

(e) For purposes of this Section 4.15, a Seller or a Subsidiary shall not be deemed to compete with a Company or Company Subsidiary if it provides any retail long distance service or retail data service to a customer when: (i) it has expressed in writing to a Company or Company Subsidiary a firm interest in seeking to win a bid or otherwise to establish the terms and conditions for the provision of services on a regional, national, or global basis to a customer or prospective customer that is headquartered in a Restricted Area, (ii) it has sought from a Company or Company Subsidiary a commitment to team to win the bid or otherwise to provide services offered by the Company or Company Subsidiary to such customer and (iii) such Company or Company Subsidiary has failed to timely provide to the Seller or Subsidiary the right to include such services in a bid on a right of first refusal basis.

(f) This Section 4.15 shall not be deemed to prohibit the provision by Seller or a Subsidiary of any wireless service licensed on a multistate basis by the FCC.

(g) This Section 4.15 shall not be construed to prohibit any activity by an entity in which a Seller or one of its Subsidiaries has an equity ownership of not more than 15%, or the preexisting operations of any entity that may acquire a Seller or any of its Affiliates.

(h) This Section shall not be construed to prohibit the acquisition by Seller or one of its Subsidiaries of any business if, upon such acquisition by a Seller or any of its Subsidiaries, such Seller or Subsidiary uses its reasonable best efforts to divest or dispose as promptly as practicable on commercially reasonable terms that portion of such acquired business that may otherwise cause a breach under this Section 4.15, and the Buyer shall not commence, or if commenced, will immediately discontinue, any efforts to enforce the foregoing covenants with respect to such acquisition by suit, petition for injunction or otherwise, so long as such divestiture or disposal is being pursued in good faith by such Seller or Subsidiary.

(i) The Sellers and the Buyer agree that this covenant not to compete and its specific limitations constitute a reasonable covenant under the circumstances and is supported by adequate consideration.

4.16 Transition Plan. Within 30 days after the date hereof, the Buyer shall deliver to the Sellers a list of five proposed representatives to a joint transition team, which shall include expertise from various functional specialties associated or involved in providing billing, payroll and other support services to be provided to the Frontier LEC Business after the Closing. The Sellers will add their five representatives to such team within 15 days after receipt of the Buyer's list. Such team will be responsible for preparing as soon as reasonably practicable after the date hereof but at least 60 days prior to the Closing Date a transition plan which will identify and describe substantially all of the various transition activities that the parties plan to complete before and after the Closing and any other transfer of control matters that any party reasonably believes should be addressed in such transition plan. The Buyer and the Sellers shall use reasonable efforts to cause their representatives on such transition team to cooperate in good faith and take all reasonable steps necessary to develop a mutually acceptable transition plan during such period.

Article 5. Conditions to Obligations of the Buyer.

The obligations of the Buyer to consummate the transactions contemplated by this Agreement are, at its option, subject to satisfaction of each of the following conditions:

5.1 Representations and Warranties. (a) The representations and warranties of the Sellers contained herein (other than the Special Representations) shall be true and correct in all material respects (other than those representations and warranties that are qualified by Material Adverse Effect, which shall be true and correct in all respects) at and as of the Closing Date as though each such representation and warranty were made at and as of such time, other than such representations and warranties as are made as of a specific date, in each case except for changes that are expressly contemplated by this Agreement, and except for such failures to be true and correct that (without regard to materiality concepts therein once such failure is established) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) The representations and warranties of the Sellers contained in Sections 2.4(a), 2.4(c), 2.4(d), 2.5 and 2.6 and the first sentence of Section 2.4(b) (collectively, the "Special Representations") shall be true and correct in all respects at and as of the Closing Date.

5.2 Performance by the Sellers. All of the covenants and agreements to be complied with and performed by the Sellers on or before the Closing Date shall have been complied with or performed in all material respects.

5.3 Certificate. The Sellers shall have delivered to the Buyer a certificate, dated as of the Closing Date, executed on behalf of the Sellers by their duly authorized officers to the effect of Sections 5.1 and 5.2.

5.4 Consents; No Objections. (a) The applicable waiting periods (and any extension thereof) under the HSR Act shall have expired or been terminated; and

(b) All approvals for the Sale from the FCC and PUCs, and all material consents from third parties, shall have been obtained and become final and non-appealable (provided that if any appeal or a petition for reconsideration is filed after any such approval has been obtained, such approval shall be deemed to be final and non-appealable unless the Buyer shall have delivered to the Sellers an opinion of counsel rendered in good faith that it is probable that such approval will be reversed and/or vacated upon any such appeal or petition for reconsideration) (i) other than those the failure of which to be obtained would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and (ii) without the imposition of conditions that would individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or a Buyer Material Adverse Effect.

5.5 No Proceedings or Litigation. No preliminary or permanent injunction or other order issued by any United States federal or state Governmental Authority, nor any Law promulgated or enacted by any United States federal or state Governmental Authority, that restrains, enjoins or otherwise prohibits the transactions contemplated hereby or limits the ability in any respect of the rights of any Company or Company Subsidiary to hold its assets and conduct the Frontier LEC Business as it is being conducted as of the Closing Date such as to have a Material Adverse Effect or a Buyer Material Adverse Effect, or imposes civil or criminal penalties on any stockholder, director or officer of the Buyer if such transactions are consummated, shall be in effect; provided, however, that the provisions of this Section 5.5 shall not be available to any party whose failure to fulfill its obligations pursuant to Section 4.4 shall have been the cause of, or shall have resulted in, such order or injunction.

5.6 No Material Events. Since the date hereof, there have not been any circumstances, changes in or effects on the Frontier LEC Business that, individually or in the aggregate, had or would in the reasonably foreseeable future have a Material Adverse Effect.

Article 6. Conditions to Obligations of the Seller.

The obligations of the Seller to consummate the transactions contemplated by this Agreement are, at its option, subject to satisfaction of each of the following conditions:

6.1 Representations and Warranties. The representations and warranties of the Buyer contained herein shall be true and correct in all material respects (other than those representations and warranties that are qualified by Material Adverse Effect, which shall be true and correct in all respects) at and as of the Closing Date as though each such representation and warranty were made at and as of such time, other than such representations and warranties as are made as of a specific date, in each case except for changes that are expressly contemplated by this Agreement, and except for such failures to be true and correct that (without regard to materiality concepts therein once such failure is established) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the business, results of operations or financial condition of the Buyer and its Subsidiaries, taken as a whole.

6.2 Performance by the Buyer. All of the covenants and agreements to be complied with and performed by the Buyer on or prior to the Closing Date shall have been complied with or performed in all material respects.

6.3 Certificate. The Buyer shall have delivered to the Sellers a certificate, dated as of the Closing Date, executed on behalf of the Buyer by its duly authorized officers to the effect of Sections 6.1 and 6.2.

6.4 Consents; No Objections. (a) The applicable waiting periods (and any extension thereof) under the HSR Act shall have expired or been terminated; and

(b) All approvals for the Sale from the FCC and PUCs, and all material consents from third parties, shall have been obtained and become final and non-appealable (provided that if any appeal or a petition for reconsideration is filed after any such approval has been obtained, such approval shall be deemed to be final and non-appealable unless the Seller shall have delivered to the Buyer an opinion of counsel rendered in good faith that it is probable that such approval will be reversed and/or vacated upon any such appeal or petition for reconsideration) (i) other than those the failure of which to be obtained would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and (ii) without the imposition of conditions that would individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or an adverse effect (other than an immaterial effect) in the business, results of operations or financial condition of the Sellers or their Subsidiaries (other than the Companies and the Company Subsidiaries).

6.5 No Proceedings or Litigation. No preliminary or permanent injunction or other order issued by any United States federal or state Governmental Authority, nor any Law promulgated or enacted by any United States federal or state Governmental Authority, that restrains, enjoins or otherwise prohibits the transactions contemplated hereby or limits the ability in any respect of the rights of any Company to hold its assets and conduct the Frontier LEC Business as it is being conducted as of the Closing Date such as to have a Material Adverse Effect or an adverse effect (other than an immaterial effect) in the business, results of operations or financial condition of the Sellers or their Subsidiaries (other than the Companies and the Company Subsidiaries), or imposes civil or criminal penalties on any stockholder, director or officer of the Buyer if such transactions are consummated, shall be in effect; provided, however, that the provisions of this Section 5.5 shall not be available to any party whose failure to fulfill its obligations pursuant to Section 4.4 shall have been the cause of, or shall have resulted in, such order or injunction.

6.6 Purchase Price Adjustment Limitation. The Performance Adjustment component of the Estimated Adjustment, if any, shall not exceed \$200,000,000.

Article 7. Tax Matters.

7.1 Liability for Taxes. (a) The Sellers shall be liable for and shall indemnify the Buyer as the case may be, for (i) all Taxes (as defined below) imposed on the Companies or Company Subsidiaries, or for which the Companies or Company Subsidiaries may otherwise be liable, for any taxable year or period that ends on or before the Closing Date ("Pre-Closing Tax Periods") and, with respect to any portion of a taxable year or period beginning before and ending after the Closing Date ("Straddle Period"), the portion of such Straddle Period ending on and including the Closing Date, and (ii) all liabilities imposed on the Companies or Company

Subsidiaries on or before the Closing Date under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign law) for Taxes of the Sellers or any other corporation which is affiliated with Sellers (other than the Companies and Company Subsidiaries).

(b) The Buyer shall be liable for, and shall indemnify the Sellers and their Affiliates for, all Taxes imposed on the Sellers or any of their Affiliates with respect to the Companies and Company Subsidiaries for any taxable year or period that begins after the Closing Date and, with respect to a Straddle Period, the portion of such Straddle Period beginning after the Closing Date.

(c) For purposes of this Section 7.1, whenever it is necessary to determine the liability for Taxes of the Companies and Company Subsidiaries for a portion of a Straddle Period:

(i) real, personal and intangible property Taxes ("property Taxes") for the Pre-Closing Tax Period shall equal to the amount of such property Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of days during the Straddle Period that are in the Pre-Closing Tax Period and the denominator of which is the number of days in the Straddle Period; and

(ii) all other Taxes for the Pre-Closing Tax Period shall be determined by assuming that the Companies and Company Subsidiaries had a taxable year or period that ended at the close of the Closing Date.

(d) The Buyer covenants that it will not cause or permit any Company or Company Subsidiary or any Affiliate of the Buyer (i) to take any action on the Closing Date other than in the ordinary course of business, including but not limited to the distribution of any dividend or the effectuation of any redemption, that could give rise to any Tax liability or reduce any Tax attribute of the Sellers or any affiliated group of which the Sellers are members or (ii) to make or change any Tax election, amend any Tax Return or take any Tax position on any Tax Return, take any action, omit to take any action or enter into any transaction that results in any increased Tax liability or reduction or any Tax attribute of the Sellers or any affiliated group of which the Sellers are members in respect of any Pre-Closing Tax Period. The Buyer agrees that the Sellers or any affiliated group of which the Sellers are members shall have no Tax liability or reduction of any Tax attribute resulting from any action referred to in the preceding sentence and agrees to indemnify and hold harmless the Sellers or any affiliated group of which the Sellers are members against any such Tax and any loss, liability, claim, damage, expense or Tax in connection therewith.

