture (as defined below) to, among other things, eliminate all restrictive covenants therein all as contemplated by the Exchange Offer and Consent Solicitation;

WHEREAS, the Company and the Noteholders have engaged in good faith negotiations with the objective of consummating the Exchange Offer and Consent Solicitation substantially on the terms set forth in the Term Sheet attached hereto as Annex A, as each may be amended in accordance with the terms hereof; and

WHEREAS, the Company and the Noteholders desire that the Company conduct the Exchange Offer and the Consent Solicitation as soon as practicable all as contemplated by the Exchange Offer and Consent Solicitation.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the parties signatory to this Agreement hereby agrees as follows:

1. Definitions. Capitalized terms used and not defined in this Agreement have the meaning ascribed to them in the Term Sheet, and the following terms shall have the following meanings:

"***Agreement***" means this Exchange and Voting Agreement, including the Schedule and Annex hereto.

" ***Indenture*** " means the Indenture dated as of April 21, 1998, between BCI (as successor to IXC Communications, Inc.) and IBJ Schroder Bank & Trust Company, pursuant to which the Notes were issued, as amended and supplemented through the date hereof.

" ***Person*** " means any individual, partnership, corporation, limited liability company, association, trust, joint venture, unincorporated organization, governmental unit or other entity.

" ***Securities Act*** " means the Securities Act of 1933, as amended.

" ***Term Sheet*** " means that certain Term Sheet attached hereto as Annex A which sets forth the material terms and conditions of the Exchange Offer and Consent Solicitation. The Term Sheet shall be deemed a part of this Agreement and references to the Agreement shall be deemed to include the Term Sheet.

" ***Transfer*** " means to directly or indirectly (i) sell (through a direct sale, constructive sale or otherwise), pledge, assign, encumber, grant a proxy, grant an option with respect to, transfer or dispose of any participation or interest (voting or otherwise) in or (ii) enter into an agreement, voting trust, commitment or other arrangement to sell (through a direct sale, constructive sale or otherwise), pledge, assign, encumber, grant a proxy, grant an option with respect to, transfer or dispose of any participation or interest (voting or otherwise) in, or the act thereof. The term " ***constructive sale*** " means a short sale with respect to the subject security, entering into or acquiring an offsetting derivative contract with respect to such security, entering into or acquiring a futures or forward contract to deliver such security or entering into any other hedging or other derivative transaction that has the effect of materially changing the economic benefits and risks of ownership.

2. Agreement to Complete the Exchange Offer and Consent Solicitation . Subject to the terms and conditions of this Agreement, the parties to this Agreement agree to use commercially reasonable efforts to complete the Exchange Offer and Consent Solicitation. The obligations of the parties hereunder are several and not joint and no party hereto shall be responsible for the failure of any other party hereto to perform its obligations hereunder.

3. Agreements of the Company . (a) The Company agrees to use its commercially reasonable efforts to commence the Exchange Offer and the Consent Solicitation as promptly as practicable, to do all things reasonably necessary and appropriate in furtherance thereof, including filing any related documents with the Securities and Exchange Commission (the " ***Commission*** ").

(b) Nothing in this Agreement shall be deemed to prevent the Company or BCI from taking, or failing to take, any action that it is obligated to take (or fail to take) in the performance of any fiduciary or similar duty which the Company or BCI owes to any other Person; it being understood and agreed that if any such action (or failure to act)

results in an alteration of the terms of the Exchange Offer and Consent Solicitation not permitted by Section 6, this Agreement and all of the obligations and undertakings of the parties set forth in this Agreement shall terminate and expire.

4. Agreements of the Noteholders . Subject to the terms and conditions of this Agreement:

(a) Each Noteholder agrees with each of the other parties to this Agreement, in connection with and conditioned upon the consummation of the Exchange Offer and Consent Solicitation and when solicited in accordance with applicable securities law, to:

(i) tender (or cause to be tendered) all of the Notes held by such Noteholder in exchange for shares of Broadwing Stock pursuant to and in accordance with the Exchange Offer and Consent Solicitation within 10 business days following the commencement of the Exchange Offer;

(ii) vote (or cause to be voted) its Notes to grant its consent pursuant to the Consent Solicitation and agree to the amendments to the Indenture; and

(iii) not withdraw or revoke any (or cause not to be withdrawn or revoked) of the foregoing unless and until this Agreement is terminated in accordance with its terms.

Each Noteholder acknowledges that by tendering its Notes in the Exchange Offer, it will be deemed to have delivered the consents required in the Consent Solicitation for the amendments to the Indenture.

(b) Each Noteholder agrees, so long as this Agreement remains in effect, not to Transfer any of the Notes held by it, in whole or in part, unless the transferee agrees in writing to be bound by the terms of this Agreement. In the event that any Noteholder Transfers any of the Notes, as a condition precedent to such Transfer, such Noteholder shall notify the Company prior to such transfer and agrees to cause the transferee to execute and deliver an acknowledgement, in form reasonably satisfactory to the Company, whereby such transferee agrees to be bound by the terms of this Agreement for so long as this Agreement shall remain in effect. Such acknowledgement shall be executed and delivered to the Company prior to the consummation of such Transfer. Any Transfer of the Notes in violation of the foregoing shall be deemed void.

(c) Each Noteholder agrees, so long as this Agreement remains in effect, not to commit any act that could restrict or otherwise affect its legal power, authority or right to tender or vote all of the Notes then owned of record or beneficially by it. So long as this Agreement remains in effect, such Noteholder will not enter into any voting agreement with any person or entity with respect to any of such Notes, grant any person or entity any proxy (revocable or irrevocable) or power of attorney with respect to any of such Notes, deposit any of such Notes in a voting trust or otherwise enter into any agreement or arrangement with any person or entity limiting or affecting such Noteholder's legal

power, authority or right to vote such Notes to grant its consent pursuant to the Consent Solicitation and agree to the amendments to the Indenture.

(d) Each Noteholder agrees that it will permit public disclosure, including in a press release and in the registration statement for the Exchange Offer and Consent Solicitation, of the contents of this Agreement, including, but not limited to, the commitments contained in this Section 4 and the Term Sheet.

(e) Each Noteholder further agrees that it will not object to, or otherwise commence or support any proceeding or material action to oppose, the Exchange Offer and Consent Solicitation and shall not take any action that (x) is materially inconsistent with its representations, warranties and agreements set forth herein or (y) would unreasonably delay the consummation of the Exchange Offer and Consent Solicitation.

5. Effectiveness of this Agreement. The effectiveness of this Agreement, and the respective obligations of the parties under this Agreement, are conditioned upon the receipt by the Company of the consent and signature hereto of each of the Noteholders listed on Schedule A hereto; provided that such Noteholders hold in the aggregate not less than 80% of the aggregate outstanding principal amount of the Notes.

6. Amendments to the Exchange Offer and Consent Solicitation. The Company shall not alter the material terms and conditions of the Exchange Offer and Consent Solicitation in a manner adverse to the Noteholders without the prior written consent of the Noteholders. Notwithstanding the foregoing, the Company may extend the expiration date of the Exchange Offer, if at the time of any such extension the conditions to closing set forth in the Exchange Offer shall not have been satisfied or waived as provided in this Agreement.

