

CENTURYTEL INC

FORM POS AM

(Post-Effective Amendment to Registration Statement)

Filed 5/10/2002

Address	P O BOX 4065 100 CENTURYTEL DR MONROE, Louisiana 71203
Telephone	318-388-9000
CIK	0000018926
Industry	Communications Services
Sector	Services
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Post-Effective Amendment No. 1
to
FORM S-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

CenturyTel, Inc.
CenturyTel Capital Trust I

(Exact name of each registrant as specified in its charter)

Louisiana
Delaware

(State or other jurisdiction of incorporation or organization)

72-0651161
72-6210854

(I.R.S. Employer Identification No.)

100 CenturyTel Drive
Monroe, Louisiana 71203
(318) 388-9000

*(Address, including zip code, and telephone number,
including area code, of registrants' principal executive offices)*

Copy to:
Kenneth J. Najder
Jones, Walker, Waechter,
Poitevent, Carrère & Denègre, L.L.P.
201 St. Charles Avenue, 51st Floor
New Orleans, Louisiana 70170-5100
(504) 582-8000

Harvey P. Perry
Executive Vice President,
Chief Administrative Officer
and General Counsel
CenturyTel, Inc.
100 CenturyTel Drive
Monroe, Louisiana 71203
(318) 388-9000
*(Name, address, including zip code, and
telephone number, including area code, of
agent for service)*

Copy to:
David P. Falck
Pillsbury Winthrop LLP
One Battery Park Plaza
New York, New York 10004
(212) 858-1000

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ☐

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following

box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. ☐

This Amendment is being filed pursuant to Rule 462(d) under the Securities Act of 1933 and shall become effective immediately upon filing.

EXPLANATORY NOTE :

This Post-Effective Amendment No. 1 (this "Amendment") is being filed by CenturyTel, Inc. ("CenturyTel") pursuant to Rule 462(d) under the Securities Act of 1933 (the "Act") for the sole purpose of filing additional exhibits to Registration Statement No. 333-84276 (the "Registration Statement") that relate to CenturyTel's issuance and sale of Equity Units on May 6, 2002 (the "Equity Units").

PART II.

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 16. Exhibits

<u>Exhibit No.</u>	<u>Exhibit</u>
--------------------	----------------

- | | |
|--------|---|
| 1 | Underwriting Agreement, dated April 30, 2002, by and between CenturyTel and Goldman, Sachs & Co., as Representatives of the several Underwriters, relating to the issuance and sale of the Equity Units. |
| 4.2(b) | First Supplemental Indenture, dated as of May 1, 2002, between CenturyTel and Regions Bank, as Trustee, to the Indenture, dated as of March 31, 1994, between CenturyTel and Regions Bank, as Trustee. |
| 4.5(b) | Form of Senior Notes, Series J, due 2007 issued in connection with the Equity Units (included within the First Supplemental Indenture filed as Exhibit 4.2(b)). |
| 4.13 | Purchase Contract Agreement, dated as of May 1, 2002, between CenturyTel and Wachovia Bank, National Association, as Purchase Contract Agent. |
| 4.15 | Pledge Agreement, dated as of May 1, 2002, by and among CenturyTel, JPMorgan Chase Bank, as Collateral Agent, Custodial Agent and Securities Intermediary, and Wachovia Bank, National Association, as Purchase Contract Agent. |
| 4.21 | Form of Remarketing Agreement to be entered into by CenturyTel in connection with remarketing its Senior Notes, Series J, due 2007 issued in connection with the Equity Units. |
| 5.4 | Opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P relating to the issuance of the Equity Units. |
| 5.5 | Opinion of Pillsbury Winthrop LLP relating to the issuance of the Equity Units. |
| 8 | Tax Opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P. |
| 12 | Statement regarding computation of ratio of earnings to fixed charges. |

In addition, Exhibit 99.1 previously included in the Registration Statement has been superceded in its entirety. For a complete listing of exhibits to the Registration Statement, see the accompanying Exhibit Index filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, CenturyTel, Inc. certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Amendment to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Monroe, State of Louisiana, on May 10, 2002.

CENTURYTEL, INC.

By: /s/ Harvey P. Perry

Harvey P. Perry
Executive Vice President,
Chief Administrative Officer,
General Counsel and Secretary

Pursuant to the requirements of the Securities Act of 1933, this Amendment to this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<p>*</p> <hr/> <p>Clarke M. Williams</p>	<p>Chairman of the Board of Directors</p>	<p>May 10, 2002</p>
<p>*</p> <hr/> <p>Glen F. Post, III</p>	<p>Vice Chairman of the Board of Directors, President and Chief Executive Officer</p>	<p>May 10, 2002</p>
<p>*</p> <hr/> <p>R. Stewart Ewing, Jr.</p>	<p>Executive Vice President and Chief Financial Officer (Principal Financial Officer)</p>	<p>May 10, 2002</p>
<p>*</p> <hr/> <p>Neil A. Sweasy</p>	<p>Vice President and Controller (Principal Accounting Officer)</p>	<p>May 10, 2002</p>
<p>/s/ Harvey P. Perry</p> <hr/> <p>Harvey P. Perry</p>	<p>Director</p>	<p>May 10, 2002</p>

*	Director	May 10, 2002
Jim D. Repond		
*	Director	May 10, 2002
William R. Boles, Jr.		
*	Director	May 10, 2002
Ernest Butler, Jr.		
*	Director	May 10, 2002
Calvin Czeschin		
*	Director	May 10, 2002
James B. Gardner		
*	Director	May 10, 2002
W. Bruce Hanks		
*	Director	May 10, 2002
R. L. Hargrove, Jr.		
*	Director	May 10, 2002
Johnny Hebert		
*	Director	May 10, 2002
F. Earl Hogan		
*	Director	May 10, 2002
C. G. Melville, Jr.		

Virginia Boulet

* By: /s/ Harvey P. Perry

Harvey P. Perry
Attorney-in-Fact

Pursuant to the requirements of the Securities Act of 1933, CenturyTel Capital Trust I certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Amendment to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Monroe, State of Louisiana, on May 10, 2002.

CENTURYTEL CAPITAL TRUST I

By: CenturyTel, Inc., as Sponsor

By: /s/ Stacey W. Goff

Stacey W. Goff
Attorney-in-Fact

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit</u>
1	Underwriting Agreement, dated April 30, 2002, by and between CenturyTel and Goldman, Sachs & Co., as Representatives of the several Underwriters, relating to the sale and purchase of the Equity Units. **
3.1	Amended and Restated Articles of Incorporation of CenturyTel, dated as of May 6, 1999 (incorporated by reference to Exhibit 3(i) to CenturyTel's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).
3.2	By-laws of CenturyTel as amended through November 18, 1999 (incorporated by reference to Exhibit 3(ii) of CenturyTel's Annual Report on Form 10-K for the year ended December 31, 1999).
4.1	Rights Agreement dated as of August 27, 1996 between CenturyTel and Harris Trust and Savings Bank (successor-in-interest to Society National Bank), as Rights Agent (incorporated by reference to Exhibit 1 to CenturyTel's Current Report on Form 8-K filed August 30, 1996), as amended by Amendment No. 1 to Rights Agreement, dated May 25, 1999 (incorporated by reference to Exhibit 4.2 (ii) to CenturyTel's Current Report on Form 8-K dated May 25, 1999) and Amendment No. 2 thereto, dated and effective as of June 30, 2000, by and between CenturyTel and Computershare Investor Services LLC, as rights agent (incorporated by reference to Exhibit 4.1 of CenturyTel's Quarterly Report on Form 10-Q for the quarter ended September 30, 2000).
4.2(a)	Indenture, dated as of March 31, 1994, between CenturyTel and Regions Bank (successor-in-interest to First American Bank & Trust of Louisiana and Regions Bank of Louisiana), as Trustee (incorporated by reference to Exhibit 4.1 of CenturyTel's registration statement on Form S-3, File No. 33-52915).
4.2(b)	First Supplemental Indenture, dated as of May 1, 2002, between CenturyTel and Regions Bank, as Trustee, to the Indenture, dated as of March 31, 1994, between CenturyTel and Regions Bank, as Trustee.**
4.3	Form of subordinated debt securities indenture.*
4.4	Form of board resolution to be used in designating and authorizing the terms and conditions of any series of debt securities offered hereunder.*

- 4.5(a) Form of debt security (included within Exhibit 4.4).
- 4.5(b) Form of Senior Notes, Series J, due 2007 issued in connection with the Equity Units (included within the First Supplemental Indenture filed as Exhibit 4.2(b)).**
- 4.6 Form of preferred stock.***
- 4.7 Form of Articles of Amendment to CenturyTel's Amended and Restated Articles of Incorporation to be used in connection with issuances of Preferred Stock. ***
- 4.8 Form of deposit agreement with respect to depositary shares. ***
- 4.9 Form of depositary receipt (included in Exhibit 4.8).
- 4.10 Form of common stock (incorporated by reference to Exhibit 4.3 of CenturyTel's Annual Report on Form 10-K for the year ended December 31, 2000).
- 4.11 Form of warrant agreement. ***
- 4.12 Form of warrant. ***
- 4.13 Purchase Contract Agreement, dated as of May 1, 2002, between CenturyTel and Wachovia Bank, National Association, as Purchase Contract Agent.**
- 4.14 Form of purchase contract or purchase unit certificate (included in Exhibit 4.13).
- 4.15 Pledge Agreement, dated as of May 1, 2002, by and among CenturyTel, JPMorgan Chase Bank, as Collateral Agent, Custodial Agent and Securities Intermediary, and Wachovia Bank, National Association, as Purchase Contract Agent.**
- 4.16 Certificate of Trust of CenturyTel Capital Trust I, dated as of March 12, 2002.*
- 4.17 Declaration of Trust of CenturyTel Capital Trust I, dated as of March 12, 2002.*
- 4.18 Form of amended and restated declaration of trust of CenturyTel Capital Trust I relating to, among other things, its trust preferred securities.*
- 4.19 Form of trust preferred security of CenturyTel Capital Trust I (included in Exhibit 4.18).
- 4.20 Form of guarantee agreement of CenturyTel relating to trust preferred securities.*
- 4.21 Form of Remarketing Agreement to be entered into by CenturyTel in connection with remarketing its Senior Notes, Series J, due 2007 issued in connection with the Equity Units.**
- 5.1 Opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P.*
- 5.2 Opinion of Richards, Layton & Finger, P.A.*
- 5.3 Opinion of Pillsbury Winthrop LLP*

5.4	Opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P relating to the issuance of the Equity Units.**
5.5	Opinion of Pillsbury Winthrop LLP relating to the issuance of the Equity Units.**
8	Tax Opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P.**
12	Statement regarding computation of ratio of earnings to fixed charges.**
23.1	Consent of KPMG LLP.**
23.2	Consent of Jones Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P. (included in Exhibits 5.1, 5.4 and 8).
23.3	Consent of Richards, Layton & Finger, P.A. (included in Exhibit 5.2).
23.4	Consent of Pillsbury Winthrop LLP (included in Exhibits 5.3 and 5.5).
24.1	Power of Attorney with respect to directors of CenturyTel, Inc. (included on the signature pages of this registration statement filed on March 14, 2002).
24.2	Power of Attorney with respect to the sponsor and trustees of CenturyTel Capital Trust I (included in Exhibit 4.17).
25.1	Statement of Eligibility of Trustee on Form T-1 under CenturyTel's senior debt securities indenture.*
25.2	Statement of Eligibility of Trustee on Form T-1 under CenturyTel's subordinated debt securities indenture.***
25.3	Statement of Eligibility of Trustee on Form T-1 under the amended and restated declaration of trust of CenturyTel Capital Trust I.***
25.4	Statement of Eligibility of Trustee on Form T-1 under the guarantee agreement of CenturyTel relating to trust preferred securities.***
25.5	Statement of Eligibility of Purchase Contract Agent on Form T-1 under CenturyTel's purchase contract agreement. *

* Previously filed.

** Filed herewith.

*** To be filed by one or more post-effective amendments to this registration statement, pursuant to Section 305(b)(2) of the Trust Indenture Act, or as an exhibit to a document to be incorporated by reference herein.

Exhibit 1
to Registration Statement
Registration No. 333-84276

CENTURYTEL, INC.

20,000,000

Equity Units

Underwriting Agreement

April 30, 2002

Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

As Representatives of
the several Underwriters

Ladies and Gentlemen:

CenturyTel, Inc., a Louisiana corporation (the "Company"), hereby confirms its agreement with you and the other underwriters (the "Underwriters") named in the Final Prospectus (as hereinafter defined), for whom you are acting as representatives (the "Representatives"), with respect to the issuance and sale by the Company and the purchase by the Underwriters, acting severally and not jointly, of the respective numbers of Equity Units of the Company, initially consisting of Corporate Units (the "Equity Units"), set forth in the Final Prospectus, and with respect to the grant by the Company to the Underwriters, acting severally and not jointly, of the option described in Section 1 hereof to purchase all or any part of 3,000,000 additional Equity Units. The aforesaid 20,000,000 Equity Units (the "Initial Securities") to be purchased by the Underwriters and all or any part of the 3,000,000 Equity Units subject to the option described in Section 1 hereof (the "Option Securities") are hereinafter called, collectively, the "Securities".

Each Equity Unit will have a stated amount of \$25 and will initially be comprised of (a) a purchase contract (a "Purchase Contract" and, collectively, "Purchase Contracts") under which the holder will purchase from the Company on May 15, 2005 a number of shares (the "Issuable Common Stock") of common stock, par value \$1.00 per share, of the Company (the "Common Stock") equal to the settlement rate as set forth in the Purchase Contract Agreement (as defined herein) and (b) beneficial ownership of a Senior Note, Series J, due 2007 (a "Senior Note" and, collectively, "Senior Notes") of the Company, having a principal amount of \$25.

In accordance with the terms of the Purchase Contract Agreement to be dated as of May 1, 2002 (the "Purchase Contract Agreement"), between the Company and Wachovia Bank, National Association, as purchase contract agent (the "Purchase Contract Agent"), the Senior Notes constituting a part of the Equity Units will be pledged by the Purchase Contract Agent, on behalf of the holders of the Equity Units, to JPMorgan Chase Bank, as collateral agent (the "Collateral Agent") for the benefit of the Company, pursuant to the Pledge Agreement, to be dated as of May 1, 2002 (the "Pledge Agreement"), among the Company, the Purchase Contract Agent, the Collateral Agent and JPMorgan Chase Bank, as custodial agent (the "Custodial Agent") and securities intermediary (the "Securities Intermediary"), to secure the holders' obligation to purchase the Issuable Common Stock under the Purchase Contracts. The rights and obligations of a holder of Securities in respect of Senior Notes (subject to the pledge thereof) and Purchase Contracts will initially be evidenced by a Corporate Units Certificate (as defined in the Purchase Contract Agreement).

The Senior Notes will be issued pursuant to an Indenture, dated as of March 31, 1994, and a First Supplemental Indenture thereto dated as of May 1, 2002 (collectively, the "Indenture"), in each case, between the Company and Regions Bank, as trustee (the "Trustee").

Pursuant to a Remarketing Agreement (the "Remarketing Agreement") described in the Prospectus (as defined herein) and to be entered into among the Company, the Purchase Contract Agent and a financial institution to be selected by the Company to act each as the reset agent and the remarketing agent (together the "Remarketing Agent"), the Senior Notes will be remarketed, subject to certain terms and conditions.

As used in this Agreement, "Transaction Documents" shall mean, collectively, the Purchase Contract Agreement, the Indenture, the Remarketing Agreement and the Pledge Agreement.

1. Agreement to Sell and Purchase. Subject to the terms and conditions herein set forth, (a) the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at a purchase price per Initial Security set forth in Schedule I attached hereto, the number of Initial Securities set forth opposite the name of such Underwriter under the caption "Underwriting" in the Final Prospectus or otherwise set forth in the Final Prospectus and (b) in the event and to the extent that the Underwriters shall exercise the election to purchase Option Securities as provided below, the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at the purchase price per security set forth in clause (a) of this Section 1, that portion of the number of Option Securities as to which such election shall have been exercised (to be adjusted by you so as to eliminate fractional securities) determined by multiplying such number of Option Securities by a fraction, the numerator of which is the maximum number of Initial Securities which such Underwriter is entitled to purchase as set forth opposite the name of such Underwriter under the caption "Underwriting" in the Final Prospectus or otherwise set forth in the Final Prospectus and the denominator of which is the maximum number of Initial Securities that all of the Underwriters are entitled to purchase hereunder.

The Company hereby grants to the Underwriters the right to purchase at their election up to 3,000,000 Option Securities, at the purchase price per Option Security set forth in the paragraph above, for the sole purpose of covering over-allotments. Any such election to purchase Option Securities may be exercised only by written notice from you to the Company, given within a period of 30 calendar days after the date of

this Agreement, setting forth the aggregate number of Option Securities to be purchased and the date on which such Option Securities are to be delivered, as determined by you but in no event earlier than the Closing Date (as defined in Section 2 below) or, unless you and the Company otherwise agree in writing, earlier than two or later than ten business days after the date of such notice.

2. Offering; Delivery and Payment. (a) The Representatives have advised the Company that they propose to make a public offering of the Securities as soon after the effectiveness of this Agreement as in their judgment is advisable. The Representatives have further advised the Company that they will offer the Securities to the public at the initial public offering price per Security set forth in Schedule I and with the other terms set forth therein.

(b) Delivery of the Initial Securities shall be made to the Representatives for the accounts of the Underwriters in book-entry form through the facilities of The Depository Trust Company ("DTC") against payment of the purchase price by wire transfer in same day funds to the Company or its order at the office of Pillsbury Winthrop, LLP or at such other location as the parties may agree. Such payment shall be made at 10:00 a.m., New York City time, on the fourth business day following the date of this Agreement or at such time on such other date, not later than five business days after the date of this Agreement, as may be agreed upon by the Company and the Representatives (such date is hereinafter referred to as the "Closing Date").

In addition, in the event that any or all of the Option Securities are purchased by the Underwriters, payment of the purchase price for, and delivery of certificates for, such Option Securities shall be made at the above-mentioned offices, or at such other place as shall be agreed upon by the Representatives and the Company, on each date of delivery specified in the notice described in Section 1 hereof (each, a "Date of Delivery").

The Securities to be purchased by each Underwriter hereunder will be represented by one or more definitive global Securities in book-entry form, which will be deposited by or on behalf of the Company with DTC or its designated custodian. The certificates for the Initial Securities and the Option Securities, if any, will be made available for examination and packaging by the Representatives in New York City not later than 10:00 a.m. (New York City time) on the business day prior to the Closing Date or any Date of Delivery, as the case may be.

The cost of original issue tax stamps, if any, in connection with the issuance and sale of the Securities by the Company to the respective Underwriters shall be borne by the Company. The Company will pay and save each Underwriter and any subsequent holder of the Securities harmless from any and all liabilities with respect to or resulting from any failure or delay in paying federal and state stamp and other issuance taxes, if any, which may be payable or determined to be payable in connection with the original issuance or sale to such Underwriter of the Securities.

3. Representations and Warranties of the Company. The Company represents and warrants to the several Underwriters as of the date hereof, as of the Closing Date and as of each Date of Delivery, if any, and covenants with the several Underwriters that:

(a) The Company meets the requirements for use of Form S-3. A registration statement (Registration No. 333-84276) on Form S-3 relating to the registration of \$3 billion of various securities described in the Basic Prospectus (as hereinafter defined), including the Securities and the Issuable Common Stock, and the offering thereof from time to time in accordance with Rule 415 under the Securities Act of 1933, as amended (the "Act"), including a Basic Prospectus and such amendments to such registration statement as may have been required to the date of this Agreement, has been (i) prepared by the Company under the provisions of the Act, and the rules and regulations thereunder (collectively referred to as the "Rules and Regulations") of the Securities and Exchange Commission (the "Commission"); (ii) filed with the Commission; and (iii) declared effective by the Commission. Copies of such registration statement and amendments, if any, and of any Preliminary Prospectus (as hereinafter defined) used by the Company have been delivered to the Representatives. The offering of the Securities is a Delayed Offering (as hereinafter defined) and, although the Basic Prospectus may not include all the information with respect to the Securities and the offering thereof required by the Act and the Rules and Regulations to be included in the Final Prospectus (as hereinafter defined), such Basic Prospectus includes all such information required by the Act and the Rules and Regulations to be included therein as of the Effective Date (as hereinafter defined). The Company will file the Final Prospectus in accordance with Rule 424(b) of the Rules and Regulations. As filed, the Final Prospectus shall include all required information with respect to the Securities and the Issuable Common Stock and the offering thereof and, except to the extent the Representatives shall agree in writing to a modification, shall be in all substantive respects in the form furnished to you prior to the Execution Date or, to the extent not completed at the Execution Date (as hereinafter defined), shall contain such specific additional information and other changes (beyond that contained in such Basic Prospectus and any Preliminary Prospectus) as the Company has advised you prior to the Execution Date.

(b) The term "Registration Statement" means such registration statement as amended or supplemented to the date hereof, including financial statements and other documents incorporated by reference therein and all exhibits, each as amended, and, in the event any post-effective amendment to such registration statement becomes effective prior to the Closing Date or any Date of Delivery, shall also mean such registration statement as so amended. The term "Effective Date" means the later of the date the Registration Statement initially became effective, the date that any post-effective amendment or amendments thereto became or become effective or the date of the filing of the Company's most recent Annual Report on Form 10-K. The term "Execution Date" means the date that this Agreement is executed and delivered by the parties hereto. The term "Basic Prospectus" means the prospectus contained in and forming a part of the Registration Statement as of the Effective Date, including documents incorporated or documents deemed to be incorporated therein. In the event that (i) the Basic Prospectus shall have been amended, revised or supplemented (but excluding supplements to the Basic Prospectus relating solely to securities other than the Securities and the Issuable Common Stock) on or prior to the Execution Date (including without limitation by the Preliminary Prospectus) or (ii) the Company shall have filed documents pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), after the time the Registration Statement became effective and on or prior to the Execution Date (but

excluding documents incorporated therein by reference relating solely to securities other than the Securities and the Issuable Common Stock) which are deemed to be incorporated by reference in the Basic Prospectus pursuant to Item 12 of Form S-3, the term "Basic Prospectus" as used herein shall also mean such prospectus as so amended, revised or supplemented and reflecting such incorporation by reference. The term "Preliminary Prospectus" means any preliminary prospectus (or any supplement thereto) which describes the Securities and the Issuable Common Stock and the offering thereof and is used prior to the filing of the Final Prospectus. The term "Final Prospectus" means the prospectus supplement relating to the Securities and the Issuable Common Stock as first filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations after the Execution Date, together with the Basic Prospectus. The term "Delayed Offering" means an offering of securities pursuant to Rule 415 under the Rules and Regulations which does not commence promptly after the effective date of a registration statement. For purposes of this Agreement, the words "amend," "amendment," "amended," "supplement" or "supplemented" with respect to the Registration Statement or the Final Prospectus shall mean (i) amendments or supplements to the Registration Statement or the Final Prospectus and (ii) documents deemed to be incorporated by reference in to the Final Prospectus, in each case filed with the Commission or sent to prospective purchasers of the Securities after the Execution Date and prior to the completion of the distribution of the Securities and the Issuable Common Stock.