7.2 Tax Refunds. The Sellers shall be entitled to any refund or credit of any Taxes of the Companies and Company Subsidiaries, including interest paid thereon, with respect to Pre-Closing Tax Periods or the portion of any Straddle Periods ending on and including the Closing Date. The Sellers shall have the right to determine whether any claim for refund for such Taxes shall be made on behalf of the Sellers by the Companies or Company Subsidiaries. If the

Sellers elect to make a claim for refund, the Buyer, the Companies and the Company Subsidiaries shall cooperate fully in connection therewith. Notwithstanding the foregoing, the Sellers shall not be entitled to make any claim for refund of Taxes which would materially adversely affect the liability for Taxes of the Buyer, the Companies or the Company Subsidiaries for any period after the Closing Date without the prior written consent of the Buyer; provided, however, that such consent shall not be unreasonably withheld and such consent shall not be necessary to the extent that the Sellers have indemnified the Buyer against the effects of any such settlement. The Sellers shall reimburse the Buyer, the Companies and the Company Subsidiaries for reasonable out-of-pocket expenses incurred in providing such cooperation.

7.3 Adjustment to Purchase Price. The Buyer and the Sellers agree to report any indemnification payment made by the Sellers under Section 7.1 as an adjustment to purchase price, contribution to capital, or other non-taxable amount to the extent that there is substantial authority for such reporting position under applicable law.

7.4 Amended Returns. The Sellers shall be responsible for filing any amended consolidated, combined or unitary Tax Returns for any Pre-Closing Tax Period or Straddle Period of the Company and Company Subsidiaries which are required as a result of examination adjustments made by the Internal Revenue Service or by the applicable state, local or foreign taxing authorities for such taxable years or periods as finally determined; provided, however, that such Tax Returns, to the extent they relate to the Companies or Company Subsidiaries shall be prepared in a manner consistent with past practices to the extent that preparing them in such a manner is permissible by the Internal Revenue Service or by the applicable state, local or foreign taxing authorities. The Sellers shall provide notice to the Buyer of all such provided returns to the extent they relate to the Companies or Company Subsidiaries. For those jurisdictions in which separate Tax Returns are filed by the Company or Company Subsidiaries for any Pre-Closing Tax Period or Straddle Period, any required amended returns resulting from such examination adjustments, as finally determined, shall be prepared by the Sellers and furnished to the Buyer for review and comment ten days prior to the due date for filing such returns and the Sellers shall incorporate all reasonable comments of the Buyer. Buyer shall cause to be executed all waivers of statute of limitations or powers of attorney as may be necessary for Sellers to exercise their rights under this Section.

7.5 Tax Returns. The Sellers shall prepare, or cause to be prepared, and file or cause to be filed when due, including extensions thereof, all Tax Returns that are required to be filed with respect to the Companies and Company Subsidiaries for Pre-Closing Tax Periods and shall pay any Taxes due in respect of such Tax Returns, and the Buyer shall file or cause to be filed when due all Tax Returns that are required to be filed subsequent to the Closing with respect to the Companies and Company Subsidiaries for taxable years or periods beginning and ending after the Closing Date and shall timely pay any Taxes due in respect of such Tax Returns. The Sellers shall have the right to prepare or cause to be prepared all unitary, combined, or consolidated Tax Returns that are required to be filed with respect to the Companies and Company Subsidiaries for any Straddle Period. Buyer shall prepare or cause to be prepared any other Straddle Period Tax Returns. Any such Straddle Period Tax Return (regardless of which party prepares it) shall be prepared in a manner consistent with past practices and without a

change of any election or accounting method and shall be submitted by the preparing party to the other party (together with schedules, statements and supporting documentation) at least 30 days prior to the due date (including extension of such Tax Return), provided, however, that with respect to sales tax returns, such returns shall be submitted by the preparing party to the other party at least five days prior to the due date. Such other party shall have the right to review all work papers and procedures used to prepare any such Tax Return solely to the extent that such work papers and procedures relate to the Companies and the Company Subsidiaries. If such other party, within ten Business Days after delivery of any such Tax Return, notifies the preparing party in writing that it objects to any of the items in such Tax Return solely to the extent that such items relate to the Companies or the Company Subsidiaries, the preparing party shall attempt in good faith to resolve the dispute and, if they are unable to do so, the disputed items shall be resolved (within a reasonable time, taking into account the deadline for filing such Tax Return) by an internationally recognized independent accounting firm chosen by and mutually acceptable to both the Buyer and the Sellers. Upon resolution of all such items, the relevant Tax Return shall be adjusted to reflect such resolution and shall be binding upon the parties without further adjustment. The costs, fees and expenses of such accounting firm shall be born equally by the Buyer and the Sellers.

7.6 Tax Contest Provisions. Whenever the Buyer receives a notice of any pending or threatened Tax audit or assessment for any Pre-Closing Tax Period or Straddle Period, the Buyer shall promptly inform the Sellers in writing. The Sellers shall have the right to control, at their own cost, any resulting proceedings respect to any Pre-Closing Tax Period and to determine whether and when to settle any such claim, assessment or dispute. The Buyers and the Sellers shall jointly control any resulting proceedings with respect to any Straddle Period and shall jointly determine whether and when to settle any such claim, assessment or dispute. Notwithstanding the foregoing, the Sellers shall not be entitled to settle, either administratively or after the commencement of litigation, any claim for Taxes which would materially adversely affect the liability for Taxes of the Buyer, the Companies or the Company Subsidiaries for any period after the Closing Date without the prior written consent of the Buyer. Such consent shall not be unreasonably withheld, and shall not be necessary to the extent that the Sellers have indemnified the Buyer against the effects of any such settlement. Whenever any taxing authority sends a notice of an audit, initiates an examination of any Company or Company Subsidiary or otherwise asserts a claim, makes an assessment or disputes the amount of Taxes for any taxable period beginning after the Closing Date, the Sellers shall promptly inform the Buyer in writing, and the Buyer shall have the right to control, at its cost, any resulting proceedings and to determine whether and when to settle any such claim, assessment or dispute. Notwithstanding the foregoing, the Buyer shall not be entitled to settle, either administratively or after the commencement of litigation, any claim for Taxes which would materially adversely affect the liability for Taxes of the Sellers without the prior written consent of the Sellers, provided that such consent shall not be unreasonably withheld. The Buyer shall cause to be executed all waivers of statute of limitations or power of attorneys as may be necessary for the Sellers to exercise their rights under this Section. The Buyer shall not execute any waivers of the statute of limitations for the Companies or Company Subsidiaries for any Pre-Closing Period without the consent of the Sellers.

7.7 Termination of Tax Allocation Agreements. Any and all tax allocation or sharing agreements or arrangements, whether or not written, that may have been entered into by and between the Sellers and its affiliates, on the one hand, and the Companies and Company Subsidiaries, on the other hand, shall be terminated as to the Companies and Company Subsidiaries as of the Closing Date, and no payments which are owed by or to the Companies or Company Subsidiaries pursuant thereto shall be made thereunder. After the Closing Date, this Agreement shall be the sole Tax sharing agreement relating to the Companies and Company Subsidiaries for all Pre-Closing Tax Periods.

7.8 Assistance and Cooperation. Each of the Buyer and the Sellers will provide the other with such assistance as may reasonably be requested by each of them in connection with the preparation of any Tax Return, any audit or other examination by any taxing authority, or any judicial or administrative proceedings relating to liability for Taxes, and each provide the other with any records or information which may be relevant to such Tax Return, audit or examination, proceedings or determination. Such assistance shall include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder and shall include providing copies of any relevant Tax Return and supporting work schedules. The party requesting assistance hereunder shall reimburse the other for reasonable expense incurred in providing such assistance.

7.9 Transfer and Conveyance Taxes. The Sellers, on the one hand, and the Buyer, on the other hand, shall each be liable for and shall pay one-half of all applicable sales, transfer, recording, deed, stamp and other similar taxes, including, without limitation, any real property transfer or gains taxes (if any), resulting from the consummation of the transactions contemplated by this Agreement.

7.10 Global Crossing Options. (a) The Sellers shall be entitled to claim any and all deductions (the "Option Deductions"), for all federal, state, local and foreign purposes, attributable to the exercise by any of the employees of the Frontier LEC Business of any Global stock options, and the Buyer shall not take, nor permit the Companies or Company Subsidiaries to take, any position or action (including, without limitation, the filing of any Tax Returns) which would interfere with, or be inconsistent with, the Sellers claiming the Option Deductions.

(b) If, pursuant to a final determination (within the meaning of Section 1313 of the Code), the Sellers are not entitled to claim all or any portion of the Option Deductions, then (i) the Buyer shall, at the Sellers' expense, take all actions, including without limitation, promptly filing, or causing the Companies or Company Subsidiaries to file, amended Tax Returns, as are necessary to allow the Companies or Company Subsidiaries to claim the Option Deductions, and (ii) shall pay, or cause the Companies or Company Subsidiaries to pay, to the Sellers all refunds or credits received by the Sellers or the Companies or Company Subsidiaries attributable to the Option Deductions within ten days after receipt of such refund (or, in the case of a credit, within ten days after the credit is allowed or applied against any other Tax liability).

7.11 Carryback of Net Operating Losses. The Buyer, the Companies and the Company Subsidiaries shall make any and all elections under Section 172(b)(3) of the Code and

any corresponding provisions of state, local or foreign law to relinquish the entire carryback period with respect to any net operating loss attributable to the Companies or the Company Subsidiaries in any taxable period beginning after the Closing Date that could be carried back to a taxable year of the Companies or the Company Subsidiaries ending on or before the Closing Date.

7.12 Survival. Claims for indemnification under Section 7.1 shall survive until the expiration of the applicable statute of the limitations (including any extensions or waivers of such statutes).

Article 8. Employee Benefit and Labor Matters.

