

APPENDIX I

Summaries Of First Lien Term Loan And Incremental Term Loan

FIRST LIEN TERM LOAN SUMMARY

NTLS 8-K 8/7/2009

Section 1: 8-K (FORM 8-K)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 7, 2009 (August 7, 2009)

NTELOS HOLDINGS CORP.

(Exact Name of Registrant as Specified in Charter)

Delaware
*(State or Other Jurisdiction
of Incorporation)*

000-51798
(Commission File Number)

36-4573125
*(IRS Employer
Identification No.)*

401 Spring Lane, Suite 300, PO Box 1990,
Waynesboro, Virginia
(Address of Principal Executive Offices)

22980
(Zip Code)

(540) 946-3500
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 **Entry into a Material Definitive Agreement.**

On August 7, 2009, NTELOS Holdings Corp. (the "Company") announced that its wholly-owned subsidiary NTELOS Inc. had entered into a first lien Credit Agreement (the "Credit Agreement" or "First Lien Term Loan"). Borrowings under the First Lien Term Loan amount to \$635 million, proceeds of which were used to retire the prior first lien credit facility outstanding amount of approximately \$603 million and to pay closing costs and other expenses related to the transaction, including unwinding its interest rate swap agreement, with the remaining proceeds of approximately \$4 million available for working capital purposes. The First Lien Term Loan matures in August 2015, with quarterly payments of approximately \$1.6 million beginning December 31, 2009 and continuing through June 30, 2015, and the remainder due on August 7, 2015. The First Lien Term Loan also includes a \$35 million first lien revolving credit facility (the "Revolving Credit Facility") which terminates on August 7, 2014, none of which is outstanding.

The First Lien Term Loan bears interest at rates 3.75% above the Eurodollar Rate (as defined in the Credit Agreement), provided that the Eurodollar Rate shall not be less than 2.00%; or 2.75% above the Base Rate (as defined in the Credit Agreement), provided that the Base Rate shall not be less than 3.00%. The Credit Agreement requires NTELOS Inc. to enter into an interest rate hedge agreement no later than the 270th day following August 7, 2009 with respect to at least \$320 million of the First Lien Term Loan.

The First Lien Term Loan and Revolving Credit Facility are secured by a first priority pledge of substantially all property and assets of NTELOS Inc. and all material subsidiaries, as guarantors, excluding subsidiaries that are regulated telephone companies. The First Lien Term Loan includes various restrictions and conditions including a maximum leverage ratio of 4.0:1.0 and a maximum interest coverage ratio of 3.0:1.0.

The First Lien Term Loan has a restricted payment basket, initially set at \$50 million, which can be used to make certain Restricted Payments, (as defined in the Credit Agreement), including the ability to pay dividends, repurchase stock or advance funds to the Company. This restricted payment basket will be increased by \$10 million per quarter commencing with the quarter ended January 1, 2010 and will be decreased by any actual restricted payments per quarter commencing with the quarter commencing January 1, 2010. In addition, on a quarterly basis commencing with the fiscal quarter ending December 31, 2009, the restricted payment basket will be increased by the positive amount, if any, of 50% (or, if the leverage ratio, as defined, as of the most recently ended twelve month period, was less than 2.75:1.0, 75%) of the Excess Cash Flow (as defined in the Credit Agreement), for the most recently ended fiscal quarter in excess of \$10 million.

Under the First Lien Term Loan, mandatory debt repayments of 50% of the excess cash flow, as defined, for the most recently ended fiscal year (beginning with the year ended December 31, 2009) must be made by the 90th day of the following year, if the leverage ratio is above 3.25:1.0. If NTELOS Inc.'s leverage ratio is below 3.25:1.0 for a fiscal year, NTELOS Inc. is not required to make an excess cash flow mandatory debt repayment for that fiscal year.

A copy of the Credit Agreement is attached as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

A copy of the related press release is being furnished as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 1.02 **Termination of a Material Definitive Agreement.**

In connection with the entry into the Credit Agreement described under Item 1.01 of this report, the Company's first lien Amended and Restated Credit Agreement dated as of June 1, 2006 was terminated effective on August 7, 2009.

Item 2.03 **Creation of a Direct Financial Obligation.**

The information set forth under Item 1.01 of this report is hereby incorporated by reference into this Item 2.03.

