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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before The
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In re Application of	)	CC Docket No. 94-11
	)	
TELEPHONE AND DATA SYSTEMS, INC.	)	File No. 10209-CL-P-715-B-88
	)	DOCKET FILE COPY ORIGINAL
For facilities in the Domestic Public Cellular Telecommunications Radio Service on Frequency Block B, in Market 715, Wisconsin 8 (Vernon), Rural Service Area	)	[redacted]

To: Honorable Joseph P. Gonzalez
Administrative Law Judge

JOINT REQUEST FOR APPROVAL OF SETTLEMENT AGREEMENT

BellSouth Mobility Inc ("BellSouth"), Telephone and Data Systems, Inc. ("TDS") and United States Cellular Corporation ("USCC"), by their attorneys, hereby notify the Presiding Judge that BellSouth, TDS, USCC and various affiliates of each of these companies have entered into a definitive settlement agreement (the "Agreement") that resolves various disputes between BellSouth and TDS, USCC and their affiliates before both the Federal courts and the Federal Communications Commission ("FCC"). With respect to matters pending before the FCC, the Agreement will result in the withdrawal of BellSouth from the proceeding concerning the award of a construction permit to provide cellular service on the wireline block of frequencies in the Wisconsin 8-

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Vernon RSA (the "RSA"), CC Docket No. 94-11 (the "Proceeding").[1] Pursuant to Section 22.129 of the FCC's Rules, formerly 22.926, 47 C.F.R. § 22.926(b), BellSouth, TDS and USCC (the "Settling Parties") jointly request that the Agreement be approved.[2] In support of these actions, the Settling Parties state as follows:

The Settling Parties have entered into the Agreement, a copy of which is attached hereto as Exhibit 1. Pursuant to the Agreement, BellSouth, TDS and USCC, and their various affiliates, have agreed to settle various cases in litigation before the Federal courts and the FCC. The cases pending in the Federal courts, which involve contested ownership interests in certain cellular markets surrounding the Nashville and Baton Rouge MSAs, do not involve issues to be resolved by the FCC. As a part of the resolution of those cases pending in the Federal courts, however, disputes between BellSouth, TDS, and USCC before the FCC will become moot or be resolved.

First, TDS and BellSouth, and their respective subsidiaries, have reached settlements in litigation pending

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[1] The Agreement also will resolve and terminate a dispute with respect to TDS's equity ownership interest in the wireline licensee of the cellular system in the Baton Rouge MSA. See File No. 02839-CL-TC-1-94.

[2] The Presiding Judge has the authority to approve the Agreement and dismiss BellSouth as a party to the Proceeding. The Wireless Telecommunications Bureau (the "Bureau") has the authority to approve the Agreement and resolve the pending matters concerning the Baton Rouge MSA. For this reason, a Joint Request is being submitted concurrently to both the Presiding Judge and the Bureau.

before the Federal courts in Tennessee and Louisiana concerning alleged failures to comply appropriately with various partnership agreements. As a part of the settlement of these disputes, subsidiaries of TDS and USCC will receive interests in various cellular licenses in which BellSouth holds an interest.[3] Additionally, BellSouth or its subsidiaries will receive certain interests in cellular systems held by USCC. These transactions settle disputes raised before the Federal courts over the rights to these interests and represent a bona fide settlement of issues beyond the jurisdiction of the FCC. A description of the agreements annexed to the Agreement covering these transactions is attached hereto as Exhibit 2.[4]

Second, and as part of the Agreement, BellSouth, TDS and USCC have agreed that BellSouth ultimately will hold 50.01% of the equity in the wireline licensee of the Baton Rouge MSA. For this reason, the proceedings pending before the Bureau concerning the Baton Rouge MSA can be resolved. Specifically, BellSouth will withdraw its petition to deny the pro forma application requesting FCC consent to TDS's acquisition of more than 50% of the equity of the wireline licensee in the Baton

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[3] As discussed below, USCC will receive a certain amount of cash in lieu of cellular interests in certain markets where contractual provisions prevent BellSouth from transferring such cellular interests.