8.1 Continuation of Employee Benefits. From and after the Closing Date and except as otherwise expressly provided in this Article 8, the Buyer shall, and shall cause the Companies and Company Subsidiaries to:

(a) Provide, until three years after the Closing Date (the "Benefit Continuation Period"), benefits that in the aggregate are no less favorable than the benefits provided, in the aggregate, under the Employee Benefit Plans to the current employees of the Frontier LEC Business (the "Business Employees") immediately prior to the Closing. For purposes of this Agreement, "Business Employees" shall refer only to those individuals who are actively employed by the Frontier LEC Business on the Closing Date, or who are on vacation, disability, family leave, layoff or other leaves of absence which have been agreed or consented to (or protected by applicable law) on such Closing Date and who in any case where they are not actively employed on the Closing Date actually return to active service with the Surviving Corporation of the Buyer within 12 months (or such longer period protected by applicable law) after the Closing Date. Not in limitation of the foregoing but for clarification, during the Benefit Continuation Period the Buyer shall, or shall cause the Companies and Company Subsidiaries, to maintain a severance program that provides payments and benefits to Business Employees whose employment terminates during such period that are not less than the payments and benefits provided for under the Change in Control Severance Plan for Salary Band Levels 25 and above, as maintained by GCNA (the "Severance Plan") (assuming, for purposes of such plan, that a change of control has already occurred) for the same type of termination. Notwithstanding the foregoing, nothing herein shall require (i) the continuation of any particular employee benefit plan or contribution levels or prevent any amendment or termination thereof (subject to the maintenance, in the aggregate, of the benefits as provided in the preceding sentence) or (ii) require the Buyer to continue or maintain any stock purchase or other equity plan related to the equity of Global or the Buyer. Notwithstanding the foregoing, until September 29, 2001, the Buyer shall, or shall cause the Company and the Company Subsidiaries to, maintain benefits that are equivalent to the benefits provided under the Employee Telecommunications Benefit program, the Educational Assistance Fund, the Educational Assistance Program and the Executive Perquisite program; provided, however, that Sellers shall assume or retain all liabilities

with respect to benefits accrued or payable under the foregoing four programs to the extent incurred as of the Closing Date (which for purposes of the Educational Assistance Fund shall mean that any four-year scholarship awarded prior to the Closing Date shall be deemed incurred with respect to all four years of such scholarship so long as the student remains eligible for such scholarship under the terms of such Fund). In the event of any sale, transfer or other disposition by the Buyer of all or any part of the Frontier LEC Business or of the Companies and/or the Company Subsidiaries (whether by merger, sale of stock or assets or otherwise) (any such event, a "Sale") prior to the end of the Benefit Continuation Period, the Buyer shall cause any such purchaser to assume and perform all obligations of the Buyer under this Section 8.1(a) for not less than the balance of the Benefit Continuation Period.

(b) (i) Waive any limitations to pre-existing conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to the Business Employees under any welfare benefit plan in which such employees may be eligible to participate after the Closing to the extent that such limitations did not apply or had been satisfied by such Business Employees and their covered dependents, (ii) provide each Business Employee with credit for any co-payments and deductibles paid prior to the Closing for the year in which the Closing occurs in satisfying any applicable deductible or out-of-pocket requirements under any welfare benefit plan in which such employees may be eligible to participate after the Closing, and (iii) recognize all service of the Business Employees rendered as employees of the Sellers, and during the period that the Companies and the Company Subsidiaries were Subsidiaries of the Sellers, for all purposes (including, without limitation, purposes of eligibility to participate, vesting credit, entitlement for benefits, and benefit accrual (except for purposes of benefit accrual under any defined benefit cash balance pension plan) in any benefit plan in which such employees may be eligible to participate after the Closing, to the same extent taken into account under a comparable Employee Benefit Plan immediately prior to the Closing Date.

8.2 Termination of Participation in Employee Benefit Plans: Defined Benefit Pension Plans. Except as set forth herein, the Buyer shall not, and shall cause the Companies and Company Subsidiaries not to, assume any Employee Benefit Plans maintained or sponsored by the Sellers. Effective as of the Closing Date, the Business Employees shall cease to participate in any of the Employee Benefit Plans maintained or sponsored by the Sellers, and the Companies and Company Subsidiaries shall cease to be contributing employers under any Employee Benefit Plan. In addition, with respect to any Employee Benefit Plan that is a defined benefit pension plan (collectively, the "Sellers' Pension Plans"), the Sellers shall not transfer any assets or liabilities with respect to any Business Employees who participated in any such plans immediately prior to the Closing Date; provided, however, that the Sellers shall cause the applicable Sellers' Pension Plans to recognize all service provided by the Business Employees after the Closing Date to the Buyer, the Companies and the Company Subsidiaries (collectively, the "Buyer Group") for purposes of eligibility for the commencement of benefits thereunder; and provided, further, in connection with the foregoing, (i) Buyer shall, or shall cause the applicable member of the Buyer Group, to provide the Sellers with written notice of the termination of

employment occurring after the Closing Date of any Business Employee who participated in the Sellers' Pension Plan prior to the Closing Date (a "Termination Notice") and (ii) in the event of any Sale whereby the Business Employees are transferred from Buyer or otherwise outside of the Buyer Group, (x) Buyer shall, or shall cause the applicable member of the Buyer Group to continue to provide such Termination Notice even after such Sale or (y) Buyer shall cause the acquiring entity to agree to provide such Termination Notice after such Sale.

8.3 Defined Contribution Plan. (a) As soon as reasonably practicable after the Closing Date, the Buyer shall, or shall cause the Buyer Group to, provide a defined contribution plan for the benefit of the Business Employees (which plan may be an existing plan or plans of the Buyer) (the "Successor 401(k) Plan"), that has those features that are provided for in the Sellers' 401(k) Plan, which are required by Section 411(d)(6) of the Code to be provided by the Successor 401(k) Plan (the "Protected Benefits"). In addition, the Buyer shall, or shall cause the Buyer Group to, take all necessary actions, if any, to qualify such plan under the applicable provisions of the Code and shall make any and all filings and submissions to the appropriate governmental agencies required to be made by it in connection with the transfer of assets described below. As soon as reasonably practicable following the delivery to the Sellers of a favorable determination letter from the Internal Revenue Service regarding the qualified status of the Successor 401(k) Plan (or, if earlier, the delivery of an opinion of the Buyer's counsel, reasonably satisfactory to the Sellers, to such effect), the Sellers shall cause the trustee of the Sellers' 401(k) Plan to transfer, in the form of cash and marketable securities (or such other form as may be agreed by the Buyer and the Sellers) (the "Assets"), the full account balances of the Business Employees (which account balances shall be fully vested) under the Sellers' 401(k) Plan (which account balances will have been credited with appropriate earnings attributable to the period from the Closing Date to the date of transfer described herein), reduced by any necessary benefit or withdrawal payments to or in respect of Business Employees occurring during the period from the Closing Date to the date of transfer described herein, to the appropriate trustee as designated by the Buyer under the trust agreement forming a part of the Successor 401(k) Plan. With respect to that portion of the Assets that is comprised of shares of capital stock of Global ("Global Stock"), Buyer shall cause the trustee of the Successor 401(k) Plan to hold such shares in trust for the benefit of the Business Employees until such time as any such employee elects to dispose of his or her shares; and provided, further, that in no event shall the Successor 401(k) Plan be required to permit participants to otherwise invest in Global Stock, whether with additional contributions made into such plan, reallocation of other Assets of a participant's account, or otherwise. In consideration for the transfer of assets described herein, the Buyer shall, or shall cause the Buyer Group to, effective as of the date of transfer described herein, assume all of the obligations of the Sellers in respect of the account balances accumulated by Business Employees under the Sellers' 401(k) Plans on or after the Closing Date.

(b) Notwithstanding anything provided in Section 8.3(a) to the contrary, in the event that the provision of the Protected Benefits would impose upon the Buyer or the Buyer Group material costs and expenses of administration that the parties reasonably agree would impose an unreasonable and substantial burden on the Buyer (or the Buyer Group, as applicable), the trustee of the Successor 401(k) Plan shall not be required to accept the transfer of account balances from the Sellers' 401(k) Plan pursuant to Section 8.3(a); provided, however, the parties

agree that it would constitute an unreasonable and substantial burden on Buyer or the Buyer Group if the Buyer were required, solely for the purposes of accepting the trustee-to-trustee transfer of Assets (pursuant to Section 8.3(a), above), to establish a new and separate defined contribution plan. In lieu of such trustee-to-trustee transfer, the Sellers shall take any actions reasonably necessary to provide for a distribution to the Business Employees of their vested account balances pursuant to Section 401(k)(10) of the Code, to the extent that such employees elect to receive such distributions, and the Buyer shall, or shall cause the Buyer Group to, take any actions reasonably necessary to cause the Successor 401(k) Plan to receive any such distributions (in cash and in shares of Global Stock, as applicable) which any such Business Employee may elect to roll over into such 401(k) plan. In addition, in the event any such Business Employee elects to roll over his or her vested account balances into the Successor 401(k) Plan, the Buyer shall take all actions necessary to permit such Business Employee to roll over any loan balance outstanding under the Sellers 401(k) Plan prior to the Closing Date, to the extent permitted by applicable Law.

(c) Notwithstanding anything in this Agreement to the contrary, in no event shall the Sellers transfer, or cause to be transferred, the assets, if any, of, or liabilities with respect to the Business Employees under, either the Supplemental Management Pension Plan or the Supplemental Retirement Savings Plan.

8.4 Post-Retirement Benefits. (a) Sellers shall retain or assume the liability for all post-retirement medical and/or life insurance benefits (the "Post Retirement Welfare Benefits") for (i) any former employee of the Frontier LEC Business who, as of the Closing Date, was either retired or otherwise terminated employment with the Sellers prior to the Closing Date and was entitled to Post-Retirement Welfare Benefits from the Sellers at such time, or (ii) is a non-Union Employee, whether or not eligible for post-retirement welfare benefits as of the Closing Date (even if they continue their employment with the Buyer or the Buyer Group after the Closing Date); provided, however, that the foregoing benefits shall be secondary to any medical or life insurance benefit coverage that such a person described in clauses (i) or (ii), above may otherwise be eligible to receive under any plan, program or arrangement provided by the Buyer or any member of the Buyer Group or pursuant to any Assumed CBAs.

(b) With respect to any Business Employee who is a Union Employee as of the Closing Date, the Buyer shall assume all liabilities, obligations and responsibilities with respect to providing Post-Retirement Welfare Benefits, if any, to such employees under any Assumed CBAs or any Post-Retirement Welfare Benefits programs which the Buyer or the Buyer Group maintain for such employees after the Closing Date.

(c) As soon as practicable on or after the Closing Date, the Sellers shall transfer any assets that are dedicated or otherwise allocated exclusively for the purpose of funding and determining the accrued liability with respect to the Post-Retirement Welfare Benefits of the Union Employees assumed by the Buyer pursuant to Section 8.4(b), above. To the extent such transfer occurs after the Closing Date, the amount of the transfer shall equal the assets as of the Closing Date plus the interest on such assets accrued from the Closing Date to the date the assets are transferred hereunder, at a rate equal to the assumed discount rate used to value the foregoing

liability as of the Closing Date (as set forth in the Buck Consulting Report), adjusted by any contributions made by, or payments made to, the Union Employees in respect of the Post-Retirement Welfare Benefits prior to the date the foregoing assets are transferred.