INCREMENTAL TERM LOAN SUMMARY

1. Executive summary

Transaction overview

NTELOS Inc. ("NTELOS" or the "Company"), the operating Company of NTELOS Holdings Corp. (NASDAQ: NTLS) has engaged J.P. Morgan Securities, Inc. ("J.P. Morgan") and CoBank ("CoBank") as joint lead arrangers and joint bookrunning managers for a \$125 million Senior Secured Incremental Term Loan Facility (the "Incremental Facility") as contemplated in the company's existing Senior Secured Credit Facility (the "Existing Facility"). Proceeds from the Incremental Facility combined with the use of funds from the revolver and cash on the balance sheet will be used to acquire Mountaineer Telecommunications, LLC and subsidiaries (collectively "FiberNet"), a wholly owned subsidiary of One Communications Corp. NTELOS has agreed to acquire FiberNet for \$170 million and the transaction is expected to close in late Q3 2010 or early Q4 2010. The following table illustrates the sources and uses of funds and pro forma capitalization for the transaction.

Exhibit 1.1

Sources and uses of funds			
(\$mm)			
Source	Amount (\$)	Uses	Amount (\$)
Incremental facility	\$125.0	Purchase of FiberNet	\$170.0
Use of existing cash	52.1	Estimated fees and expenses	7.1
Total sources	\$177.1	Total uses	\$177.1

Cautionary information regarding forward-looking statements

This Confidential Information Memorandum includes "forward-looking" statements that are subject to risks and uncertainties. These statements should be read in conjunction with the more detailed cautionary statements and risk factors included in the Annual Report on Form 10-K for the year ended December 31, 2009 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2010.

FiberNet overview

FiberNet is a facility-based Competitive Local Exchange Carrier ("CLEC") headquartered in Charleston, West Virginia. The company offers voice, data, and IP-based services in West Virginia and the surrounding regions. Through a series of fiber installations and the acquisition of fiber assets, FiberNet has developed an extensive fiber network that today spans over 3,500 route-miles. The network covers all of West Virginia and extends into surrounding areas in Ohio, Maryland, Pennsylvania, Virginia and Kentucky. FiberNet is a leader in its regional markets, offering retail voice and data services with over 90% of its lines serving business customers. In addition, FiberNet offers transport and IP-based services for regional business and wholesale customers. For the Last Twelve Months ("LTM") ended June 30, 2010, FiberNet generated approximately \$77mm in revenue and \$26mm in adjusted EBITDA, which would have represented approximately 13% and 11% of pro forma NTELOS revenue and adjusted EBITDA, respectively.

The combination of NTELOS and FiberNet provides a strong player in the Mid-Atlantic region that can effectively compete with the large ILECs and cable companies. With FiberNet, NTELOS improves the network reach and operational capability for West Virginia, Pennsylvania, and Maryland. NTELOS also enters markets in southeast Ohio and Kentucky and adds assets in the Columbus market. The acquisition is complementary with the Allegheny assets purchased in

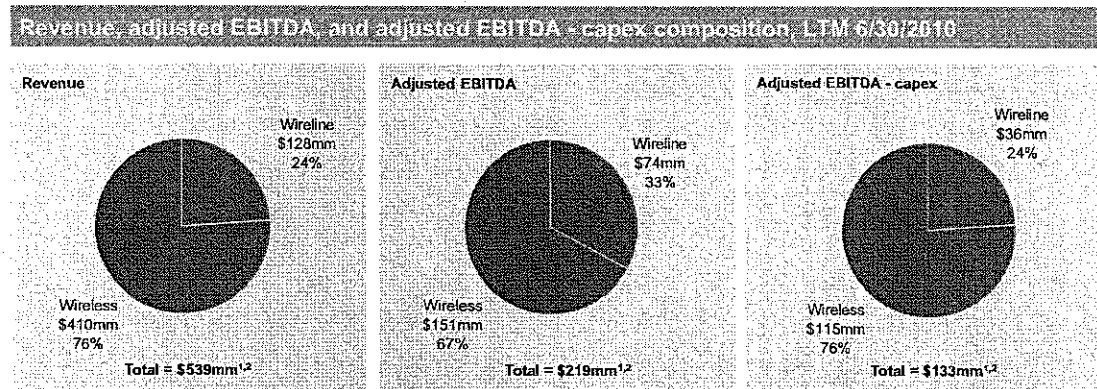
2009 and accelerates expansion into new retail markets in Pennsylvania and Maryland with existing FiberNet collocations.

NTELOS overview

The Company is a leading provider of wireless and wireline communications services to consumers and businesses in Virginia and West Virginia under the NTELOS brand name. The Company's primary services are wireless digital personal communications services ("PCS"), local and long distance telephone services, high capacity network services and broadband Internet access (such as DSL and dedicated access). For the LTM period ended June 30, 2010, NTELOS generated estimated revenues and adjusted EBITDA of approximately \$539mm and \$219mm, respectively.^{1,2}

In addition, the Company estimates that its revenue and adjusted EBITDA for the three months ended June 30, 2010 will be approximately \$132mm and \$56mm, respectively.^{1,2}

Exhibit 1.2



¹ Represents LTM as of 6/30/2010, based on Company's preliminary estimate of 2Q 2010 results

² Includes \$0.5mm, (\$7mm), and (\$19mm) of revenue, adjusted EBITDA, and adjusted EBITDA less capex related to "Other Services," respectively. Other services also includes a first quarter 2010 charge of \$0.9mm related to severance benefits pursuant to an executive employment agreement. Percentages exclude Other.