[4] BellSouth, TDS and USCC will file all applications with the FCC that are required to obtain any necessary FCC approvals concerning the transfers or assignments of the cellular interests covered by the Agreement.

Rouge MSA.[5] The Bureau then can grant that pro forma application. Simultaneously, BellSouth and TDS have agreed to the acquisition by BellSouth of a 2.01% limited partnership interest in the wireline licensee in the Baton Rouge MSA from TDS, subsequent to obtaining any necessary FCC approvals. After consummation of that transaction, BellSouth's acquisition of that 2.01% limited partnership interest will bring BellSouth above 50% and TDS below 50% equity ownership in the Baton Rouge MSA. BellSouth is paying TDS the negotiated fair market value for the 2.01% interest in the Baton Rouge partnership.

Finally, having resolved all of its disputes with TDS, BellSouth has no further interest in any pending FCC proceeding respecting TDS's qualifications to be a licensee. For this reason, BellSouth will withdraw as a party from the Proceeding, with prejudice. BellSouth's withdrawal from the Proceeding will simplify the conduct of the hearing currently scheduled in the Proceeding and even, as currently envisioned and contingent upon the approval of other anticipated motions, see Tr. 376-381, will assist in the expeditious resolution of the issues designated in the Proceeding.

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[5] The application (File No. 02839-CL-TC-1-94) reflects TDS's acquisition of up to 52% of the equity of the Baton Rouge wireline licensee. Neither TDS nor BellSouth has disputed the fact that BellSouth maintains, and always has maintained, de jure and de facto control of the licensee in the Baton Rouge MSA.

The transactions proposed pursuant to the Agreement are in the public interest and comply with the FCC's Rules and Policies. Commission policy strongly favors settlement among parties to contested proceedings. See 47 C.F.R. § 22.29(b). As an initial matter, approval of the Agreement will result in the settlements of various disputes pending in the Federal courts regarding the rights to ownership in various cellular licensees. These settlements will serve the public interest by conserving the resources of the Federal courts. The settlements also will provide certainty regarding the ownership interests and rights in the cellular markets involved in the settlement, and thus will provide a more stable basis for decisions by those cellular licensees on the future plans and growth of the regional cellular markets. The settlement of the Federal court litigation therefore also furthers the important FCC policy objective of encouraging the efficient and expeditious development of regionalized cellular service.

Moreover, with respect to the settlement of the Baton Rouge dispute, approval of the settlement by the Bureau will conserve FCC resources by eliminating the need to resolve further disputes over the right to limited partnership equity interests in the wireline Baton Rouge licensee. The Bureau and the Commission will not be required to adjudicate disputes and litigate appeals over that adjudication, conserving Bureau and Commission resources. Resolution of these disputes regarding the Baton Rouge licensee also will provide certainty regarding the

ownership interests and rights in the Baton Rouge market, promoting stability in the future plans and development of the Baton Rouge cellular system.

Finally, as a result of the settlement, BellSouth will have no interest in the Proceeding. The withdrawal of BellSouth, which would no longer have standing to be a party, from the Proceeding will simplify the Proceeding. With BellSouth's withdrawal, there will be one less party to conduct cross-examination at the hearing, to file proposed and reply findings, and to contest matters on appeal. The withdrawal of BellSouth from the Proceeding therefore will conserve the resources of the Presiding Judge and the Commission, as well as comport with traditional precedent on standing. Moreover, as discussed at a pre-hearing conference, see Tr. 376-381, the settlement and withdrawal, contingent upon the approval of other anticipated motions, will result in a more expeditious resolution of the issues designated in the Proceeding.

The Settling Parties believe that the transactions proposed in the Agreement comply with Section 22.129 of the FCC's rules. Section 22.129, formerly Section 22.926, was adopted to prevent the payment of "greenmail" to parties merely speculating in litigation over cellular lotteries and to discourage thereby the filing of frivolous pleadings. See Third Report and Order, 7 FCC Rcd. 7183 (1992). The transactions contemplated in the Agreement do not involve the payment of money or other

consideration to any party in excess of the Settling Parties' legitimate and prudent expenses in the Proceeding.