8.5 Collective Bargaining Agreements. Effective on and after the Closing Date, the Buyer shall assume all of the collective bargaining agreements (including, without limitation, pursuant to the specified provisions of the collective bargaining agreements set forth in Section 8.5 of the Disclosure Schedule) (all such agreements, the "Assumed CBAs") and other labor contracts with respect to any Business Employees existing immediately prior to the Closing Date (including, without limitation, the obligation, if any, to contribute to any multiemployer pension or welfare plans) and to continue, to the extent required under such agreements and other contracts, to employ all of the Business Employees covered by such agreements, whether or not then actively at work, including, without limitation, any Business Employees who are on vacation leave, leave of absence, sick leave or disability leave for the periods set forth therein. The Buyer shall also honor any reemployment rights of any current or former Business Employees including, but not limited to, any such persons who are receiving long-term disability benefits as of the Closing Date.

8.6 WARN. On and for 90 days after the Closing Date, the Buyer shall not, and shall cause the Companies and Company Subsidiaries not to, implement any employment terminations, layoffs or hours reductions or take any other action which could result in a "plant closing" or "mass layoff", as those terms are defined in the Worker Adjustment and Retraining Notification Act of 1988 ("WARN") or similar events under applicable state law, affecting in whole or in part any facility, site of employment or operating unit, or any employee employed by any Company or Company Subsidiary, or which could require either Seller, any Company or Company Subsidiary or the Buyer to give notice or take any other action required by WARN or applicable state law.

8.7 Annual Incentive Compensation. On the Closing Date, the Sellers shall pay, or cause to be paid, to all Business Employees a pro rata portion of any bonuses otherwise payable in respect of the fiscal year in which the Closing Date occurs (the "Bonuses") pursuant to the Sellers' annual incentive compensation plans. The amount of such Bonuses shall be calculated based on the amounts accrued in respect of such Bonuses on the books and records of the Frontier LEC Business as of the end of the month immediately preceding the month in which the Closing Date occurs, which Bonuses would otherwise be payable after the end of the applicable fiscal year.

Article 9. Indemnification.

9.1 Indemnification by the Sellers. Subject in all respects to the provisions of this Article 8, the Sellers hereby agree jointly and severally to indemnify and hold harmless the Buyer and its Affiliates, officers, directors, employees, agents and representatives after the Closing Date from and against any Claims and Damages incurred by them arising out of or resulting from

(a) any breach on the part of the Sellers of (i) any representation or warranty made by the Sellers in Article 2 hereof (other than those set forth in Section 2.17) or in any certificate delivered pursuant to this Agreement or (ii) any covenant or agreement made by the Sellers in this Agreement; or

(b) any matter on the Probable Liabilities List to the extent that the amount of the expense and/or loss for such matter becomes capable of being "reasonably estimated" (within the meaning of such term under GAAP and determined on a basis consistent with that used to determine the Probable Liabilities List) within 18 months after the Closing Date (a "Liability Claim").

9.2 Indemnification by the Buyer. Subject in all respects to the provisions of this Article 8, the Buyer hereby agrees, and shall cause the Companies and Company Subsidiaries, jointly and severally to indemnify and hold harmless the Sellers and their respective Affiliates, officers, directors, employees, agents and representatives after the Closing Date from and against any Claims and Damages incurred by them arising out of or resulting from

(a) any breach on the part of the Buyer of (i) any representation or warranty made by the Buyer in Article 3 hereof or in any certificate delivered pursuant to this Agreement or (ii) any covenant or agreement made by the Buyer in this Agreement; or

(b) any obligation or liability reflected in the Combined Liabilities or Combined Working Capital used to adjust the Purchase Price pursuant to Section 1.3 to the extent so reflected.

9.3 Limitations on Indemnification Claims and Liability. (a) The respective representations and warranties of the Sellers and the Buyer set forth in this Agreement or in any certificate delivered pursuant to this Agreement, and the opportunity to make a claim for indemnification, or otherwise be indemnified or held harmless, under this Article 9 with respect thereto or with respect to (i) any covenant or agreement relating to any action required by this Agreement to be taken prior to or at the Closing or (ii) any Liability Claim shall survive until, and expire with, and be terminated and extinguished upon, the date that is 18 months after the Closing Date. Any and all covenants and agreements relating to any action required by this Agreement to be taken after the Closing and the obligation of the Buyer with respect to Section 9.2(b) shall survive the Closing forever and shall not expire with, and be terminated and extinguished upon, the Closing.

(b) The Sellers shall not be obligated to indemnify or hold harmless any Indemnified Party under Section 9.1 (i) for any Claims or Damages incurred by such Indemnified Party in connection with any individual occurrence or related series of occurrences that do not exceed \$25,000 or (ii) unless and until Claims or Damages in respect of the indemnification obligations of the Sellers under Section 9.1 exceed in the aggregate \$50,000,000, following which (subject to the provisions of this Article 9) the Sellers shall be obligated to indemnify or hold harmless an Indemnified Party only for such Claims or Damages which, when aggregated with all other Claims and Damages indemnified under Section 9.1, exceed such threshold amount

or (iii) to the extent that Claims or Damages, when aggregated with all other Claims and Damages indemnified under Section 9.1, exceed \$200,000,000 or (iv) for any matter reflected in the Combined Liabilities or Combined Working Capital to the extent used to adjust the Purchase Price pursuant to Section 1.3. For purposes of this Section 9.3(b), the amount of any Claims and Damages shall be computed as set forth in Section 9.4.

(c) In addition to the foregoing limitations and any other limitations under this Agreement, the Sellers shall not be obligated to indemnify or hold harmless any Indemnified Party under Section 9.1(b) unless and until Claims or Damages in respect of Liability Claims exceed in the aggregate the aggregate amount of all matters on the Probable Assets List for which the asset values of such matters have become capable of being "reasonably estimated" (within the meaning of such term under GAAP and determined on a basis consistent with that used to determine the Probable Assets Lists) within 18 months after the Closing Date. To the extent that any matter or any additional matter on the Probable Asset List becomes so capable of being "reasonably estimated" after an indemnification payment has been made with respect to a Liability Claim, the Buyer or its Affiliate shall promptly repay to the GCNA such amount of the indemnification payment as would not have been paid had the asset value of such matter reduced the original payment (and any such repayment shall be a credit against any applicable indemnification threshold or limitation set forth in Section 9.3(b) hereof) at such time or times and to the extent such matters become so estimable.

(d) Notwithstanding anything to the contrary in this Agreement, the indemnifications in Sections 9.1 and 9.2 hereof will be the sole and exclusive remedies available to the Buyer or the Sellers, or any of their respective Affiliates, officers, directors, employees, agents or representatives, after the Closing for breaches of any representations or warranties in this Agreement, or any certificate delivered pursuant to this Agreement, or any covenants or agreements contained in this Agreement (other than with respect to any covenant or agreement relating to any action required by this Agreement to be taken after the Closing or to obligations or liabilities reflected in Combined Liabilities or Combined Working Capital), or otherwise in connection with this Agreement (other than as provided by Articles 1, 7 and 8). Any claim for indemnification must be made as provided in Sections 9.5, 9.6 and 9.7 hereof.

9.4 Computation of Claims and Damages. Whenever an Indemnifying Party is required to indemnify and hold harmless an Indemnified Party from and against and hold the Indemnified Party harmless from, or to reimburse the Indemnified Party for, any item of Claim or Damage under this Agreement, the Indemnifying Party will, subject to the provisions of this Article 9, pay the Indemnified Party the amount of the Claim or Damage (i) reduced by any amounts to which the Indemnified Party actually recovers from third parties in connection with such Claim or Damage ("Reimbursements"), (ii) reduced by the Net Proceeds of any insurance policy payable to the Indemnified Party with respect to such Claim or Damage and (iii) reduced appropriately to take into account any Tax Benefit to the Indemnified Party with respect to such Claim or Damage, net of all income Taxes resulting from the indemnification payment. For purposes of this Section 9.4, (x) "Net Proceeds" shall mean the insurance proceeds actually paid, less any deductibles, co-payments, premium increases, retroactive premiums or other payment obligations (including attorneys' fees and other costs of collection) that relates to or arises from

the making of the claim for indemnification and (y) "Tax Benefit" shall mean any benefit actually realized by the Indemnified Party in connection with the Claim or Damage. The Indemnified Party shall use reasonable best efforts to pursue Reimbursements or Net Proceeds that may reduce or eliminate Claims and Damages and otherwise to mitigate Claims and Damages. If any Indemnified Party receives any Reimbursement or Net Proceeds, or realizes a Tax Benefit, after an indemnification payment is made which relates thereto, the Indemnified Party shall promptly repay to the Indemnifying Party such amount of the indemnification payment as would not have been paid had the Reimbursement, Net Proceeds or Tax Benefit reduced the original payment (and any such repayment shall be a credit against any applicable indemnification threshold or limitation set forth in Section 9.3(b) hereof) at such time or times as and to the extent that such Reimbursement or Net Proceeds is actually received or such Tax Benefit is actually realized. The Indemnified Party shall make available to the Indemnifying Party and its agents and representatives all pertinent records, materials and information, and provide reasonable access during normal business hours to the Indemnified Party's employees, properties, books and records, and shall otherwise cooperate with and assist the Indemnifying Party and its agents and representatives in reviewing the propriety and the amount of any Claims or Damages, including, without limitation, the availability and/or amounts of Reimbursements, Net Proceeds and Tax Benefits.

9.5 Notice of Claims. Upon obtaining actual knowledge of any Claim or Damage which has given rise to, or could reasonably give rise to, a claim for indemnification hereunder, the party seeking indemnification (the "Indemnified Party") shall, as promptly as reasonably practicable (but in no event later than 30 days) following the date the Indemnified Party has obtained such knowledge, give written notice (a "Notice of Claim") of such claim to the party or parties from which indemnification is or will be sought under this Article 9 (the "Indemnifying Party"). The Indemnified Party shall furnish to the Indemnifying Party in good faith and in reasonable detail such information as the Indemnified Party may have with respect to such indemnification claim (including copies of any summons, complaint or other pleading which may have been served on it and any written claim, demand, invoice, billing or other document evidencing or asserting the same). No failure or delay by the Indemnified Party in the performance of the foregoing shall reduce or otherwise affect the obligation of the Indemnifying Party to indemnify and hold the Indemnified Party harmless, except to the extent that such failure or delay shall have materially adversely affected the Indemnifying Party's ability to defend against, settle or satisfy any liability, damage, loss, claim or demand for which such Indemnified Party is entitled to indemnification hereunder. For purposes of this Section 9.5, (i) a Notice of Claim given in good faith must include to the extent then practicable a good faith estimate of the amount of the claim and (ii) a Notice of Claim shall be deemed to have been given as of the date the Probable Liabilities List is agreed upon or otherwise determined with respect to Liability Claims. Notwithstanding anything to the contrary in this Agreement, no identification of any party as an "Indemnifying Party" for purposes of any of the provisions of this Agreement shall constitute any acknowledgment by such party that it is liable to any Person under this Article 9.