7. Termination of Agreement. Notwithstanding anything to the contrary set forth in this Agreement unless the Exchange Offer and Consent Solicitation have been consummated as provided in this Agreement, this Agreement and all of the obligations and undertakings of the parties set forth in this Agreement shall terminate and expire upon the earliest to occur of:

(i) mutual written consent of the Company and each Noteholder;

(ii) a material alteration by the Company of the terms of the Exchange Offer and Consent Solicitation not permitted under Section 6;

(iii) written notice from the Company to the Noteholders of the Company's intent to terminate this Agreement upon a determination by the Board of Directors that such termination is in the best interests of the Company;

(iv) written notice from the Company or any Noteholder to the other parties hereto after July 15, 2003, if the closing of the Exchange Offer and Consent Solicitation has not occurred on or before such date; and

(v) written notice from the Company to the Noteholders, if the "First Stage Closing" referred to in the Agreement for the Purchase and Sale of Assets dated as of February 22, 2003 (the " ***Sale Agreement*** ") between certain subsidiaries of BCI, as Sellers, and the Buyers party thereto shall not have been consummated by June 30, 2003 in accordance with the terms currently set forth in the Sale Agreement.

8. Representations and Warranties . (a) Each of the signatories to this Agreement represents and warrants to the other signatories to this Agreement that:

(i) if an entity, it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all requisite corporate, partnership or other power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement;

(ii) the execution, delivery and performance by it of this Agreement do not and shall not (A) violate any provision of law, order, rule or regulation applicable to it or any of its affiliates or its certificate of incorporation or bylaws or other organizational documents or those of any of its subsidiaries or (B) conflict with, result in the breach of or constitute (with due notice or lapse of time or both) a default under any material contractual obligations to which it or any of its affiliates is a party or under its certificate of incorporation, bylaws or other governing instruments;

(iii) the execution, delivery and performance by it of this Agreement do not and shall not require any registration or filing with, the consent or approval of, notice to, or any other action with respect to, any Federal, state or other governmental authority or regulatory body, except for (A) the registration under the Securities Act of the shares of the Broadwing Stock to be issued in the Exchange Offer and such consents, approvals, authorizations, registrations or qualifications as may be required under the state securities or Blue Sky laws in connection with the issuance of those shares, (B) the filing with the Commission of a Statement on Schedule TO with respect to the Exchange Offer, including the exhibits thereto and (C) such other filings as may be necessary or required by the Commission;

(iv) assuming the due execution and delivery of this Agreement by each of the other parties hereto, this Agreement is the legally valid and binding obligation of it, enforceable against it in accordance with its terms; and

(v) it has been represented by counsel in connection with this Agreement and the transactions contemplated by this Agreement.

(b) Each of the Noteholders further represents and warrants to the other signatories to this Agreement that:

(i) as of the date of this Agreement, such Noteholder (together with its affiliates) is the beneficial owner of, or the investment adviser or manager for the beneficial owners of, the aggregate principal amount of Notes, set forth opposite such Noteholder's name on Schedule A hereto, with the sole power and authority to vote and dispose of such Notes, and such Notes are owned free and clear of any liens, encumbrances, equities or claims;

(ii) as of the date of this Agreement and for so long as this Agreement remains in effect, such Noteholder has full legal power, authority and right to vote all of such Notes then of record or beneficially owned by it to grant its consent pursuant to the Consent Solicitation and agree to the amendments to the Indenture without the consent, approval of, or any other action on the part of, any other person or entity; and such Noteholder has not entered into voting agreement (other than this Agreement) with any person or entity with respect to any of such Notes, granted to any person or entity any of such Notes, deposited any such Notes in a voting trust or entered into any arrangement or agreement with any person or entity limiting or affecting its legal power, authority or right to vote such Notes on any matter;

(iii) such Noteholder has reviewed, or has had the opportunity to review, with the assistance of professional and legal advisors of its choosing, sufficient information necessary for such Noteholder to decide to tender its Notes and grant its consent pursuant to the Exchange Offer and Consent Solicitation, respectively; and

(iv) as of the date of this Agreement, such Noteholder is not aware of any event that, due to any fiduciary or similar duty to any other Person, would prevent it from taking any action required of it under this Agreement.

9. No Public Announcement . Each Noteholder agrees that it shall not make any announcement or disclosure regarding this Agreement or the transactions contemplated herein without the prior written consent of the Company.

10. Good Faith . Each of the signatories to this Agreement agrees to cooperate in good faith with each other to facilitate the performance by the parties of their respective obligations hereunder and the purposes of this Agreement.

11. Amendments and Modifications . Except as otherwise expressly provided in this Agreement, this Agreement shall not be amended, changed, supplemented, waived or otherwise modified or terminated except by instrument in writing signed by each of the parties hereto.

12. No Waiver . Each of the signatories to this Agreement expressly acknowledges and agrees that, except as expressly provided in this Agreement, nothing in this Agreement is intended to, or does, in any manner waive, limit, impair or restrict the ability of any party to this Agreement to protect and preserve all of its rights, remedies and interests, including, without limitation, with respect to its claims against and interests in BCI.

13. Stop Transfer Restriction . In furtherance of this Agreement, each of the Noteholders shall, and hereby does, authorize the Company's counsel to notify BCI's transfer agent that a stop transfer restriction has been imposed with respect to all of the Notes owned by such Noteholder (and that this Agreement places limits on the voting and transfer of such Notes). Notwithstanding the foregoing sentence, if such a stop transfer is imposed and this Agreement is terminated, the Noteholders shall, and do hereby, authorize the Company's counsel to notify BCI's transfer agent that the stop transfer is terminated and the Company shall (and shall cause BCI to) provide any and all notices or instructions to reflect such termination.

14. Further Assurances . Each of the signatories to this Agreement hereby further covenants and agrees to execute and deliver all further documents and agreements and take all further action that may be reasonably necessary or desirable in order to enforce and effectively implement the terms and conditions of this Agreement and the Exchange Offer and Consent Solicitation.

15. Complete Agreement . This Agreement, including the Schedule and Annex hereto, constitutes the complete agreement between the signatories to this Agreement with respect to the subject matter hereof and supersedes all prior and contemporaneous negotiations, agreements and understandings with respect to the subject matter hereof. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of the signatories to this Agreement.

16. Notices . All notices, requests, demands, claims and other communications hereunder shall be in writing and shall be (a) transmitted by hand delivery, (b) mailed by first class, registered or certified mail, postage prepaid, (c) transmitted by overnight courier, or (d) transmitted by telecopy, and in each case, if to the Company, at the address set forth below:

Broadwing Inc.

201 East Fourth Street

Cincinnati, OH 45202

Attention: Thomas W. Bosse, Esq.

Facsimile: (513) 397-9557

Telephone: (513) 397-9900

With a copy to:

Cravath, Swaine & Moore

825 Eighth Avenue

New York, NY 10019

Facsimile: (212) 474-3700

Telephone: (212) 474-1000

Attention: William V. Fogg, Esq.

and Robert Townsend, Esq.

if to a Noteholder, to the address set forth on the signature pages to this Agreement.

Notices mailed or transmitted in accordance with the foregoing shall be deemed to have been given upon receipt.

17. Governing Law. This Agreement shall be governed in all respects by the laws of the State of New York.

18. Jurisdiction; Waiver of Jury Trial. By its execution and delivery of this Agreement, each of the signatories to this Agreement irrevocably and unconditionally agrees that any legal action, suit or proceeding against it with respect to any matter under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, shall be brought in a federal or state court of competent jurisdiction in the State of New York in the Borough of Manhattan. By its execution and delivery of this Agreement, each of the signatories to this Agreement irrevocably accepts and submits itself to the jurisdiction of a court of competent jurisdiction in the State of New York, as applicable under the preceding sentence, with respect to any such action, suit or proceeding.

Each of the signatories to this Agreement waives its right to trial by jury in any suit, action or proceeding with respect to this Agreement and the transactions contemplated hereby.