As an initial matter, the assignments of interests in cellular systems called for by the settlement resolve ongoing legal disputes being contested in the Federal courts over rights to those interests. With regard to TDS's sale of the 2.01% limited partnership interest to BellSouth, TDS will receive a negotiated fair market value for the interest it is transferring to BellSouth. TDS and USCC will pay to BellSouth or its affiliates an amount of cash representing only its new share of the cumulative net investment of the particular partnerships in which it is obtaining interests. BellSouth also will make payments to TDS representing the negotiated fair market value of interests that would have been transferred to TDS or USCC under the terms of the settlement, but cannot be transferred because of rights granted to others in the subject partnerships.

The transactions contemplated by the Agreement thus do no involve any payment or consideration in excess of litigation expenses, but instead reflect bona fide resolutions of disputes concerning ownership interests and rights in cellular licensees. The proposed transactions do not violate the policy underlying Section 22.129, where no consideration being paid exceeds the value of the ownership rights and interests being transferred.

Finally, the public interest will be served by the consummation of the transactions contemplated by the settlement. Resources of the Federal courts, the FCC and the parties will be conserved as a result of the settlement of all disputes between BellSouth and TDS. Additionally, consummation of the transactions proposed in the Agreement will help establish certainty of ownership rights and interests in the cellular markets involved in litigation, promoting a more stable basis for planning and implementing the development and growth of those cellular markets. In support of these contentions, the Settling Parties have provided the declarations required by Section 22.129(b), attached hereto as Exhibit 3.

FOR THE FOREGOING REASONS, the Settling Parties request that the Presiding Judge grant the Joint Request and approve the Agreement.

Respectfully submitted,

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Dated: March 30, 1995

EXHIBIT 1

DEFINITIVE SETTLEMENT AGREEMENT

This Settlement Agreement is entered into as of March 10, 1995, among Telephone & Data Systems, Inc. ("TDS"), United States Cellular Corporation ("USCC"), United States Cellular Investment Co. of Nashville ("USCIC Nashville"), Humphreys County Cellular, Inc. ("Humphreys"), Star Cellular Telephone Company, Inc. ("Star"), Capitol Cellular, Inc ("Capitol"), BellSouth Mobility Inc ("BellSouth"), Nashville/Clarksville CGSA, Inc. ("NCGSA"), the Nashville/Clarksville MSA Limited Partnership (the "Nashville Partnership"), Louisiana CGSA, Inc. on its own behalf and on behalf of its predecessor-in-interest, Baton Rouge CGSA, Inc. (collectively "LCGSA"), and the Baton Rouge MSA Limited Partnership (the "Baton Rouge Partnership").

RECITALS

WHEREAS, certain disputes have arisen between TDS, USCC and USCIC Nashville, on the one hand, and BellSouth, NCGSA, and the Nashville Partnership, on the other (the "Nashville Litigation");

WHEREAS, USCIC Nashville filed a Complaint (the "Nashville Complaint") against NCGSA and BellSouth in the United States District Court for the Middle District of Tennessee, Nashville Division, No. 3-91-0294 (the "Nashville Court");

WHEREAS, NCGSA and BellSouth filed an Answer to the Nashville Complaint denying the material allegations of the Nashville Complaint;

WHEREAS, BellSouth, NCGSA and the Nashville Partnership filed a Nashville Counterclaim (the "Nashville Counterclaim") against TDS, USCC and USCIC Nashville;

WHEREAS, TDS, USCC and USCIC Nashville filed an Answer to the Nashville Counterclaim denying the material allegations of the Nashville Counterclaim;

WHEREAS, certain disputes have also arisen between TDS, USCC, Star and Capitol, on the one hand, and BellSouth, LCGSA, and the Baton Rouge Partnership, on the other (the "Baton Rouge Litigation");

WHEREAS, Star and Capitol filed a Complaint (the "Baton Rouge Complaint") against BellSouth, and LCGSA in the United States District Court for the Middle District of Louisiana, No. 92-922B (the "Baton Rouge Court");