(c) On the Effective Date, the Registration Statement did, and, when the Final Prospectus is first filed with the Commission pursuant to Rule 424(b), the Final Prospectus (and any supplement thereto), including the financial statements included or incorporated by reference in the Final Prospectus, will, comply in all material respects with the applicable provisions of the Act, the Rules and Regulations, the Exchange Act, the rules and regulations thereunder (the "Exchange Act Rules and Regulations"), the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act") and the rules and regulations thereunder (the "Trust Indenture Act Rules and Regulations"), and will contain all information required to be included therein in accordance with the Act, the Rules and Regulations, the Exchange Act and the Exchange Act Rules and Regulations. On the Effective Date, the Registration Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. At the date the Final Prospectus (together with any supplement thereto) is first filed with the Commission pursuant to Rule 424(b) and at the Closing Date (and, if any Option Securities are purchased, at each Date of Delivery), the Final Prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The foregoing representations and warranties in this Section 3(b) do not apply to any statements or omissions made in reliance on and in conformity with information furnished in writing to the Company by the Representatives specifically for inclusion in the Registration Statement or the Final Prospectus (or any supplement thereto). On the Effective Date, the date the Final Prospectus is first filed with the Commission pursuant to Rule 424(b), and at all subsequent times to and including the Closing Date and any Date of Delivery, the Indenture and the Purchase Contract Agreement did or will comply with all applicable provisions of the Trust Indenture Act and the Trust Indenture Act Rules and Regulations and have been duly qualified thereunder.

(d) The documents which are incorporated by reference in the Basic Prospectus, any Preliminary Prospectus and the Final Prospectus or from which information is so incorporated by reference, when they became effective or were filed with the Commission, as the case may be, complied in all material respects with the requirements of the Act, the Rules and Regulations, the Exchange Act or the Exchange Act Rules and Regulations, as applicable; and any documents so filed and incorporated by reference subsequent to the Execution Date shall, when they are filed with the Commission, conform in all material respects with the requirements of the Act, the Rules and Regulations, the Exchange Act or the Exchange Act Rules and Regulations, as applicable.

(e) Each of the Company and each of its subsidiaries listed on Schedule II hereto (the "Subsidiaries") is, and at the Closing Date and any Date of Delivery will be, a corporation, limited liability company or partnership duly organized, validly existing and in good standing under the laws of its jurisdiction of organization. Each of the Company and each of the Subsidiaries has, and at the Closing Date and any Date of Delivery will have, full power and authority to conduct all the activities conducted by it, to own or lease all the assets owned or leased by it and to conduct its business as described in the Registration Statement and the Final Prospectus. Each of the Company and each of the Subsidiaries is, and at the Closing Date and any Date of Delivery will be, duly licensed or qualified to do business and in good standing as a foreign corporation or limited liability company in all jurisdictions in which the nature of the activities conducted by it or the character of the assets owned or leased by it makes such licensing or qualification necessary except where the failure to be so qualified or licensed would not have a material adverse effect on the Company and its subsidiaries, taken as a whole. For purposes of this Agreement, "subsidiaries," shall mean (a) the Company's directly and indirectly majority-owned corporate subsidiaries, (b) the Company's directly and indirectly majority-owned limited liability companies and (c) the partnerships, joint ventures and other entities of which the Company or any subsidiary is the majority owner or managing general partner. Complete and correct copies of the certificate of incorporation, by-laws or other organizational documents of the Company and each of the Subsidiaries and all amendments thereto have been made available to the Representatives, and no changes therein will be made subsequent to the Execution Date and prior to the Closing Date.

(f) The Securities have been duly authorized by the Company, and when authenticated (as applicable), issued and delivered in the manner provided in the relevant Transaction Document and delivered against payment of the purchase price therefor as provided herein, will be validly issued. The issuance of the Securities is not subject to any preemptive or other similar right.

(g) The Purchase Contracts underlying the Securities, as evidenced by the Securities certificates, have been duly authorized by the Company. When the Securities are issued and delivered by the Company against payment therefor as provided herein and in the Purchase Contract Agreement, the Purchase Contracts will be duly and validly issued and delivered and will constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, except (i) that such enforcement may be subject to bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws, now or hereafter in effect, relating to creditors' rights generally and (ii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought. The issuance of the Purchase Contracts is not subject to any preemptive or other similar right.

(h) The Senior Notes underlying the Securities have been duly authorized by the Company and, when issued and delivered by the Company as provided for in the Indenture and as described in the Final Prospectus and the Purchase Contract Agreement, will have been duly executed and delivered by the Company and will constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, except (i) that such enforcement may be subject to bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws, now or hereafter in effect, relating to creditors' rights generally and (ii) that the remedy of specific performance and injunction and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought, and will be in the form contemplated by, and will be entitled to the benefits of, the Indenture.

(i) The description of the Securities and the Issuable Common Stock and each Transaction Document in the Registration Statement and the Final Prospectus is, and at the Closing Date and any Date of Delivery will be, complete and accurate in all material respects and, insofar as such description contains statements constituting a summary of the legal matters or documents referred to therein, such description fairly summarizes the information referred to therein.

(j) The financial statements and schedules included or incorporated by reference in the Registration Statement or the Final Prospectus present fairly the consolidated financial condition of the Company as of the respective dates thereof and the consolidated results of operations and cash flows of the Company for the respective periods covered thereby, all in conformity with generally accepted accounting principles applied on a consistent basis throughout the entire period involved, except as otherwise disclosed in the Registration Statement or the Final Prospectus. The selected consolidated financial data included in the Registration Statement or the Final Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the audited consolidated financial statements of the Company included or incorporated by reference in the Registration Statement or the Final Prospectus. The *pro forma* financial information included or incorporated by reference in the Final Prospectus has been prepared on a basis consistent with the historical financial statements incorporated by reference in the Final Prospectus (except for the *pro forma* adjustments specified therein), includes all material adjustments to the historical financial information required by Rule 11-02 of Regulation S-X under the Securities Act and the Exchange Act to reflect the transactions described in the notes to such financial information and gives effect to assumptions made on a reasonable basis. No other financial statements or schedules of the Company are required by the Act, the Rules and Regulations, the Exchange Act or the Exchange Act Rules and Regulations to be included in or incorporated by reference in the Registration Statement or the Final Prospectus. KPMG LLP ("KPMG"), who has reported on certain financial statements and schedules incorporated by reference in the Registration Statement and the Prospectus, are independent accountants with respect to the Company as required by the Act and the Rules and Regulations.

(k) Neither the Company nor any of its subsidiaries has sustained since the date of the latest audited financial statements included or incorporated by reference in the Final Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Final Prospectus; and, since the respective dates as of which information is given in the Registration Statement and the Final Prospectus, there has not been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholder's equity or results of operations of the Company and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Prospectus;

(l) The Company is not, and after giving effect to the issuance and sale of the Securities and the application of the proceeds thereof, will not be, an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.

(m) Except as set forth in the Registration Statement and the Final Prospectus, there are no actions, suits or proceedings pending or, to the best of the Company's knowledge, threatened against or affecting the Company or any of its subsidiaries or any of their respective officers in their capacity as such, before or by any federal or state court, commission, regulatory body, administrative agency or other governmental body, domestic or foreign, that is likely to materially and adversely affect the business, properties, business prospects, condition (financial or otherwise) or results of operations of the Company and its subsidiaries, taken as a whole. Except as set forth in the Registration Statement and the Final Prospectus, all actions, suits or proceedings now pending against the Company or any of its subsidiaries, or any of their respective officers in their capacities as such, before any federal or state court, commission, regulatory body, administrative agency or other governmental body, domestic or foreign, if decided or resolved in a manner unfavorable to the Company or any of its subsidiaries, would not be likely to, singly or in the aggregate, materially and adversely affect the business, properties, business prospects, condition (financial or otherwise) or results of operations of the Company and its subsidiaries, taken as a whole.

(n) The Company and each of the Subsidiaries has, and at the Closing Date and any Date of Delivery will have, (i) such franchises, certificates, authorities or permits issued by the appropriate state, federal or foreign regulatory agencies or bodies necessary to conduct the business now operated by them, other than those the absence of which would not be likely to have a materially adverse effect on the business, properties, business prospects, condition (financial or otherwise) or results of operations of the Company and its subsidiaries, taken as a whole, and neither the Company nor any of the Subsidiaries has received any written notice of proceedings relating to the revocation or modification of any such franchise, certificate, authority or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would be likely to materially and adversely affect the business, properties, business prospects, condition (financial or otherwise) or results of operations of the Company and its subsidiaries, taken as a whole, (ii) complied in all material respects with all laws, statutes, ordinances, rules, regulations, orders or decrees of any court, governmental body or regulatory authority or administrative agency having jurisdiction over the Company or any Subsidiary or any of the property or assets of the Company or any Subsidiary (including, without limitation, any such laws, statutes, ordinances, rules, regulations, orders or decrees with respect to environmental protection or the release, handling, treatment, storage or disposal of hazardous substances or toxic wastes), the failure to comply with which would be likely to

materially adversely affect the business, properties, business prospects, condition (financial or otherwise) or results of operations of the Company and its subsidiaries, taken as a whole, and (iii) performed in all material respects all of its obligations required to be performed by it under any material contract or other instrument to which it is a party or by which its property is bound or affected, and is not, and at the Closing Date and any Date of Delivery, will not be, in default under any such contract or instrument the effect of which would be likely to materially adversely affect the business, properties, business prospects, condition (financial or otherwise) or results of operations of the Company and its subsidiaries, taken as a whole. To the best knowledge of the Company, no other party under any material contract or other instrument to which it or any Subsidiary is a party is in default in any respect thereunder, except for any such defaults (alone or collectively) that would not be likely to have a material adverse effect on the Company and its subsidiaries, taken as a whole; provided that it is understood and agreed that neither the Company nor any Subsidiary has undertaken any special investigation to determine compliance by such other parties under any such contract or other instrument. The Company is not, and at the Closing Date and any Date of Delivery, will not be, in violation of any provision of its articles of incorporation or by-laws or in default in any material respect under any agreement or instrument evidencing indebtedness for borrowed money. The Subsidiaries are not, and at the Closing Date and any Date of Delivery, will not be, in violation of any material provision of their respective articles of incorporation or by-laws (or comparable organizational documents) or in default under any agreement or instrument evidencing indebtedness for borrowed money (A) as a result of the failure to make one or more payments in excess of \$5 million in the aggregate that are due and owed thereunder, or (B) otherwise in any respect which is likely to have a material adverse effect on the business, properties, business prospects, condition (financial or otherwise) or results of operations of the Company and its subsidiaries, taken as a whole.

(o) No consent, approval, authorization or order of, or any filing, registration, qualification or declaration with, any court or governmental agency or body is required for (i) the execution, delivery or performance of this Agreement and the Transaction Documents by the Company, (ii) the authorization, offer, issuance, transfer, sale or delivery of the Securities and the Issuable Common Stock by the Company in accordance with this Agreement and the Transaction Documents or (iii) the consummation by the Company of the transactions on its part contemplated herein and therein, except such as may have been obtained, or on or prior to the Closing Date will be obtained, under the Act, the Rules and Regulations, the Exchange Act, the Exchange Act Regulations, the Trust Indenture Act or the Trust Indenture Act Rules and Regulations and such as may be required under foreign or state securities or blue sky laws or the by-laws and rules of the National Association of Securities Dealers, Inc. (the "NASD") in connection with the purchase and distribution of the Securities by the Underwriters and the Issuable Common Stock.

(p) The Company has full corporate power and authority to enter into this Agreement. This Agreement has been duly authorized, executed and delivered by the Company and, when duly executed and delivered by the Representatives, will constitute a valid and binding agreement of the Company and will be enforceable against the Company in accordance with the terms hereof, except (i) that such enforcement may be subject to bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws, now or hereafter in effect, relating to creditors' rights generally, (ii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought and (iii) rights to indemnity and contribution hereunder may be limited by federal or state laws relating to securities or the policies underlying such laws. At the Closing Date and each Date of Delivery, each of the Transaction Documents will have been duly authorized and, except for the Remarketing Agreement, executed and delivered by the Company and, assuming due authorization, execution and delivery by the other parties thereto, will, except for the Remarketing Agreement, constitute a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except (i) that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, relating to creditors' rights generally and (ii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought. The issue and sale of the Securities and the Issuable Common Stock by the Company, the execution, delivery and performance by the Company of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby will not result in the creation or imposition of any lien, charge or encumbrance upon any of the assets of the Company or any of the Subsidiaries pursuant to the terms or provisions of, or, except as disclosed in the Registration Statement or the Final Prospectus, result in a breach or violation of any of the terms or provisions of, or constitute a default under, or give any other party a right to terminate any of its obligations under, or result in the acceleration of any obligation under, the articles of incorporation or by-laws (or comparable instruments) of the Company or any of the Subsidiaries, any indenture, mortgage, deed of trust, voting trust agreement, loan agreement, bond, debenture, note agreement or other evidence of indebtedness, lease, contract or other agreement or instrument to which the Company or any of the Subsidiaries is a party or by which the Company or any of the Subsidiaries or any of their respective properties is or are bound or affected, or violate or conflict with any franchise or any judgment, ruling, decree, order, statute, rule or regulation of any court or other governmental agency or body applicable to the business or properties of the Company or any of the Subsidiaries.

(q) The Company has an authorized capitalization as set forth in the Final Prospectus and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable. The shares of Issuable Common Stock have been duly and validly authorized and reserved for issuance by the Company and, when issued and delivered in accordance with the provisions of the Transaction Documents, will be duly and validly issued, fully paid and non-assessable and will conform in all material respects to the description of the Common Stock contained in the Prospectus and the issuance of the Issuable Common Stock will not be subject to any preemptive or other similar right.

(r) The Pledge Agreement will create, as collateral security for the performance when due by the holders from time to time of the Securities of their respective obligations under the Purchase Contracts, a valid security interest (as defined in the Uniform Commercial Code, as adopted and in effect in the State of New York) in favor of the Collateral Agent for the benefit of the Company, in the right, title and interest of such holders in the securities and other assets and interests pledged to the Collateral Agent pursuant to the Pledge Agreement.

(s) The Company and each of the Subsidiaries has good and marketable title to all properties and assets owned by it which are

material to the business or operations of the Company and its subsidiaries, taken as a whole (including without limitation the stock or other equity interests of all subsidiaries), free and clear of all liens, charges, encumbrances or restrictions, except such as are described in the Final Prospectus and except immaterial liens which do not affect the operations or financial condition of the Company. The Company and each of the Subsidiaries has valid, subsisting and enforceable leases for the properties leased by it, with such exceptions as would not materially interfere with the business or operations of the Company and its subsidiaries, taken as a whole.

(t) All existing material contracts described in the Final Prospectus to which the Company or any of the Subsidiaries is a party have been duly authorized, executed and delivered by the Company or such Subsidiary, constitute valid and binding agreements of the Company or such Subsidiary and are enforceable against the Company or such Subsidiary in accordance with the terms thereof, except (i) that such enforcement may be subject to bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws, now or hereafter in effect, relating to creditors' rights generally and (ii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought. Such described contracts are the only contracts required to be described in the Final Prospectus by the Act and the Rules and Regulations.

(u) No statement, representation, warranty or covenant made by the Company in this Agreement or the Transaction Documents or made in any certificate or document required by this Agreement to be delivered to the Representatives was or will be, when made, inaccurate, untrue or incorrect in any material respect.

(v) No holder of securities of the Company has rights to the registration of any securities of the Company because of the filing of the Registration Statement.

(w) No action has been taken and no statute, rule, regulation or order has been enacted, adopted or issued by any governmental agency or body that prevents the issuance of the Securities or the Issuable Common Stock, suspends the effectiveness of the Registration Statement, prevents or suspends the use of the Preliminary Prospectus, or suspends the sale of the Securities or the issuance of the Issuable Common Stock in any jurisdiction referred to in Section 4(f) below, provided, however, that to the extent this representation relates to state securities or blue sky laws and laws of jurisdictions other than the United States and its political subdivisions, it shall be limited to the knowledge of the Company. No injunction, restraining order or order of any nature by a federal or state court of competent jurisdiction has been issued and served on the Company or any of its Subsidiaries with respect to the Company or any of its Subsidiaries that would prevent or suspend the issuance or sale of the Securities or the Issuable Common Stock, the effectiveness of the Registration Statement, or the use of the Preliminary Prospectus in any jurisdiction referred to in Section 4(f) below.

(x) The Company has not taken, directly or indirectly, any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities in any jurisdiction referred to in Section 4(f) below in contravention of applicable law, provided that no representation is made herein as to the activities of any Underwriter.

(y) The Company and its Subsidiaries maintain systems of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; and (iii) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(z) Sections 3.4(d) and 3.27 of the Stock Purchase Agreement between the Company and Alltel Communications, Inc. dated as of March 19, 2002 are true and accurate. To the knowledge of the Company, after due inquiry, the Company has no reason to believe that all conditions to the closing under such Stock Purchase Agreement will not be met on or prior to September 30, 2002.

4. Agreements of the Company. The Company agrees with each of the several Underwriters as follows:

(a) The Company will not, from the Execution Date until the end of such period as the Final Prospectus is required by law to be delivered in connection with sales of the Securities by an Underwriter or dealer, file any amendment or supplement to the Registration Statement or the Final Prospectus, unless a draft thereof shall first have been submitted to the Representatives within a reasonable period of time prior to the filing thereof and the Representatives shall not have objected thereto in good faith.

(b) The Company will notify the Representatives promptly, and will confirm such advice in writing, (i) when any post-effective amendment to the Registration Statement becomes effective, (ii) of any request by the Commission for amendments or supplements to the Registration Statement or the Final Prospectus or for additional information, (iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose or the threat thereof, (iv) of the happening of any event during the period mentioned in the third sentence of Section 4(e) that in the judgment of the Company requires the Company to file an amendment or supplement to the Registration Statement and (v) of receipt by the Company, or any representatives or attorney of the Company, of any other communication from the Commission relating to the Registration Statement, the Basic Prospectus, any Preliminary Prospectus or the Final Prospectus or the offering of the Securities. If at any time the Commission shall issue any order suspending the effectiveness of the Registration Statement, the Company will make every reasonable effort to obtain the withdrawal of such order at the earliest possible moment.

(c) The Company will furnish to the Representatives, without charge, one complete copy of the Registration Statement and of any

post-effective amendment thereto, including financial statements and schedules, and all exhibits thereto (including any documents filed under the Exchange Act and deemed to be incorporated by reference into the Final Prospectus), and will upon request make available to the Representatives, without charge, for transmittal to each of the other Underwriters, additional copies of the Registration Statement and any post-effective amendment thereto, including financial statements and schedules but without exhibits and documents incorporated by reference therein.

(d) The Company will comply with all the provisions of any undertakings contained in the Registration Statement.

(e) The Company will deliver to each of the Underwriters, without charge, as many copies of the Final Prospectus or any supplement thereto, as the Representatives may reasonably request. The Company consents to the use of any Preliminary Prospectus and the Final Prospectus or any amendment or supplement thereto by the several Underwriters and by all dealers to whom the Securities may be sold, both in connection with the offering or sale of the Securities and for any period of time thereafter during which a prospectus is required by law to be delivered in connection therewith. If during such period of time, any event shall occur which in the judgment of the Company or counsel to the Underwriters should be set forth in the Final Prospectus in order to make any statement therein, in the light of the circumstances under which it was made when delivered, not misleading, or if it is necessary to supplement the Final Prospectus to comply with law, the Company will forthwith prepare and duly file with the Commission an appropriate supplement thereto or a document under the Exchange Act deemed to be incorporated therein, and will deliver to each of the Underwriters, without charge, such number of copies thereof as the Representatives may reasonably request. The Company shall not file any document under the Exchange Act before the termination of the offering of the Securities by the Underwriters if such document would be deemed to be incorporated by reference into any Preliminary Prospectus or the Final Prospectus, unless a draft thereof shall first have been submitted to the Representatives within a reasonable period of time prior to the filing thereof and the Representatives shall not have objected thereto in good faith.

(f) Prior to any public offering of the Securities and the Issuable Common Stock by the Underwriters, the Company will cooperate with the Representatives and counsel to the Underwriters in connection with the registration or qualification of the Securities and the Issuable Common Stock for offer and sale under the securities or blue sky laws of such United States jurisdictions and similar laws of such foreign jurisdictions as the Representatives may request, and will maintain such qualifications in effect so long as required for the distribution of the Securities and the Issuable Common Stock; provided, that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action which would subject it to general service of process or general taxation in any jurisdiction where it is not now so subject.

(g) During the period of five years commencing on the Effective Date, the Company will make available to the Representatives and each other Underwriter who may so request copies of such financial statements and other periodic and special reports as the Company may from time to time distribute generally to the holders of any class of its capital stock, and will make available to the Representatives and each other Underwriter who may so request a copy of each annual or other report it shall be required to file with the Commission.

(h) The Company will make generally available to holders of its securities as soon as may be practicable but in no event later than the last day of the fifteenth full calendar month following the calendar quarter in which the Execution Date falls, an earning statement (which need not be audited but shall be in reasonable detail) for a period of 12 months ended commencing after the Effective Date, within the meaning of and satisfying the provisions of Section 11(a) of the Act (including Rule 158 of the Rules and Regulations).

(i) Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, the Company will pay, or reimburse if paid by the Representatives, all costs and expenses incident to the performance of the obligations of the Company under this Agreement, including but not limited to costs and expenses of or relating to (i) the preparation, printing and filing of the Registration Statement and exhibits thereto, the Basic Prospectus, any Preliminary Prospectus, the Final Prospectus and any amendment or supplement to the Registration Statement or the Final Prospectus, (ii) the preparation and delivery of certificates representing the Securities and the Issuable Common Stock, (iii) the printing of this Agreement, any agreement among underwriters, any dealer agreements and any underwriters' questionnaire, (iv) furnishing (including costs of shipping and mailing) such copies of the Registration Statement, the Basic Prospectus, any Preliminary Prospectus and the Final Prospectus, and all amendments and supplements thereto, as may be requested for use in connection with the offering and sale of the Securities by the Underwriters or by dealers to whom Securities may be sold, (v) any filings required to be made by the Underwriters with the NASD, and the fees, disbursements and other charges of counsel for the Underwriters in connection therewith, (vi) the registration or qualification of the Securities and the Issuable Common Stock for offer and sale under the securities or blue sky laws of such United States jurisdictions and similar laws of such foreign jurisdictions designated pursuant to Section 4(f) hereof, including the fees, disbursements and other charges of counsel to the Underwriters in connection therewith, and the preparation and printing of preliminary, supplemental and final blue sky memoranda, (vii) counsel to the Company, (viii) the transfer agent and registrar for the Issuable Common Stock, (ix) the rating of the Securities by one or more rating agencies, (x) the Trustee, the Purchase Contract Agent, the Collateral Agent and the Remarketing Agent and any agent thereof and the fees, disbursements and other charges of counsel thereof in connection with the Transaction Documents and the Securities and (xi) the listing of the Securities on the New York Stock Exchange (the "NYSE").