19. Consent to Service of Process. Each of the signatories to this Agreement irrevocably consents to service of process by mail at the address listed with the signature of each such party on the signature pages to this Agreement. Each of the signatories to this Agreement agrees that its submission to jurisdiction and consent to service of process by mail is made for the express benefit of each of the other signatories to this Agreement.

20. Specific Performance. It is understood and agreed by each of the signatories to this Agreement that money damages would not be a sufficient remedy for any breach of this Agreement by any party and each non-breaching party shall be entitled to specific performance, injunctive, rescissionary or other equitable relief as remedy for any such breach.

21. Headings. The headings of the sections, paragraphs and subsections of this Agreement are inserted for convenience only and shall not affect the interpretation hereof.

22. Successors and Assigns . This Agreement is intended to bind and inure to the benefit of the signatories to this Agreement and their respective successors, permitted assigns, heirs, executors, administrators and representatives. The agreements, representations and obligations of the undersigned parties under this Agreement are, in all respects, several and not joint.

23. Additional Notes . If, after the date hereof, a Noteholder acquires beneficial or record ownership of any additional Notes for itself or any account or fund managed by such Noteholder (any such Notes, "***Additional Notes***"), such Noteholder shall notify the Company of such acquisition and the provisions of this Agreement shall be applicable to such Additional Notes as if such Additional Notes had been Notes owned by such Noteholder as of the date hereof. The provisions of the immediately preceding sentence shall be effective with respect to Additional Notes without action by any person or entity immediately upon the acquisition by such Noteholder of beneficial or record ownership of such Additional Notes.

24. Counterparts . This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page by facsimile shall be as effective as delivery of a manually executed counterpart.

25. No Third-Party Beneficiaries . This Agreement shall be solely for the benefit of the signatories to this Agreement, and no other Person or entity shall be a third-party beneficiary hereof.

26. Severability .Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

27. Consideration . It is hereby acknowledged by each of the signatories to this Agreement that no consideration (other than the obligations of the other parties under this Agreement) has been paid or shall be due or paid to the parties for their agreement to support the Exchange Offer and Consent Solicitation in accordance with the terms and conditions of this Agreement, other than the Company's agreement to use commercially reasonable efforts to obtain approval of confirmation of the Exchange Offer and Consent Solicitation in accordance with the terms and conditions of this Agreement.

28. Mutual Release . (a) In consideration of the agreements set forth herein and subject to paragraph (b) below (including that the releases provided for in this Section 28 are effective only upon the consummation of the Exchange Offer and Consent Solicitation), each of the signatories hereto hereby unconditionally releases, and forever discharges and acquits, each of the other signatories hereto, their parents, subsidiaries and affiliates and their respective directors, officers, executives, employees, attorneys, advisors, representatives and shareholders (the "***Released Persons***"), from all, and all

manner of, actions, suits, debts, claims, duties, payment and performance of all obligations, liabilities and indebtedness of every kind, direct or indirect, determined or undetermined, at law or in equity, whether or not asserted or raised and existing or alleged to exist or to have existed, at any time, which such signatory ever had or has or may have at this time against any Released Person, arising out of, relating to, or incurred in connection with, the Notes, the Indenture, this Agreement or the Exchange Offer and Consent Solicitation, or any transaction entered into hereunder or thereunder or any action taken or omitted to be taken by the Released Persons hereunder or thereunder (collectively, the "***Released Claims***").

(b) The releases provided for by paragraph (a) above shall be effective upon the consummation of the Exchange Offer and Consent Solicitation. The release by a signatory hereto will not apply if and to the extent that any payment or delivery, in whole or in part, by or on behalf of another signatory hereto under or in connection with this Agreement or the Exchange Offer and Consent Solicitation is rescinded or must be otherwise restored, whether as a result of any proceedings in bankruptcy, insolvency or reorganization or otherwise, all as though such payment or delivery had not been made. Each signatory hereto hereby covenants not to sue or pursue any legal or equitable action against any other signatory hereto with respect to any Released Claim, and if any such signatory shall breach such covenant, then (i) such non-breaching signatory shall be entitled to collect from such breaching signatory all reasonable out-of-pocket costs and expenses, including attorneys' fees, losses, claims and damages, incurred by such non-breaching signatory that are directly related to the defense of such action and (ii) the release granted to such breaching signatory by such non-breaching signatory shall be void ab initio and shall be deemed never to have been given.

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed and delivered by its duly authorized officers as of the date first written above.

BROADWING INC.

By: /s/ Mark W. Peterson

Name: Mark W. Peterson

Title: Vice President & Treasurer

HARCH CAPITAL MANAGEMENT, INC.
By: /s/ Michael E. Lewitt
Name: Michael E. Lewitt
Title: President
621 Northwest 53rd St.,
1 Park Place, Suite 620
Boca Raton, FL 33847

MUZINICH & CO. CREDIT
By: /s/ Daniel Naccarella
Name: Daniel Naccarella
Title: CFO
450 Park Avenue 1
New York, NY 10022

ALLIANZ INVESTMENT MANAGEMENT
By: /s/ Charles J. Dudley
Name: Charles J. Dudley
Title: Vice President
55 Greens Farms Road
Westport, CT 06881

Schedule A

To the Exchange and Voting Agreement

Noteholder and Principal Amount of Notes Held

NAME		PRINCIPAL AMOUNT
Harch Capital Management, Inc.	$	xxx,xxx
Muzinich & Co. Credit		xxx,xxx
Allianz Investment Management		xxx,xxx
	$	40,633,000

Annex A

To the Exchange and Voting Agreement

Broadwing Inc.

Term Sheet For Proposed Exchange Offer and Consent Solicitation

This Term Sheet sets forth the principal terms and conditions, as each may be amended in accordance with the terms of the Exchange and Voting Agreement (the "Agreement"), by which Broadwing Inc. (the "Company") intends to offer to exchange (the "Exchange Offer") any and all outstanding 9% Senior Subordinated Notes due 2008 (the "Notes") of Broadwing Communications Inc. ("BCI") for shares of the Company's common stock, par value $0.01 per share (the "Broadwing Stock"), and concurrently with making the Exchange Offer, the Company plans to engage in a related solicitation (the "Consent Solicitation") of consents of the holders of the Notes to certain amendments to the related indenture under which the Notes were issued to, among other things, eliminate all restrictive covenants. The Company also shall have the option to pay a portion of the Exchange Offer consideration in cash. Capitalized terms used and not defined herein shall have the meanings assigned to them in the Agreement.

EXCHANGE OFFER:	Each Noteholder, in exchange for all outstanding Notes (plus accumulated and unpaid interest thereon) owned by such Noteholder, will receive on the date of the closing of the Exchange Offer and Consent Solicitation (the "Closing Date") a number of shares of Broadwing Stock determined by multiplying (i) the fraction, the numerator of which is the aggregate principal amount of Notes owned by such Noteholder on the Closing Date, and the denominator of which is the aggregate principal amount of Notes outstanding on the Closing Date, by (ii) 11,076,253. The Company shall have the option to pay a portion of the Exchange Offer consideration in cash, but in no event shall such cash payment exceed 1% of the total Exchange Offer consideration. The consummation of the Exchange Offer will be subject to the condition that there be validly tendered and not withdrawn not less than 95% of the aggregate outstanding principal amount Notes (the "Minimum Tender Condition").

The Exchange Offer will include a simultaneous solicitation of consents (each, a "Consent") to amendments to the indenture under which the Notes were issued to, among other things, eliminate all restrictive covenants therein and such other provisions as shall be determined by the Company.

All tendering holders of Notes will be deemed to have delivered a Consent with respect to any Notes tendered.