9.6 Defense of Third Party Claims. If any claim set forth in the Notice of Claim given by an Indemnified Party pursuant to Section 9.5 hereof is a claim asserted by a third party, the Indemnifying Party shall have 30 days after the date that the Notice of Claim is given or

deemed given by the Indemnified Party to notify the Indemnified Party in writing of the Indemnifying Party's election to defend such third party claim on behalf of the Indemnified Party. If the Indemnifying Party elects to defend such third party claim, the Indemnified Party shall make available to the Indemnifying Party and its agents and representatives all witnesses, pertinent records, materials and information in the Indemnified Party's possession or under the Indemnified Party's control as is reasonably required by the Indemnifying Party and shall otherwise cooperate with and assist the Indemnifying Party in the defense of such third party claim. Regardless of which party is defending such third party claim, the Indemnified Party shall not pay, settle or compromise such third party claim without the consent of the Indemnifying Party. If the Indemnifying Party elects to defend such third party claim, the Indemnified Party shall have the right to participate in the defense of such third party claim, at the Indemnified Party's own expense. In the event, however, that the Indemnified Party reasonably determines that representation by counsel to the Indemnifying Party of both the Indemnifying Party and the Indemnified Party may present such counsel with a conflict of interest, then such Indemnified Party may employ separate counsel to represent or defend it in any such action or proceeding and the Indemnifying Party will, subject to the provisions of this Article 9, pay the reasonable fees and disbursements of such counsel when due under such counsel's customary billing practices. If the Indemnifying Party does not elect to defend such third party claim or does not defend such third party claim in good faith, the Indemnified Party shall have the right, in addition to any other right or remedy it may have hereunder, at the Indemnifying Party's expense, to defend such third party claim; provided, however, that such Indemnified Party's defense of or its participation in the defense of any such third party claim shall not in any way diminish or lessen the indemnification obligations of the Indemnifying Party under this Article 9. If the Indemnifying Party subsequently reasonably determines that the Indemnified Party is not defending such third party claim in good faith, the Indemnifying Party shall have the right, in addition to any other right or remedy it may have hereunder, to elect to assume the defense of such third party claim and, to the extent that the Indemnified Party has not defended such third party claim in good faith, and whether or not the Indemnifying Party shall have subsequently assumed the defense thereof, the indemnification obligations of the Indemnifying Party under this Article 9 shall be reduced or eliminated to the extent that such failure to defend in good faith shall have materially adversely affected the Indemnifying Party's ability to defend against, settle or satisfy any liability, damage, loss, claim or demand for which such Indemnified Party is otherwise entitled to indemnification hereunder.

9.7 Special Indemnification Procedures with Respect to Environmental Matters.

(a) Notwithstanding anything to the contrary in this Agreement, with respect to any potential claim for indemnification in connection with, arising out of or resulting from any breach on the part of the Sellers of (i) any representation or warranty made by the Sellers in Section 2.13 hereof, or in any other section of this Agreement or in any certificate delivered pursuant to this Agreement relating to matters relating to Environmental Laws or Hazardous Materials, (ii) any covenant or agreement made by the Sellers in this Agreement relating to matters relating to Environmental Laws or Hazardous Materials or (iii) any Liability Claim relating to matters relating to Environmental Laws or Hazardous Materials, which claim relates to the costs of remediation of environmental conditions (each, a "Remediation Claim"), the Notice of Claim given to the Sellers pursuant to Section 9.5 hereof shall be required to set forth the condition

requiring such remediation, the proposed remedial actions (including the scope of work to be performed) (each, a "Remediation Action") and an estimate of the cost of such remediation. The Sellers shall be given the right to consult with the Buyer of the Remediation Action covered under this Section 9.7. The Indemnified Party shall consult in good faith with the Sellers and their representatives with respect to all aspects of the proposed Remediation Claim specified in the Notice of Claim, including, without limitation, the form and substance of any communications plan, report or submission to be given to any Governmental Authority with respect to any Remediation Action. The costs of any environmental surveys or testing, geologic testing or engineering tests conducted in connection with any potential or proposed Environmental Claim (other than those required by a Governmental Authority in connection with an identified potential or proposed Environmental Claim), including laboratory and analytical fees, or any consultants or engineers engaged to assist in any review related thereto, shall be paid for by the party conducting such surveys, testing or tests or engaging such consultants or engineers.

(b) With respect to any Remediation Actions in excess of \$500,000 in the aggregate, the Indemnified Party shall, to the fullest extent practicable, seek in good faith competitive written bids from at least three qualified sources prior to having any of such Remediation Actions performed. To the extent that any Indemnified Party will be seeking indemnification under the provisions of this Article 9, with respect to a Remediation Action, indemnification with respect to such Remediation Action shall be limited to that required to comply with Environmental Laws and the Indemnified Party shall use its reasonable best efforts to minimize the amount of any Remediation Claim in connection therewith.

(c) The procedures specified in Sections 9.7(a) and 9.7(b) above are provided solely for the purpose of determining the amount of the indemnification to which an Indemnified Party is entitled under Section 9.1 hereof with respect to a Remediation Claim. Nothing herein shall be construed to restrict or limit in any way the remedial actions actually undertaken or costs of remediation actually incurred with respect thereto.

9.8 Probable Liabilities and Assets Lists. (a) Pursuant to the procedures and in accordance with the time schedules set forth in Section 1.4, the parties shall agree upon (or in the case of a Neutral Auditor Determination, there shall be determined for the parties pursuant to Section 1.4) a list (the "Probable Liabilities List") of matters (the "Probable Liabilities") that both (i) with respect to which, as of the Closing Date, it is "probable" (within the meaning of such term under GAAP consistently applied and on a basis consistent with the basis used in preparing the financial data and information described in clauses (ii) and (iii) of Section 2.6(a) and as set forth in Schedule 1.3 hereto) that a liability has been incurred and (ii) would have been reflected in the Combined Liabilities for purposes of determining the Liabilities Adjustment or in Combined Working Capital for purposes of determining the Working Capital Adjustment, in each case pursuant to Section 1.3(a) in conformity with GAAP (including, without limitation, the materiality concepts thereof) consistently applied and on a basis consistent with the basis used in preparing the financial data and information described in clauses (ii) and (iii) of Section 2.6(a) and as set forth in Schedule 1.3 hereto, but for the fact that, as of the Closing Date, the amount of

the expense and/or loss for such matter cannot be "reasonably estimated" (within the meaning of such term under GAAP).

(b) Pursuant to the procedures and in accordance with the time schedules set forth in Section 1.4, the parties shall agree upon (or in the case of a Neutral Auditor Determination, there shall be determined for the parties pursuant to Section 1.4) a list (the "Probable Assets List") of matters (the "Probable Assets") that both (i) with respect to which, as of the Closing Date, it is "probable" (within the meaning of such term under GAAP consistently applied and on a basis consistent with the basis used in preparing the financial data and information described in clauses (ii) and (iii) of Section 2.6(a) and as set forth in Schedule 1.3 hereto) that a current or long-term receivable of the Companies or Company Subsidiaries exists and (ii) would have been reflected in the books and records of the Frontier LEC in conformity with GAAP (including, without limitation, the materiality concepts thereof) consistently applied and on the basis consistent with the basis used in preparing the financial data and information described in clauses (ii) and (iii) of section 2.6(a) and as set forth in Schedule 1.3 hereto, but for the fact that, as of the Closing Date, the value of such asset cannot be "reasonably estimated" (within the meaning of such term under GAAP).

Article 10. Definitions.

Unless otherwise stated in this Agreement, the following capitalized terms have the following meanings:

Access Line means a physical circuit over which calls are switched in the telephone central offices, and over which calls can be directed to other Access Lines on the Public Switched Network or received from other Access Lines connected to the Public Switched Network. In counting the number of Access Lines, (i) each digital T1 circuit (which can be channelized into 24 separate voice-grade equivalent lines) is counted as 24 Access Lines by the Companies and Company Subsidiaries in Rochester, New York; Illinois; Michigan; and Wisconsin, (ii) each PRI circuit (a T1 circuit used to provision ISDN service) is counted as 23 Access Lines, (iii) both retail and wholesale market segments are included in the Access Line counts in the Rochester, New York market and (v) telephone lines used for internal business purposes ("official" lines) are excluded from Access Line counts.

Action means any action, suit, claim, arbitration, or proceeding or investigation (of which the Sellers or the Buyer, as the case may be, have knowledge) commenced by or pending before any Governmental Authority.

Adjustment has the meaning set forth in Section 1.4 hereof.

Affiliate means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such specified Person.

Agreement or this Agreement means this Purchase Agreement dated as of the date first above written (including the Annexes and Exhibits hereto and the Disclosure Schedule) and all amendments hereto made in accordance with the provisions of Section 11.7 hereof.

Asset Purchase Agreement has the meaning set forth in Section 2.21 hereof.

Buck Consulting Report means the report dated March 23, 2000 by Buck Consulting relating to the January 1, 1999 valuation of the post-retirement non-pension benefits of Global Crossing Telecommunications.

Business Day means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in the City of New York.

Business Employee has the meaning set forth in Section 8.1 hereof.

Buyer has the meaning specified in the introductory paragraph to this Agreement.

Buyer Material Adverse Effect means a material adverse effect on the business, results of operations or financial condition of the Buyer and its Subsidiaries (not including the Companies and the Company Subsidiaries), taken as a whole; provided that, for such purpose, "material adverse effect" shall be determined on the basis of the same magnitude of effect as that used to determine a Material Adverse Effect.

Buyer Group has the meaning set forth in Section 8.2 hereof.

Capital Expenditure Cash Fund has the meaning set forth in Section 4.13 hereof.

Carrier Services Agreement has the meaning set forth in Section 2.21 hereof.

CERCLA means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.

Claims and Damages means, except as otherwise expressly provided in this Agreement, any and all losses, claims, demands, liabilities, obligations, actions, suits, orders, statutory or regulatory compliance requirements, or proceedings asserted by any Person (including, without limitation, Governmental Authorities), and all damages, costs, expenses, assessments, judgments, recoveries and deficiencies, including, to the extent required pursuant to Article 8, reasonable attorneys' fees and costs, incurred by or awarded against a party to the extent indemnified in accordance with Article 8 hereof, but shall not include any consequential, special, multiple, punitive or exemplary damages, except to the extent such damages have been recovered by a third party and are the subject of a third party claim for which indemnification is available under the express terms of Article 8 hereof.

Closing has the meaning set forth in Section 1.6 hereof.

Closing Cash Payment has the meaning set forth in Section 1.3 hereof.

Closing Date has the meaning set forth in Section 1.6 hereof.

Closing Statement has the meaning set forth in Section 1.4 hereof.

Code means the Internal Revenue Code of 1986, as amended.