(j) If this Agreement shall be terminated for any reason (other than pursuant to Section 7 hereof) or if for any reason the Company shall be unable to perform its obligations hereunder, the Company will reimburse the several Underwriters for all out-of-pocket expenses (including the fees, disbursements and other charges of counsel to the Underwriters) reasonably incurred by them in connection herewith.

(k) The Company will not at any time, directly or indirectly, take any action described in Section 3(x) hereof.

(l) The Company will apply the net proceeds from the offering and sale of the Securities in the manner set forth in the Final

(m) During a period of 90 days from the date of the Final Prospectus, the Company will not, without the prior written consent of the Representatives, directly or indirectly, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or lend or otherwise transfer or dispose of any share of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or file any registration statement under the 1933 Act with respect to any of the foregoing or (ii) enter into any swap, or any other agreement or any transaction, that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Common Stock, whether any such swap or transaction is to be settled by delivery of Common Stock or other securities, in cash or otherwise. The foregoing sentence shall not apply to (A) the Securities and the Issuable Common Stock, (B) any shares of Common Stock issued by the Company upon a stock split effected by means of a stock dividend, the exercise of an option or warrant or the conversion or exchange of a security outstanding on the date hereof, (C) any shares of Common Stock issued or options to purchase Common Stock granted pursuant to existing employee benefit plans of the Company, (D) any shares of Common Stock issued pursuant to any nonemployee director stock plan, any dividend reinvestment plan or any stock purchase plan in effect on the date of the filing of the Registration Statement or (E) issuances of Common Stock pursuant to the Company's rights plan in effect on the date hereof. For a period of 90 days from the date of the Final Prospectus, the Company will maintain a register of the sale or other transfer of shares of Common Stock by the persons listed on Schedule III hereto pursuant to the lock-up agreements of each such person entered into in connection with the offering of the Securities to ensure that no more than an aggregate of 1,500,000 shares of Common Stock are sold pursuant to all such lock-up agreements under the circumstances described therein.

(n) The Company will reserve and keep available at all times, free of preemptive rights, a sufficient number of shares of Issuable Common Stock for the purpose of enabling the Company to satisfy any obligations to issue shares of the Issuable Common Stock pursuant to the Purchase Contracts.

(o) The Company will use its best efforts to cause the Corporate Units (as such term is defined in the Final Prospectus) and the Issuable Common Stock to be listed for trading on the NYSE by the Closing Date.

5. Conditions of Obligations of the Underwriters . Unless any such condition is waived in writing by the Representatives, the obligations of the Underwriters of any Securities hereunder shall be subject to the condition that all representations and warranties and other statements of the Company are, at and as of the Closing Date and each Date of Delivery for such Securities, true and correct, the condition that the Company shall have performed all of its obligations hereunder theretofore to be performed, and the following additional conditions:

(a) (i) No stop order suspending the effectiveness of the Registration Statement shall be in effect and no proceedings for that purpose shall be pending or threatened by the Commission, (ii) no order suspending the effectiveness of the Registration Statement or the qualification or registration of the Securities or the Issuable Common Stock under the securities or blue sky laws of any United States jurisdiction or similar laws of such foreign jurisdictions designated pursuant to Section 4(f) hereof shall be in effect and no proceeding for such purpose shall be pending before or threatened or contemplated by the Commission or the authorities of any such jurisdiction, (iii) any request for additional information on the part of the staff of the Commission or any such authorities with respect to the offering of the Securities shall have been complied with to the satisfaction of the staff of the Commission or such authorities and (iv) after the Execution Date, no amendment or supplement to the Registration Statement or the Final Prospectus shall have been filed unless a copy thereof was first submitted to the Representatives and the Representatives did not object thereto in good faith, and the Representatives shall have received certificates, dated the Closing Date and signed on behalf of the Company by the Chief Executive Officer of the Company and the Chief Financial Officer of the Company (who may, as to proceedings threatened, rely upon the best of their information and belief), to the effect of clauses (i), (ii) and (iii).

(b) On the date of the Final Prospectus and at the Closing Date, KPMG, who has certified the financial statements of the Company and its subsidiaries included or incorporated by reference in the Registration Statement, shall have furnished to the Representatives a letter, dated the respective dates of delivery thereof, in form and substance satisfactory to the Representatives.

(c) (i) Neither the Company nor any of its subsidiaries shall have sustained since the date of the latest audited financial statements included or incorporated by reference in the Final Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Final Prospectus, and (ii) since the respective dates as of which information is given in the Final Prospectus there shall not have been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, otherwise than as set forth or contemplated in the Final Prospectus, the effect of which, in any such case described in clause (i) or (ii), is in the judgment of the Representatives so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Securities on the terms and in the manner contemplated in the Final Prospectus.

(d) On or after the date hereof (i) no downgrading shall have occurred in the rating accorded the Company's debt securities or preferred stock by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Act, and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities or preferred stock.

(e) On or after the date of hereof there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the NYSE; (ii) a suspension or material limitation in trading in the Company's securities on the NYSE; (iii) a general

moratorium on commercial banking activities declared by either Federal or New York State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States; (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war or (v) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (v) in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Initial Securities or Option Securities or both on the terms and in the manner contemplated in the Final Prospectus.

(f) Since the respective dates as of which information is given in the Registration Statement and the Final Prospectus, there shall have been no litigation or other proceeding instituted against the Company or any of the Subsidiaries or any of their respective officers or directors in their capacities as such, before or by any federal, state or local court, commission, regulatory body, administrative agency or other governmental body, domestic or foreign, in which litigation or proceeding an unfavorable ruling, decision or finding would materially and adversely affect the business, properties, business prospects, condition (financial or otherwise) or results of operations of the Company and its subsidiaries, taken as a whole.

(g) On the Closing Date, the Representatives shall have received an opinion, dated the Closing Date, and satisfactory in form and substance to counsel for the Underwriters, from Harvey P. Perry, Esq., General Counsel of the Company, and from Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., special counsel to the Company, to the effects set forth in Exhibits A and B attached hereto, respectively.

(h) On the Closing Date, the Representatives shall have received an opinion, dated the Closing Date, from Pillsbury Winthrop LLP, counsel to the Underwriters, with respect to the Registration Statement, the Final Prospectus and this Agreement, which opinion shall be satisfactory in all respects to the Representatives. In giving such opinion, such counsel may rely, as to all matters governed by the laws of the State of Louisiana, upon the opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company and its subsidiaries, and certificates of public officials.

(i) At the Closing Date, there shall be furnished to the Representatives a certificate, dated the date of its delivery, signed on behalf of the Company by each of the Chief Executive Officer and the Chief Financial Officer of the Company, in form and substance satisfactory to the Representatives, to the effect that:

(i) Each signer of such certificate has carefully examined the Registration Statement and the Final Prospectus and (A) the Registration Statement is true and correct in all material respects and does not omit to state a material fact required to be stated therein or necessary in order to make the statements therein not untrue or misleading, (B) the Final Prospectus is true and correct in all material respects and does not omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not untrue or misleading (it being understood that to the extent a statement in the Registration Statement or Final Prospectus, including any documents deemed to be incorporated by reference therein, refers to and speaks as of a specific date, each signer of such certificate only represents with respect to such statement that it was true and correct in all material respects as of such date), and (C) since the Execution Date, no event has occurred as a result of which it is necessary to supplement the Final Prospectus in order to make the statements therein, in light of the circumstances under which they were made, not untrue or misleading in any material respect and there has been no document required to be filed under the Exchange Act and the Exchange Act Rules and Regulations that upon such filing would be deemed to be incorporated by reference into the Final Prospectus that has not been so filed.

(j) At the Closing Date, the Corporate Units (as such term is defined in the Final Prospectus) and the Issuable Common Stock shall have been approved for listing on the NYSE, subject only to official notice of issuance.

(k) At the Closing Date, the Representatives shall have received an agreement substantially in the form of Exhibit C attached hereto signed by the persons listed on Schedule III attached hereto.

(l) At the Closing Date, the Representatives shall have received satisfactory evidence to the effect that the ratings applicable to the Securities are BBB or better by Standard & Poor's Ratings Services and Baa2 or better by Moody's Investors Service, Inc.

(m) In the event that the Underwriters exercise their option provided in Section 1(b) hereof to purchase all or any portion of the Option Securities, the representations and warranties of the Company contained herein and the statements in any certificates furnished by the Company or any subsidiary hereunder shall be true and correct as of each Date of Delivery and, at such Date of Delivery, the Underwriters shall have received:

(i) A certificate, dated such Date of Delivery, of the Chief Executive Officer of the Company and the Chief Financial Officer of the Company confirming that the certificate delivered at the Closing Date pursuant to Sections 5(a) and (i) hereof remains true and correct as of such Date of Delivery.

(ii) The favorable opinions of Harvey P. Perry, Esq., General Counsel of the Company, and Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., in form and substance satisfactory to you, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinions required by Section 5(g) hereof.

(iii) The favorable opinion of Pillsbury Winthrop LLP, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(h) hereof.

(iv) A letter from KPMG, in form and substance satisfactory to the Representatives and dated such Date of Delivery, substantially in the same form and substance as the letter furnished to the Underwriters pursuant to Section 5(b) hereof, except that the "specified date" in the letter furnished pursuant to this paragraph shall be a date not more than five days prior to such Date of Delivery.

The Company shall have furnished to the Representatives such certificates or opinions, in addition to those specifically mentioned herein, as the Representatives may have reasonably requested as to the accuracy and completeness at the Closing Date or any Date of Delivery of any statement in the Registration Statement or the Final Prospectus or any documents filed under the Exchange Act and deemed to be incorporated by reference into the Final Prospectus, as to the accuracy at the Closing Date or any Date of Delivery of the representations and warranties of the Company herein, as to the performance by the Company of its obligations hereunder, or as to the fulfillment of the conditions concurrent and precedent to the obligations hereunder of the Representatives.

6. Indemnification.

(a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement (or in any prior registration statement to which the Final Prospectus, as a combined prospectus under Rule 429 of the Rules and Regulations, may relate), the Basic Prospectus, the Final Prospectus and any other prospectus relating to the Securities, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; *provided, however*, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement, the Basic Prospectus, the Final Prospectus and any other prospectus relating to the Securities, or any such amendment or supplement, in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives expressly for use in the Final Prospectus as amended or supplemented relating to such Securities.

(b) Each Underwriter will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement, the Basic Prospectus, the Final Prospectus and any other prospectus relating to the Securities, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, the Registration Statement, the Basic Prospectus, the Final Prospectus and any other prospectus relating to the Securities, or any such amendment or supplement, in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives expressly for use therein; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include any statement as to, or an admission of, fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 6 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one

hand and the Underwriters of the Securities on the other from the offering of the Securities to which such loss, claim, damage or liability (or action in respect thereof) relates. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters of the Securities on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and such Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from such offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by such Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or such Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contributions pursuant to this subsection (d) were determined by *pro rata* allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the applicable Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The obligations of the Underwriters of Securities in this subsection (d) to contribute are several in proportion to their respective underwriting obligations with respect to such Securities and not joint.

(e) The obligations of the Company under this Section 6 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section 6 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company and to each person, if any, who controls the Company within the meaning of the Act.

7. Substitution of Underwriters. If any one or more of the Underwriters shall fail or refuse to purchase any of the Securities which it or they have agreed to purchase hereunder, and the aggregate number of Securities which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate number of Securities, the other Underwriters shall be obligated, severally, to purchase the Securities which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase, in the proportions which the number of Securities which they have respectively agreed to purchase pursuant to Section 1 hereof bears to the aggregate number of Securities which all such non-defaulting Underwriters have so agreed to purchase, or in such other proportions as the Representatives may specify; provided that in no event shall the maximum number of Securities which any Underwriter has become obligated to purchase pursuant to Section 1 hereof be increased pursuant to this Section 7 by more than one-ninth of the number of Securities agreed to be purchased by such Underwriter without the prior written consent of such Underwriter. If any Underwriter or Underwriters shall fail or refuse to purchase any Securities and the aggregate number of Securities which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase exceeds one-tenth of the aggregate number of the Securities and arrangements satisfactory to the Representatives and the Company for the purchase of such Securities are not made within 48 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter or the Company for the purchase or sale of any Securities under this Agreement. In any such case either the Representatives or the Company shall have the right to postpone the Closing Date or any Date of Delivery, but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement and in the Final Prospectus or in any other documents or arrangements may be effected. Any action taken pursuant to this Section 7 shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

8. Miscellaneous. Notice given pursuant to any of the provisions of this Agreement shall be in writing and, unless otherwise specified, shall be mailed or delivered (a) if to the Company, at the office of the Company, 100 Century Park Drive, Monroe, Louisiana 71203, Attention: Harvey P. Perry, Executive Vice President, Chief Administrative Officer, General Counsel and Secretary or (b) if to the Underwriters, to the Representatives at the offices of Goldman, Sachs & Co., 85 Broad Street, New York, New York 10004, Attention: Registration Department.

In all dealings hereunder, the Representatives shall act on behalf of each Underwriter, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by the Representatives.

The respective indemnities, agreements, representations, warranties and other statements of the Company and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company or any officer or director or controlling person of the Company, and shall survive delivery of and payment for the Securities.

This Agreement has been and is made solely for the benefit of the several Underwriters and the Company and of the controlling persons, directors and officers referred to in Section 6 hereof, and their respective successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. The term "successors and assigns" as used in this Agreement shall not include a

purchaser, as such purchaser, of Securities from any of the several Underwriters.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

This Agreement may be signed in two or more counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Time shall be of the essence of this Agreement. As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

The Company and the Underwriters each hereby irrevocably waive any right they may have to trial by jury in respect of any claim based upon or arising out of this Agreement or the transactions contemplated hereby.

Please confirm that the foregoing correctly sets forth the agreement between the Company and the several Underwriters.

Very truly yours,

CENTURYTEL, INC.

By: /s/ R. Stewart Ewing, Jr.

R. Stewart Ewing, Jr.
Executive Vice President, Chief Financial Officer
and Treasurer

Confirmed as of the date first
above mentioned:

GOLDMAN, SACHS & CO.

Acting on behalf of themselves
and as the Representatives
of the other several Underwriters

By: /s/ Goldman, Sachs & Co.

(Goldman, Sachs & Co.)

SCHEDULE I

Price and Related Terms

1. The initial public offering price per Security shall be \$25.00.
2. The purchase price per Security to be paid by the several Underwriters shall be \$24.21875, being an amount equal to the initial public offering price set forth above less \$0.78125 per Security.
3. The total distributions on the Securities will be 6.875% per annum, consisting of interest on the Senior Notes and contract adjustment payments relating to the Purchase Contracts. Each Purchase Contract will require the holder to purchase a number of shares of Common Stock on May 15, 2005, based on a range of prices between \$28.60 and \$36.00 per share, as further set forth in the Purchase Contract Agreement.

SCHEDULE II

Subsidiaries

CenturyTel Arkansas Holdings, Inc.

CenturyTel of Central Wisconsin, LLC

CenturyTel of Evangeline, LLC (successor to Evangeline Telephone Company)

CenturyTel of Arkansas, Inc. (formerly named Century Telephone of Arkansas, Inc.)

CenturyTel of Mountain Home, Inc. (formerly named Mountain Home Telephone Co., Inc.)

CenturyTel of Wisconsin, LLC (successor to Century Telephone of Wisconsin, Inc.)

CenturyTel Midwest-Michigan, Inc. (formerly named Century Telephone Midwest, Inc.)

Century Cellunet of Southern Michigan, Inc.

CenturyTel Wireless, Inc. (formerly named Century Cellunet, Inc.)

CenturyTel of Ohio, Inc. (formerly named Century Telephone of Ohio, Inc.)

Pacific Telecom Cellular, Inc.

Spectra Communications Group, LLC

Telephone USA of Wisconsin, LLC

CenturyTel of Washington, Inc.

CenturyTel of Eagle, Inc.

CenturyTel of Midwest-Kendall, LLC

CenturyTel of Montana, Inc.

CenturyTel of Northwest Arkansas, LLC

CenturyTel of Central Arkansas, LLC

CenturyTel Holdings, Inc.

CenturyTel of the Midwest-Wisconsin, LLC

CenturyTel of the Northwest, Inc.

CenturyTel of Michigan, Inc.

Celutel, Inc.

CenturyTel of San Marcos, Inc.

CenturyTel Wireless of Louisiana, Inc.

CenturyTel Service Group, LLC

SCHEDULE III

List of persons subject to lock-up

-

William R. Boles, Jr.

Virginia Boulet

Ernest Butler, Jr.

David D. Cole

Calvin Czeschin

R. Stewart Ewing, Jr.

James B. Gardner

W. Bruce Hanks

R.L. Hargrove, Jr.

Johnny Hebert

F. Earl Hogan

Michael Maslowski

C.G. Melville, Jr.

Harvey P. Perry

Glen F. Post, III

Karen A. Puckett

Jim D. Reppond

Clarke M. Williams

[EXHIBITS A, B AND C ARE INTENTIONALLY OMITTED]

**Exhibit 4.2(b)
to Registration Statement
Registration No. 333-84276**

First Supplemental Indenture

Dated as of May 1, 2002

to

Indenture dated March 31, 1994 by and between

CenturyTel, Inc. and Regions Bank, as Trustee

Senior Notes, Series J, due 2007

TABLE OF CONTENTS ¹

Page

ARTICLE 1

SENIOR NOTES, Series J, DUE 2007

<u>Section 1.01</u>	<u>Establishment</u>	<u>1</u>
<u>Section 1.02</u>	<u>Definitions</u>	<u>2</u>
<u>Section 1.03</u>	<u>Stated Maturity; Payment of Principal and Interest</u>	<u>4</u>
<u>Section 1.04</u>	<u>Form; Denominations</u>	<u>6</u>
<u>Section 1.05</u>	<u>Global 2007 Notes</u>	<u>6</u>
<u>Section 1.06</u>	<u>Paying Agents; Transfer Agents; Place of Payment</u>	<u>7</u>

ARTICLE 2

REDEMPTION

<u>Section 2.01</u>	<u>Tax Event Redemption</u>	<u>7</u>
<u>Section 2.02</u>	<u>Redemption Procedures for 2007 Notes</u>	<u>8</u>
<u>Section 2.03</u>	<u>No Sinking Fund</u>	<u>8</u>

ARTICLE 3

REMARKETING

<u>Section 3.01</u>	<u>Initial Remarketing Procedures</u>	<u>8</u>
<u>Section 3.02</u>	<u>Second Remarketing Procedures</u>	<u>11</u>
<u>Section 3.03</u>	<u>Third Remarketing Procedures</u>	<u>13</u>
<u>Section 3.04</u>	<u>Final Remarketing Procedures</u>	<u>16</u>

ARTICLE 4

MISCELLANEOUS PROVISIONS

<u>Section 4.01</u>	<u>Recitals by Corporation</u>	18
<u>Section 4.02</u>	<u>Ratification and Incorporation of Original Indenture</u>	18
<u>Section 4.03</u>	<u>Executed in Counterparts</u>	19

ARTICLE 5

TAX TREATMENT

<u>Section 5.01</u>	<u>Agreements</u>	19
---------------------	-------------------	----

¹ This Table of Contents does not constitute part of the Indenture or have any bearing upon the interpretation of any of its terms and provisions.

THIS FIRST SUPPLEMENTAL INDENTURE is made as of the 1st day of May 2002, by and between CENTURYTEL, INC., a Louisiana corporation, having its principal office at 100 CenturyTel Drive, Monroe, LA 71203 (the "Corporation"), and REGIONS BANK (successor-in-interest to First American Bank & Trust of Louisiana and Regions Bank of Louisiana), an Alabama state banking corporation, as trustee (herein called the "Trustee").

WITNESSETH:

WHEREAS, the Corporation has heretofore entered into an Indenture, dated as of March 31, 1994 (the "Original Indenture") with the Trustee;

WHEREAS, the Original Indenture is incorporated herein by this reference and the Original Indenture, as amended and supplemented to the date hereof, including by this First Supplemental Indenture, is herein called the "Indenture";

WHEREAS, under Section 2.01 of the Original Indenture, a new series of Securities may at any time be established in accordance with the provisions of the Original Indenture and the terms of such series may be described in a supplemental indenture executed by the Corporation and the Trustee;

WHEREAS, the Corporation proposes to create under the Original Indenture a new series of Securities;

WHEREAS, additional Securities of other series hereafter established, except as may be limited in the Original Indenture as at the time supplemented and modified, may be issued from time to time pursuant to the Original Indenture as at the time supplemented and modified; and

WHEREAS, all conditions necessary to authorize the execution and delivery of this First Supplemental Indenture and to make it a valid and binding obligation of the Corporation have been done or performed.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE 1

SENIOR NOTES, SERIES J, DUE 2007

Section 1.01 Establishment. There is hereby established a new series of Securities to be issued under the Original Indenture, to be designated as the Corporation's Senior Notes, Series J, due 2007 (the "2007 Notes").

There are to be authenticated and delivered \$500,000,000 aggregate principal amount of 2007 Notes (plus such additional principal amount of 2007 Notes, not exceeding \$75,000,000, if the over-allotment option referred to in the Underwriting Agreement (as defined in Section 1.02(a)) is exercised in whole or in part), and no additional 2007 Notes shall be authenticated and delivered except as provided by Sections 2.05, 2.06, 2.07, 3.03 and 9.04 of the Original Indenture. The 2007 Notes may be issued from time to time pursuant to a written order of the Corporation delivered to the Trustee for the authentication and delivery of 2007 Notes pursuant to Section 2.04 of the Original Indenture. The 2007 Notes shall be issued in fully registered form without coupons.

The 2007 Notes shall be in substantially the form set out in Exhibit A hereto, and the form of the Trustee's Certificate of Authentication for the 2007 Notes shall be in substantially the form set forth in Exhibit B hereto.

Each 2007 Note shall be dated the date of authentication thereof and shall bear interest from the Original Issue Date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for.

Section 1.02 Definitions. The following defined terms used herein shall, unless the context otherwise requires, have the meanings specified below. Capitalized terms used herein for which no definition is provided herein shall have the meanings set forth in the Original Indenture.

(a) The following terms have the meanings given to them in the Purchase Contract Agreement:

- (i) Applicable Principal Amount;
- (ii) Authorized Newspaper;
- (iii) Cash Settlement;
- (iv) Corporate Unit;
- (v) Final Remarketing;
- (vi) Final Remarketing Date;
- (vii) Holder;
- (viii) Initial Remarketing;
- (ix) Initial Remarketing Date;
- (x) Purchase Contract;
- (xi) Quotation Agent;
- (xii) Redemption Price;
- (xiii) Remarketing Agent;
- (xiv) Remarketing Agreement;
- (xv) Reset Rate;
- (xvi) Reset Spread;
- (xvii) Second Remarketing;
- (xviii) Second Remarketing Date;
- (xix) Successful Final Remarketing;
- (xx) Successful Initial Remarketing;
- (xxi) Successful Second Remarketing;
- (xxii) Successful Third Remarketing;
- (xxiii) Tax Event;
- (xxiv) Third Remarketing;
- (xxv) Third Remarketing Date;
- (xxvi) Treasury Portfolio;
- (xxvii) Treasury Portfolio Purchase Price;
- (xxviii) Treasury Unit;
- (xxix) Two-Year Benchmark Treasury; and
- (xxx) Underwriting Agreement.