CONDITIONS TO CLOSING: The Exchange Offer and Consent Solicitation will be subject to certain conditions that may be waived by Broadwing in its sole discretion, such conditions being substantially to the following effect:

(i) the Minimum Tender Condition shall have been met;

(ii) the registration statement registering the Exchange Offer and Solicitation Consent having been declared effective by the Commission;

(iii) the "First Stage Closing" referred to in the Sale Agreement shall have been consummated on or before June 30, 2003 in accordance with the terms currently set forth in the Sale Agreement;

(iv) the absence of any threatened or pending litigation or other legal action relating to the Exchange Offer or Consent Solicitation;

(v) the absence of any material adverse change in the financial markets, any disruption in the banking system or any commencement of a war involving the United States (excluding the current U.S. military action in Iraq);

(vi) no merger, acquisition or other business combination proposal for the Company shall have been proposed; and
(vii) no governmental approvals are required in order to complete the Exchange Offer and Consent Solicitation.

GOVERNING LAW: New York law.

Exhibit 99.4

THIS AGREEMENT IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ANY KIND. SUCH AN OFFER OR SOLICITATION WILL BE MADE ONLY IN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS

EXCHANGE AND VOTING AGREEMENT

EXCHANGE AND VOTING AGREEMENT, dated as of March 24, 2003, by and among Broadwing Inc., an Ohio corporation (the " ***Company*** "), and the undersigned beneficial owners of (or investment managers or advisors for accounts or funds that own) the 12 % Series B Junior Exchangeable Preferred Stock due 2009 (the " ***Preferred Stock*** ") of Broadwing Communications Inc., a Delaware corporation and a subsidiary of the Company (" ***BCI*** ") (together with their applicable transferees, successors and assigns, each a " ***Stockholder*** " and, collectively, the " ***Stockholders*** ").

WHEREAS, the Company intends to offer to exchange (the " ***Exchange Offer*** ") each outstanding share of the Preferred Stock for shares of the Company's common stock, par value $0.01 per share (the " ***Broadwing Stock*** "), and concurrently with making the Exchange Offer, the Company plans to engage in a related solicitation (the " ***Consent Solicitation*** ") of consents of the Stockholders to certain amendments to the Certificate of Designation (as defined below) to, among other things, eliminate all voting rights and restrictive covenants therein all as contemplated by the Exchange Offer and Consent Solicitation;

WHEREAS, the Company and the Stockholders have engaged in good faith negotiations with the objective of consummating the Exchange Offer and Consent Solicitation substantially on the terms set forth in the Term Sheet attached hereto as Annex A, as each may be amended in accordance with the terms hereof; and

WHEREAS, the Company and the Stockholders desire that the Company conduct the Exchange Offer and the Consent Solicitation as soon as practicable all as contemplated by the Exchange Offer and Consent Solicitation.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the parties signatory to this Agreement hereby agrees as follows:

1. Definitions . Capitalized terms used and not defined in this Agreement have the meaning ascribed to them in the Term Sheet, and the following terms shall have the following meanings:

" ***Agreement*** " means this Exchange and Voting Agreement, including the Schedule and Annex hereto.

" ***Certificate of Designation*** " means the Certificate of Designation of the Powers, Preferences and Relative, Participating, Optional and Other Special Rights of the 12 % Junior Exchangeable Preferred Stock Due 2009 and 12 % Series B Junior Exchangeable Preferred Stock Due 2009 and Qualifications, Limitations and Restrictions Thereof, relating to the Preferred Stock, as amended and supplemented through the date hereof.

" ***Engagement Letters*** " means the letter agreement by and between Houlihan Lokey Howard & Zukin, the Company and BCI dated February 10, 2003 and the letter agreement by and between Akin Gump Strauss Hauer & Feld, LLP and BCI dated January 29, 2003.

" ***HSR Act*** " means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations of the Federal Trade Commission promulgated thereunder.

" ***Minimum Tender Condition*** " means the condition to the consummation of the Exchange Offer that there be validly tendered and not withdrawn not less than 66 2/3% of the outstanding shares of the Preferred Stock.

" ***Person*** " means any individual, partnership, corporation, limited liability company, association, trust, joint venture, unincorporated organization, governmental unit or other entity.

" ***Required Holders*** " means the Stockholders that hold, in the aggregate, at least a majority of the outstanding shares of Preferred Stock held by all of the Stockholders.

" ***Securities Act*** " means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

" ***Term Sheet*** " means that certain Term Sheet attached hereto as Annex A which sets forth the material terms and conditions of the Exchange Offer and Consent Solicitation. The Term Sheet shall be deemed a part of this Agreement and references to the Agreement shall be deemed to include the Term Sheet.

" ***Transfer*** " means to directly or indirectly (i) sell (through a direct sale, constructive sale or otherwise), pledge, assign, encumber, grant a proxy, grant an option with respect to, transfer or dispose of any participation or interest (voting or otherwise) in or (ii) enter into an agreement, voting trust, commitment or other arrangement to sell (through a direct sale, constructive sale or otherwise), pledge, assign, encumber, grant a proxy, grant an option with respect to, transfer or dispose of any participation or interest (voting or otherwise) in, or the act thereof. The term " ***constructive sale*** " means a short sale with respect to the subject security, entering into or acquiring an offsetting derivative contract with respect to such security, entering into or acquiring a futures or forward contract to deliver such security or entering into any other hedging or other derivative

transaction that has the effect of materially changing the economic benefits and risks of ownership.

2. Agreement to Complete the Exchange Offer and Consent Solicitation . Subject to the terms and conditions of this Agreement, the parties to this Agreement agree to use commercially reasonable efforts to complete the Exchange Offer and Consent Solicitation. The obligations of the parties hereunder are several and not joint and no party hereto shall be responsible for the failure of any other party hereto to perform its obligations hereunder.

3. Agreements of the Company . (a) The Company agrees to use its commercially reasonable efforts to commence the Exchange Offer and the Consent Solicitation as promptly as practicable, to do all things reasonably necessary and appropriate in furtherance thereof, including filing any related documents with the Securities and Exchange Commission (the " ***Commission*** "), and to cause the Registration Statement (as defined below) to be declared effective under the Securities Act as promptly as practicable.

(b) The Company shall file, on or before April 15, 2003, with the Commission a Registration Statement on Form S-4 or any other appropriate form (the " ***Registration Statement*** ") under the Securities Act covering the offering of the shares of Broadwing Stock to be offered in exchange for the shares of Preferred Stock in connection with the Exchange Offer.

(c) Nothing in this Agreement shall be deemed to prevent the Company or BCI from taking, or failing to take, any action that it is obligated to take (or fail to take) in the performance of any fiduciary or similar duty which the Company or BCI owes to any other Person; provided, however, that such fiduciary or similar duty shall apply only in the circumstance that BCI or the Company receives an unsolicited offer or expression of bona fide interest from a third party with respect to a potential merger, acquisition, business combination or other strategic combination involving BCI or the Company; it being understood and agreed that if any such action (or failure to act) that the board of directors of BCI or the Company determines to be in the best interests of BCI or the Company would alter the terms of the Exchange Offer and Consent Solicitation in a manner not permitted by Section 6, this Agreement and all of the obligations and undertakings of the parties set forth in this Agreement shall terminate and expire.

(d) The Company shall provide the Stockholders with a reasonable opportunity to review and comment upon the form and substance of the documents and other materials that the Company shall distribute to the Stockholders to effect the Exchange Offer and Consent Solicitation.

(e) The Company will provide the Stockholders with written notice of any executed amendments, waivers or supplements (other than any amendments, waivers or supplements relating to immaterial, and non-economic matters) to the terms of the Sale Agreement (as defined below) immediately after the execution of any such amendment,

waiver or supplement. The Company hereby acknowledges that its failure to provide such notice will preclude the Company's right to terminate this Agreement pursuant to Section 7(vi).