Combined Liabilities means all long-term liabilities (which does not include contra asset accounts including, but not limited to, accumulated depreciation or allowance for uncollectible accounts) properly recorded on a combined balance sheet for the Company and the Company Subsidiaries excluding the following: (i) deferred taxes to the extent they reflect timing differences, (ii) deferred investment tax credits, (iii) minority interests (to the extent they are non-cash in nature and permitted under this Agreement), (iv) deferred revenues, (v) any amount included in the definition of "Working Capital," (vi) all accrued employee benefit or pension obligations (A) with respect to which assets will be transferred to the Buyer or Buyer Group, or obligations are assumed by the Sellers, pursuant to Article 8 or (B) which have been established by or at the direction of the Buyer, (vii) liabilities created from or in connection with the obtaining of any Required Consents or other consents or approvals for the Sale from third parties or under Regulatory Law (provided that one-half of any liabilities accrued as of the date of the combined balance sheet in conformity with GAAP consistently applied that were created from or in connection with the obtaining of Required Consents from PUCs (other than where the Companies or Company Subsidiary receive a corresponding asset) shall be included in Combined Liabilities up to a maximum, when aggregated together with any current liabilities created from or in connection with the obtaining of such Required Consents from PUCs included in the calculation of Combined Working Capital, of \$15,000,000), (viii) any other "non-cash" liabilities, (ix) Taxes to the extent they are subject to Article 7 and (x) all intercompany liabilities (other than those that are not canceled pursuant to Section 4.13(a)), all of the foregoing as determined on a combined basis for the Companies or Company Subsidiaries in conformity with GAAP consistently applied and on a basis consistent with the basis used in preparing the financial data and information described in clauses (ii) and (iii) of Section 2.6(a) or as expressly required in this definition. For purposes of determining Combined Liabilities, the liability attributable to the long-term portion of the Post-Retirement Welfare Benefits of Union Employees shall be calculated using the same actuarial assumptions that were used to determine the financial statement disclosures as of December 31, 1999 in the Buck Consulting Report. To the extent that, due to tax timing differences, any Tax deduction relating to any liability included in Combined Liabilities will not be available in a Pre-Closing Tax Period, Combined Liabilities shall be reduced appropriately to take into account any Tax Benefit (as defined in Section 9.4) actually realized at or prior to the time of calculation of the Adjustment to the Buyer with respect to such liability; and if the Buyer actually realizes a Tax Benefit after the Adjustment has been determined, the

Buyer shall promptly pay to GCNA such additional amount as would have been paid as Purchase Price had the Tax Benefit reduced the original calculation of Combined Liabilities, at such time or times as and to the extent that such Tax Benefit is actually realized.

Combined Working Capital means, without duplication, the aggregate of (i) all cash and cash equivalents (other than the Capital Expenditure Cash Fund), accounts receivables and other receivables (less the reserve for uncollectible accounts), prepaid expenses (including prepaid Taxes), security deposits, inventories, supplies, any other current assets and deferred income Taxes recorded as a current asset (but excluding any intercompany accounts) less (ii) all accounts payable, accrued expenses and current liabilities, other accruals, salaries, bonuses and commissions payable, the current portion of long-term Indebtedness and deferred income Taxes recorded as a current liability (but excluding (1) any intercompany accounts (other than intercompany payables that are not canceled pursuant to Section 4.13(a)), (2) all accrued employee benefit obligations (A) with respect to which assets will be transferred to the Buyer or Buyer Group, or obligations are assumed by the Sellers, pursuant to Article 8 or (B) which have been established by or at the direction of the Buyer, (3) Taxes to the extent they are subject to Article 7 and (4) liabilities created from or in connection with the obtaining of any Required Consent or other consents or approvals for the Sale of third parties or under any Regulatory Law (provided that one-half of any current liabilities accrued as of the date of the combined balance sheet in conformity with GAAP consistently applied that were created from or in connection with the obtaining of Required Consents from PUCs (other than where the Companies or Company Subsidiaries receive a corresponding asset) shall be included in the calculation of Combined Working Capital up to a maximum, when aggregated together with any long-term liabilities created from or in connection with the obtaining of such Required Consents from PUCs included in the calculation of Combined Liabilities, of \$15,000,000)), all as determined on a combined basis for the Companies and Company Subsidiaries in conformity with GAAP consistently applied and on a basis consistent with the basis used in preparing the financial data and information described in clauses (ii) and (iii) of Section 2.6(a) or as expressly required by this definition. For purposes of determining Combined Working Capital, the liability, if any, attributable to the current portion of the Post-Retirement Welfare Benefits of Union Employees shall be calculated using the same actuarial assumptions that were used in preparing the Buck Consulting Report. To the extent that, due to tax timing differences, any Tax deduction relating to any liability included in the calculation of Combined Working Capital will not be available in a Pre-Closing Tax Period, Combined Working Capital shall be increased appropriately to take into account any Tax Benefit (as defined in Section 9.4) actually realized at or prior to the time of calculation of the Adjustment to the Buyer with respect to such liability; and if the Buyer actually realizes a Tax Benefit after the Adjustment has been determined, the Buyer shall promptly pay to GCNA such additional amount as would have been paid as Purchase Price had the Tax Benefit increased the original calculation of Combined Working Capital, at such time or times as and to the extent that such Tax Benefit is actually realized.

Confidentiality Agreement means the confidentiality agreement dated June 7, 2000 between the Buyer and Global.

control (including the terms "controlled by" and "under common control with"), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly, of the power to direct or to cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, by contract or otherwise, including, without limitation, the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person.

Debt Adjustment has the meaning set forth in Section 1.3 hereof.

Disclosure Schedule means the Disclosure Schedule, dated as of the date hereof, delivered to the Buyer by the Seller in connection with this Agreement.

DOJ has the meaning set forth in Section 4.4 hereof.

Employee Benefit Plans means all "employee benefit plans" within the meaning of Section 3(3) of ERISA, all bonus, stock option, stock purchase, incentive, deferred compensation, retirement, supplemental retirement, severance and other employee benefit plans, programs, policies or arrangements, and all employment, retention, change of control or compensation agreements, in each case for the benefit of, or relating to, any current employee or former employee of any of the Companies or Company Subsidiaries, other than any de minimis, fringe or unwritten benefit plans, programs, policies or arrangements, the costs of which, to the Sellers, are not material.

Encumbrance means any security interest, pledge, mortgage, lien (including, without limitation, tax liens), charge, encumbrance, easement, adverse claim, preferential arrangement, restriction or defect in title that adversely affects the use of the property in the manner it is being used prior to the Closing Date or the value of the property as measured in the context of the current uses thereof.

Environmental Claims means any and all actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigations, proceedings, consent orders or consent agreements relating in any way to any Environmental Law, any Environmental Permit, Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation (a) by Governmental Authorities for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any Person for damages, contributions, indemnification, cost recovery, compensation or injunctive relief.

Environmental Law means any Law relating to the environment, health, safety or Hazardous Materials, in force and effect on the date hereof or, in the case of the Sellers' certificate to be delivered in accordance with the provisions of Section 5.3 hereof, on the

Closing Date (exclusive of any amendments or changes to such Law or any regulations promulgated thereunder or orders, decrees or judgments issued pursuant thereto which are enacted, promulgated or issued after the date hereof, or in the case of such certificate, on or after the Closing Date), including but not limited to, CERCLA; the Resource Conservation and Recovery Act of 1986 and Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§6901 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §§6901 et seq.; the Clean Water Act, 33 U.S.C. §§1251 et seq.; the Toxic Substances Control Act of 1976, 15 U.S.C. §§2601 et seq.; the Clean Air Act of 1966, as amended, 42 U.S.C. §§7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§300f et seq.; the Atomic Energy Act, 42 U.S.C. §§2011 et seq.; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§136 et seq.; and the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§1101 et seq.

Environmental Permits means all permits, approvals, identification numbers, licenses and other authorizations required under any applicable Environmental Law.

Equipment means all of the tangible personal property, machinery, equipment, vehicles, rolling stock, furniture, and fixtures of the Frontier LEC Business in which any Company or Company Subsidiary has an interest, by ownership or lease, together with any replacements thereof, or additions thereto made in the ordinary course of business between the date hereof and the Closing Date.

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

Estimated Adjustment has the meaning set forth in Section 1.3 hereof.

FCC means the Federal Communications Commission.

Financing Commitments has the meaning set forth in Section 3.6 hereof.

Frontier LEC Business means the local exchange carrier operations of Global and its Subsidiaries, and the cable television operations and wireless and cellular telephone operations of the Companies and Company Subsidiaries, including, without limitation, the incumbent and competitive local exchange carrier operations of Frontier Telephone of Rochester, Inc., the rural local exchange carrier operations of the other Companies and the Company Subsidiaries and the retail Internet access, Web hosting, data services (IP frame relay and asynchronous transfer mode) and directory services operations currently provided by the Companies and Company Subsidiaries, but excluding (i) competitive local exchange carrier and resold cellular and other wireless operations other than those conducted by the Companies or the Company Subsidiaries immediately prior to the Closing, (ii) long distance service operations other than (x) the retail long distance customer base purchased by the Companies and the Company Subsidiaries and/or (y) marketing, sales, customer service, and billing and collection services performed by the Companies and the Company Subsidiaries on an agency or contract basis relating to long

distance services not purchased by the Companies and Company Subsidiaries, (iii) the assets and services identified in Section 2.5 of the Disclosure Schedule as excluded from the Frontier LEC Business and (iv) Sellers' non-LEC marketed long distance services (such as 800 services marketed nationally to families with college students). For purposes for this definition, "local exchange carrier operations" means the provision in the relevant geographic area of (A) wireline local exchange, digital subscriber line, exchange access and (to the extent not provided by Subsidiaries of the Sellers other than the Companies and Company Subsidiaries) intra-LATA toll telecommunications services to end users, (B) wireline exchange access telecommunications services to interexchange carriers and other local exchange carriers, (C) retail sales of telephone equipment and products (subject to the non-compete agreement disclosed in Section 2.11 of the Disclosure Schedule) and (D) non-tariffed public communications (pay telephones), commercial telecommunications services facilities leasing and certain other non-regulated services and products.

GAAP means United States generally accepted accounting principles and practices as in effect from time to time.

GCNA has the meaning set forth in the introductory paragraph to this Agreement.

Global has the meaning set forth in the introductory paragraph to this Agreement.

Governmental Authority means any United States federal, state or local government or any foreign government, any governmental, regulatory, legislative, executive or administrative authority, agency or commission or any court, tribunal, or judicial body.

Governmental Order means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority. Governmental Orders shall not include Permits.

Hazardous Materials means petroleum and petroleum products, byproducts or breakdown products, radioactive materials, and any other chemicals, materials, or substances designated, classified or regulated as being "hazardous" or "toxic", or words of similar import, under any Environmental Law.

HSR Act means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

Indebtedness means obligations with regard to borrowed money and leases classified or accounted for as capital or financing leases on financial statements, but shall expressly not include either accounts payable or accrued liabilities that are incurred in the ordinary course of business or obligations under operating leases classified or accounted for as such on financial statements.

Indemnified Party has the meaning set forth in Section 9.5 hereof.

Indemnifying Party has the meaning set forth in Section 9.5 hereof.