WHEREAS, BellSouth and LCGSA filed an Answer to the Baton Rouge Complaint denying the material allegations of the Baton Rouge Complaint;

WHEREAS, BellSouth, LCGSA and the Baton Rouge Partnership filed a Counterclaim (the "Baton Rouge Counterclaim") against TDS, USCC, Star and Capitol;

WHEREAS, La Star Cellular Telephone Company ("La Star") has filed an application with the Federal Communications Commission (the "FCC") for a new cellular authorization in the New Orleans, Louisiana MSA (File No. 27161-Cl-P-83; hereinafter, the "La Star Application");

WHEREAS, USCC has filed an application with the FCC for FCC consent to the transfer of a majority of the equity of the Baton Rouge cellular authorization (the "Baton Rouge Application");

WHEREAS, BellSouth has filed with the FCC a Petition to Deny the Baton Rouge Application;

WHEREAS, TDS, USCC and BellSouth are involved in certain proceedings before the FCC, captioned In re Application of La Star Cellular Telephone Company (CC Docket No. 90-257), referred to herein as the "La Star Proceeding", In re Application of Telephone and Data Systems, Inc. (CC Docket No. 94-11), referred to herein as the "Wisconsin 8 Proceeding", and In re Application of United States Cellular Corporation (File No. 02839-CL-TC-1-94), referred to herein as the "Baton Rouge Proceeding";

WHEREAS, TDS and BellSouth hold certain authorizations, licenses and assets, directly or indirectly, related to the conduct of cellular telephone operations in various Metropolitan Statistical Areas ("MSAs") and Rural Service Areas ("RSAs") designated by the FCC; and

WHEREAS, TDS and BellSouth believe that there are certain matters upon which they can now agree and desire to enter into this Agreement to settle those matters and to resolve the Nashville Litigation, the Baton Rouge Litigation (together, the "Litigation") the La Star Proceeding, the Baton Rouge Proceeding and BellSouth's participation in the Wisconsin 8 Proceeding.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Nashville Litigation and Releases. (a) Upon the execution and delivery of this Agreement by each party hereto, all of the parties to the Nashville Litigation shall file such motions with the Nashville Court as are necessary to obtain an immediate stay of the Nashville Litigation until the first to occur of the following: (i) the consummation of the transactions contemplated by paragraph 5 of this Agreement (the "Closings"), and (ii) any termination of the transactions contemplated by

paragraph 5 of this Agreement by any party thereto ("Termination").

(b) Upon the occurrence of the Closings, all of the parties to the Nashville Litigation shall cause to be filed with the Nashville Court a stipulated order in the form attached hereto as Exhibit A, dismissing with prejudice all claims and counterclaims brought in the Nashville Litigation (the "Nashville Order"). All parties to the Nashville Litigation hereby waive any right to appeal from the Nashville Order.

(c) Effective upon the entry of the Nashville Order, the parties to the Nashville Litigation, their affiliates, representatives, administrators, trustees and assigns, and all other persons acting or purporting to act on their behalf or under or purporting to be under their control, including without limitation all of the BellSouth Parties (as hereinafter defined) and the TDS Parties (as hereinafter defined), hereby mutually release and forever discharge all other parties to the Nashville Litigation and their current and former directors, officers, agents, employees, parents, subsidiaries, affiliates, predecessors, successors and assigns from any and all claims, actions, causes of action, damages, and demands of any nature whatsoever that have arisen or may arise in law or equity based on the facts and circumstances alleged in the pleadings filed in the Nashville Litigation.

(d) Effective upon the entry of the Nashville Order, NCGSA and USCIC Nashville shall execute and deliver to each other an amendment to the Agreement Establishing Nashville MSA Limited Partnership dated as of April 6, 1984, as amended (the "Nashville Partnership Agreement"), in the form attached hereto as Exhibit A-1. Promptly thereafter NCGSA shall file such certificates of amendment or other related filings with the appropriate authorities of the State of Delaware as may be necessary to properly document such amendment.