4. Agreements of the Stockholders . Subject to the terms and conditions of this Agreement:

(a) Each Stockholder agrees with each of the other parties to this Agreement, in connection with and conditioned upon the consummation of the Exchange Offer and Consent Solicitation and when solicited in accordance with applicable securities law, to:

(i) tender (or cause to be tendered) all of the Preferred Stock held by such Stockholder in exchange for shares of Broadwing Stock pursuant to and in accordance with the Exchange Offer and Consent Solicitation within 10 business days following the commencement of the Exchange Offer;

(ii) vote (or cause to be voted) its shares of Preferred Stock to grant its consent pursuant to the Consent Solicitation and agree to the amendments to the Certificate of Designation; and

(iii) not withdraw or revoke any (or cause not to be withdrawn or revoked) of the foregoing unless and until this Agreement is terminated in accordance with its terms.

Each Stockholder acknowledges that by tendering its Preferred Stock in the Exchange Offer, it will be deemed to have delivered the consents required in the Consent Solicitation for the amendments to the Certificate of Designation.

In furtherance of the foregoing, each Stockholder hereby grants, so long as this Agreement remains in effect, an irrevocable proxy, coupled with an interest, to each of the President and the Secretary of the Company and any other Company-authorized representative or agent to vote all of the shares of the Preferred Stock beneficially owned by such Stockholder to grant its consent pursuant to the Consent Solicitation and agree to the amendments to the Certificate of Designation. So long as this Agreement remains in effect, such Stockholder hereby ratifies and approves of each and every action taken by the President and the Secretary of the Company and any other Company-authorized representative or agent pursuant to the foregoing proxy. So long as this Agreement remains in effect, if requested by the Company, such Stockholder will execute and deliver applicable proxy materials in furtherance of the provisions of this Section 4(a).

(b) Each Stockholder agrees, so long as this Agreement remains in effect, not to Transfer any of the shares of Preferred Stock held by it, in whole or in part, unless the transferee agrees in writing to be bound by the terms of this Agreement. In the event that any Stockholder Transfers any of the Preferred Stock, as a condition precedent to such Transfer, such Stockholder shall notify the Company prior to such transfer and agrees to cause the transferee to execute and deliver an acknowledgement, in the form attached

hereto as Annex B, whereby such transferee agrees to be bound by the terms of this Agreement for so long as this Agreement shall remain in effect. Such acknowledgement shall be delivered to the Company prior to the consummation of such Transfer. Any Transfer of the Preferred Stock in violation of the foregoing shall be deemed void.

(c) Each Stockholder agrees, so long as this Agreement remains in effect, not to commit any act that could restrict or otherwise affect its legal power, authority or right to tender or vote all of the shares of Preferred Stock then owned of record or beneficially by it. So long as this Agreement remains in effect, no Stockholder will enter into any voting agreement with any person or entity with respect to any of such shares, grant any person or entity any proxy (revocable or irrevocable) or power of attorney with respect to any of such shares, deposit any of such shares in a voting trust or otherwise enter into any agreement or arrangement with any person or entity limiting or affecting such Stockholder's legal power, authority or right to vote such shares to grant its consent pursuant to the Consent Solicitation and agree to the amendments to the Certificate of Designation.

(d) Subject to the provisions of Section 29, each Stockholder agrees that it will permit public disclosure, including in a press release and in the registration statement for the Exchange Offer and Consent Solicitation, of the contents of this Agreement, including, but not limited to, the commitments contained in this Section 4 and the Term Sheet; provided, however, unless required by applicable law, such press release will not include the name of any of the Stockholders.

(e) Each Stockholder further agrees, so long as this Agreement remains in effect, that it will not object to, or otherwise commence or support any proceeding or material action to oppose, the Exchange Offer and Consent Solicitation and shall not take any action that (x) is materially inconsistent with its representations, warranties and agreements set forth herein or (y) would unreasonably delay the consummation of the Exchange Offer and Consent Solicitation.

5. Effectiveness of this Agreement . The effectiveness of this Agreement, and the respective obligations of the parties under this Agreement, are conditioned upon the receipt by the Company of the consent and signature hereto of each of the Stockholders listed on Schedule A hereto; provided that such Stockholders hold in the aggregate not less than 66 2/3% of the outstanding shares of the Preferred Stock.

6. Amendments to the Exchange Offer and Consent Solicitation . The Company shall not alter the material terms and conditions of the Exchange Offer and Consent Solicitation as set forth in the Term Sheet in a manner adverse to the Stockholders without the prior written consent of the Stockholders. Notwithstanding the foregoing, the Company may extend the expiration date of the Exchange Offer, if at the time of any such extension the conditions to closing set forth in the Exchange Offer shall not have been satisfied or waived as provided in this Agreement.

7. Termination of Agreement. Notwithstanding anything to the contrary set forth in this Agreement, unless the Exchange Offer and Consent Solicitation have been consummated as provided in this Agreement, this Agreement and all of the obligations and undertakings of the parties set forth in this Agreement shall terminate and expire upon the earliest to occur of:

(i) mutual written consent of the Company and each Stockholder;

(ii) written notice from the Company to the Stockholders, in the event the Minimum Tender Condition is not satisfied at any time after the effectiveness of this Agreement;

(iii) written notice from the Required Holders to the other signatories hereto of an alteration by the Company of the terms of the Exchange Offer and Consent Solicitation not permitted under Section 6;

(iv) written notice from the Company to the Stockholders of the Company's intent to terminate this Agreement upon a determination by the Board of Directors that such termination is in the best interests of the Company pursuant to the exercise of its fiduciary duties in accordance with Section 3(c);

(v) written notice from the Company or the Required Holders to the other signatories hereto after July 30, 2003, if the closing of the Exchange Offer and Consent Solicitation has not occurred on or before such date;

(vi) written notice from the Company to the Stockholders, if the "First Stage Closing" referred to in the Agreement for the Purchase and Sale of Assets dated as of February 22, 2003 (the " ***Sale Agreement*** ") between certain subsidiaries of BCI, as Sellers, and the Buyers party thereto shall not have been consummated by June 30, 2003 in accordance with the terms currently set forth in the Sale Agreement, together with any immaterial and non-economic amendments, waivers or supplements thereto after the date hereof;

(vii) written notice from the Required Holders to the other signatories hereto, if the Company or BCI shall make an assignment for the benefit of creditors, or an order, judgment or decree shall be entered adjudicating the Company or BCI bankrupt or insolvent, or any order for relief with respect to the Company or BCI is entered under the U.S. Bankruptcy Code, or the Company or BCI petitions or applies to any tribunal for the appointment of a custodian, trustee, receiver or liquidator of the Company or BCI or of any substantial part of the assets of the Company or BCI, or commences any proceeding relating to the Company or BCI under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, or any such petition or application is filed, or any such proceeding is commenced, against the Company or BCI and either (A) the Company or BCI by any act

indicates its approval thereof, consents thereto or acquiescences therein or (B) such petition, application or proceeding is not dismissed within 60 days; and

(viii) written notice from the Company or the Required Holders, as the case may be, to the other signatories hereto, if any Stockholder or the Company, respectively, shall fail to perform, in any material respect, any of its obligations hereunder and such failure shall remain uncured at the conclusion of the ten-business-day period that shall commence on the date on which the Company or the Required Holders, as the case may be, give such written notice.