Intellectual Property means all patents, trademarks, trade names, domain names, service marks and copyrights, and applications for any of the foregoing, and other intellectual property, including, without limitation, computer software and programs, of the Frontier LEC Business, whether owned or used by, or licensed to, any Company or Company Subsidiary.

knowledge with respect to the Sellers means, exclusively, information of which the Chief Executive Officer, the Chief Financial Officer or any other employee of a Seller of Salary Band Level 35 or above in GCNA's pay scale has knowledge after reasonable inquiry of the appropriate managerial employee of the Frontier LEC Business having supervisory responsibility for the matter concerned.

Law means any federal, state, local or foreign statute, law, ordinance, regulation, rule, code, order or other requirement or rule of law.

Liability Claim has the meaning set forth in Section 9.1 hereof.

Material Adverse Effect means any circumstance, change in, or effect on the Companies or Company Subsidiaries that has a material adverse effect on the business, results of operations or financial condition of the Frontier LEC Business taken as a whole; provided, however, that Material Adverse Effect shall not include adverse effects relating to or resulting from (or, in the case of effects that have not yet occurred, reasonably likely to result from) (i) the execution of this Agreement or the announcement of agreement among the parties with respect to the transactions contemplated by this Agreement, (ii) general economic or industry conditions that have a similar effect on other participants in the industry or (ii) regional economic or industry conditions that have a similar effect on other participants in the industry in such region.

Material Contracts means the written agreements, contracts, policies, plans, mortgages, understandings, arrangements or commitments primarily relating to the Frontier LEC Business to which any Company or Company Subsidiary is a party or by which any of the assets of the Frontier LEC Business are bound as described below:

- (i) any agreement or contract providing for payments by the Companies or Company Subsidiaries to any Person in excess of \$10,000,000 per year or \$30,000,000 in the aggregate over the five-year period commencing on the date hereof;
- (ii) any employment agreement or consulting agreement or similar contract providing for payments to any Person in excess of \$350,000 per year or

\$1,500,000 in the aggregate over the five-year period commencing on the date hereof;

(iii) any retention or severance agreement or contract with respect to any officer of the Frontier LEC Business who is to be employed by any Company or Company Subsidiary following the Closing Date;

(iv) any lease of Equipment or Real Property or license with respect to Intellectual Property (other than licenses granted in connection with the purchase of equipment or other assets) by the Frontier LEC Business from another Person providing for payments to another Person in excess of \$10,000,000 per year or \$30,000,000 in the aggregate over the five-year period commencing on the date hereof;

(v) any lease of Equipment or Real Property or license with respect to Intellectual Property (other than licenses granted in connection with the purchase of equipment or other assets) by the Frontier LEC Business to another Person providing for payments to the Seller or any Company or Company Subsidiary in excess of \$10,000,000 per year or \$30,000,000 in the aggregate over the five-year period commencing on the date hereof;

(vi) any joint venture, partnership or similar agreement or contract of the Frontier LEC Business;

(vii) any agreement or contract under which any Company or Company Subsidiary, or a Seller in connection with the Frontier LEC Business, has borrowed or loaned any money in excess of \$25,000,000 or issued or received any note, bond, indenture or other evidence of indebtedness in excess of \$25,000,000 or directly or indirectly guaranteed indebtedness, liabilities or obligations of others in an amount in excess of \$25,000,000;

(viii) any covenant not to compete or contract or agreement, understanding, arrangement or any restriction whatsoever limiting in any respect the ability of any Company or Company Subsidiary to compete in any line of business or with any Person or in any area;

(ix) any agreement or contract with any officer, director or employee of either Seller or any Company or Company Subsidiary (other than employment agreements covered in clause (i) or agreements or contracts containing terms substantially similar to terms available to employees generally) or agreement or contract with either Seller or any Subsidiary of Global that is neither a Company or Company Subsidiary providing for payments in excess of \$10,000,000 per year or \$30,000,000 in the aggregate over the five-year period commencing on the date hereof; and

(x) any resale, co-location or interconnection agreement.

Material Contracts shall not include any and all (w) contracts, purchase orders, purchase commitments, leases and agreements entered into in the ordinary course of business and relating to the Frontier LEC Business (other than those described in clauses (iii), (iv), (v) or (vi) above) that (A) are terminable at will without payment of premium or penalty by any Company or Company Subsidiary or (B) are terminable on not more than 60 days' written notice without payment of premium or penalty and do not involve the obligation of any Company or Company Subsidiary to make payments in excess of \$25,000,000 during the 60-day period commencing on the Closing Date; (x) contracts, sales orders, purchase orders, purchase commitments and agreements entered into in the ordinary course of business and relating to integrated marketing services or related services of the Frontier LEC Business.

Neutral Auditor has the meaning set forth in Section 1.4 hereof.

Neutral Auditor Determination has the meaning set forth in Section 1.4 hereof.

Notice of Claim has the meaning set forth in Section 9.5 hereof.

Option Deductions has the meaning set forth in Section 7.10 hereof.

Performance Adjustment has the meaning set forth in Section 1.3 hereof.

Permits has the meaning set forth in Section 2.12 hereof.

Permitted Exceptions means each of the following:

(a) mortgages, security interests or other Encumbrances described in Section 2.11 of the Disclosure Schedule;

(b) liens for taxes, assessments and governmental charges or levies not yet due and payable or the validity of which is being contested in good faith by appropriate proceedings;

(c) Encumbrances 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;

(d) pledges or deposits to secure obligations under workers' compensation laws or similar legislation or to secure public or statutory obligations;

(e) survey exceptions, rights of way, easements, reciprocal easement agreements and other Encumbrances on title to real property that do not, individually or in the aggregate, materially adversely affect the use of such

property in the conduct of the Frontier LEC Business as it is being conducted prior to the Closing Date;

(f) zoning laws and other land use restrictions that do not materially detract from the value or impair the use of the property subject thereto, or materially impair the operation of the Frontier LEC Business;

(g) security interests in favor of suppliers of goods for which payment has not been made in the ordinary course of business consistent with past practice;

(h) Encumbrances on the interests of the lessors of properties in which the Frontier LEC Business holds a leasehold interest; and

(i) any and all other Encumbrances that would be immaterial to the Frontier LEC Business.

Person means any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

Pre-Closing Tax Period has the meaning set forth in Section 7.1 hereof.

Probable Assets has the meaning set forth in Section 9.8.

Probable Assets List has the meaning set forth in Section 9.8.

Probable Assets Statement has the meaning set forth in Section 1.4.

Probable Liabilities has the meaning set forth in Section 9.8.

Probable Liabilities List has the meaning set forth in Section 9.8.

Probable Liabilities Statement has the meaning set forth in Section 1.4.

Proposed Adjustment has the meaning set forth in Section 1.4 hereof.

PUC means any state public service commission or similar regulatory body.

Purchase Price has the meaning set forth in Section 1.3 hereof.

Real Property means the real property and related mineral rights owned by, and all easements, rights-of-way and other possessory interests in real estate of, the Frontier LEC Business, together with all buildings and other structures, facilities or improvements currently or hereafter located thereon, all fixtures, systems, equipment and items of

personal property of the Frontier LEC Business attached or appurtenant thereto, and all easements, licenses, rights and appurtenances relating to the foregoing.

Regulatory Law has the meaning set forth in Section 4.4(b).

Release means disposing, discharging, injecting, spilling, leaking, leaching, dumping, emitting, escaping, emptying, seeping, placing and the like into or upon any land or water or air or otherwise entering into the environment.

Required Consents means any consents, approvals, orders, authorizations, registrations, declarations and filings required under or in relation to (a) the HSR Act, (b) the Communications Act of 1934, as amended, and any rules and regulations promulgated by the FCC, (c) state securities or "blue sky" laws, (d) the Securities Act of 1933, as amended, (e) the Securities Exchange Act of 1934, as amended, (f) laws, rules, regulations, practices and orders of any state or PUCs, local franchising authorities, foreign telecommunications regulatory agencies or similar state or foreign regulatory bodies, or the Federal Energy Regulatory Commission, (g) rules and regulations of The Nasdaq Stock Market and The New York Stock Exchange, Inc. and (h) antitrust or other competition Laws of other jurisdictions.

S&P means Standard & Poor's Corporation.

Sale has the meaning set forth in the recitals hereto.

Sellers has the meaning set forth in the introductory paragraph to this Agreement.

Shares has the meaning set forth in Section 1.1 hereof.

Special Representations has the meaning set forth in Section 5.1 hereof.

Straddle Period has the meaning set forth in Section 7.1 hereof.

Subsidiary of any Person means (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation is owned by such Person directly or indirectly through Subsidiaries and (ii) any partnership, limited partnership, limited liability company, associates, joint venture or other entity in which such Person directly or indirectly through Subsidiaries has more than a 50% equity interest.

Tax or Taxes means any and all taxes, fees, withholdings, levies, duties, tariffs, imposts, and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any government or taxing authority, including, without limitation, taxes or other charges on or with respect to income, franchises, windfall or other profits, gross receipts, property, sales, use, capital stock, payroll, employment, social security, workers' compensation,

unemployment compensation, or net worth, taxes or other charges in the nature of excise, withholding, *ad valorem*, stamp, transfer, value added or gains taxes, license, registration and documentation fees, and customs duties, tariffs and similar charges.

Tax Return means any report, return, document, declaration or other information or filing required to be supplied to any Tax authority or jurisdiction (foreign or domestic) with respect to Taxes, including, without limitation, information returns, any documents with respect to or accompanying payments of estimated Taxes, or with respect to or accompanying requests for the extension of time in which to file any such report, return, document, declaration or other information.

Union Employee means a Business Employee whose terms and conditions of employment are governed by the terms of any Assumed CBA (as defined in Section 8.5).

Working Capital Adjustment has the meaning set forth in Section 1.3 hereof.

Article 11. Miscellaneous Provisions.

11.1 Termination Rights. (a) Grounds for Termination. This Agreement may be terminated:

(1) by mutual consent of the parties;

(2) by either the Sellers or the Buyer, provided such party or parties are not then in material default hereunder, upon written notice to the other party or parties, if the Closing hereunder has not occurred on or before December 31, 2001; provided that if all Required Consents have been obtained but have not become final and non-appealable as of such date, then such date shall be extended to March 31, 2002; or

(3) by either the Sellers or the Buyer, upon written notice to the other party or parties, if any Governmental Authority shall have issued a statute, rule, regulation, order, decree or injunction or taken any other action permanently restraining, enjoining or otherwise prohibiting the purchase and sale contemplated by this Agreement and such statute, rule, regulation, order, decree or injunction or other action shall have become final and nonappealable.

(b) Post-Termination Liability. If this Agreement is terminated pursuant to Subsection 11.1(a) hereof, this Agreement shall thereupon become void and of no further effect whatsoever, and the parties shall be released and discharged of all obligations under this Agreement, except (i) to the extent of a party's liability for willful material breaches of this Agreement prior to the time of such termination, (ii) as set forth in Section 4.5 hereof and (iii) the obligations of each party for its own expenses incurred in connection with the transactions contemplated by this Agreement as provided herein.