(b) The following terms have the meanings given to them in this Section 1.02(b):

" Clearing Agency " means an organization registered as a "Clearing Agency" pursuant to Section 17A of the Securities Exchange Act of 1934 that is acting as a depository with respect to the Global 2007 Notes and in whose name, or in the name of a nominee of that organization, shall be registered a global security evidencing the respective rights and obligations of holders in respect of the Global 2007 Notes and which shall undertake to effect book entry transfers and pledges of the Global 2007 Notes.

" Clearing Agency Participant " means a broker, dealer, bank, other financial institution or other Person for whom from time to time the

Clearing Agency maintains a direct or indirect custodial relationship or effects book entry transfers and pledges of securities deposited with the Clearing Agency.

" Coupon Rate " shall have the meaning set forth in Section 1.03.

" Custodial Agent " shall have the meaning set forth in the Pledge Agreement.

" Failed Initial Remarketing " shall have the meaning set forth in Section 3.01(g).

" Failed Second Remarketing " shall have the meaning set forth in Section 3.02(g).

" Failed Third Remarketing " shall have the meaning set forth in Section 3.03(g).

" Global 2007 Notes " shall have the meaning set forth in Section 1.05.

" Interest Payment Date " shall have the meaning set forth in Section 1.03(b).

" Original Issue Date " means May 6, 2002.

" Pledge Agreement " means the Pledge Agreement dated as of May 1, 2002 among the Corporation, JPMorgan Chase Bank, as collateral agent (the " Collateral Agent "), custodial agent and securities intermediary, and the Purchase Contract Agent.

" Purchase Contract Agent " means the "Agent" under the Purchase Contract Agreement.

" Purchase Contract Agreement " means the Purchase Contract Agreement dated as of May 1, 2002, between the Corporation and Wachovia Bank, National Association, as purchase contract agent.

" Purchase Contract Settlement Date " means May 15, 2005.

" Regular Record Date " means, with respect to any Interest Payment Date for the 2007 Notes, the close of business on the first day of the month in which such Interest Payment Date falls.

" Reset Effective Date " means (i) February 15, 2005 in case the interest rate is reset on the Initial Remarketing Date, (ii) March 15, 2005 in case the interest rate is reset on the Second Remarketing Date, (iii) April 15, 2005 in case the interest rate is reset on the Third Remarketing Date, or (iv) the Purchase Contract Settlement Date, in case the interest rate is reset on the Final Remarketing Date.

" Stated Maturity " shall have the meaning set forth in Section 1.03(a).

" 2007 Notes " shall have the meaning specified in Section 1.01.

Section 1.03 Stated Maturity; Payment of Principal and Interest.

(a) The date upon which the principal of the 2007 Notes shall become due and payable at final maturity, together with any accrued and unpaid interest, is May 15, 2007 (the " Stated Maturity ").

(b) Each 2007 Note will bear interest initially at the rate of 6.02% per annum (the " Coupon Rate ") from the Original Issue Date through and including the day immediately preceding the Reset Effective Date and at the Reset Rate thereafter until the principal thereof is paid or duly made available for payment and shall bear interest, to the extent permitted by law, compounded quarterly, on any overdue principal and premium, if any, and on any overdue installment of interest at the Coupon Rate through and including the day immediately preceding the Reset Effective Date and at the Reset Rate thereafter, payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year (each, an " Interest Payment Date ") commencing on August 15, 2002, to the Person in whose name such 2007 Note, or any predecessor 2007 Note, is registered at the close of business on the Regular Record Date for such interest installment.

(c) The interest rate on the 2007 Notes will be reset on the Initial Remarketing Date, the Second Remarketing Date or the Third Remarketing Date, as the case may be, in connection with any successful remarketing on any such date, to the applicable Reset Rate (which Reset Rate will be effective on and after February 15, 2005, March 15, 2005 or April 15, 2005, as applicable). In the event of a Failed Third Remarketing, the interest rate on the 2007 Notes will be reset on the Final Remarketing Date to the applicable Reset Rate (which Reset Rate will be effective on and after the Purchase Contract Settlement Date). On the Business Day immediately following a Successful Initial Remarketing, a Successful Second Remarketing, a Successful Third Remarketing or the Final Remarketing Date, the Reset Rate will be announced by the Corporation (including in the case of a Failed Final Remarketing, the Reset Spread and Two-Year Benchmark Treasury) in an Authorized Newspaper or other customary method to ensure public dissemination.

(d) The amount of interest payable for any period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Except as provided in the following sentence, the amount of interest payable for any period shorter than a full quarterly period for which interest is computed will be computed on the basis of the actual number of days elapsed in such a 90-day period. In the event that any date on which interest is payable on the 2007 Notes is not a Business Day, then payment of the interest payable on such date will be made on the next succeeding day that is a Business Day, without any interest or other payment in respect of such delay, except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such Interest Payment Date.

Payment of principal of, premium, if any, and interest on the 2007 Notes shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Principal of, premium, if any, and interest on the 2007 Notes will be payable at the office or agency of the Corporation maintained for such purpose as described in Section 1.06 below; provided, however, that payment of interest may be made at the option of the Corporation by check mailed to the address of the Person entitled thereto as such address shall appear in the security register.

Payments of principal of, premium, if any, and interest on Global 2007 Notes shall be made by wire transfer of immediately available funds to the Holder of such Global 2007 Notes; provided that, in the case of payments of principal and premium, if any, such Global 2007 Notes are first surrendered to the Paying Agent.

Section 1.04 Form; Denominations. Except as provided in Section 1.05, the 2007 Notes shall be issued in fully registered definitive form without interest coupons, bearing identical terms.

The 2007 Notes may be issued, in whole or in part, in global form pursuant to Section 1.05 and, if issued in global form, the Clearing Agency shall be The Depository Trust Company or such other Clearing Agency as the Corporation may from time to time designate. Transfers of beneficial interests between any 2007 Note in fully registered definitive form and any Global 2007 Note will be effected pursuant to the terms of the Purchase Contract Agreement, the Pledge Agreement and the Indenture and the customary procedures of the Clearing Agency and the Clearing Agency Participants, and shall be reflected by endorsements of the Trustee, as custodian for the Clearing Agency, and the Collateral Agent on the schedule attached thereto.

The 2007 Notes shall be issuable in denominations of \$25 and integral multiples of \$25 in excess thereof.

Section 1.05 Global 2007 Notes. Any 2007 Notes that are no longer part of Corporate Units will be issued initially in the form of one or more global securities (the "Global 2007 Notes") registered in the name of the Clearing Agency or its nominee. Unless and until they are exchanged for 2007 Notes in definitive registered form as described below or upon recreation of Corporate Units from Treasury Units, such Global 2007 Notes may be transferred, in whole but not in part, only to the Clearing Agency or a nominee of the Clearing Agency, or to a successor Clearing Agency selected or approved by the Corporation or to a nominee of such successor Clearing Agency.

If at any time (i) the Clearing Agency notifies the Corporation that it is unwilling or unable to continue as a Clearing Agency for the Global 2007 Notes and no successor Clearing Agency shall have been appointed within 90 days after such notification, (ii) the Clearing Agency at any time ceases to be a clearing agency registered under the Securities Exchange Act of 1934 at any time the Clearing Agency is required to be so registered to act as such Clearing Agency and no successor Clearing Agency shall have been appointed within 90 days after the Corporation's becoming aware of the Clearing Agency's ceasing to be so registered or (iii) the Corporation, in its sole discretion, determines that the Global 2007 Notes shall be so exchangeable, the Corporation will execute, and, subject to Article II of the Original Indenture, the Trustee, upon receipt of a written order therefor, will authenticate and deliver the 2007 Notes in definitive registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global 2007 Note or Notes in exchange for such Global 2007 Note or Notes. Upon exchange of the Global 2007 Note or Notes for such 2007 Notes in definitive registered form without coupons, in authorized denominations, the Global 2007 Note or Notes shall be cancelled by the Trustee. Such 2007 Notes in definitive registered form issued in exchange for the Global 2007 Note or Notes shall be registered in such names and in such authorized denominations as the Clearing Agency, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Securities to the Clearing Agency for delivery to the Persons in whose names such Securities are so registered.

Section 1.06 Paying Agents; Transfer Agents; Place of Payment.

(a) The paying agent for the 2007 Notes shall initially be the Trustee (in such capacity, the "Paying Agent"), and the place of payment for the 2007 Notes shall initially be the Corporate Trust Office, which as of the date hereof for such purpose is located at 1500 North 18th Street, Monroe, Louisiana. Principal of, premium, if any, and interest with respect to certificated 2007 Notes will be payable at the office or agency of the Corporation maintained for such purpose in the City of Monroe, State of Louisiana or the Borough of Manhattan, the City and State of New York. The Trustee shall also serve as security registrar for the purpose of registering 2007 Notes and transfers or exchanges of 2007 Notes.

(b) The Corporation may from time to time designate one or more additional offices or agencies where 2007 Notes may be presented or surrendered for payment or may be surrendered for registration of transfer or exchange in accordance with Section 4.02 of the Original Indenture; provided that the Corporation shall at all times maintain a Paying Agent and an office or agency where 2007 Notes may be surrendered for registration of transfer or exchange, in each case in the Borough of Manhattan, The City of New York.

ARTICLE 2

REDEMPTION

Section 2.01 Tax Event Redemption. If a Tax Event shall occur and be continuing, the Corporation may, at its option, redeem the 2007 Notes in whole (but not in part) at any time at a price per 2007 Note equal to the Redemption Price. Installments of interest on 2007 Notes which are due and payable on or prior to the Redemption Date with respect to the 2007 Notes (the "Tax Event Redemption Date") will be payable to the Holders of the 2007 Notes registered as such at the close of business on the Regular Record Date. If, following the occurrence of a Tax Event prior to the Purchase Contract Settlement Date, the Corporation exercises its option to redeem the 2007 Notes, the Corporation shall appoint the Quotation Agent to assemble the Treasury Portfolio in consultation with the Corporation. Notice of any redemption will be mailed at least 30 days but not more than 60 days before the Tax Event Redemption Date to each Holder of the 2007 Notes to be redeemed at its address appearing in the security register. Unless the Corporation defaults in payment of the Redemption Price, on and after the Tax Event Redemption Date, interest shall cease to accrue on the 2007 Notes. The 2007 Notes are not redeemable otherwise than as provided in this Section 2.01. The Corporation will notify the Trustee of the Redemption Price promptly after the calculation thereof, and the Trustee shall have no responsibility for such calculation. Neither the Corporation nor the Trustee shall be required to register the transfer of or exchange the 2007 Notes redeemed pursuant to this Section 2.01.

Notwithstanding Section 3.02 of the Original Indenture, the notice of redemption with respect to the foregoing redemption need not set forth the Redemption Price but only the manner of calculation thereof.

Section 2.02 Redemption Procedures for 2007 Notes. Payment of the Redemption Price to each Holder of 2007 Notes shall be made by the Corporation, no later than 12:00 noon, New York City time, on the Tax Event Redemption Date, by check or wire transfer in immediately available funds at such place and to such account as may be designated by each such Holder of 2007 Notes, including the Purchase Contract Agent or the Collateral Agent, as the case may be. If the Trustee holds immediately available funds sufficient to pay the Redemption Price of the 2007 Notes, then, on such Tax Event Redemption Date, such 2007 Notes will cease to be outstanding and interest thereon will cease to accrue, whether or not such 2007 Notes have been received by the Corporation, and all other rights of the Holders in respect of the 2007 Notes shall terminate and lapse (other than the right to receive the Redemption Price upon delivery of such 2007 Notes but without interest on such Redemption Price).

Section 2.03 No Sinking Fund. The 2007 Notes are not entitled to the benefit of any sinking fund.

ARTICLE 3

REMARKETING

Section 3.01 Initial Remarketing Procedures.

(a) The Corporation will request, not later than seven nor more than 15 calendar days prior to the Initial Remarketing Date, that the Clearing Agency notify the Holders of the 2007 Notes of the Initial Remarketing.

(b) Not later than 5:00 p.m., New York City time, on the second Business Day immediately preceding the Initial Remarketing Date, but no earlier than the Interest Payment Date immediately preceding February 15, 2005, each Holder of the 2007 Notes not constituting components of Corporate Units may elect to have 2007 Notes held by such Holder remarketed. Holders of 2007 Notes that are not components of Corporate Units shall give notice of their election to have such 2007 Notes remarketed to the Custodial Agent pursuant to Section 4.6(c) of the Pledge Agreement. Any such notice shall be irrevocable after 5:00 p.m., New York City time, on the second Business Day immediately preceding the Initial Remarketing Date and may not be conditioned upon the level at which the Reset Rate is established.

Pursuant to Section 5.3(a) of the Purchase Contract Agreement, the Purchase Contract Agent shall notify, by 11:00 a.m., New York City time, on the Business Day immediately preceding the Initial Remarketing Date, the Remarketing Agent and the Corporation of the aggregate principal amount of 2007 Notes (that are components of Corporate Units) to be remarketed. Pursuant to Section 4.6(c) of the Pledge Agreement, the Custodial Agent shall notify the Remarketing Agent of the aggregate principal amount of 2007 Notes (that are not components of Corporate Units) to be remarketed. Under Section 5.3(a) of the Purchase Contract Agreement, 2007 Notes that constitute components of Corporate Units will be remarketed as provided therein and in this Section 3.01. The 2007 Notes that are not components of Corporate Units and which the Holders have elected to be remarketed in accordance with this paragraph (b) shall be remarketed pursuant to the Remarketing Agreement in the same manner and at the same price as the 2007 Notes that constitute components of Corporate Units. The 2007 Notes constituting components of Corporate Units shall be deemed tendered, notwithstanding any failure by the Holder of such Corporate Units to deliver or properly deliver such 2007 Notes to the Remarketing Agent for purchase.

(c) The right of each Holder to have 2007 Notes tendered for purchase shall be limited to the extent that (i) the Remarketing Agent conducts an Initial Remarketing pursuant to the terms of the Purchase Contract Agreement, (ii) 2007 Notes tendered have not been called for redemption, (iii) the Remarketing Agent is able to find a purchaser or purchasers for tendered 2007 Notes at a price per 2007 Note such that the aggregate price for the Applicable Principal Amount of 2007 Notes is not less than 100% of the Treasury Portfolio Purchase Price and (iv) such purchaser or purchasers deliver the purchase price therefor to the Remarketing Agent as and when required. The Holders of 2007 Notes that are remarketed in a Successful Initial Remarketing agree that the remarketing fee specified in Section 5.3(a) of the Purchase

Contract Agreement shall be deducted from the proceeds of the remarketing.

(d) On the Initial Remarketing Date, the Remarketing Agent shall use reasonable efforts to remarket, at a price per 2007 Note such that the aggregate price for the Applicable Principal Amount of 2007 Notes is equal to approximately 100.25% (but not less than 100%) of the Treasury Portfolio Purchase Price, 2007 Notes tendered or deemed tendered for purchase.

(e) If there are no Corporate Units outstanding and none of the Holders elect to have 2007 Notes held by them remarketed, the Reset Rate shall be the rate determined by the Remarketing Agent, subject to the terms of the Remarketing Agreement, as the rate that would have been established had a remarketing been held on the Initial Remarketing Date.

(f) If the Remarketing Agent has determined that it will be able to remarket all 2007 Notes tendered or deemed tendered prior to 4:00 p.m., New York City time, on the Initial Remarketing Date, the Remarketing Agent, subject to the terms of the Remarketing Agreement, shall determine the Reset Rate.

(g) If, by 4:00 p.m., New York City time, on the Initial Remarketing Date, (x) the Remarketing Agent is unable to remarket all 2007 Notes tendered or deemed tendered for purchase, at a price per 2007 Note such that the aggregate price for the Applicable Principal Amount of 2007 Notes is equal to at least 100% of the Treasury Portfolio Purchase Price, or (y) if the Initial Remarketing shall not have occurred because a condition precedent to the Initial Remarketing shall not have been fulfilled, a failed remarketing (each, a "Failed Initial Remarketing") shall be deemed to have occurred and the Remarketing Agent shall so advise by telephone the Collateral Agent, the Purchase Contract Agent, the Corporation, the Trustee and the Clearing Agency.

(h) By approximately 4:30 p.m., New York City time, on the Initial Remarketing Date, provided that there has not been a Failed Initial Remarketing, the Remarketing Agent shall advise by telephone (i) the Trustee, the Collateral Agent, the Purchase Contract Agent, the Corporation and the Clearing Agency of the Reset Rate determined in the Initial Remarketing and the aggregate principal amount of 2007 Notes sold in the Initial Remarketing, (ii) each purchaser (or the Clearing Agency Participant thereof) of the Reset Rate and the aggregate principal amount of 2007 Notes such purchaser is to purchase and (iii) each purchaser to give instructions to its Clearing Agency Participant to pay the purchase price on February 15, 2005 in same day funds against delivery of the 2007 Notes purchased through the facilities of the Clearing Agency.

(i) In accordance with the Clearing Agency's normal procedures, on February 15, 2005, the transactions described above with respect to each 2007 Note tendered for purchase and sold in the Initial Remarketing shall be executed through the Clearing Agency, and the accounts of the respective Clearing Agency Participants shall be debited and credited and such 2007 Notes delivered by book entry as necessary to effect purchases and sales of such 2007 Notes. The Clearing Agency shall make payment in accordance with its normal procedures.

(j) If any Holder selling 2007 Notes in the Initial Remarketing fails to deliver such 2007 Notes, the Clearing Agency Participant of such selling Holder and of any other Person that was to have purchased 2007 Notes in the Initial Remarketing may deliver to any such other Person an aggregate principal amount of 2007 Notes that is less than the aggregate principal amount of 2007 Notes that otherwise was to be purchased by such Person. In such event, the aggregate principal amount of 2007 Notes to be so delivered shall be determined by such Clearing Agency Participant, and delivery of such lesser aggregate principal amount of 2007 Notes shall constitute good delivery.

(k) The Remarketing Agent is not obligated to purchase any 2007 Notes in the Initial Remarketing or otherwise. Neither the Trustee, the Purchase Contract Agent, the Corporation nor the Remarketing Agent shall be obligated in any case to provide funds to make payment upon tender of 2007 Notes for remarketing.

(l) The tender and settlement procedures set forth in this Section 3.01, including provisions for payment by purchasers of 2007 Notes in the Initial Remarketing, shall be subject to modification, notwithstanding any provision to the contrary set forth herein, to the extent required by the Clearing Agency or, if the book-entry system is no longer available for the 2007 Notes at the time of the Initial Remarketing, to facilitate the tendering and remarketing of 2007 Notes in certificated form. In addition, the Remarketing Agent may, notwithstanding any provision to the contrary set forth herein, modify the settlement procedures set forth herein in order to facilitate the settlement process.

(m) Anything herein to the contrary notwithstanding, the Reset Rate shall in no event exceed the maximum rate, if any, permitted by applicable law and, as to be provided in the Remarketing Agreement, the Remarketing Agent shall not have any obligation to determine whether there is any limitation under applicable law on the Reset Rate or, if there is any such limitation, the maximum permissible Reset Rate on the 2007 Notes and it shall rely solely upon written notice from the Corporation (which the Corporation agrees to provide prior to the tenth Business Day before February 15, 2005) as to whether or not there is any such limitation and, if so, the maximum permissible Reset Rate.

Section 3.02 Second Remarketing Procedures.

(a) If a Failed Initial Remarketing has occurred, the Corporation will request, not later than seven nor more than 15 calendar days prior to the Second Remarketing Date, that the Clearing Agency notify the Holders of the 2007 Notes of the Second Remarketing.

(b) If a Failed Initial Remarketing has occurred, then, not later than 5:00 p.m., New York City time, on the second Business Day immediately preceding the Second Remarketing Date, but no earlier than the Interest Payment Date immediately preceding March 15, 2005, each Holder of the 2007 Notes not constituting components of Corporate Units may elect to have 2007 Notes held by such Holder remarketed. Holders of 2007 Notes that are not components of Corporate Units shall give notice of their election to have such 2007 Notes remarketed to the Custodial Agent pursuant to Section 4.6(c) of the Pledge Agreement. Any such notice shall be irrevocable after 5:00 p.m., New York City time, on the second Business Day immediately preceding the Second Remarketing Date and may not be conditioned upon the level at which the Reset Rate is established.

Pursuant to Section 5.3(b) of the Purchase Contract Agreement, the Purchase Contract Agent shall notify, by 11:00 a.m., New York City time, on the Business Day immediately preceding the Second Remarketing Date, the Remarketing Agent and the Corporation of the aggregate principal amount of 2007 Notes (that are components of Corporate Units) to be remarketed. Pursuant to Section 4.6(c) of the Pledge Agreement, the Custodial Agent shall notify the Remarketing Agent of the aggregate principal amount of 2007 Notes (that are not components of Corporate Units) to be remarketed. Under Section 5.3(b) of the Purchase Contract Agreement, 2007 Notes that constitute components of Corporate Units will be remarketed as provided therein and in this Section 3.02. The 2007 Notes that are not components of Corporate Units and which the Holders have elected to be remarketed in accordance with this paragraph (b) shall be remarketed pursuant to the Remarketing Agreement in the same manner and at the same price as the 2007 Notes that constitute components of Corporate Units. The 2007 Notes constituting components of Corporate Units shall be deemed tendered, notwithstanding any failure by the Holder of such Corporate Units to deliver or properly deliver such 2007 Notes to the Remarketing Agent for purchase.

(c) The right of each Holder to have 2007 Notes tendered for purchase shall be limited to the extent that (i) the Remarketing Agent conducts a Second Remarketing pursuant to the terms of the Purchase Contract Agreement, (ii) 2007 Notes tendered have not been called for redemption, (iii) the Remarketing Agent is able to find a purchaser or purchasers for tendered 2007 Notes at a price per 2007 Note such that the aggregate price for the Applicable Principal Amount of 2007 Notes is not less than 100% of the Treasury Portfolio Purchase Price and (iv) such purchaser or purchasers deliver the purchase price therefor to the Remarketing Agent as and when required. The Holders of 2007 Notes that are remarketed in a Successful Second Remarketing agree that the remarketing fee specified in Section 5.3(b) of the Purchase Contract Agreement shall be deducted from the proceeds of the remarketing.

(d) On the Second Remarketing Date, the Remarketing Agent shall use reasonable efforts to remarket, at a price per 2007 Note such that the aggregate price for the Applicable Principal Amount of 2007 Notes is equal to approximately 100.25% (but not less than 100%) of the Treasury Portfolio Purchase Price, 2007 Notes tendered or deemed tendered for purchase.

(e) If there are no Corporate Units outstanding and none of the Holders elect to have 2007 Notes held by them remarketed, the Reset Rate shall be the rate determined by the Remarketing Agent, subject to the terms of the Remarketing Agreement, as the rate that would have been established had a remarketing been held on the Second Remarketing Date.