8. Representations and Warranties . (a) Each of the signatories to this Agreement represents and warrants to the other signatories to this Agreement that:

(i) if an entity, it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all requisite corporate, partnership or other power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement;

(ii) the execution, delivery and performance by it of this Agreement do not and shall not (A) violate any provision of law, order, rule or regulation applicable to it or any of its affiliates or its certificate of incorporation or bylaws or other organizational documents or those of any of its subsidiaries or (B) conflict with, result in the breach of or constitute (with due notice or lapse of time or both) a default under any material contractual obligations to which it or any of its affiliates is a party or under its certificate of incorporation, bylaws or other governing instruments;

(iii) the execution, delivery and performance by it of this Agreement do not and shall not require any registration or filing with, the consent or approval of, notice to, or any other action with respect to, any Federal, state or other governmental authority or regulatory body, except for (A) the registration under the Securities Act of the shares of the Broadwing Stock to be issued in the Exchange Offer and such consents, approvals, authorizations, registrations or qualifications as may be required under the state securities or Blue Sky laws in connection with the issuance of those shares, (B) the filing with the Commission of a Statement on Schedule TO with respect to the Exchange Offer, including the exhibits thereto, (C) such other filings as may be necessary or required by the Commission and (D) any filings required under the HSR Act;

(iv) assuming the due execution and delivery of this Agreement by each of the other parties hereto, this Agreement is the legally valid and binding obligation of it, enforceable against it in accordance with its terms; and

(v) it has been represented by counsel in connection with this Agreement and the transactions contemplated by this Agreement.

(b) Each of the Stockholders further represents and warrants to the other signatories to this Agreement that:

(i) as of the date of this Agreement, such Stockholder (together with its affiliates) is the beneficial owner of, or the investment adviser or manager for the beneficial owners of, the number of shares of Preferred Stock, set forth opposite such Stockholder's name on Schedule A hereto, with the requisite power and authority to vote and dispose of such Preferred Stock, and such shares of Preferred Stock are owned free and clear of any liens, encumbrances, equities or claims;

(ii) as of the date of this Agreement and for so long as this Agreement remains in effect, such Stockholder has full legal power, authority and right to vote all of such shares of Preferred Stock then held of record or beneficially owned by it to grant its consent pursuant to the Consent Solicitation and agree to the amendments to the Certificate of Designation without the consent, approval of, or any other action on the part of, any other person or entity; and such Stockholder has not entered into any voting agreement (other than this Agreement) with any person or entity with respect to any of such shares, granted to any person or entity any of such shares, deposited any such shares in a voting trust or entered into any arrangement or agreement with any person or entity limiting or affecting its legal power, authority or right to vote such shares on any matter;

(iii) such Stockholder has reviewed, or has had the opportunity to review, with the assistance of professional and legal advisors of its choosing, sufficient information necessary for such Stockholder to decide to tender its Preferred Stock and grant its consent pursuant to the Exchange Offer and Consent Solicitation, respectively; and

(iv) as of the date of this Agreement, such Stockholder is not aware of any event that, due to any fiduciary or similar duty to any other Person, would prevent it from taking any action required of it under this Agreement.

(c) The Company further represents and warrants to the Stockholders that, upon the delivery of the Broadwing Stock to the Stockholders upon consummation of with the Exchange Offer, the Broadwing Stock may be resold without registration under the Securities Act; provided that such Stockholder is not an "affiliate" (as defined in the Securities Act) of the Company and would not be deemed an "underwriter" (as defined in the Securities Act) with respect to the Broadwing Stock.

9. No Public Announcement . Each Stockholder agrees that it shall not make any announcement or disclosure regarding this Agreement or the transactions contemplated herein without the prior written consent of the Company.

10. Good Faith . Each of the signatories to this Agreement agrees to cooperate in good faith with each other to facilitate the performance by the parties of their respective obligations hereunder and the purposes of this Agreement.

11. Amendments and Modifications . Except as otherwise expressly provided in this Agreement, this Agreement shall not be amended, changed, supplemented, waived or otherwise modified or terminated except by instrument in writing signed by each of the parties hereto.

12. No Waiver . Each of the signatories to this Agreement expressly acknowledges and agrees that, except as expressly provided in this Agreement, nothing in this Agreement is intended to, or does, in any manner waive, limit, impair or restrict the ability of any party to this Agreement to protect and preserve all of its rights, remedies and interests, including, without limitation, with respect to its claims against and interests in BCI.

13. Stop Transfer Restriction . In furtherance of this Agreement, each of the Stockholders shall, and hereby does, authorize the Company's counsel to notify BCI's transfer agent that a stop transfer restriction has been imposed with respect to all of the shares of Preferred Stock owned by such Stockholder (and that this Agreement places limits on the voting and Transfer of such shares), which shall remain in effect unless and until an acknowledgement in the form set forth in Annex B has been delivered to the Company prior to any Transfer. Notwithstanding the foregoing sentence, if such a stop transfer is imposed and this Agreement is terminated, the Stockholders may notify the transfer agent that the stop transfer is terminated and the Company shall (and shall cause BCI to) provide any and all notices or instructions to reflect such termination.

14. Fees and Expenses . In accordance with the terms of the Engagement Letters, the Company shall timely pay in full the reasonable and documented fees and expenses of Akin Gump Strauss Hauer & Feld, LLP and Houlihan Lokey Howard & Zukin, in their respective capacities as legal counsel and financial advisors to the Stockholders in connection with the Exchange Offer and Consent Solicitation; provided, however, the Company agrees that it will not terminate the engagements set forth in the Engagement Letters prior to the earlier of the termination of the Company's obligations under this Agreement or the conclusion of the Exchange Offer and Consent Solicitation.

15. Further Assurances . Each of the signatories to this Agreement hereby further covenants and agrees to execute and deliver all further documents and agreements and take all further action that may be reasonably necessary or desirable in order to enforce and effectively implement the terms and conditions of this Agreement and the Exchange Offer and Consent Solicitation.

16. Complete Agreement . This Agreement, including the Schedule and Annex hereto, constitutes the complete agreement between the signatories to this Agreement with respect to the subject matter hereof and supersedes all prior and contemporaneous negotiations, agreements and understandings with respect to the subject matter hereof.

The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of the signatories to this Agreement.

17. Notices . All notices, requests, demands, claims and other communications hereunder shall be in writing and shall be (a) transmitted by hand delivery, (b) mailed by first class, registered or certified mail, postage prepaid, (c) transmitted by overnight courier, or (d) transmitted by telecopy, and in each case, if to the Company, at the address set forth below:

Broadwing Inc.

201 East Fourth Street

Cincinnati, OH 45202

Attention: Thomas W. Bosse, Esq.

Facsimile: (513) 397-9557

Telephone: (513) 397-9900

with a copy to:

Cravath, Swaine & Moore

825 Eighth Avenue

New York, NY 10019

Facsimile: (212) 474-3700

Telephone: (212) 474-1000

Attention: William V. Fogg, Esq. and

Robert Townsend, Esq.

if to a Stockholder, to the address set forth on the signature pages to this Agreement, with a copy to the Stockholders' counsel:

Akin Gump Strauss Hauer & Feld LLP

590 Madison Avenue

New York, NY 10022

Facsimile: (212) 872-1002

Telephone: (212) 872-1025

Attention: Michael S. Stamer, Esq.

Notices mailed or transmitted in accordance with the foregoing shall be deemed to have been given upon receipt.

18. Governing Law . This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to its choice of law rules (except for Section5-1401 of the New York General Obligation Law).

19. Jurisdiction; Waiver of Jury Trial . By its execution and delivery of this Agreement, each of the signatories to this Agreement irrevocably and unconditionally agrees that any legal action, suit or proceeding against it with respect to any matter under

or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, shall be brought in a federal or state court of competent jurisdiction in the State of New York in the Borough of Manhattan. By its execution and delivery of this Agreement, each of the signatories to this Agreement irrevocably accepts and submits itself to the jurisdiction of a court of competent jurisdiction in the State of New York, as applicable under the preceding sentence, with respect to any such action, suit or proceeding.