2. Baton Rouge Litigation and Releases. (a) Upon the execution and delivery of this Agreement by each party hereto, all of the parties to the Baton Rouge Litigation shall file such motions as are necessary to obtain an immediate continuation of the existing stay of the Baton Rouge Litigation until the first to occur of the following: (i) the consummation of the Closings, and (ii) any Termination.

(b) Upon the occurrence of the Closings, all of the parties to the Baton Rouge Litigation shall cause to be filed with the Baton Rouge Court a stipulated order in the form attached hereto as Exhibit B, dismissing with prejudice all claims and counterclaims brought in the Baton Rouge Litigation (the "Baton Rouge Order"). All parties to the Baton Rouge Litigation hereby waive any right to appeal from the Baton Rouge Order.

(c) Effective upon the entry of the Baton Rouge Order, the parties to the Baton Rouge Litigation, their affiliates, representatives, administrators, trustees and assigns, and all other persons acting or purporting to act on their behalf or under or purporting to be under their control, including without limitation all of the BellSouth Parties and the TDS Parties, hereby mutually release and forever discharge all other parties to the Baton Rouge Litigation and their current and former directors, officers, agents, employees, parents, subsidiaries, affiliates, predecessors, successors and assigns from any and all claims, actions, causes of action, damages, and demands of any nature whatsoever that have arisen or may arise in law or equity based on the facts and circumstances alleged in the pleadings filed in the Baton Rouge Litigation.

(d) Effective upon the entry of the Baton Rouge Order, LCGSA and Star shall execute and deliver to each other an amendment to the Agreement Establishing Baton Rouge MSA Limited Partnership dated as of April 30, 1984, as amended (the "Baton Rouge Partnership Agreement"), in the form attached hereto as Exhibit B-1. Promptly thereafter, LCGSA shall file such certificates of amendment or other related filings with the appropriate authorities of the State of Delaware as may be necessary to properly document such amendment.

3. Scope of Releases. The parties acknowledge that they may learn of circumstances bearing on the things and items

released herein, but it is their intention that the releases contained herein shall be effective as the full and final accord and satisfaction of each and every claim released herein, whether known or unknown. Notwithstanding the foregoing, the parties agree that none of the releases contained herein shall extend to any claim that arises out of this Agreement, out of any of the Exhibits attached hereto, or out of any event occurring after the date hereof.

4. FCC Proceedings. (a) The parties agree to prepare, as soon as practicable, to file with the FCC within ten days, and to prosecute expeditiously a joint request (the "Joint Request") for FCC approval or consent to this Agreement (the "FCC Consent"). Concurrently with the filing of the Joint Request, BellSouth will withdraw, pursuant to Section 22.927 of the FCC's rules, its Petition to Deny the Baton Rouge Application, contingent upon the issuance of the FCC Consent.

(b) BellSouth agrees, concurrently with the filing of the Joint Request, to file its withdrawal as a party to the Wisconsin 8 Proceeding, contingent upon the finality of the FCC Consent and the occurrence of the Closings, and expressly to represent to the FCC that (i) it has no interest in the authorization for the Wisconsin 8 RSA, and that, (ii) by virtue of the FCC Consent, BellSouth has no direct or indirect economic interest in the outcome of the Wisconsin 8 Proceeding. BellSouth further agrees that it will not permit its counsel to represent

any other party (other than employees of BellSouth) in that proceeding. If, prior to BellSouth's withdrawal from the Wisconsin 8 Proceeding, TDS and the staff of the Common Carrier Bureau shall agree to a curtailment or termination of that proceeding, BellSouth agrees to file comments supporting any such agreement. Prior to the approval of the Joint Request, BellSouth shall refrain from taking any actions relating to the Wisconsin 8 Proceeding, the La Star Proceeding, or the Baton Rouge Proceeding, except as may be required by law.

(c) BellSouth agrees that, contingent upon the finality of the FCC Consent and the occurrence of the Closings, neither BellSouth nor any of its affiliates will in the future challenge the qualifications of TDS or its affiliates to be licensees of the FCC based on the decision in or facts underlying the La Star Proceeding.