(f) If the Remarketing Agent has determined that it will be able to remarket all 2007 Notes tendered or deemed tendered prior to 4:00 p.m., New York City time, on the Second Remarketing Date, the Remarketing Agent, subject to the terms of the Remarketing Agreement, shall determine the Reset Rate.

(g) If, by 4:00 p.m., New York City time, on the Second Remarketing Date, (x) the Remarketing Agent is unable to remarket all 2007 Notes tendered or deemed tendered for purchase, at a price per 2007 Note such that the aggregate price for the Applicable Principal Amount of 2007 Notes is equal to at least 100% of the Treasury Portfolio Purchase Price, or (y) if the Second Remarketing shall not have occurred because a condition precedent to the Second Remarketing shall not have been fulfilled, a failed remarketing (each, a "Failed Second Remarketing") shall be deemed to have occurred and the Remarketing Agent shall so advise by telephone the Collateral Agent, the Purchase Contract Agent, the Corporation, the Trustee and the Clearing Agency.

(h) By approximately 4:30 p.m., New York City time, on the Second Remarketing Date, provided that there has not been a Failed Second Remarketing, the Remarketing Agent shall advise by telephone (i) the Trustee, the Collateral Agent, the Purchase Contract Agent, the Corporation and the Clearing Agency of the Reset Rate determined in the Second Remarketing and the aggregate principal amount of 2007 Notes sold in the Second Remarketing, (ii) each purchaser (or the Clearing Agency Participant thereof) of the Reset Rate and the aggregate principal amount of 2007 Notes such purchaser is to purchase and (iii) each purchaser to give instructions to its Clearing Agency Participant to pay the purchase price on March 15, 2005 in same day funds against delivery of the 2007 Notes purchased through the facilities of the Clearing Agency.

(i) In accordance with the Clearing Agency's normal procedures, on March 15, 2005, the transactions described above with respect to each 2007 Note tendered for purchase and sold in the Second Remarketing shall be executed through the Clearing Agency, and the accounts of the respective Clearing Agency Participants shall be debited and credited and such 2007 Notes delivered by book-entry as necessary to effect purchases and sales of such 2007 Notes. The Clearing Agency shall make payment in accordance with its normal procedures.

(j) If any Holder selling 2007 Notes in the Second Remarketing fails to deliver such 2007 Notes, the Clearing Agency Participant of such selling Holder and of any other Person that was to have purchased 2007 Notes in the Second Remarketing may deliver to any such other Person an aggregate principal amount of 2007 Notes that is less than the aggregate principal amount of 2007 Notes that otherwise was to be purchased by such Person. In such event, the aggregate principal amount of 2007 Notes to be so delivered shall be determined by such Clearing Agency Participant, and delivery of such lesser aggregate principal amount of 2007 Notes shall constitute good

delivery.

(k) The Remarketing Agent is not obligated to purchase any 2007 Notes in the Second Remarketing or otherwise. Neither the Trustee, the Purchase Contract Agent, the Corporation nor the Remarketing Agent shall be obligated in any case to provide funds to make payment upon tender of 2007 Notes for remarketing.

(l) The tender and settlement procedures set forth in this Section 3.02, including provisions for payment by purchasers of 2007 Notes in the Second Remarketing, shall be subject to modification, notwithstanding any provision to the contrary set forth herein, to the extent required by the Clearing Agency or, if the book-entry system is no longer available for the 2007 Notes at the time of the Second Remarketing, to facilitate the tendering and remarketing of 2007 Notes in certificated form. In addition, the Remarketing Agent may, notwithstanding any provision to the contrary set forth herein, modify the settlement procedures set forth herein in order to facilitate the settlement process.

(m) Anything herein to the contrary notwithstanding, the Reset Rate shall in no event exceed the maximum rate, if any, permitted by applicable law and, as to be provided in the Remarketing Agreement, the Remarketing Agent shall not have any obligation to determine whether there is any limitation under applicable law on the Reset Rate or, if there is any such limitation, the maximum permissible Reset Rate on the 2007 Notes and it shall rely solely upon written notice from the Corporation (which the Corporation agrees to provide prior to the tenth Business Day before March 15, 2005) as to whether or not there is any such limitation and, if so, the maximum permissible Reset Rate.

Section 3.03 Third Remarketing Procedures.

(a) If a Failed Second Remarketing has occurred, the Corporation will request, not later than seven nor more than 15 calendar days prior to the Third Remarketing Date, that the Clearing Agency notify the Holders of the 2007 Notes of the Third Remarketing.

(b) If a Failed Second Remarketing has occurred, then, not later than 5:00 p.m., New York City time, on the second Business Day immediately preceding the Third Remarketing Date, but no earlier than the Interest Payment Date immediately preceding April 15, 2005, each Holder of the 2007 Notes not constituting components of Corporate Units may elect to have 2007 Notes held by such Holder remarketed. Holders of 2007 Notes that are not components of Corporate Units shall give notice of their election to have such 2007 Notes remarketed to the Custodial Agent pursuant to Section 4.6(c) of the Pledge Agreement. Any such notice shall be irrevocable after 5:00 p.m., New York City time, on the second Business Day immediately preceding the Third Remarketing Date and may not be conditioned upon the level at which the Reset Rate is established.

Pursuant to Section 5.3(c) of the Purchase Contract Agreement, the Purchase Contract Agent shall notify, by 11:00 a.m., New York City time, on the Business Day immediately preceding the Third Remarketing Date, the Remarketing Agent and the Corporation of the aggregate principal amount of 2007 Notes (that are components of Corporate Units) to be remarketed. Pursuant to Section 4.6(c) of the Pledge Agreement, the Custodial Agent shall notify the Remarketing Agent of the aggregate principal amount of 2007 Notes (that are not components of Corporate Units) to be remarketed. Under Section 5.3(c) of the Purchase Contract Agreement, 2007 Notes that constitute components of Corporate Units will be remarketed as provided therein and in this Section 3.03. The 2007 Notes that are not components of Corporate Units and which the Holders have elected to be remarketed in accordance with this paragraph (b) shall be remarketed pursuant to the Remarketing Agreement in the same manner and at the same price as the 2007 Notes that constitute components of Corporate Units. The 2007 Notes constituting components of Corporate Units shall be deemed tendered, notwithstanding any failure by the Holder of such Corporate Units to deliver or properly deliver such 2007 Notes to the Remarketing Agent for purchase.

(c) The right of each Holder to have 2007 Notes tendered for purchase shall be limited to the extent that (i) the Remarketing Agent conducts a Third Remarketing pursuant to the terms of the Purchase Contract Agreement, (ii) 2007 Notes tendered have not been called for redemption, (iii) the Remarketing Agent is able to find a purchaser or purchasers for tendered 2007 Notes at a price per 2007 Note such that the aggregate price for the Applicable Principal Amount of 2007 Notes is not less than 100% of the Treasury Portfolio Purchase Price and (iv) such purchaser or purchasers deliver the purchase price therefor to the Remarketing Agent as and when required. The Holders of 2007 Notes that are remarketed in a Successful Third Remarketing agree that the remarketing fee specified in Section 5.3(c) of the Purchase Contract Agreement shall be deducted from the proceeds of the remarketing.

(d) On the Third Remarketing Date, the Remarketing Agent shall use reasonable efforts to remarket, at a price per 2007 Note such that the aggregate price for the Applicable Principal Amount of 2007 Notes is equal to approximately 100.25% (but not less than 100%) of the Treasury Portfolio Purchase Price, 2007 Notes tendered or deemed tendered for purchase.

(e) If there are no Corporate Units outstanding and none of the Holders elect to have 2007 Notes held by them remarketed, the Reset Rate shall be the rate determined by the Remarketing Agent, subject to the terms of the Remarketing Agreement, as the rate that would have been established had a remarketing been held on the Third Remarketing Date.

(f) If the Remarketing Agent has determined that it will be able to remarket all 2007 Notes tendered or deemed tendered prior to 4:00 p.m., New York City time, on the Third Remarketing Date, the Remarketing Agent, subject to the terms of the Remarketing Agreement, shall determine the Reset Rate.

(g) If, by 4:00 p.m., New York City time, on the Third Remarketing Date, (x) the Remarketing Agent is unable to remarket all 2007 Notes tendered or deemed tendered for purchase, at a price per 2007 Note such that the aggregate price for the Applicable Principal Amount of 2007 Notes is equal to at least 100% of the Treasury Portfolio Purchase Price, or (y) if the Third Remarketing shall not have occurred because a condition precedent to the Third Remarketing shall not have been fulfilled, a failed remarketing (each, a "Failed Third Remarketing") shall be deemed to have occurred and the Remarketing Agent shall so advise by telephone the Collateral Agent, the Purchase Contract Agent, the Corporation, the Trustee and the Clearing Agency.

(h) By approximately 4:30 p.m., New York City time, on the Third Remarketing Date, provided that there has not been a Failed Third Remarketing, the Remarketing Agent shall advise by telephone (i) the Trustee, the Collateral Agent, the Purchase Contract Agent, the Corporation and the Clearing Agency of the Reset Rate determined in the Third Remarketing and the aggregate principal amount of 2007 Notes sold in the Third Remarketing, (ii) each purchaser (or the Clearing Agency Participant thereof) of the Reset Rate and the aggregate principal amount of 2007 Notes such purchaser is to purchase and (iii) each purchaser to give instructions to its Clearing Agency Participant to pay the purchase price on April 15, 2005 in same day funds against delivery of the 2007 Notes purchased through the facilities of the Clearing Agency.

(i) In accordance with the Clearing Agency's normal procedures, on April 15, 2005, the transactions described above with respect to each 2007 Note tendered for purchase and sold in the Third Remarketing shall be executed through the Clearing Agency, and the accounts of the respective Clearing Agency Participants shall be debited and credited and such 2007 Notes delivered by book entry as necessary to effect purchases and sales of such 2007 Notes. The Clearing Agency shall make payment in accordance with its normal procedures.

(j) If any Holder selling 2007 Notes in the Third Remarketing fails to deliver such 2007 Notes, the Clearing Agency Participant of such selling Holder and of any other Person that was to have purchased 2007 Notes in the Third Remarketing may deliver to any such other Person an aggregate principal amount of 2007 Notes that is less than the aggregate principal amount of 2007 Notes that otherwise was to be purchased by such Person. In such event, the aggregate principal amount of 2007 Notes to be so delivered shall be determined by such Clearing Agency Participant, and delivery of such lesser aggregate principal amount of 2007 Notes shall constitute good delivery.

(k) The Remarketing Agent is not obligated to purchase any 2007 Notes in the Third Remarketing or otherwise. Neither the Trustee, the Purchase Contract Agent, the Corporation nor the Remarketing Agent shall be obligated in any case to provide funds to make payment upon tender of 2007 Notes for remarketing.

(l) The tender and settlement procedures set forth in this Section 3.03, including provisions for payment by purchasers of 2007 Notes in the Third Remarketing, shall be subject to modification, notwithstanding any provision to the contrary set forth herein, to the extent required by the Clearing Agency or, if the book-entry system is no longer available for the 2007 Notes at the time of the Third Remarketing, to facilitate the tendering and remarketing of 2007 Notes in certificated form. In addition, the Remarketing Agent may, notwithstanding any provision to the contrary set forth herein, modify the settlement procedures set forth herein in order to facilitate the settlement process.

(m) Anything herein to the contrary notwithstanding, the Reset Rate shall in no event exceed the maximum rate, if any, permitted by applicable law and, as to be provided in the Remarketing Agreement, the Remarketing Agent shall not have any obligation to determine whether there is any limitation under applicable law on the Reset Rate or, if there is any such limitation, the maximum permissible Reset Rate on the 2007 Notes and it shall rely solely upon written notice from the Corporation (which the Corporation agrees to provide prior to the tenth Business Day before April 15, 2005) as to whether or not there is any such limitation and, if so, the maximum permissible Reset Rate.

Section 3.04 Final Remarketing Procedures.

(a) If a Failed Third Remarketing has occurred, the Corporation will request, not later than seven nor more than 15 calendar days prior to the Final Remarketing Date, that the Clearing Agency notify the Holders of the 2007 Notes of the Final Remarketing and the procedures to be followed by such Holders of 2007 Notes wishing to settle the related Purchase Contracts with separate cash on the fourth Business Day immediately preceding the Purchase Contract Settlement Date.

(b) If a Failed Third Remarketing has occurred, then, not later than 5:00 p.m., New York City time on the second Business Day immediately preceding the Final Remarketing Date, but no earlier than the Interest Payment Date immediately preceding May 15, 2005, each Holder of 2007 Notes may elect to have 2007 Notes held by such Holder remarketed. Holders of 2007 Notes that are not components of Corporate Units shall give notice of their election to have such 2007 Notes remarketed to the Custodial Agent pursuant to Section 4.6(c) of the Pledge Agreement. Any such notice shall be irrevocable after 5:00 p.m., New York City time, on the second Business Day immediately preceding the Final Remarketing Date and may not be conditioned upon the level at which the Reset Rate is established.

Pursuant to Section 5.4 of the Purchase Contract Agreement, the Purchase Contract Agent shall notify, by 11:00 a.m., New York City time, on the Business Day immediately preceding the Final Remarketing Date, the Remarketing Agent and the Corporation of the aggregate principal amount of 2007 Notes (that are components of Corporate Units) to be remarketed. Pursuant to Section 4.6(c) of the Pledge Agreement, the Custodial Agent shall notify the Remarketing Agent of the aggregate principal amount of 2007 Notes (that are components of Corporate Units) to be remarketed. Under Section 5.4(b) of the Purchase Contract Agreement, 2007 Notes that constitute components of Corporate Units will be remarketed as provided therein and in this Section 3.04. The 2007 Notes that are not components of Corporate Units

and which the Holders have elected to be remarketed in accordance with this paragraph (b) shall be remarketed pursuant to the Remarketing Agreement in the same manner and at the same price as the 2007 Notes that constitute components of Corporate Units.

(c) If any Holder of Corporate Units does not give a notice of its intention to make a Cash Settlement or gives a notice of election to tender 2007 Notes as described in Section 3.04(b), the 2007 Notes of such Holder shall be deemed tendered, notwithstanding any failure by such Holder to deliver or properly deliver such 2007 Notes to the Remarketing Agent for purchase.

(d) The right of each Holder to have 2007 Notes tendered for purchase shall be limited to the extent that (i) the Remarketing Agent conducts a Final Remarketing pursuant to the terms of the Purchase Contract Agreement, (ii) 2007 Notes tendered have not been called for redemption, (iii) the Remarketing Agent is able to find a purchaser or purchasers for tendered 2007 Notes at a price of not less than 100% of the principal amount thereof, and (iv) such purchaser or purchasers deliver the purchase price therefor to the Remarketing Agent as and when required. The Holders of 2007 Notes that are remarketed in a Successful Final Remarketing agree that the remarketing fee specified in Section 5.4 of the Purchase Contract Agreement shall be deducted from the proceeds of the remarketing.

(e) On the Final Remarketing Date, the Remarketing Agent shall use reasonable efforts to remarket, at a price equal to approximately 100.25% (but not less than 100%) of the aggregate principal amount thereof, 2007 Notes tendered or deemed tendered for purchase.

(f) If there are no Corporate Units outstanding and none of the Holders elect to have 2007 Notes held by them remarketed, the Reset Rate shall be the rate determined by the Remarketing Agent, subject to the terms of the Remarketing Agreement, as the rate that would have been established had a remarketing been held on the Final Remarketing Date.

(g) On the Final Remarketing Date, the Remarketing Agent shall, pursuant to the terms of the Remarketing Agreement, determine the Reset Rate.

(h) If, by 4:00 p.m., New York City time, on the Final Remarketing Date, (x) the Remarketing Agent is unable to remarket all 2007 Notes tendered or deemed tendered for purchase, at a price per 2007 Note such that the aggregate price for the 2007 Notes is equal to at least 100% of the aggregate principal amount of the 2007 Notes, or (y) if the Final Remarketing shall not have occurred because a condition precedent to the Final Remarketing shall not have been fulfilled, a failed remarketing ("Failed Final Remarketing") shall be deemed to have occurred and the Remarketing Agent shall so advise by telephone the Trustee, the Collateral Agent, the Purchase Contract Agent, the Corporation and the Clearing Agency.

(i) By approximately 4:30 p.m., New York City time, on the Final Remarketing Date, provided that there has not been a Failed Final Remarketing, the Remarketing Agent shall advise by telephone (i) the Trustee, the Collateral Agent, the Purchase Contract Agent, the Corporation and the Clearing Agency of the Reset Rate determined in the Final Remarketing and the aggregate principal amount of 2007 Notes sold in the Final Remarketing, (ii) each purchaser (or the Clearing Agency Participant thereof) of the Reset Rate and the aggregate principal amount of 2007 Notes such purchaser is to purchase and (iii) each purchaser to give instructions to its Clearing Agency Participant to pay the purchase price on the Purchase Contract Settlement Date in same day funds against delivery of the 2007 Notes purchased through the facilities of the Clearing Agency.

(j) In accordance with the Clearing Agency's normal procedures, on the Purchase Contract Settlement Date, the transactions described above with respect to each 2007 Note tendered for purchase and sold in the Final Remarketing shall be executed through the Clearing Agency, and the accounts of the respective Clearing Agency Participants shall be debited and credited and such 2007 Notes delivered by book-entry as necessary to effect purchases and sales of such 2007 Notes. The Clearing Agency shall make payment in accordance with its normal procedures.

(k) If any Holder selling 2007 Notes in the Final Remarketing fails to deliver such 2007 Notes, the Clearing Agency Participant of such selling Holder and of any other Person that was to have purchased 2007 Notes in the Final Remarketing may deliver to any such other Person an aggregate principal amount of 2007 Notes that is less than the aggregate principal amount of 2007 Notes that otherwise was to be purchased by such Person. In such event, the aggregate principal amount of 2007 Notes to be so delivered shall be determined by such Clearing Agency Participant, and delivery of such lesser aggregate principal amount of 2007 Notes shall constitute good delivery.

(l) The Remarketing Agent is not obligated to purchase any 2007 Notes in the Final Remarketing or otherwise. Neither the Trustee, the Purchase Contract Agent, the Corporation nor the Remarketing Agent shall be obligated in any case to provide funds to make payment upon tender of 2007 Notes for remarketing.

(m) The tender and settlement procedures set forth in this 3.04, including provisions for payment by purchasers of 2007 Notes in the Final Remarketing, shall be subject to modification, notwithstanding any provision to the contrary set forth herein, to the extent required by the Clearing Agency or, if the book-entry system is no longer available for the 2007 Notes at the time of the Final Remarketing, to facilitate the tendering and remarketing of 2007 Notes in certificated form. In addition, the Remarketing Agent may, notwithstanding any provision to the contrary set forth herein, modify the settlement procedures set forth herein in order to facilitate the settlement process.

(n) Anything herein to the contrary notwithstanding, the Reset Rate shall in no event exceed the maximum rate, if any, permitted by applicable law and, as to be provided in the Remarketing Agreement, the Remarketing Agent shall not have any obligation to

determine whether there is any limitation under applicable law on the Reset Rate or, if there is any such limitation, the maximum permissible Reset Rate on the 2007 Notes and they shall rely solely upon written notice from the Corporation (which the Corporation agrees to provide prior to the tenth Business Day before the Purchase Contract Settlement Date) as to whether or not there is any such limitation and, if so, the maximum permissible Reset Rate.

ARTICLE 4

MISCELLANEOUS PROVISIONS

Section 4.01 Recitals by Corporation. The recitals in this First Supplemental Indenture are made by the Corporation only and not by the Trustee, and all of the provisions contained in the Original Indenture in respect of the rights, privileges, immunities, powers and duties of the Trustee shall be applicable in respect of the 2007 Notes and this First Supplemental Indenture as fully and with like effect as if set forth herein in full.

Section 4.02 Ratification and Incorporation of Original Indenture. As supplemented hereby, the Original Indenture is in all respects ratified and confirmed, and the Original Indenture and this First Supplemental Indenture shall be read, taken and construed as one and the same instrument.

Section 4.03 Executed in Counterparts. This First Supplemental Indenture may be executed in several counterparts, each of which shall be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

ARTICLE 5

TAX TREATMENT

Section 5.01 Agreements. The Corporation agrees, and by purchasing a beneficial ownership interest in the 2007 Notes each Holder of the 2007 Notes will be deemed to have agreed, for United States federal income tax purposes (a) to treat the acquisition of a Corporate Unit as the acquisition of a unit consisting of a stock purchase contract and a note issued by the Corporation and to treat the 2007 Notes as indebtedness that is subject to Treas. Reg. Sec. 1.1275-4 (the "Contingent Payment Regulations") and (b) to be bound by the Corporation's determination of the "comparable yield" and "projected payment schedule," within the meaning of the Contingent Payment Regulations, with respect to the 2007 Notes. The Corporation has determined that the comparable yield is an annual rate of 7.4%, compounded quarterly. Based on the comparable yield, the projected payment schedule per 2007 Note is \$0.41 for the period ending on August 15, 2002, \$0.38 for each subsequent quarter ending on February 15, 2005, \$0.59 for each quarter ending after February 15, 2005 and \$25.59 at maturity.

IN WITNESS WHEREOF, each party hereto has caused this instrument to be signed in its name and behalf by its duly authorized officers, all as of the day and year first above written.

CENTURYTEL, INC.

By: /s/ R. Stewart Ewing, Jr.

R. Stewart Ewing, Jr.
Executive Vice President, Chief Financial
Officer and Treasurer

By: /s/ Stacey W. Goff

Stacey W. Goff
Vice President and Assistant Secretary

Attest:

/s/ Harvey P. Perry

Harvey P. Perry
Executive Vice President, Chief Administrative
Officer, General Counsel and Secretary

REGIONS BANK,
as Trustee

By: /s/ JoAnn Mayfield

JoAnn Mayfield
Vice President/Corporate Trust Officer

EXHIBIT A

(Form of Face of 2007 Note)

[If the 2007 Note is to be a Global 2007 Note, insert: THIS 2007 NOTE IS A GLOBAL 2007 NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE CLEARING AGENCY OR A NOMINEE OF THE CLEARING AGENCY. THIS 2007 NOTE IS EXCHANGEABLE FOR 2007 NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE CLEARING AGENCY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS 2007 NOTE (OTHER THAN A TRANSFER OF THIS 2007 NOTE AS A WHOLE BY THE CLEARING AGENCY TO A NOMINEE OF THE CLEARING AGENCY OR BY A NOMINEE OF THE CLEARING AGENCY TO THE CLEARING AGENCY OR ANOTHER NOMINEE OF THE CLEARING AGENCY OR TO A SUCCESSOR CLEARING AGENCY OR TO A NOMINEE OF SUCH SUCCESSOR) MAY BE REGISTERED EXCEPT IN LIMITED CIRCUMSTANCES.

UNLESS THIS 2007 NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY 2007 NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT HEREON IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]¹

CUSIP No. 156700AD8

\$
No.