Each of the signatories to this Agreement waives its right to trial by jury in any suit, action or proceeding with respect to this Agreement and the transactions contemplated hereby.

20. Consent to Service of Process . Each of the signatories to this Agreement irrevocably consents to service of process by mail at the address listed with the signature of each such party on the signature pages to this Agreement. Each of the signatories to this Agreement agrees that its submission to jurisdiction and consent to service of process by mail is made for the express benefit of each of the other signatories to this Agreement.

21. Specific Performance . It is understood and agreed by each of the signatories to this Agreement that money damages would not be a sufficient remedy for any breach of this Agreement by any party and each non-breaching party shall be entitled to specific performance, injunctive, rescissionary or other equitable relief as remedy for any such breach.

22. Headings . The headings of the sections, paragraphs and subsections of this Agreement are inserted for convenience only and shall not affect the interpretation hereof.

23. Successors and Assigns . This Agreement is intended to bind and inure to the benefit of the signatories to this Agreement and their respective successors, permitted assigns, heirs, executors, administrators and representatives. The agreements, representations and obligations of the undersigned parties under this Agreement are, in all respects, several and not joint.

24. Additional Shares . If, after the date hereof, a Stockholder acquires beneficial or record ownership of any additional shares of Preferred Stock for itself or any account or fund managed by such Stockholder (any such shares, " ***Additional Shares*** "), such Stockholder shall promptly notify the Company of such acquisition and the provisions of this Agreement shall be applicable to such Additional Shares as if such Additional Shares had been shares of Preferred Stock owned by such Stockholder as of the date hereof. The provisions of the immediately preceding sentence shall be effective with respect to Additional Shares without action by any person or entity immediately upon the acquisition by such Stockholder of beneficial or record ownership of such Additional Shares.

25. Counterparts . This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the

same agreement. Delivery of an executed counterpart of a signature page by facsimile shall be as effective as delivery of a manually executed counterpart.

26. No Third-Party Beneficiaries . This Agreement shall be solely for the benefit of the signatories to this Agreement, and no other Person or entity shall be a third-party beneficiary hereof.

27. Severability .Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

28. Consideration . It is hereby acknowledged by each of the signatories to this Agreement that no consideration (other than the obligations of the other parties under this Agreement) has been paid or shall be due or paid to the parties for their agreement to support the Exchange Offer and Consent Solicitation in accordance with the terms and conditions of this Agreement, other than the Company's agreement to use commercially reasonable efforts to obtain approval of confirmation of the Exchange Offer and Consent Solicitation in accordance with the terms and conditions of this Agreement.

29. Disclosure of Individual Holdings . Unless required by applicable law, the Company shall not disclose the number of shares of the Preferred Stock held by a Stockholder without the prior written consent of such Stockholder; provided, however, that if such disclosure is required by law, the Company shall afford such Stockholder a reasonable opportunity to review and comment upon any such disclosure prior to the release or publication thereof. The foregoing shall not prohibit the Company from disclosing the aggregate number of shares of the Preferred Stock held by the Stockholders as a group.

30. HSR Act . In the event the Company and one or more of the Stockholders shall be required to make any filings with the Federal Trade Commission pursuant to the HSR Act, the Company shall timely pay all related filing fees and expenses that any such Stockholder would otherwise be required to pay in connection therewith.

31. Mutual Release . (a) In consideration of the agreements set forth herein and subject to paragraph (b) below (including that the releases provided for in this Section 31 are effective only upon the consummation of the Exchange Offer and Consent Solicitation), each of the signatories hereto hereby unconditionally releases, and forever discharges and acquits, BCI, its parent, subsidiaries and affiliates and their respective directors, officers, executives, employees, attorneys, advisors, representatives and shareholders (the " ***Released Persons*** "), from all, and all manner of, actions, suits, debts, claims, duties, payment and performance of all obligations, liabilities and indebtedness of every kind, direct or indirect, determined or undetermined, at law or in equity, whether or not asserted or raised and existing or alleged to exist or to have existed, at any time, which such signatory ever had or has or may have at this time against any Released

Person, arising out of, relating to, or incurred in connection with, the Preferred Stock, the Certificate of Designation, this Agreement or the Exchange Offer and Consent Solicitation, or any transaction entered into hereunder or thereunder or any action taken or omitted to be taken by the Released Persons hereunder or thereunder (collectively, the "***Released Claims***").

(b) The releases provided for by paragraph (a) above shall be effective upon the consummation of the Exchange Offer and Consent Solicitation. The release by a signatory hereto will not apply if and to the extent that any payment or delivery, in whole or in part, by or on behalf of another signatory hereto under or in connection with this Agreement or the Exchange Offer and Consent Solicitation is rescinded or must be otherwise restored, whether as a result of any proceedings in bankruptcy, insolvency or reorganization or otherwise, all as though such payment or delivery had not been made. Each signatory hereto hereby covenants not to sue or pursue any legal or equitable action against any other signatory hereto with respect to any Released Claim, and if any such signatory shall breach such covenant, then (i) such non-breaching signatory shall be entitled to collect from such breaching signatory all reasonable out-of-pocket costs and expenses, including attorneys' fees, losses, claims and damages, incurred by such non-breaching signatory that are directly related to the defense of such action and (ii) the release granted to such breaching signatory by such non-breaching signatory shall be void ab initio and shall be deemed never to have been given.

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed and delivered by its duly authorized officers as of the date first written above.

BROADWING INC.

By: /s/ Mark W. Peterson

Name: Mark W. Peterson

Title: Vice President & Treasurer

ALLIANCE CAPITAL MANAGEMENT
L.P., as investment advisor
By: /s/ Michael Sohr
Name: Michael Sohr
Title: Vice President
1345 Avenue of the Americas
New York, NY 10105

FIDELITY MANAGEMENT & RESEARCH CO.:

Fidelity Advisor Series II: Fidelity Advisor
High Income Advantage Fund
Pension Investment Committee of General
Motors for General Motors Employees
Domestic Group Pension Trust
Commonwealth of Massachusetts Pension
Reserves Investment Management Board
By: /s/ Thomas Saviers
Name: Thomas Saviers
Title: Portfolio Manager
c/o Fidelity Investments
82 Devonshire Street, E20E
Boston, MA 02109
Attn: Nate Van Duzer

FIDELITY MANAGEMENT & RESEARCH CO.:

Fidelity Puritan Trust: Fidelity Puritan Fund
Variable Insurance Products Fund: High Income Portfolio
Variable Insurance Products Fund II: Asset Manager Portfolio
Illinois Municipal Retirement Fund Master Trust
Fidelity School Street Trust: Fidelity Strategic Income Fund
Fidelity Advisor Series II: Fidelity Advisor Strategic Income Fund
Fidelity Advisor Series I: Fidelity Advisor Balanced Fund
The Assets Management Committee of The Coca-Cola Company Master Retirement Trust
Variable Insurance Products Fund II: Asset Manager: Growth Portfolio
Fidelity Institutional High Yield Fund, LLC

By: /s/ Mark Notkin
Name: Mark Notkin
Title: Portfolio Manager

c/o Fidelity Investments
82 Devonshire Street, E20E
Boston, MA 02109
Attn: Nate Van Duzer

GMT CAPITAL CORP.
By: /s/ Joe Mathias
Name: Joe Mathias
Title: Vice President
2100 RiverEdge Parkway, Suite 840
Atlanta, GA 30328

GRYPHON PARTNERS L.P.
By: /s/ Michael H. Scholten
Name: Michael H. Scholten
Title: Partner
500 Crescent Court, Suite 270
Dallas, TX 75201

MORGAN STANLEY INVESTMENT
MANAGEMENT, on behalf of certain
institutional accounts
By: /s/ Deanna Loughnane
Name: Deanna Loughnane
Title: Executive Director
1 Tower Bridge
100 Front Street
West Conshohocken, PA 19428

OZ MANAGEMENT, LLC, as investment
manager, on behalf of:
OZ MAC 13 LTD.
FLEET MARITIME, INC.
GOLDMAN, SACHS & CO. PROFIT
SHARING MASTER TRUST
OZ MASTER FUND, LTD.