11.2 Expenses. Except as otherwise specifically provided in this Agreement, all out-of-pocket costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

11.3 Notices. Any notice, demand, claim, notice of claim, request or communication required or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed to have been duly given (i) upon delivery if delivered in person, (ii) on the date of mailing if mailed by registered or certified mail, postage prepaid and return receipt requested, (iii) on the date of delivery to a national overnight courier service, or (iv) upon transmission by facsimile (if such transmission is confirmed by the addressee) if delivered through such services to the following addresses, or to such other address as any party may request by notifying in writing all of the other parties to this Agreement in accordance with this Section 11.3.

If to the Sellers:

Global Crossing Ltd.
360 North Crescent Drive
Beverly Hills, California 90210
Attention: James Gorton, Esq.
Senior Vice President and General Counsel
Facsimile No.: (310) 281-5820

and

Global Crossing North America, Inc.
180 South Clinton Avenue
Rochester, New York 14646
Attention: Joseph P. Clayton
Chief Executive Officer
Facsimile No.: (716) 325-7639

with copies to:

Global Crossing North America, Inc.
180 South Clinton Avenue
Rochester, New York 14646
Attention: Martin T. McCue, Esq.
Senior Vice President and General Counsel
Facsimile No.: (716) 546-7823

and

Robert E. Spatt, Esq.
Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017-3954
Facsimile No.: (212) 455-2502

If to the Buyer:

Citizens Communications Company
High Ridge Park
Stamford, Connecticut 06905
Attention: Scott N. Schneider
Executive Vice President
Facsimile No.: (203) 614-5201

with copies to:

Citizens Communications Company
High Ridge Park
Stamford, Connecticut 06905
Attention: L. Russell Mitten, Esq.
Vice President and General Counsel
Facsimile No.: (203) 614-4651

and

Jeffrey L. Hardin, Esq.
Fleischman and Walsh, L.L.P.
1400 Sixteenth Street, N.W.
Suite 600
Washington, D.C. 20036
Facsimile No.: (202) 387-3467

Any such notice shall be deemed to have been received on the date of personal delivery, the date set forth on the Postal Service return receipt, or the date of delivery shown on the records of the overnight courier, as applicable.

11.4 Benefit and Assignment. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. There shall be no assignment of any interest under this Agreement by any party except that the Buyer may assign its rights hereunder to any wholly owned subsidiary of the Buyer; provided, however, that no such assignment shall relieve the assignor of its obligations under this Agreement. Nothing herein, express or implied, is intended to or shall confer upon any other Person any legal

or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

11.5 Waiver. Any party to this Agreement may (a) extend the time for the performance of any of the obligations or other acts of any other party, (b) waive any inaccuracies in the representations and warranties of any other party contained herein or in any document delivered by any other party pursuant hereto or (c) waive compliance with any of the agreements or conditions of any other party contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition, of this Agreement. The failure of any party to assert any of its rights hereunder shall not constitute a waiver of any such rights.

11.6 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

11.7 Amendment. This Agreement may not be amended or modified except (a) by an instrument in writing signed by, or on behalf of, the Seller and the Buyer or (b) by a waiver in accordance with Section 11.5 hereof.

11.8 Effect and Construction of this Agreement. This Agreement embodies the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any and all prior agreements, arrangements and understandings, whether written or oral, relating to matters provided for herein; provided, however, that the Confidentiality Agreement shall remain in effect until the Closing. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual agreement, and this Agreement shall not be deemed to have been prepared by any single party hereto. Disclosure of any fact or item in the Disclosure Schedule referenced by a particular paragraph or section in this Agreement shall, should the existence of the fact or item be relevant to any other paragraph or section, be deemed to be disclosed with respect to that other paragraph or section whether or not a specific cross reference appears to the extent that the fact or item disclosed is reasonably clearly applicable to such other paragraph or section. Disclosure of any fact or item in the Disclosure Schedule shall not necessarily mean that such item or fact, individually or in the aggregate, is material to the business, results of operations or financial condition of the Frontier LEC Business or that it is probable that any impairment or liability will result therefrom. The headings of the sections and subsections of this Agreement are inserted as a matter of convenience and for reference purposes only and in no respect define, limit or describe the scope

of this Agreement or the intent of any section or subsection. This Agreement may be executed in one or more counterparts and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, applicable to contracts executed in and to be performed entirely within that State.

11.9 Specific Performance. Each of the parties hereto acknowledges and agrees that in the event of any breach of this Agreement, each non-breaching party would be irreparably and immediately harmed and could not be made whole by monetary damages. It is accordingly agreed that the parties hereto (i) waive, in any action for specific performance, the defense of adequacy of a remedy at law and (ii) shall be entitled, in addition to any other remedy to which they may be entitled at law or in equity, to compel specific performance of this Agreement in any action instituted in any state or federal court sitting in New York, New York.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

GLOBAL CROSSING LTD.

By: /s/ THOMAS J. CASEY
Name: Thomas J. Casey
Title: Vice Chairman

GLOBAL CROSSING NORTH AMERICA, INC.

By: /s/ MARTIN T. MCCUE
Name: Martin T. McCue
Title: Senior Vice President

CITIZENS COMMUNICATIONS COMPANY

By: /s/ SCOTT N. SCHNEIDER
Name: Scott N. Schneider
Title: Executive Vice President

THE COMPANIES

772 shares of Common Stock	Frontier Telephone of Rochester, Inc.
6 shares of Common Stock	Frontier Communications of Rochester, Inc.
357 shares of Common Stock	Frontier Subsidiary Telco Inc.
200 shares of Common Stock	Frontier Communications of Sylvan Lake, Inc.
100 shares of Common Stock	Frontier Communications of Seneca-Gorham, Inc.
506,758 shares of Common Stock	Frontier Communications of New York, Inc.
21,742 shares of Common Stock	Frontier Communications of AuSable Valley, Inc.

THE COMPANY SUBSIDIARIES

Company Subsidiary	Class of Stock	Number of Shares and Record Owner
Frontier Communications of DePue, Inc.	Common Stock	554 shares owned by Frontier Subsidiary Telco Inc.
DePue Communications, Inc.	Common Stock	1,000 shares owned by Frontier Communications of DePue, Inc.
Frontier Communications of Illinois, Inc.	Common Stock	26,313 shares owned by Frontier Subsidiary Telco Inc.
Frontier Communications of Indiana, Inc.	Common Stock	3,000 shares owned by Frontier Subsidiary Telco Inc.
Frontier Communications of Iowa, Inc.	Common Stock	100 shares owned by Frontier Subsidiary Telco Inc.
Frontier Communications of Lakeside, Inc.	Common Stock	53,000 shares owned by Frontier Subsidiary Telco Inc.
Frontier Communications - Midland, Inc.	Common Stock	36,447.5 shares owned by Frontier Subsidiary Telco Inc.
Frontier Communications of Mt. Pulaski, Inc.	Common Stock	340 shares owned by Frontier Subsidiary Telco Inc.
Frontier Communications - Prairie, Inc.	Common Stock	67,800 shares owned by Frontier Subsidiary Telco Inc.
Frontier Communications - Schuyler, Inc.	Common Stock	5,000 shares owned by Frontier Subsidiary Telco Inc.
Schuyler Cellular, Inc.	Common Stock	100 shares owned by Frontier Communications - Schuyler, Inc.
Frontier Communications of Thorntown, Inc.	Common Stock	9,483 shares owned by Frontier Subsidiary Telco Inc.
Frontier Cable of Indiana, Inc.	Common Stock	343 shares owned by Frontier Communications of Thorntown, Inc.
Frontier Communications of Alabama, Inc.	Common Stock	1,299 shares owned by Frontier Subsidiary Telco Inc.
Frontier Communications of Fairmount, Inc.	Common Stock	10,405 shares owned by Frontier Subsidiary Telco Inc.
Fairmount Cellular, Inc.	Common Stock	100 shares owned by Frontier Communications of Fairmount, Inc.
Frontier Communications of Georgia, Inc.	Common Stock	3,600 shares owned by Frontier Subsidiary Telco Inc.
Frontier Communications of Lamar County, Inc.	Common Stock	250 shares owned by Frontier Subsidiary Telco Inc.

Company Subsidiary	Class of Stock	Number of Shares and Record Owner
Frontier Communications of Mississippi, Inc.	Common Stock	1,743.5 shares owned by Frontier Subsidiary Telco Inc.
Frontier Cable of Mississippi, Inc.	Common Stock	1,000 shares owned by Frontier Subsidiary Telco Inc.
Frontier Communications of the South, Inc.	Common Stock	5,000 shares owned by Frontier Subsidiary Telco Inc.
Frontier Cellular of Alabama, Inc.	Common Stock	250 shares owned by Frontier Communications of the South, Inc. 166 shares owned by Frontier Communications of Alabama, Inc. 84 shares owned by Frontier Communications of Lamar County, Inc.
Frontier Communications of Brezewood, Inc.	Common Stock	1,000 shares owned by Frontier Subsidiary Telco Inc.
Frontier Communications of Canton, Inc.	Common Stock	1,980 shares owned by Frontier Subsidiary Telco Inc.
Frontier Communications of Lakewood, Inc.	Common Stock	5,080 shares owned by Frontier Communications of Canton, Inc.
Frontier Communications of Oswayo River, Inc.	Common Stock	3,623 shares owned by Frontier Subsidiary Telco Inc.
Frontier Communications of Pennsylvania, Inc.	Common Stock	120,000 shares owned by Frontier Subsidiary Telco Inc.
Frontier InfoServices, Inc.	Common Stock	100 shares owned by Frontier Subsidiary Telco Inc.
Frontier Communications of America, Inc.	Common Stock	200 shares owned by Frontier Subsidiary Telco Inc.
Frontier Communications of Michigan, Inc.	Common Stock	1,621,850 shares owned by Frontier Subsidiary Telco Inc.
Frontier Communications of Minnesota, Inc.	Common Stock	100 shares owned by Frontier Subsidiary Telco Inc.
Frontier Communications of Mondovi, Inc.	Common Stock	1,365 shares owned by Frontier Subsidiary Telco Inc.
Frontier Communications of Orion, Inc.	Common Stock	100 shares owned by Frontier Subsidiary Telco Inc.
O.T. Cellular Telephone Company	Common Stock	100 shares owned by Frontier Communications of Orion, Inc.
Frontier Communications - St. Croix, Inc.	Common Stock	119,520 shares owned by Frontier Subsidiary Telco Inc.
Frontier Cable of Wisconsin, Inc.	Common Stock	1,635 shares owned by Frontier Communications - St. Croix, Inc.
Frontier Communications of Viroqua, Inc.	Common Stock	8,000 shares owned by Frontier Subsidiary Telco Inc.
Frontier Communications of Wisconsin, Inc.	Common Stock	1,233,935 shares owned by Frontier Subsidiary Telco Inc.