CENTURYTEL, INC.
SENIOR NOTE, SERIES J, DUE 2007

CenturyTel, Inc., a Louisiana corporation (the "Corporation," which term includes any successor corporation under the Indenture referred to on the reverse hereof), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ DOLLARS (\$ _____), [or such other principal amount as shall be set forth in the Schedule of Increases or Decreases attached hereto]1, on May 15, 2007 (such date is hereinafter referred to as the "Stated Maturity"), and to pay interest on said principal sum from May 6, 2002 or from the next most recent date to which interest has been paid or duly provided for, quarterly in arrears, on February 15, May 15, August 15 and November 15 of each year (each such date, an "Interest Payment Date"), commencing on August 15, 2002, initially at the rate of 6.02% per annum through and including the day immediately preceding the Reset Effective Date and at the Reset Rate thereafter until the principal hereof shall have been paid or duly made available for payment and, to the extent permitted by law, to pay interest, compounded quarterly, on any overdue principal and premium, if any, and on any overdue installment of interest at the rate per annum of 6.02% through and including the day immediately preceding the Reset Effective Date and at the Reset Rate thereafter. The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year consisting of twelve 30-day months and, except as provided in the Indenture (as defined below), the amount of interest payable for any period shorter than a full quarterly period for which interest is computed will be computed on the basis of the actual number of days elapsed in such 90-day period. In the event that any date on which interest is payable on this 2007 Note is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such Interest Payment Date. The interest installment so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this 2007 Note (or one or more predecessor Securities) is registered at the close of business on the Regular Record Date for such interest installment, which shall be the close of business on the first day of the month in which such Interest Payment Date falls. Any such interest installment not punctually paid or duly provided for, on any Interest Payment Date, shall forthwith cease to be payable to the Holders at the close of business on such Regular Record Date and may be paid by the Corporation to the Person in whose name this 2007 Note is registered at the close of business on a special record date to be fixed by the Trustee for the payment of such Defaulted Interest, which shall not be more than 15 or less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of such proposed payment, and notice of which shall be given to the Holders of the 2007 Notes not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange, if any, on which the 2007 Notes shall be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture. The principal of (and premium, if any) and the interest on this 2007

Note shall be payable at the office or agency of the Corporation maintained for that purpose in the City of Monroe, State of Louisiana, or the Borough of Manhattan, The City and State of New York, in any coin or currency of the United States of America that at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest may be made at the option of the Corporation by check mailed to the address of the Person entitled thereto as such address shall appear in the security register.

The indebtedness evidenced by this 2007 Note is, to the extent provided in the Indenture, senior and unsecured and will rank in right of payment on parity with all other senior unsecured obligations of the Corporation.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS 2007 NOTE SET FORTH ON THE FOLLOWING PAGES HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this 2007 Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

¹ Insert in Global 2007 Notes and Pledged Senior Notes (as defined in the Pledge Agreement).

IN WITNESS WHEREOF, the Corporation has caused this instrument to be duly executed under its corporate seal.

CENTURYTEL, INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

Attest:

Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

REGIONS BANK, as Trustee, Authenticating
Agent and Security Registrar
By: _____
Authorized Officer

Dated:

This 2007 Note is one of a duly authorized issue of Securities of the Corporation (the "Securities") issued and issuable in one or more series under an Indenture, dated as of March 31, 1994, as supplemented by the First Supplemental Indenture dated May 1, 2002 (collectively, the "Indenture"), between the Corporation and Regions Bank (successor-in-interest to First American Bank & Trust of Louisiana and Regions Bank of Louisiana), as trustee (the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitation of rights, duties and immunities thereunder of the Corporation, the Trustee and the Holders of the Securities issued thereunder and of the terms upon which said Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof as Senior Notes, Series J, due 2007 (the "2007 Notes"). Such series is limited in aggregate principal amount to \$500,000,000 (or \$575,000,000 if the over-allotment option referred to in the Underwriting Agreement is exercised in full). Capitalized terms used herein for which no definition is provided herein shall have the meanings set forth in the Indenture.

If a Tax Event shall occur and be continuing, the Corporation may, at its option, redeem the 2007 Notes in whole (but not in part) at any time at a price per 2007 Note equal to the Redemption Price. The Redemption Price shall be paid to each Holder of the 2007 Notes by the Corporation, no later than 12:00 noon, New York City time, on the Tax Event Redemption Date, by check or wire transfer in immediately available funds, at such place and to such account as may be designated by each such Holder.

Certain provisions relating to the remarketing of the 2007 Notes are set forth in the Indenture.

The 2007 Notes are not entitled to the benefit of any sinking fund.

In case an Event of Default, as defined in the Indenture, with respect to the 2007 Notes shall have occurred and be continuing, the principal of the 2007 Notes may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions permitting the Corporation and the Trustee, with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities of each series affected at the time Outstanding, as defined in the Indenture, to execute supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating and of the provisions of the Indenture or of any supplemental indenture or of modifying in any manner the rights of the Holders of the Securities, provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any Securities or any series, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Holder of each Security so affected or (ii) reduce the aforesaid percentage of Securities, the Holders of which are required to consent to any such supplemental indenture, without the consent of the Holders of each Security then Outstanding and affected thereby. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Securities of any series at the time Outstanding, on behalf of the Holders of Securities of such series, to waive any past default in the performance of any of the covenants contained in the Indenture, or established pursuant to the Indenture with respect to such series, and its consequences, except a default in the payment of the principal of, or premium, if any, or interest on any of the Securities of such series. Any such consent or waiver by the registered Holder of this Security (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Security and of any Security issued in exchange hereof or in place hereof (whether by registration of transfer or otherwise), irrespective of whether or not any notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this 2007 Note or of the Indenture shall alter or impair the obligation of the Corporation, which is absolute and unconditional, to pay the principal of and interest on this 2007 Note at the times and place and at the rate and in the currency herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this 2007 Note is registrable in the security register, upon surrender of this 2007 Note for registration of transfer at the office or agency of the Corporation for such purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Corporation and the security registrar and duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new 2007 Notes, of this series, of authorized denominations and of like tenor and for the same aggregate principal amount, will be issued to the designated transferee or transferees. No service charge shall be made for any such registration of transfer or exchange, but the Corporation may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

As provided in and subject to the provisions of the Indenture, the Holder of this 2007 Note shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the 2007 Notes, the Holders of not less than 25% in aggregate principal amount of the 2007 Notes at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in aggregate principal amount of 2007 Notes at the time Outstanding a direction inconsistent with such request and shall have failed to institute any such proceeding for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this 2007 Note for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

Prior to due presentment of this 2007 Note for registration of transfer, the Corporation, the Trustee, any Paying Agent and any security registrar may deem and treat the Person in whose name this 2007 Note is registered as the absolute owner hereof for all purposes, whether or not this 2007 Note be overdue and notwithstanding the notice of ownership or writing hereon made by anyone other than the security registrar,

and neither the Corporation, the Trustee nor any such agent shall be affected by notice to the contrary.

No recourse shall be had for the payment of the principal of or any premium or the interest on this 2007 Note, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, shareholder, affiliate, officer or director, as such, past, present or future, of the Corporation or of any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issuance hereof, expressly waived and released.

The 2007 Notes are issuable only in registered form without coupons in denominations of \$25 and any integral multiple thereof. As provided in the Indenture and subject to the limitations therein set forth, 2007 Notes are exchangeable for a like aggregate principal amount of 2007 Notes of a different authorized denomination, as requested by the Holder surrendering the same upon surrender of the 2007 Note or Notes to be exchanged at the office or agency of the Corporation.

The Corporation agrees, and by purchasing a beneficial ownership interest in the 2007 Notes each Holder of the 2007 Notes will be deemed to have agreed, for United States federal income tax purposes (a) to treat the acquisition of a Corporate Unit as the acquisition of a unit consisting of a stock purchase contract and a note issued by the Corporation and to treat the 2007 Notes as indebtedness that is subject to Treas. Reg. Sec. 1.1275-4 (the "Contingent Payment Regulations") and (b) to be bound by the Corporation's determination of the "comparable yield" and "projected payment schedule," within the meaning of the Contingent Payment Regulations, with respect to the 2007 Notes. The Corporation has determined that the comparable yield is an annual rate of 7.4%, compounded quarterly. Based on the comparable yield, the projected payment schedule per 2007 Note is \$0.41 for the period ending on August 15, 2002, \$0.38 for each subsequent quarter ending on February 15, 2005, \$0.59 for each quarter ending after February 15, 2005 and \$25.59 at maturity.

This 2007 Note shall be governed by, and construed in accordance with, the internal laws of the State of Louisiana.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common	UNIF GIFT MIN ACT --	_____	Custodian	_____
		(Cust)		(Minor)
TEN ENT -- as tenants by the entireties	Under Uniform Gifts to Minors Act	_____		
		(State)		
JT TEN -- as joint tenants with rights of survivorship and not as tenants in common				

Additional abbreviations may also be used though not on the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s) and transfer(s) unto
_____ (please insert Social Security or other identifying number of assignee)

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE OF ASSIGNEE

the within Security and all rights thereunder, hereby irrevocably constituting and appointing

Agent to transfer said Security on the books of the Corporation, with full power of substitution in the premises.
Dated: _____

Signature Guarantee:

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Regions Bank, as Trustee

By: _____

Authorized Officer

**Exhibit 4.13
to Registration Statement
Registration No. 333-84276**

**CENTURYTEL, INC.
AND
WACHOVIA BANK, NATIONAL ASSOCIATION,
AS PURCHASE CONTRACT AGENT**

PURCHASE CONTRACT AGREEMENT

DATED AS OF MAY 1, 2002

TABLE OF CONTENTS

	<u>Page</u>
<u>Article I</u>	
<u>Definitions and Other Provisions of General Applications</u>	
<u>Section 1.1</u>	<u>Definitions</u> 1
<u>Section 1.2</u>	<u>Compliance Certificates and Opinions</u> 15
<u>Section 1.3</u>	<u>Form of Documents Delivered to Agent</u> 16
<u>Section 1.4</u>	<u>Acts of Holders; Record Dates</u> 16
<u>Section 1.5</u>	<u>Notices</u> 17
<u>Section 1.6</u>	<u>Notice to Holders; Waiver</u> 18
<u>Section 1.7</u>	<u>Effect of Headings and Table of Contents</u> 18
<u>Section 1.8</u>	<u>Successors and Assigns</u> 19
<u>Section 1.9</u>	<u>Separability Clause</u> 19
<u>Section 1.10</u>	<u>Benefits of Agreement</u> 19
<u>Section 1.11</u>	<u>Governing Law</u> 19
<u>Section 1.12</u>	<u>Legal Holidays</u> 19
<u>Section 1.13</u>	<u>Counterparts</u> 20
<u>Section 1.14</u>	<u>Inspection of Agreement</u> 20

Article II

Certificate Forms

<u>Section 2.1</u>	<u>Forms of Certificates Generally</u>	20
<u>Section 2.2</u>	<u>Form of Agent's Certificate of Authentication</u>	21

Article III

The Securities

Section 3.1	Title and Terms; Denominations	21
Section 3.2	Rights and Obligations Evidenced by the Certificates	21
Section 3.3	Execution, Authentication, Delivery and Dating	22
Section 3.4	Temporary Certificates	23
Section 3.5	Registration; Registration of Transfer and Exchange	23
Section 3.6	Book-Entry Interests	25
Section 3.7	Notices to Holders	25
Section 3.8	Appointment of Successor Clearing Agency	25
Section 3.9	Definitive Certificates	26
Section 3.10	Mutilated, Destroyed, Lost and Stolen Certificates	26
Section 3.11	Persons Deemed Owners	27
Section 3.12	Cancellation	27
Section 3.13	Establishment of Treasury Units	28
Section 3.14	Reestablishment of Corporate Units	29
Section 3.15	Transfer of Collateral upon Occurrence of Termination Event	31
Section 3.16	No Consent to Assumption	31
Section 3.17	CUSIP Numbers	32

Article IV

The Senior Notes

Section 4.1	Payment of Distribution; Rights to Distributions Preserved; Distribution Rate Reset; Notice	32
Section 4.2	Notice and Voting	33
Section 4.3	Tax Event Redemption	34
Section 4.4	CUSIP Numbers	34
Section 4.5	Consent to Treatment for Tax Purposes	35

Article V

The Purchase Contracts

Section 5.1	Purchase of Shares of Common Stock	35
Section 5.2	Contract Adjustment Payments	37
Section 5.3	Remarketing	42
Section 5.4	Payment of Purchase Price; Final Remarketing	45
Section 5.5	Issuance of Shares of Common Stock	48
Section 5.6	Adjustment of Settlement Rate	49
Section 5.7	Notice of Adjustments and Certain Other Events	55
Section 5.8	Termination Event; Notice	55
Section 5.9	Early Settlement	56
Section 5.10	Early Settlement Upon Cash Merger	57
Section 5.11	No Fractional Shares	59
Section 5.12	Charges and Taxes	60

Article VI

Remedies

Section 6.1	Unconditional Right of Holders to Receive Contract Adjustment Payments and to Purchase Common Stock	60
Section 6.2	Restoration of Rights and Remedies	60
Section 6.3	Rights and Remedies Cumulative	60
Section 6.4	Delay or Omission Not Waiver	61
Section 6.5	Undertaking for Costs	61
Section 6.6	Waiver of Stay or Extension Laws	61

Article VII

The Agent

<u>Section 7.1</u>	<u>Certain Duties and Responsibilities</u>	61
<u>Section 7.2</u>	<u>Notice of Default</u>	62
<u>Section 7.3</u>	<u>Certain Rights of Agent</u>	63
<u>Section 7.4</u>	<u>Not Responsible for Recitals or Issuance of Securities</u>	63
<u>Section 7.5</u>	<u>May Hold Securities</u>	64
<u>Section 7.6</u>	<u>Money Held in Custody</u>	64
<u>Section 7.7</u>	<u>Compensation and Reimbursement</u>	64
<u>Section 7.8</u>	<u>Corporate Agent Required; Eligibility</u>	65
<u>Section 7.9</u>	<u>Resignation and Removal; Appointment of Successor</u>	65
<u>Section 7.10</u>	<u>Acceptance of Appointment by Successor</u>	66
<u>Section 7.11</u>	<u>Merger, Conversion, Consolidation or Succession to Business</u>	67
<u>Section 7.12</u>	<u>Preservation of Information; Communications to Holders</u>	67
<u>Section 7.13</u>	<u>No Obligations of Agent</u>	67
<u>Section 7.14</u>	<u>Tax Compliance</u>	68

Article VIII

Supplemental Agreements

<u>Section 8.1</u>	<u>Supplemental Agreements Without Consent of Holders</u>	68
<u>Section 8.2</u>	<u>Supplemental Agreements with Consent of Holders</u>	69
<u>Section 8.3</u>	<u>Execution of Supplemental Agreements</u>	70
<u>Section 8.4</u>	<u>Effect of Supplemental Agreements</u>	70
<u>Section 8.5</u>	<u>Reference to Supplemental Agreements</u>	70

Article IX

Merger, Consolidation, Sale or Conveyance

<u>Section 9.1</u>	<u>Covenant Not to Merge, Consolidate, Sell or Convey Property Except Under Certain Conditions</u>	70
<u>Section 9.2</u>	<u>Rights and Duties of Successor Corporation</u>	71
<u>Section 9.3</u>	<u>Opinion of Counsel Given to Agent</u>	71

Article X

Covenants

<u>Section 10.1</u>	<u>Performance Under Purchase Contracts</u>	71
<u>Section 10.2</u>	<u>Maintenance of Office or Agency</u>	71
<u>Section 10.3</u>	<u>Company to Reserve Common Stock</u>	72
<u>Section 10.4</u>	<u>Covenants as to Common Stock</u>	72

Article XI

Trust Indenture Act

<u>Section 11.1</u>	<u>Trust Indenture Act; Application</u>	73
<u>Section 11.2</u>	<u>Lists of Holders of Securities</u>	73
<u>Section 11.3</u>	<u>Reports by the Agent</u>	73
<u>Section 11.4</u>	<u>Periodic Reports to Agent</u>	73

<u>Section 11.5</u>	<u>Evidence of Compliance with Conditions Precedent</u>	74
<u>Section 11.6</u>	<u>Defaults; Waiver</u>	74
<u>Section 11.7</u>	<u>Agent's Knowledge of Defaults</u>	74
<u>Section 11.8</u>	<u>Conflicting Interests</u>	74
<u>Section 11.9</u>	<u>Direction of Agent</u>	74

CROSS-REFERENCE TABLE

<u>Section of Trust Indenture Act of 1939, as amended</u>	<u>Section of Purchase Contract Agreement</u>
310(a)	7.8
310(b)	7.9(d) and (g), 11.8
310(c)	Inapplicable
311(a)	11.2(b)
311(b)	11.2(b)
311(c)	Inapplicable
312(a)	11.2(a)
312(b)	11.2(b)
313	11.3
314(a)	11.4
314(b)	Inapplicable
314(c)	11.5
314(d)	Inapplicable
314(e)	1.2
314(f)	11.1
315(a)	7.1(a)
315(b)	7.2
315(c)	7.1(e)
315(d)(1)	7.1(a) and (b)
315(d)(2)	7.1(b)
315(d)(3)	11.9
316(a)(1)(A)	11.9
316(a)(1)(B)	11.6
316(b)	6.1
316(c)	11.2
317(a)	Inapplicable
317(b)	Inapplicable
318(a)	11.1(b)

* This Cross-Reference Table does not constitute part of the Purchase Contract Agreement and shall not affect the interpretation of any of its terms or provisions.

States, acting as purchase contract agent and trustee for the Holders of Securities from time to time (the "Agent").

RECITALS

The Company has duly authorized the execution and delivery of this Agreement and the Certificates evidencing the Securities. All things necessary to make the Purchase Contracts, when the Certificates are executed by the Company and authenticated, executed on behalf of the Holders and delivered by the Agent, as provided in this Agreement, the valid obligations of the Company, and to constitute these presents a valid agreement of the Company, in accordance with its terms, have been done.

WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually agreed as follows:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATIONS

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular; and nouns and pronouns of the masculine gender include the feminine and neuter genders;
- (b) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States;
- (c) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision; and
- (d) the following terms have the meanings given to them in this Section 1.1(d).

"Act" when used with respect to any Holder, has the meaning specified in Section 1.4.

"Affiliate" has the same meaning as given to that term in Rule 405 of the Securities Act of 1933, as amended, as is in effect on the date hereof.

"Agent" means the Person named as the "Agent" in the first paragraph of this instrument until a successor Agent shall have become such pursuant to the applicable provisions of this Agreement, and thereafter "Agent" shall mean such Person.

"Agreement" means this instrument as originally executed or as it may from time to time be supplemented, restated or amended by one or more agreements supplemental hereto entered into pursuant to the applicable provisions hereof.

"Applicable Market Value" has the meaning specified in Section 5.1.

"Applicable Ownership Interest" means, with respect to a Corporate Unit and the U.S. Treasury securities in the Treasury Portfolio, (A) a 1/40, or 2.5%, undivided beneficial ownership interest in a \$1,000 principal or interest amount of a principal or interest strip in a U.S. Treasury security included in such Treasury Portfolio that matures on or prior to May 15, 2005 and (B) for the scheduled interest payment date on the Senior Notes that occurs on the Purchase Contract Settlement Date, in the case of a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing, or for each scheduled interest payment date on the Senior Notes that occurs after the Tax Event Redemption Date and on or before the Purchase Contract Settlement Date, in the case of a Tax Event Redemption, a 0.0376% undivided beneficial ownership interest in a \$1,000 principal or interest amount of a principal or interest strip in a U.S. Treasury security included in the Treasury Portfolio that matures on or prior to that interest payment date.

"Applicable Principal Amount" means the aggregate principal amount of the Senior Notes which are components of Corporate Units on the Initial Remarketing Date, Second Remarketing Date or Third Remarketing Date, as the case may be.

"Authorized Newspaper" means a daily newspaper, in the English language, customarily published on each day that is a Business Day in The City of New York, whether or not published on days that are legal holidays, and of general circulation in The City of New York.

"Bankruptcy Code" means Title 11 of the United States Code, or any other law of the United States that from time to time provides a uniform system of bankruptcy laws.

"Beneficial Owner" means, with respect to a Book-Entry Interest, a Person who is the owner of such Book-Entry Interest as reflected on the books of the Clearing Agency or on the books of a Person maintaining an account with such Clearing Agency (directly as a Clearing Agency Participant or as an indirect participant, in each case in accordance with the rules of such Clearing Agency).

"Board of Directors" means the board of directors of the Company or a duly authorized committee of that board.

"Board Resolution" means one or more resolutions of the Board of Directors, a copy of which has been certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification and delivered to the Agent.

"Book-Entry Interest" means a beneficial interest in a Global Certificate, ownership and transfers of which shall be maintained and made through book entries by a Clearing Agency as described in Section 3.6.

"Business Day" means any day other than a Saturday, a Sunday or any other day on which banking institutions and trust companies in New York City (in the State of New York) are permitted or required by any applicable law to close.

"Capital Stock" means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated, whether voting or non-voting) corporate stock or similar interests in other types of entities.

"Cash Merger" has the meaning set forth in Section 5.10.

"Cash Merger Date" has the meaning set forth in Section 5.10.

"Cash Settlement" has the meaning set forth in Section 5.4(a).

"Certificate" means a Corporate Units Certificate or a Treasury Units Certificate.

"Clearing Agency" means an organization registered as a "Clearing Agency" pursuant to Section 17A of the Exchange Act that is acting as a depository for the Securities and in whose name, or in the name of a nominee of that organization, shall be registered a Global Certificate and which shall undertake to effect book-entry transfers and pledges of the Securities deposited with the Clearing Agency.

"Clearing Agency Participant" means a broker, dealer, bank, other financial institution or other Person for whom from time to time the Clearing Agency maintains a direct or indirect custodial relationship or effects book-entry transfers and pledges of securities deposited with the Clearing Agency.

"Closing Price" has the meaning specified in Section 5.1.

"Collateral" has the meaning specified in Section 2.1 of the Pledge Agreement.

"Collateral Agent" means JPMorgan Chase Bank, as Collateral Agent under the Pledge Agreement until a successor Collateral Agent shall have become such pursuant to the applicable provisions of the Pledge Agreement, and thereafter "Collateral Agent" shall mean the Person who is then the Collateral Agent thereunder.

"Collateral Substitution" has the meaning specified in Section 3.13.

"Common Stock" means the common stock, \$1.00 par value, of the Company including, where applicable, the preference share purchase rights attached thereto.

"Company" means CenturyTel, Inc. until a successor shall have become such pursuant to the applicable provisions of this Agreement, and thereafter "Company" shall mean such person.

"Contract Adjustment Payments" means, in the case of Corporate Units and Treasury Units, the amount payable by the Company in respect of each Purchase Contract constituting a part of a Corporate Unit or Treasury Unit, equal to 0.855% per annum of the Stated Amount, in each case computed on the basis of a 360 day year of twelve 30 day months.

"Corporate Trust Office" means the office of the Agent at which, at any particular time, its corporate trust business shall be principally administered, which office at the date hereof is located at 2525 West End Avenue, Suite 1200, Nashville, Tennessee 37203.

"Corporate Unit" means the collective rights and obligations of a Holder of a Corporate Units Certificate in respect of one Senior Note, principal amount \$25, or an appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, subject in each case to the Pledge thereof, and the related Purchase Contract.