By: /s/ Joel M. Frank
Name: Joel M. Frank
Title: Chief Financial Officer

9 West 57 th Street, 39 th Floor
New York, NY 10019

OZF MANAGEMENT, L.P., as investment manager, on behalf of:
OZF CREDIT OPPORTUNITIES MASTER FUND, LTD.
OZF CREDIT OPPORTUNITIES MASTER FUND II, LTD.
By: OZF Management, LLC, General Partner
By: /s/ Stephen C. Freidheim
Name: Stephen C. Freidheim
Title: Managing Member
9 West 57 th Street, 39 th Floor
New York, NY 10019

Schedule A

To the Exchange and Voting Agreement

Stockholder and Number of Shares of Preferred Stock Held

NAME	SHARES OF PREFERRED STOCK
Alliance Capital Management L.P., as investment advisor	XXX
Fidelity Management & Research Co., on behalf of funds and accounts managed by it	XXX
GMT Capital Corp.	XXX
Gryphon Partners L.P.	XXX
Morgan Stanley Investment Management(1), on behalf of certain institutional accounts	XXX
OZ Management, LLC, as investment manager	XXX
OZF Management, L.P., as investment manager	XXX
Total	266,514

(1) With respect solely to Section 8(b)(ii), Morgan Stanley Investment Management ("MSIM") hereby qualifies its representations and warranties as follows: (i) MSIM acts as asset manager/agent for account(s) that own Preferred Stock, (ii) MSIM does not have the voting authority with respect to such account(s) to grant an irrevocable proxy to the Company that is effective after the date of a Transfer, not caused or initiated by MSIM, of any shares of Preferred Stock subsequent to the date hereof, that results in the replacement of MSIM as asset manager/agent (a "Permitted Transfer"); and (iii) as of the date hereof, MSIM is not aware of any request to (x) Transfer any shares of Preferred Stock managed by MSIM to another asset manager/agent or (y) replace MSIM as asset manager/agent for any shares of Preferred Stock. Provided that such representations and warranties are accurate, the Company and BCI agree that a Permitted Transfer will result in such shares of Preferred Stock no longer being subject to the terms and conditions of the Agreement.

Annex A

To the Exchange and Voting Agreement

Broadwing Inc.

Term Sheet For Proposed Exchange Offer and Consent Solicitation

This Term Sheet sets forth the principal terms and conditions, as each may be amended in accordance with the terms of the Exchange and Voting Agreement (the "Agreement"), by which Broadwing Inc. (the "Company") intends to offer to exchange (the "Exchange Offer") each outstanding share of 12 % Series B Junior Exchangeable Preferred Stock due 2009 (the "Preferred Stock") of Broadwing Communications Inc. ("BCI") for shares of the Company's common stock, par value $0.01 per share (the "Broadwing Stock"), and concurrently with making the Exchange Offer, the Company plans to engage in a related solicitation (the "Consent Solicitation") of consents of the holders of the Preferred Stock to certain amendments to the related certificate of designation under which the Preferred Stock was issued to, among other things, eliminate all voting rights and restrictive covenants. The Company also shall have the option to pay a portion of the Exchange Offer consideration in cash. Capitalized terms used and not defined herein shall have the meanings assigned to them in the Agreement .

EXCHANGE OFFER: Each Stockholder, in exchange for all outstanding shares of Preferred Stock (plus accumulated and unpaid dividends thereon) owned by such Stockholder, will receive on the date of the closing of the Exchange Offer and Consent Solicitation (the "Closing Date") a number of shares of Broadwing Stock determined by multiplying (i) the fraction, the numerator of which is the number of shares of Preferred Stock owned by such Stockholder on the Closing Date, and the denominator of which is the total number of shares of Preferred Stock outstanding on the Closing Date, by (ii) 14,148,329. The Company shall have the option to pay a portion of the Exchange Offer consideration in cash, but in no event shall such cash payment exceed 1% of the total Exchange Offer consideration.

The consummation of the Exchange Offer will be subject to the condition that there be validly tendered and not withdrawn not less than 66 2/3% of the outstanding Preferred Stock (the "Minimum Tender Condition").

The Exchange Offer will include a simultaneous solicitation of consents (each, a "Consent") to amendments to the certificate of designation under which the Preferred Shares were issued to, among other things, eliminate all voting rights and restrictive covenants therein and such other provisions as shall be determined by the Company.

All tendering holders of Preferred Stock will be deemed to have delivered a Consent with respect to any Preferred Stock tendered.

CONDITIONS TO CLOSING: The Exchange Offer and Consent Solicitation will be subject to the following conditions, which may be waived by the Company in its sole discretion:

(i) the Minimum Tender Condition shall have been met;

(ii) the registration statement registering the Exchange Offer and Solicitation Consent having been declared effective by the Commission;

(iii) subject to Section 3(e) of the Agreement, the "First Stage Closing" referred to in the Sale Agreement shall have been consummated on or before June 30, 2003 in accordance with the terms currently set forth in the Sale Agreement, together with any immaterial and non-economic amendments, waivers or supplements thereto after the date hereof;

(iv) the absence of any threatened or pending litigation or other legal action relating to the Exchange Offer or the Consent Solicitation or the Merger (as defined below);

(v) the Company shall not have received any unsolicited offer or expression of bona fide interest from a third party with respect to a

potential merger, acquisition, business combination or other strategic combination involving BCI or the Company, that if the board of directors of BCI or the Company determines it to be in the best interests of BCI or the Company to accept, would alter the terms of the Exchange Offer and Consent Solicitation in a manner not permitted by Section 6 of the Agreement; and (vi) no governmental approvals are required in order to complete the Exchange Offer or the Consent Solicitation or the Merger.

MERGER: If the Exchange Offer and Consent Solicitation are completed, the Company will effect a merger of BCI (the "Merger"), unless it is not lawful to do so, in which any remaining shares of Preferred Stock not tendered will be converted into the same number of shares of Broadwing Stock and cash, if any, that tendering holders received in the Exchange Offer.

GOVERNING LAW: New York law.

Annex B

To the Exchange and Voting Agreement

[Form of Acknowledgement of Transfer]

Broadwing Inc.

201 East Fourth Street

Cincinnati, OH 45202

Attn: Thomas W. Bosse, Esq.

Ladies and Gentlemen:

Reference is made to that certain Exchange and Voting Agreement, dated as of March 25, 2003 (the "Agreement"), by and among Broadwing Inc. (the "Company") and certain beneficial owners of (or investment managers or advisors for accounts that own) the 12 % Series B Junior Exchangeable Preferred Stock due 2009 (the "Preferred Stock") of Broadwing Communications, Inc.

[Name of transferor] intends to transfer [insert number] shares of Preferred Stock to the undersigned.

The undersigned acknowledges that the foregoing shares of Preferred Stock will be transferred to the undersigned subject to the Agreement and that the undersigned agrees to be bound by the terms of the Agreement for so long as the Agreement shall remain in effect.

Very truly yours,
[Transferee]
By:
Name:
Title:

End of Filing