(d) BellSouth agrees that TDS and USCC may file such pleadings as they deem necessary with the FCC or courts as are necessary to the filing of such factual and legal challenges to the FCC's conclusions about USCC or TDS in the La Star Proceeding. Notwithstanding the above, TDS and USCC agree that in any such filing, TDS and USCC will not seek reinstatement of the La Star Application, but will limit themselves to addressing the factual or legal conclusions made concerning the participation of TDS and USCC in the La Star partnership or the La Star Proceeding. In the event the FCC should reinstate the La

Star Application, TDS and USCC agree to disclaim any interest in such application, contingent upon the finality of the FCC Consent and the occurrence of the Closings.

5. Transfer of Cellular Interests. (a) Immediately after the execution of this Agreement:

(i) Star and BellSouth agree to execute an agreement, in the form of the Partnership Interest Purchase Agreement attached hereto as Exhibit C, providing for the sale by Star to BellSouth of a 2.01% limited partnership interest in the Baton Rouge L.P. (the "Baton Rouge Interest");

(ii) USCIC Nashville and BellSouth agree to execute an agreement, in the form of the Tennessee RSA Transfer Agreement attached hereto as Exhibit D, providing for (i) the distribution by Memphis MSA Limited Partnership (the "Memphis Partnership") of undivided interests in the assets (including the licenses) used in connection with the provision of wireline cellular telephone service in Tennessee RSA 1-B1 and Tennessee 5-B1 (the "RSA Assets") to Memphis CGSA, Inc. ("MCGSA"), and Millcom, Inc., (ii) the transfer by MCGSA to USCIC Nashville of 24.5% of the assets distributed to MCGSA (representing 18.375% of the RSA Assets), and (iii) the transfer by MCGSA and USCIC Nashville of 56.625% and 18.375%, respectively of the RSA Assets to a new limited partnership ("RSA Holdings");

(iii) USCIC Nashville, Humphreys, BellSouth, NCGSA and the Nashville Partnership agree to execute an agreement, in substantially the form of the License Transfer and Joint Contribution Agreement attached hereto as Exhibit E, providing for (i) the transfer by BellSouth to USCIC Nashville of an interest in the assets (including the licenses) used in connection with the provision of wireline cellular telephone service in Tennessee RSA 5-B3 and Tennessee RSA 9-B (the "RSA 9-B Assets"), (ii) the joint contribution by USCIC Nashville and BellSouth of 100% of the RSA 9-B Assets to the Nashville Partnership, and (iii) the contribution by Humphreys of 100% of the assets (including the licenses) used in connection with the provision of wireline cellular telephone service in Tennessee RSA 1-B4 (the "RSA 1-B4 Assets") to the Nashville Partnership;

(iv) USCC, Star, BellSouth and LCGSA agree to execute an agreement, in the form of the Partnership Interest Purchase Agreement attached hereto as Exhibit F, providing for (A) the creation of Acadiana Holdings Limited Partnership ("Acadiana Holdings"), and (B) the sale by BellSouth to Star of a 26% limited partnership interest in Acadiana Holdings, representing indirect ownership of a 9.1% interest in Acadiana Cellular General Partnership; and

(v) USCC, Star, BellSouth and LCGSA agree to execute an agreement, in the form of the Partnership Interest Purchase Agreement attached hereto as Exhibit G, providing for (A) the

creation of LA-7 Holdings Limited Partnership ("LA-7 Holdings"), and (B) the sale by BellSouth to Star of a 32.653% limited partnership interest in LA-7 Holdings, representing indirect ownership of a 16% interest in Louisiana RSA #7 Cellular General Partnership.

(b) TDS and BellSouth agree, individually and on behalf of their affiliates, for a period of one year from the date hereof, to cooperate in attempting to acquire the rights to provide wireline cellular service in the southern portion of Tennessee RSA 5-B3 and in Coffee and Grundy counties in Tennessee RSA 2-B. Any rights so acquired will either be purchased by the Nashville Partnership or purchased by NCGSA or USCIC Nashville on behalf of the Nashville Partnership.