"Corporate Units Certificate" means a certificate evidencing the rights and obligations of a Holder in respect of the number of Corporate Units specified on such certificate, substantially in the form of Exhibit A hereto.

"Corporate Units Register" and **"Corporate Units Registrar"** have the respective meanings specified in Section 3.5.

"Coupon Rate" means 6.02%, the percentage rate per annum at which each Senior Note will bear interest initially.

"Current Market Price" has the meaning specified in Section 5.6(a)(8).

"Depository" means, initially, DTC until another Clearing Agency becomes its successor.

"DTC" means The Depository Trust Company, the initial Clearing Agency.

"Early Settlement" has the meaning specified in Section 5.9(a).

"Early Settlement Amount" has the meaning specified in Section 5.9(a).

"Early Settlement Date" has the meaning specified in Section 5.9(a).

"Early Settlement Rate" has the meaning specified in Section 5.9(b).

"Exchange Act" means the Securities Exchange Act of 1934 and any statute successor thereto, in each case as amended from time to time, and the rules and regulations promulgated thereunder.

"Expiration Date" has the meaning specified in Section 1.4(e).

"Expiration Time" has the meaning specified in Section 5.6(a)(6).

"Failed Final Remarketing" has the meaning specified in Section 5.4(b).

"Failed Initial Remarketing" has the meaning specified in Section 5.3(a).

"Failed Second Remarketing" has the meaning specified in Section 5.3(b).

"Failed Third Remarketing" has the meaning specified in Section 5.3(c).

"Fair Market Value" with respect to securities distributed in a Spin-Off means (a) in the case of any Spin-Off that is effected simultaneously with an Initial Public Offering of such securities, the initial public offering price of those securities, and (b) in the case of any other Spin-Off, (i) the average of the Sale Price of those securities over the first ten Trading Days after the effective date of such Spin-Off or (ii) if the Sale Price is required to be determined by a nationally recognized independent investment banking firm in accordance with the terms hereof, the Sale Price as so determined as of the effective date of such Spin-Off.

"Final Remarketing" has the meaning specified in Section 5.4(b).

"Final Remarketing Date" means the third Business Day immediately preceding the Purchase Contract Settlement Date.

"First Supplemental Indenture" means the first supplement to the Indenture, dated as of May 1, 2002, between the Company and the Indenture Trustee.

"Global Senior Note Certificate" means a certificate evidencing the respective rights and obligations of holders in respect of the principal amount of Senior Notes specified on such certificate and which is registered in the name of the Depository or a nominee thereof.

"Global Certificate" means a Certificate that evidences all or part of the Securities and is registered in the name of a Depository or a nominee thereof.

"Holder," when used with respect to a Security or any component thereof, means the Person in whose name the Security evidenced by a Corporate Units Certificate and/or Treasury Units Certificate is registered in the related Corporate Units Register and/or Treasury Units Register, as the case may be; provided, however, that the term "Holder," when used in connection with any term hereof that provides that a Holder, by its acceptance of any Security or a component thereof, is bound by the terms and conditions of this Agreement, the Pledge Agreement, the Certificates, the Purchase Contracts or any other related matters, or appoints the Agent as such Holder's attorney-in-fact or otherwise authorizes the Agent to act on behalf of such Holder, shall also be deemed to include all persons who hold beneficial interests in any

Security or any component thereof, including Beneficial Owners.

"Indenture" means the Indenture dated as of March 31, 1994 between the Company and the Indenture Trustee, as supplemented by the First Supplemental Indenture.

"Indenture Trustee" means Regions Bank (successor-in-interest to First American Bank and Trust of Louisiana and Regions Bank of Louisiana), an Alabama state banking corporation, as trustee under the Indenture, or any successor thereto.

"Initial Public Offering," with respect to a Spin-Off of securities, means the initial bona fide offering of such securities to the public for cash.

"Initial Remarketing" has the meaning specified in Section 5.3(a).

"Initial Remarketing Date" means the third Business Day immediately preceding February 15, 2005.

"Issuer Order" or **"Issuer Request"** means a written order or request signed in the name of the Company by its Chairman of the Board, its President or a Vice President and by its Chief Financial Officer, its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary, and delivered to the Agent.

"Merger Early Settlement" has the meaning specified in Section 5.10.

"Merger Early Settlement Date" has the meaning specified in Section 5.10.

"NYSE" has the meaning specified in Section 5.1.

"New York Office" shall have the meaning set forth in Section 10.2.

"Officer's Certificate" means a certificate of the Company signed on its behalf by the Chairman of the Board, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Company and delivered to the Agent.

"Opinion of Counsel" means an opinion in writing signed by legal counsel, who may be an employee of or counsel to the Company or an Affiliate and who shall be reasonably acceptable to the Agent.

"Outstanding Securities," with respect to the Corporate Units or Treasury Units, means, as of the date of determination, all Corporate Units or Treasury Units, as the case may be, evidenced by Certificates theretofore authenticated, executed and delivered under this Agreement, except:

(i) If a Termination Event has occurred, (A) Treasury Units for which the Stated Amount of Treasury Securities has been theretofore deposited with the Agent in trust for the Holders of such Treasury Units and (B) Corporate Units for which the Stated Amount of the related Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, has been theretofore deposited with the Agent in trust for the Holders of such Corporate Units;

(ii) Corporate Units or Treasury Units evidenced by Certificates theretofore cancelled by the Agent or delivered to the Agent for cancellation or deemed cancelled pursuant to the provisions of this Agreement; and

(iii) Corporate Units or Treasury Units evidenced by Certificates in exchange for or in lieu of which other Certificates have been authenticated, executed on behalf of the Holder and delivered pursuant to this Agreement, other than any such Certificate in respect of which there shall have been presented to the Agent proof satisfactory to it that such Certificate is held by a bona fide purchaser in whose hands the Corporate Units or Treasury Units evidenced by such Certificate are valid obligations of the Company;

provided, however, that in determining whether the Holders of the requisite number of the Corporate Units or Treasury Units have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Corporate Units or Treasury Units owned by the Company or any Affiliate of the Company shall be disregarded and deemed not to be outstanding, except that, in determining whether the Agent shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Corporate Units or Treasury Units which a Responsible Officer of the Agent knows to be so owned shall be so disregarded. Corporate Units or Treasury Units so owned which have been pledged in good faith may be regarded as Outstanding Securities if the pledgee establishes to the satisfaction of the Agent the pledgee's right so to act with respect to such Corporate Units or Treasury Units and that the pledgee is not the Company or any Affiliate of the Company.

"Payment Date" means each of February 15, May 15, August 15 and November 15, commencing August 15, 2002.

"Permitted Investments" has the meaning set forth in Section 1.1 of the Pledge Agreement.

"Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated association or government or any agency or political subdivision thereof or any other entity of whatever nature.

"Pledge" means the pledge under the Pledge Agreement of the Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, and of the Treasury Securities, in each case constituting a part of the Securities.

"Pledge Agreement" means the Pledge Agreement, dated as of the date hereof, by and among the Company, the Collateral Agent and the Agent, on its own behalf and as attorney-in-fact for the Holders from time to time of the Securities, as the same may hereafter be supplemented, restated or amended in accordance with the terms thereof.

"Predecessor Certificate" means a Predecessor Corporate Units Certificate or a Predecessor Treasury Units Certificate.

"Predecessor Corporate Units Certificate" of any particular Corporate Units Certificate means every previous Corporate Units Certificate evidencing all or a portion of the rights and obligations of the Company and the Holder under the Corporate Units evidenced thereby; and, for the purposes of this definition, any Corporate Units Certificate authenticated and delivered under Section 3.10 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Corporate Units Certificate shall be deemed to evidence the same rights and obligations of the Company and the Holder as the mutilated, destroyed, lost or stolen Corporate Units Certificate.

"Predecessor Treasury Units Certificate" of any particular Treasury Units Certificate means every previous Treasury Units Certificate evidencing all or a portion of the rights and obligations of the Company and the Holder under the Treasury Units evidenced thereby; and, for the purposes of this definition, any Treasury Units Certificate authenticated and delivered under Section 3.10 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Treasury Units Certificate shall be deemed to evidence the same rights and obligations of the Company and the Holder as the mutilated, destroyed, lost or stolen Treasury Units Certificate.

"Prevailing Rating" with respect to the Senior Notes means:

(1) AA/"Aa" if the Senior Notes have a credit rating of AA- or better by Standard & Poor's Ratings Services and "Aa3" or better by Moody's Investors Service, Inc. or the equivalent of such ratings by such agencies or a substitute rating agency or substitute rating agencies selected by the Remarketing Agent (after consultation with the Company);

(2) if not under clause (1) above, then A/"a" if the Senior Notes have a credit rating of A- or better by Standard & Poor's Ratings Services and "A3" or better by Moody's Investors Service, Inc. or the equivalent of such ratings by such agencies or a substitute rating agency or substitute rating agencies selected by the Remarketing Agent (after consultation with the Company);

(3) if not under clauses (1) or (2) above, then BBB/"Baa" if the Senior Notes have a credit rating of BBB- or better by Standard & Poor's Ratings Services and "Baa3" or better by Moody's Investors Service, Inc. or the equivalent of such ratings by such agencies or a substitute rating agency or substitute rating agencies selected by the Remarketing Agent (after consultation with the Company); or

(4) if not under clauses (1) through (3) above, then Below BBB/"Baa."

Notwithstanding the foregoing, (A) if (i) the credit rating of the Senior Notes by Standard & Poor's Ratings Services shall be on the "Credit Watch" of Standard & Poor's Ratings Services with a designation of "negative implications" or "developing", or (ii) the credit rating of the Senior Notes by Moody's Investors Service, Inc. shall be on the "Corporate Credit Watch List" of Moody's Investors Service, Inc. with a designation of "downgrade" or "uncertain", or, in each case, on any successor list of Standard & Poor's Ratings Services or Moody's Investors Service, Inc. with a comparable designation, the prevailing ratings of the Senior Notes shall be deemed to be within a range one full level lower in the above paragraphs than those actually assigned to the Senior Notes by Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, (B) if the Senior Notes are rated by only one rating agency on or before the Remarketing Date, the prevailing rating will at all times be determined without reference to the rating of any other rating agency and (C) if the ratings assigned by Moody's Investors Service, Inc. and Standard & Poor's Ratings Services to the Senior Notes shall not be comparable, the prevailing rating of the Senior Notes shall be deemed to be the higher of such two ratings; provided that if no such rating agency shall have in effect a rating of the Senior Notes and the Remarketing Agent is unable to identify a substitute rating agency or rating agencies, the prevailing rating shall be Below BBB/"Baa."

"Primary Treasury Dealer" means a primary U.S. government securities dealer in The City of New York.

"Proceeds" has the meaning set forth in Section 1.1 of the Pledge Agreement.

"Purchase Contract," when used with respect to any Security, means the contract forming a part of such Security and obligating the Company to (i) sell, and the Holder of such Security to purchase, Common Stock and (ii) pay the Holder Contract Adjustment Payments, if any, on the terms and subject to the conditions set forth in Article V hereof.

"Purchase Contract Settlement Date" means May 15, 2005.

"Purchase Contract Settlement Fund" has the meaning specified in Section 5.5.

"Purchase Price" has the meaning specified in Section 5.1.

"Purchased Shares" has the meaning specified in Section 5.6(a)(6).

"Quotation Agent" means (i) Goldman, Sachs & Co. and its respective successors, provided, however, that if the foregoing shall cease to be a Primary Treasury Dealer, the Company shall substitute therefor another Primary Treasury Dealer or (ii) any other Primary Treasury Dealer selected by the Company.

"Record Date" for the distribution payable in respect of the Senior Notes or the Applicable Ownership Percentage of the Treasury Portfolio payable on any Payment Date means the first day of the month in which the relevant Payment Date occurs.

"Redemption Amount" means, for each Senior Note, the product of (i) the principal amount of such Senior Note and (ii) a fraction whose numerator is the applicable Treasury Portfolio Purchase Price and whose denominator is the applicable Tax Event Redemption Principal Amount.

"Redemption Price" means the redemption price per Senior Note equal to the Redemption Amount plus any accrued and unpaid interest on such Senior Note to the date of redemption.

"Register" means the Corporate Units Register and the Treasury Units Register.

"Registrar" means the Corporate Units Registrar and the Treasury Units Registrar.

"Remarketing Agent" has the meaning specified in Section 5.3(a).

"Remarketing Agreement" means the Remarketing Agreement to be entered into by and among the Company, the Remarketing Agent and the Agent, and any supplemental remarketing agreement among such parties entered into in connection therewith, or any replacement remarketing agreement entered into in accordance with the Remarketing Agreement, by and among the Company, any successor remarketing agent and the Purchase Contract Agent.

"Remarketing Fee" has the meaning specified in Section 5.3(a).

"Reorganization Event" has the meaning specified in Section 5.6(b).

"Reset Rate" means (a) in the case of the Initial Remarketing, the Second Remarketing and the Third Remarketing, the interest rate per annum on the Senior Notes, rounded to the nearest one-thousandth (0.001) of one percent per annum, determined by the Remarketing Agent to be the interest rate that such Senior Notes should bear in order for the Applicable Principal Amount of the Senior Notes to have an approximate aggregate market value of 100.25 % of the Treasury Portfolio Purchase Price on the Initial Remarketing Date, the Second Remarketing Date or the Third Remarketing Date, respectively, and (b) in the case of the Final Remarketing, (i) in the event of a Successful Final Remarketing, the interest rate per annum on the Senior Notes, rounded to the nearest one-thousandth (0.001) of one percent per annum, determined by the Remarketing Agent to be the interest rate that such Senior Notes should bear in order to have an approximate market value of 100.25% of the aggregate principal amount of the Senior Notes on the Final Remarketing Date or (ii) in the event of a Failed Final Remarketing, the interest rate per annum on the Senior Notes, rounded to the nearest one-thousandth (0.001) of one percent per annum, equal to the sum of the applicable Reset Spread and the rate of interest on the Two-Year Benchmark Treasury in effect on the Final Remarketing Date; provided, however that, in each case, the Reset Rate shall not exceed the maximum rate permitted by applicable law.

"Reset Spread" means the spread determined as set forth below, based on the Prevailing Rating of the Senior Notes in effect at the close of business on the Business Day immediately preceding the Final Remarketing Date.

<u>Prevailing Rating of the Senior Notes</u>	<u>Spread</u>
AA/"Aa"	1.75%
A/"a"	2.25%
BBB/"Baa"	2.75%
Below BBB/ "Baa"	3.75%

"Responsible Officer," when used with respect to the Agent, means any officer of the Agent assigned by the Agent to administer its corporate trust matters.

"Sale Price" of any securities distributed in a Spin-Off on any Trading Day means the closing sale price per share (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average asked prices) on such Trading Day as reported in composite transactions for the principal U.S. securities exchange on which such securities are traded or, if such securities are not listed on a U.S. national or regional securities exchange, as reported by The Nasdaq Stock Market, or if such securities are not so reported, the last quoted bid price for such securities in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if such bid price is not available, the market value of such securities on such date as determined by a nationally recognized independent investment banking firm retained by the Company for this purpose.

"Second Remarketing" has the meaning specified in Section 5.3(b).

"Second Remarketing Date" means the third Business Day immediately preceding March 15, 2005.

"Security" means a Corporate Unit or a Treasury Unit.

"Senior Indebtedness" means indebtedness of any kind of the Company unless the instrument under which such indebtedness is incurred expressly provides that it is on a parity in right of payment with or subordinate in right of payment to the Contract Adjustment Payments.

"Senior Notes" means the Senior Notes, Series J, due 2007 of the Company, to be issued under the Indenture in connection with the issuance of the Securities. Any reference herein to "one Senior Note", "a Senior Note" or "the Senior Note" or any phrase herein having a similar meaning shall be a reference to a Senior Note in the principal amount of \$25.

"Settlement Rate" has the meaning specified in Section 5.1.

"Spin-Off" means a dividend or other distribution on the Common Stock of shares of Capital Stock of any class or series, or similar equity interests, of or relating to a subsidiary or other business unit of the Company.

"Stated Amount" means the stated amount of a Security, or \$25.

"Successful Final Remarketing" has the meaning specified in Section 5.4(b).

"Successful Initial Remarketing" has the meaning specified in Section 5.3(a).

"Successful Second Remarketing" has the meaning specified in Section 5.3(b).

"Successful Third Remarketing" has the meaning specified in Section 5.3(c).

"Tax Event" means the receipt by the Company of an opinion of a nationally recognized independent tax counsel experienced in such matters to the effect that, as a result of (a) any amendment to, or change (including any announced proposed change) in, the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein affecting taxation, (b) any amendment to or change in an interpretation or application of any such laws or regulations by any legislative body, court, governmental agency or regulatory authority or (c) any interpretation or pronouncement that provides for a position with respect to such laws or regulations that differs from the generally accepted position on the original issue date of the Senior Notes, which amendment, change or proposed change is effective or which interpretation or pronouncement is announced on or after the original issue date of the Senior Notes, there is more than an insubstantial risk that interest payable by the Company on the Senior Notes would not be deductible, in whole or in part, by the Company for United States federal income tax purposes.

"Tax Event Redemption" means, if a Tax Event shall occur and be continuing, the redemption of the Senior Notes, at the option of the Company, in whole but not in part, on not less than 30 days nor more than 60 days notice.

"Tax Event Redemption Date" means the date upon which a Tax Event Redemption is to occur.

"Tax Event Redemption Principal Amount" means either (i) if the Tax Event Redemption Date occurs prior to February 15, 2005 or, in the event of a Failed Initial Remarketing, prior to March 15, 2005, in the event of a Failed Second Remarketing, prior to April 15, 2005 or in the event of a Failed Third Remarketing, prior to the Purchase Contract Settlement Date, the aggregate principal amount of the Senior Notes which are components of Corporate Units on the Tax Event Redemption Date or (ii) if the Tax Event Redemption Date occurs on or after February 15, 2005 in the case of a Successful Initial Remarketing, on or after March 15, 2005 in the case of a Successful Second Remarketing or on or after April 15, 2005 in the case of a Successful Third Remarketing or, in the event of a Failed Third Remarketing, on or after the Purchase Contract Settlement Date, the aggregate principal amount of the Senior Notes outstanding on such Tax Event Redemption Date.

"Termination Date" means the date, if any, on which a Termination Event occurs.

"Termination Event" means the occurrence of any of the following events:

(i) at any time on or prior to the Purchase Contract Settlement Date, a judgment, decree or court order shall have been entered granting relief under the Bankruptcy Code or any other similar federal or state law, adjudicating the Company to be insolvent, or approving as properly filed a petition seeking reorganization or liquidation of the Company, and, unless such judgment, decree or order shall have been entered within 60 days prior to the Purchase Contract Settlement Date, such decree or order shall have continued undischarged and unstayed for a period of 60 days; or

(ii) at any time on or prior to the Purchase Contract Settlement Date, a judgment, decree or court order for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Company or of its property, or for the winding up or liquidation of its affairs, shall have been entered, and, unless such judgment, decree or order shall have been entered within 60 days prior to the Purchase Contract Settlement Date, such judgment, decree or order shall have continued undischarged and unstayed for a period of 60 days, or

(iii) at any time on or prior to the Purchase Contract Settlement Date, the Company shall file a petition for relief under the Bankruptcy Code or any other similar applicable federal or state law, or shall consent to the filing of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization or liquidation under the Bankruptcy Code or any other similar applicable federal or state law, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or of its property, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due.

"Third Remarketing" has the meaning specified in 5.3(c).

"Third Remarketing Date" means the third Business Day immediately preceding April 15, 2005.

"Threshold Appreciation Price" has the meaning specified in Section 5.1.

"TIA" means the Trust Indenture Act of 1939, and any statute successor thereto, in each case as amended from time to time, and the rules and regulations promulgated thereunder.

"Trading Day" has the meaning specified in Section 5.1.

"Treasury Portfolio" means (1) in connection with the Initial Remarketing, the Second Remarketing or the Third Remarketing, as the case may be, a portfolio of zero-coupon U.S. Treasury securities consisting of (a) principal or interest strips of U.S. Treasury securities which mature on or prior to May 15, 2005 in an aggregate amount equal to the Applicable Principal Amount and (b) with respect to the scheduled interest payment date on the Senior Notes that occurs on the Purchase Contract Settlement Date, principal or interest strips in U.S. Treasury securities which mature on or prior to such date in an aggregate amount equal to the aggregate interest payment that would be due on the Applicable Principal Amount on such date if the applicable Coupon Rate on the Senior Notes were not reset to the Reset Rate as described in Section 4.1 and (2) in connection with a Tax Event Redemption, (a) if the Tax Event Redemption Date occurs prior to February 15, 2005 or, in the event of a Failed Initial Remarketing, prior to March 15, 2005, or, in the event of a Failed Second Remarketing, prior to April 15, 2005 or, in the event of a Failed Third Remarketing, prior to the Purchase Contract Settlement Date, a portfolio of zero-coupon U.S. Treasury securities consisting of (i) principal or interest strips of U.S. Treasury securities which mature on or prior to May 15, 2005 in an aggregate amount equal to the applicable Tax Event Redemption Principal Amount and (ii) with respect to each scheduled interest payment date on the Senior Notes that occurs after the Tax Event Redemption Date and on or before the Purchase Contract Settlement Date, principal or interest strips of U.S. Treasury securities which mature on or prior to such date in an aggregate amount equal to the aggregate interest payment that would be due on that date on the applicable Tax Event Redemption Principal Amount, and (b) if the Tax Event Redemption Date occurs on or after February 15, 2005 in the case of a Successful Initial Remarketing, on or after March 15, 2005 in the case of a Successful Second Remarketing or on or after April 15, 2005 in the case of a Successful Third Remarketing or, in the event of a Failed Third Remarketing, on or after the Purchase Contract Settlement Date, a portfolio of zero-coupon U.S. Treasury securities consisting of (i) principal or interest strips of U.S. Treasury securities which mature on or prior to May 15, 2007 in an aggregate amount equal to the applicable Tax Event Redemption Principal Amount and (ii) with respect to each scheduled interest payment date on the Senior Notes that occurs after the Tax Event Redemption Date, principal or interest strips of U.S. Treasury securities which mature on or prior to such date in an aggregate amount equal to the aggregate interest payment that would be due on that date on the applicable Tax Event Redemption Principal Amount.

"Treasury Portfolio Purchase Price" means the lowest aggregate price quoted by the Primary Treasury Dealer to the Quotation Agent (a) in the case of a Tax Event Redemption, on the third Business Day immediately preceding the Tax Event Redemption Date for the purchase of the applicable Treasury Portfolio for settlement on the Tax Event Redemption Date and (b) in the case of the Initial Remarketing, the Second Remarketing or the Third Remarketing, on the Initial Remarketing Date, the Second Remarketing Date or the Third Remarketing Date, respectively, for the purchase of the applicable Treasury Portfolio for settlement on February 15, 2005, March 15, 2005 and April 15, 2005, respectively.

"Treasury Security" means a zero-coupon U.S. Treasury security (CUSIP Number 912803AD5) that matures on May 15, 2005.