NTELOS CONFIDENTIAL INFORMATION MEMORANDUM

¹ "LTM" period ended June 30, 2010 reflects actual results from July 1, 2009 to March 31, 2010 and current Company estimates for the period April 1, 2010 to June 30, 2010.

² These estimates are preliminary, remain subject to completion of the Company's quarter-end closing process and have not been audited or reviewed by the Company's independent registered public accounting firm. The Company's actual results for the three months and LTM period ending June 30, 2010 may differ from these estimates and the difference may be material.

Transaction & Syndication Overview



Transaction overview

- NTELOS Inc. is seeking to obtain a new \$125.0 million senior secured incremental term loan, the proceeds of which will be used to help fund the acquisition of Mountaineer Telecommunications, LLC and subsidiaries (collectively "FiberNet"), a wholly-owned subsidiary of One Communications Corp
 - ▶ The \$125.0 million incremental term loan is an add on to the Company's existing \$630.2 million term loan due August 2015 currently priced at L + 375 bps with a 2% LIBOR floor
 - ▶ The new incremental term loan will exhaust the Company's existing incremental term loan capacity under the existing credit agreement
- Financing will launch this week and will close in the next two weeks in advance of the anticipated FiberNet acquisition closing sometime in late Q3 or early Q4



Transaction overview

Sources and uses of funds (\$ millions)

Sources	Amount	Uses	Amount
New incremental term loan	\$125.0	FiberNet purchase price	\$170.0
Existing cash	52.1	Estimated fees and expenses	7.1
Total sources	\$177.1	Total uses	\$177.1

Pro forma capitalization (\$ millions)

	Estimated 6/30/10 ⁽¹⁾	Pro forma 6/30/10 ⁽²⁾
Cash	\$59.8	\$7.6
Revolver (\$35 million available)	--	--
Term loan	\$630.2	\$630.2
Incremental term loan	--	\$125.0
Capital leases	\$1.7	\$2.6
Total debt	\$631.9	\$757.8
Market value of equity as of 7/21/10 ⁽³⁾	\$769.8	\$769.8
Total capitalization	\$1,401.7	\$1,527.6
Credit statistics		
LTM EBITDA/LTM Cash interest expense	5.9x	5.6x
Total debt/LTM EBITDA	2.9x	3.0x
Net debt/LTM EBITDA	2.6x	3.0x
FV/LTM EBITDA (net of cash)	6.1x	6.1x

(1) LTM 6/30/2010 estimated EBITDA of \$218.7mm; cash interest expense of \$36.9mm (L+375 and 2% LIBOR floor)

(2) Cash interest expense of \$44.3mm (L+375 and 2% LIBOR floor). PF estimated LTM EBITDA of \$249.8mm includes \$3.3mm of expected first-year synergies (please note estimated annual FiberNet run-rate synergies are \$7.0mm to \$9.0mm) and \$2.0mm for full year impact of the Allegheny acquisition which closed on December 31, 2009

(3) Source: Bloomberg



Summary terms and conditions – Incremental term loan

Borrower:	NTELOS Inc.
Lead Arrangers:	■ J.P. Morgan Securities Inc. and CoBank ACB
Security:	■ Perfected first lien in substantially all assets, with certain exceptions
Guarantors:	■ Guarantees from each of Borrower's direct and indirect subsidiaries (with exceptions of subsidiaries that are regulated telephone companies and immaterial subsidiaries)
Ranking:	■ Senior Secured
Amount:	■ \$125 million
Existing Ratings:	■ Ba3/BB-
Pricing:	■ L+ 375bps ■ LIBOR Floor: 2.00% ■ OID: TBD
Maturity:	■ Same as existing facility—August 2015
Optional Redemption:	■ Prepayment at par
Amortization:	■ 0.25% per quarter, with bullet at maturity
Financial Covenants:	■ Same as existing facility ■ Maximum consolidated leverage ratio: 4.00x (dividend stopper at 3.75x total leverage) ■ Minimum interest coverage ratio: 3.00x



Syndication Timetable

July 2010							August 2010						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7
4	5	6	7	8	9	10	8	9	10	11	12	13	14
11	12	13	14	15	16	17	15	16	17	18	19	20	21
18	19	20	21	22	23	24	22	23	24	25	26	27	28
25	26	27	28	29	30	31	29	30	31				



Holiday



Key Dates

Date _____ Event _____

- July 23nd Conference call with lenders
- July 28th Commitments due from Lenders
- August 2nd Closing