(c) Each party to this Agreement that is a party to one or more of the transactions listed below agrees, within ten business days after the filing of the Joint Request, to cooperate in the preparation and filing of appropriate applications with the FCC for its consent to the assignments of interest and transfers of control necessary to consummate the transactions referred to in paragraphs 5(a)(i) through (v) hereof.

(d) The parties agree to make all other additional filings with the FCC and any other regulatory body having jurisdiction as may be reasonably necessary to carry out the terms of this Agreement.

(e) The parties agree that the description of the agreements contained in sub-paragraphs (a)(i)-(v) hereof are not intended to modify the terms of any such agreements in any respect. In the event of any inconsistency between the descriptions of such agreements and the provisions of the agreements themselves, the agreements, as executed by the parties, shall control for all purposes.

6. Cash Payment in Settlement of Baton Rouge Litigation.

(a) In consideration for the dismissal of the Baton Rouge Complaint, concurrently with the occurrence of the Closings, BellSouth agrees to pay to Star, by wire transfer or delivery of a cashier's check, in an amount equal to the sum of (i) $7,712,760 plus (ii) 9.1% of the Cumulative Net Capital (as hereinafter defined) of the Acadiana Cellular General Partnership (the "Acadiana Partnership:), plus (iii) 16% of the Cumulative Net Capital of the Louisiana RSA #7 Cellular General Partnership (the "RSA 7 Partnership"). The term Cumulative Net Capital shall mean, with respect to a partnership, the aggregate amount of capital invested in such partnership, reduced by the aggregate amount of any distributions made to the owners of the equity of such partnership.

(b) Within sixty days after the occurrence of the Closings, BellSouth shall submit to TDS its final calculation (including supporting information) of the Cumulative Net Capital of the Acadiana Cellular General Partnership and the Louisiana

RSA #7 Cellular General Partnership as of the date of the Closings. TDS shall have thirty days from its receipt of the calculations referred to in the preceding sentence to raise any objections thereto in writing and shall have the right to additional information in order to verify such calculations. Any objections so raised shall be settled by mutual agreement within ten days or referred to arbitration as provided in Section 9.11 of Exhibit E hereto. Upon agreement (evidenced by written acceptance, the absence of written objections thereto, or the arbitrators' decision) as to the amount of the Cumulative Net Capital of each such partnership, any difference between such agreed-upon amounts and the estimates shall immediately be reconciled by a payment to BellSouth by TDS or to TDS by BellSouth, as the case may be.

7. Representations of BellSouth Parties. BellSouth and each of its affiliates that is a party to this Agreement (the "BellSouth Parties") hereby represent and warrant to the TDS Parties (as hereinafter defined) as follows:

(a) Such BellSouth Party is a corporation or limited partnership duly organized, validly existing under the laws of the state of its organization and has full corporate or partnership power and authority to execute and deliver this Agreement, including the releases contained herein, and to conclude the transactions contemplated hereby.

(b) The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate or partnership action on the part of such BellSouth Party. This Agreement constitutes the valid and binding obligation of such BellSouth Party, enforceable against it in accordance with its terms. None of the BellSouth Parties has sold, transferred or assigned to any party any of its rights to the claims which are subject to the releases contained in paragraphs 1(c) and 2(c) hereof.

(c) The Cumulative Net Capital (as hereinafter defined) of the Acadiana Partnership was ($ 2,811,581) as of December 31, 1994. Such Cumulative Net Capital includes no amounts associated with the cost of obtaining the FCC license for such partnership. The amount of Cumulative Earnings of the Acadiana Partnership was $ 6,034,489 as of December 31, 1994. When used in this Agreement, the term "Cumulative Earnings" shall mean the accumulated net income or loss of the Acadiana Partnership for federal income tax purposes, computed before the effect of income taxes, from inception through the date of reference.

(d) The Cumulative Net Capital (as hereinafter defined) of the RSA 7 Partnership was ($ 1,424,282) as of December 31, 1994. Such Cumulative Net Capital includes no amounts associated with the cost of obtaining the FCC license for such partnership. The amount of Cumulative Earnings of the RSA 7 Partnership was $ 3,440,922 as of December 31, 1994. When used