"Treasury Unit" means the collective rights and obligations of a Holder of a Treasury Units Certificate in respect of a 1/40, or 2.5%, undivided beneficial ownership interest in a Treasury Security with a principal amount at maturity of \$1,000, subject to the Pledge thereof, and the related Purchase Contract.

"Treasury Units Certificate" means a certificate evidencing the rights and obligations of a Holder in respect of the number of Treasury Units specified on such certificate substantially in the form of Exhibit B hereto.

"Treasury Units Register" and **"Treasury Units Registrar"** have the respective meanings specified in Section 3.5.

"Two-Year Benchmark Treasury" means direct obligations of the United States (which may be obligations traded on a when-issued basis only) having a maturity comparable to the remaining term to maturity of the Senior Notes, as agreed upon by the Company and the Remarketing Agent. The rate for the Two-Year Benchmark Treasury will be the bid side rate displayed at 10:00 a.m., New York City time, on the Final Remarketing Date in the Telerate system (or if the Telerate system is (a) no longer available on the Final Remarketing Date or (b) in the opinion of the Remarketing Agent (after consultation with the Company) no longer an appropriate system from which to obtain such rate, such other nationally recognized quotation system as, in the opinion of the Remarketing Agent (after consultation with the Company) is appropriate). If such rate is not so displayed, the rate for the Two-Year Benchmark Treasury shall be, as calculated by the Remarketing Agent, the yield to maturity for the Two-Year Benchmark Treasury, expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis, and computed by taking the arithmetic mean of the secondary market bid rates, as of 10:30 a.m., New York City time, on the Final Remarketing Date of three leading United States government securities dealers selected by the Remarketing Agent (after consultation with the Company) (which may include the Remarketing Agent or an Affiliate thereof).

"Underwriting Agreement" means the Underwriting Agreement dated April 30, 2002 between the Company and Goldman, Sachs & Co., as representatives for the several underwriters identified therein.

"Vice President" means any vice president, whether or not designated by a number or a word or words added before or after the title "vice president."

Section 1.2 Compliance Certificates and Opinions.

Except as otherwise expressly provided by this Agreement, upon any application or request by the Company to the Agent to take any action under any provision of this Agreement, the Company shall furnish to the Agent an Officer's Certificate stating that all conditions precedent, if any, provided for in this Agreement relating to the proposed action have been complied with and, if requested by the Agent, an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Agreement relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Agreement shall include:

- (1) a statement that each Person signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;
- (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (3) a statement that, in the opinion of each such Person, he or she or it has made such examination or investigation as is necessary to enable such individual to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (4) a statement as to whether, in the opinion of each such Person, such condition or covenant has been complied with.

Section 1.3 Form of Documents Delivered to Agent.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless the Company knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, the Company stating that the information with respect to such factual matters is in the possession of the Company unless the Person giving such certificate or Opinion of Counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or

other instruments under this Agreement, they may, but need not, be consolidated and form one instrument.

Section 1.4 Acts of Holders; Record Dates.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Agreement to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Agent and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Agreement and (subject to Section 7.1) conclusive in favor of the Agent and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any manner which the Agent deems sufficient.

(c) The ownership of Securities shall be proved by the Corporate Units Register or the Treasury Units Register, as the case may be.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Certificate shall bind every future Holder of the same Certificate and the Holder of every Certificate issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Agent or the Company in reliance thereon, whether or not notation of such action is made upon such Certificate.

(e) The Company may set any day as a record date for the purpose of determining the Holders of Outstanding Securities entitled to give, make or take any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Agreement to be given, made or taken by Holders of Securities. If any record date is set pursuant to this paragraph, the Holders of the Outstanding Corporate Units and the Outstanding Treasury Units, as the case may be, on such record date, and no other Holders, shall be entitled to take the relevant action with respect to the Corporate Units or the Treasury Units, as the case may be, whether or not such Holders remain Holders after such record date; provided that no such action shall be effective hereunder unless taken on or prior to the applicable Expiration Date by Holders of the requisite number of Outstanding Securities on such record date. Nothing in this paragraph shall be construed to prevent the Company from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be cancelled and of no effect), and nothing in this paragraph shall be construed to render ineffective any action taken by Holders of the requisite number of Outstanding Securities on the date such action is taken. Promptly after any record date is set pursuant to this paragraph, the Company, at its own expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Agent in writing and to each Holder of Securities in the manner set forth in Section 1.6.

With respect to any record date set pursuant to this Section, the Company may designate any date as the "Expiration Date" and from time to time may change the Expiration Date to any earlier or later day; provided that no such change shall be effective unless notice of the proposed new Expiration Date is given to the Agent in writing, and to each Holder of Securities in the manner set forth in Section 1.6, on or prior to the existing Expiration Date. If an Expiration Date is not designated with respect to any record date set pursuant to this Section, the Company shall be deemed to have initially designated the 180th day after such record date as the Expiration Date with respect thereto, subject to its right to change the Expiration Date as provided in this paragraph. Notwithstanding the foregoing, no Expiration Date shall be later than the 180th day after the applicable record date.

Section 1.5 Notices.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Agreement to be made upon, given or furnished to, or filed with,

(a) the Agent by any Holder or by the Company shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing personally delivered or mailed, first-class postage prepaid, to the Agent at Wachovia Bank, National Association, 2525 West End Avenue, Suite 1200, Nashville, Tennessee 37203, Attention: Susan Baker, or at any other address previously furnished in writing by the Agent to the Holders and the Company; or

(b) the Company by the Agent or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing and personally delivered or mailed, first-class postage prepaid, to the Company at CenturyTel, Inc., 100 CenturyTel Drive, Monroe, Louisiana 71203, Attention: Chief Financial Officer, or at any address previously furnished in writing to the Agent by the Company; or

(c) the Collateral Agent by the Agent, the Company or any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing and personally delivered or mailed, first-class postage prepaid to the Collateral Agent at JPMorgan Chase Bank, 600 Travis Street, Suite 1150, Houston, Texas 77002, Attention: John G. Jones or at any

other address previously furnished in writing by the Collateral Agent to the Agent, the Company and the Holders; or

(d) the Indenture Trustee by the Company shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing and mailed, first-class postage prepaid, addressed to the Indenture Trustee at Regions Bank, 60 Commerce Street, Montgomery, Alabama 36104, Attention: Robert B. Rinehart, or at any other address previously furnished in writing by the Indenture Trustee to the Company.

Section 1.6 Notice to Holders; Waiver.

(a) Where this Agreement provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at its address as it appears in the applicable Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders.

(b) Where this Agreement provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Agent, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

(c) In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Agent shall constitute a sufficient notification for every purpose hereunder.

Section 1.7 Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.8 Successors and Assigns.

All covenants and agreements in this Agreement by the Company shall bind its successors and assigns, whether so expressed or not.

Section 1.9 Separability Clause.

In case any provision in this Agreement or in the Securities shall be invalid, illegal or unenforceable, then, to the extent permitted by law, the validity, legality and enforceability of the remaining provisions hereof and thereof shall not in any way be affected or impaired thereby.

Section 1.10 Benefits of Agreement.

Except for the rights of Holders of Senior Indebtedness under Section 5.2, nothing in this Agreement or in the Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder and, to the extent provided hereby, the Holders, any benefits or any legal or equitable right, remedy or claim under this Agreement. The Holders from time to time shall be beneficiaries of this Agreement to the extent provided hereby and shall be bound by all of the applicable terms and conditions hereof and of the Securities evidenced by their Certificates by their acceptance of delivery of such Certificates.

Section 1.11 Governing Law.

THIS AGREEMENT AND THE SECURITIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 1.12 Legal Holidays.

In any case where any Payment Date shall not be a Business Day, then (notwithstanding any other provision of this Agreement or the Corporate Units Certificates or the Treasury Units Certificates) payment of the Contract Adjustment Payments, if any, shall not be made on such date, but such payments shall be made on the next succeeding Business Day with the same force and effect as if made on such Payment Date, provided that no interest shall accrue or be payable by the Company or any Holder for the period from and after any such Payment Date unless there shall be a default in the payment due on such next succeeding Business Day, except that, if such next succeeding Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day with the same force and effect as if made on such Payment Date.

In any case where the Purchase Contract Settlement Date shall not be a Business Day, then (notwithstanding any other provision of this Agreement, the Corporate Units Certificates or the Treasury Units Certificates), the Purchase Contracts shall not be performed on such date, but the Purchase Contracts shall be performed on the immediately following Business Day with the same force and effect as if performed on

the Purchase Contract Settlement Date.

Section 1.13 Counterparts.

This Agreement may be executed in any number of counterparts by the parties hereto on separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

Section 1.14 Inspection of Agreement.

A copy of this Agreement shall be available at all reasonable times during normal business hours at the Corporate Trust Office for inspection by any Holder.

ARTICLE II

CERTIFICATE FORMS

Section 2.1 Forms of Certificates Generally.

The Corporate Units Certificates (including the form of Purchase Contract forming part of the Corporate Units evidenced thereby) shall be in substantially the form set forth in Exhibit A hereto, with such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as may be required by the rules of any securities exchange on which the Corporate Units are listed or any depository therefor, or as may, consistently herewith, be determined by the officers of the Company executing such Corporate Units Certificates, as evidenced by their execution of the Corporate Units Certificates.

The definitive Corporate Units Certificates shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers of the Company executing such Corporate Units Certificates, consistent with the provisions of this Agreement, as evidenced by their execution thereof.

The Treasury Units Certificates (including the form of Purchase Contract forming part of the Treasury Units evidenced thereby) shall be in substantially the form set forth in Exhibit B hereto, with such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as may be required by the rules of any securities exchange on which the Treasury Units are listed or any depository therefor, or as may, consistently herewith, be determined by the officers of the Company executing such Treasury Units Certificates, as evidenced by their execution of the Treasury Units Certificates.

The definitive Treasury Units Certificates shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers of the Company executing such Treasury Units Certificates, consistent with the provisions of this Agreement, as evidenced by their execution thereof.

Every Global Certificate authenticated, executed on behalf of the Holders and delivered hereunder shall bear a legend in substantially the following form:

"THIS CERTIFICATE IS A GLOBAL CERTIFICATE WITHIN THE MEANING OF THE PURCHASE CONTRACT AGREEMENT (AS HEREINAFTER DEFINED) AND IS REGISTERED IN THE NAME OF THE CLEARING AGENCY OR A NOMINEE THEREOF. THIS CERTIFICATE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A CERTIFICATE REGISTERED, AND NO TRANSFER OF THIS CERTIFICATE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH CLEARING AGENCY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE PURCHASE CONTRACT AGREEMENT.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO., OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, AND ANY PAYMENT HEREON IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

Section 2.2 Form of Agent's Certificate of Authentication.

The form of the Agent's certificate of authentication of the Corporate Units shall be in substantially the form set forth on the form of the Corporate Units Certificates.

The form of the Agent's certificate of authentication of the Treasury Units shall be in substantially the form set forth on the form of the Treasury Units Certificates.

ARTICLE III

THE SECURITIES

Section 3.1 Title and Terms; Denominations.

The aggregate number of Corporate Units and Treasury Units evidenced by Certificates authenticated, executed on behalf of the Holders and delivered hereunder is limited to 20,000,000 (or 23,000,000 if the Underwriters' over-allotment option under the Underwriting Agreement is exercised in full) except for Certificates authenticated, executed and delivered upon registration of transfer of, in exchange for, or in lieu of, other Certificates pursuant to Section 3.4, 3.5, 3.9, 3.10, 3.13, 3.14, 5.9, 5.10 or 8.5.

The Certificates shall be issuable only in registered form and only in denominations of a single Corporate Unit or Treasury Unit and any integral multiple thereof.

Section 3.2 Rights and Obligations Evidenced by the Certificates.

Each Corporate Units Certificate shall evidence the number of Corporate Units specified therein, with each such Corporate Unit representing the ownership by the Holder thereof of a beneficial interest in a Senior Note or the Applicable Ownership Interest of the Treasury Portfolio, as the case may be, subject to the Pledge of such Senior Note or the Applicable Ownership Interest of the Treasury Portfolio, as the case may be, by such Holder pursuant to the Pledge Agreement, and the rights and obligations of the Holder thereof and the Company under one Purchase Contract. The Agent as attorney-in-fact for, and on behalf of, the Holder of each Corporate Unit shall pledge, pursuant to the Pledge Agreement, the Senior Note or the Applicable Ownership Interest of the Treasury Portfolio, as the case may be, forming a part of such Corporate Unit, to the Collateral Agent and grant to the Collateral Agent a security interest in the right, title and interest of such Holder in such Senior Note or the Applicable Ownership Interest of the Treasury Portfolio, as the case may be, for the benefit of the Company, to secure the obligation of the Holder under each Purchase Contract to purchase the Common Stock of the Company.

Each Treasury Units Certificate shall evidence the number of Treasury Units specified therein, with each such Treasury Unit representing the ownership by the Holder thereof of a 1/40, or 2.5%, undivided beneficial ownership interest in a Treasury Security with a principal amount at maturity equal to \$1,000, subject to the Pledge of such Treasury Security by such Holder pursuant to the Pledge Agreement, and the rights and obligations of the Holder thereof and the Company under one Purchase Contract. The Agent as attorney-in-fact for, and on behalf of, the Holder of each Treasury Unit shall pledge, pursuant to the Pledge Agreement, the 1/40, or 2.5%, undivided beneficial ownership interest in the Treasury Security to the Collateral Agent and grant to the Collateral Agent a security interest in the right, title and interest of such Holder in such 1/40, or 2.5%, undivided beneficial ownership interest in the Treasury Security, for the benefit of the Company, to secure the obligation of the Holder under each Purchase Contract to purchase the Common Stock of the Company.

Section 3.3 Execution, Authentication, Delivery and Dating.

Subject to the provisions of Sections 3.13 and 3.14 hereof, upon the execution and delivery of this Agreement, and at any time and from time to time thereafter, the Company may deliver Certificates executed by the Company to the Agent for authentication, execution on behalf of the Holders and delivery, together with an Issuer Order for authentication of such Certificates, and the Agent in accordance with such Issuer Order shall authenticate, execute on behalf of the Holders and deliver such Certificates.

The Certificates shall be executed on behalf of the Company by its Chairman of the Board, its President or one of its Vice Presidents and its Treasurer or one of its Assistant Treasurers or its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Certificates may be manual or facsimile.

Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Certificates or did not hold such offices at the date of such Certificates.

No Purchase Contract evidenced by a Certificate shall be valid until such Certificate has been executed on behalf of the Holder by the manual signature of an authorized officer of the Agent, as such Holder's attorney-in-fact. Such signature by an authorized officer of the Agent shall be conclusive evidence that the Holder of such Certificate has entered into the Purchase Contracts evidenced by such Certificate.

Each Certificate shall be dated the date of its authentication.

No Certificate shall be entitled to any benefit under this Agreement or be valid or obligatory for any purpose unless there appears on such Certificate a certificate of authentication substantially in the form provided for herein executed by an authorized officer of the Agent by manual signature, and such certificate upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly authenticated and delivered hereunder.

Section 3.4 Temporary Certificates.

Pending the preparation of definitive Certificates, the Company may execute and deliver to the Agent, and, if so delivered, the Agent shall authenticate, execute on behalf of the Holders, and deliver, in lieu of such definitive Certificates, temporary Certificates which are in substantially the form set forth in Exhibit A or Exhibit B hereto, as the case may be, with such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as may be required by the rules of any securities exchange on which the Corporate Units or Treasury Units are listed, or as may, consistently herewith, be determined by the officers of the Company executing such Certificates, as evidenced by their execution of the Certificates.

If temporary Certificates are issued, the Company will cause definitive Certificates to be prepared without unreasonable delay. After the preparation of definitive Certificates, the temporary Certificates shall be exchangeable for definitive Certificates upon surrender of the temporary Certificates at the Corporate Trust Office or the New York Office, at the expense of the Company and without charge to the Holder. Upon surrender for cancellation of any one or more temporary Certificates, the Company shall execute and deliver to the Agent, and the Agent shall authenticate, execute on behalf of the Holder, and deliver in exchange therefor, one or more definitive Certificates of like tenor and denominations and evidencing a like number of Corporate Units or Treasury Units, as the case may be, as the temporary Certificate or Certificates so surrendered.

Until so exchanged, the temporary Certificates shall in all respects evidence the same benefits and the same obligations with respect to the Corporate Units or Treasury Units, as the case may be, evidenced thereby as definitive Certificates.

Section 3.5 Registration; Registration of Transfer and Exchange.

The Agent shall keep at the Corporate Trust Office a Register (the "Corporate Units Register") in which, subject to such reasonable regulations as it may prescribe, the Agent shall provide for the registration of Corporate Units Certificates and of transfers of Corporate Units Certificates (the Agent, in such capacity, the "Corporate Units Registrar") and a Register (the "Treasury Units Register") in which, subject to such reasonable regulations as it may prescribe, the Agent shall provide for the registration of Treasury Units Certificates and of transfers of Treasury Units Certificates (the Agent, in such capacity, the "Treasury Units Registrar").

Upon surrender for registration of transfer of any Certificate at the Corporate Trust Office or the New York Office, the Company shall execute and deliver to the Agent, and the Agent shall authenticate, execute on behalf of the designated transferee or transferees, and deliver, in the name of the designated transferee or transferees, one or more new Certificates of any authorized denominations, like tenor, and evidencing a like number of Corporate Units or Treasury Units, as the case may be.

At the option of the Holder, Certificates may be exchanged for other Certificates, of any authorized denominations and evidencing a like number of Corporate Units or Treasury Units, as the case may be, upon surrender of the Certificates to be exchanged at the Corporate Trust Office or the New York Office. Whenever any Certificates are so surrendered for exchange, the Company shall execute and deliver to the Agent, and the Agent shall authenticate, execute on behalf of the Holder, and deliver the Certificates which the Holder making the exchange is entitled to receive.

All Certificates issued upon any registration of transfer or exchange of a Certificate shall evidence the ownership of the same number of Corporate Units or Treasury Units, as the case may be, and be entitled to the same benefits and subject to the same obligations, under this Agreement as the Corporate Units or Treasury Units, as the case may be, evidenced by the Certificate surrendered upon such registration of transfer or exchange.

Every Certificate presented or surrendered for registration of transfer or for exchange shall (if so required by the Agent) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Agent duly executed, by the Holder thereof or its attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of a Certificate, but the Company and the Agent may require payment from the Holder of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Certificates, other than any exchanges pursuant to Sections 3.4, 3.6, 3.9 and 8.5 not involving any transfer.

Notwithstanding the foregoing, the Company shall not be obligated to execute and deliver to the Agent, and the Agent shall not be obligated to authenticate, execute on behalf of the Holder and deliver, any Certificate presented or surrendered for registration of transfer or for exchange on or after the Business Day immediately preceding the earlier of the Purchase Contract Settlement Date or the Termination Date. In lieu of delivery of a new Certificate, upon satisfaction of the applicable conditions specified above in this Section and receipt of appropriate registration or transfer instructions from such Holder, the Agent shall (i) if the Purchase Contract Settlement Date has occurred, deliver the shares of Common Stock issuable in respect of the Purchase Contracts forming a part of the Securities evidenced by such Certificate (together with any cash or other property to which the Holder is entitled), or (ii) if a Termination Event shall have occurred prior to the Purchase Contract Settlement Date, transfer the Senior Notes, the appropriate Applicable Ownership Interest of the Treasury Portfolio or the Treasury Securities, as the case may be, evidenced thereby, in each case subject to the applicable conditions and in accordance with the applicable provisions of Article Five hereof.

Section 3.6 Book-Entry Interests.

The Certificates, on original issuance, will be issued in the form of one or more fully registered Global Certificates, to be delivered to the Depositary or a nominee or a custodian thereof by, or on behalf of, the Company.

Such Global Certificate shall initially be registered on the books and records of the Company in the name of Cede & Co., the nominee of the Depositary, and no Beneficial Owner will receive a definitive Certificate representing such Beneficial Owner's interest in such Global Certificate, except as provided in Section 3.9. The Agent shall enter into an agreement with the Depositary if so requested by the Company. Unless and until definitive, fully registered Certificates have been issued to Beneficial Owners pursuant to Section 3.9:

(a) the provisions of this Section 3.6 shall be in full force and effect;

(b) the Company and the Agent shall be entitled to deal with the Clearing Agency for all purposes of this Agreement (including the payment of Contract Adjustment Payments, if any, and receiving approvals, votes or consents hereunder) as the Holder of the Securities and the sole holder of the Global Certificate(s) and shall have no obligation to the Beneficial Owners;

(c) to the extent that the provisions of this Section 3.6 conflict with any other provisions of this Agreement, the provisions of this Section 3.6 shall control; and

(d) the rights of the Beneficial Owners shall be exercised only through the Clearing Agency and shall be limited to those established by law and agreements between such Beneficial Owners and the Clearing Agency and/or the Clearing Agency Participants. The Clearing Agency will make book-entry transfers among Clearing Agency Participants and receive and transmit payments of Contract Adjustment Payments, if any, to such Clearing Agency Participants.

Section 3.7 Notices to Holders.

Whenever a notice or other communication to the Holders is required to be given under this Agreement, the Company or the Company's agent shall give such notices and communications to the Holders and, with respect to any Securities registered in the name of a Clearing Agency or the nominee of a Clearing Agency, the Company or the Company's agent shall, except as set forth herein, have no obligations to the Beneficial Owners.

Section 3.8 Appointment of Successor Clearing Agency.

If any Clearing Agency ceases to be eligible as a "clearing agency" under the Exchange Act or is unwilling or unable to continue to serve as security depositary, the Company may, in its sole discretion, appoint a successor Clearing Agency with respect to the Securities.

Section 3.9 Definitive Certificates.

If (i) a Clearing Agency ceases to be eligible as a "clearing agency" under the Exchange Act and a successor Clearing Agency is not appointed pursuant to Section 3.8 hereof within 90 days after the Company becomes aware of such cessation, (ii) the Company receives a notice from the Clearing Agency that the Clearing Agency is unwilling or unable to continue as a depositary with respect to the Securities and no successor depositary has been appointed within 90 days after the Company receives a notice thereof from the Clearing Agency, or (iii) the Company elects to terminate the book-entry system through the Clearing Agency with respect to the Securities, then upon surrender of the Global Certificates representing the Book-Entry Interests with respect to the Securities by the Clearing Agency, accompanied by registration instructions, the Company shall cause definitive Certificates to be delivered to Beneficial Owners in accordance with the instructions of the Clearing Agency. Neither the Company nor the Agent shall be liable for any delay in delivery of such instructions and may conclusively rely on and shall be protected in relying on, such instructions.

Section 3.10 Mutilated, Destroyed, Lost and Stolen Certificates.

If any mutilated Certificate is surrendered to the Agent, the Company shall execute and deliver to the Agent, and the Agent shall authenticate, execute on behalf of the Holder, and deliver in exchange therefor, a new Certificate at the cost of the Holder, evidencing the same number of Corporate Units or Treasury Units, as the case may be, and bearing a Certificate number not contemporaneously outstanding.

If there shall be delivered to the Company and the Agent (i) evidence to their satisfaction of the destruction, loss or theft of any Certificate, and (ii) such security or indemnity as may be required by them to hold each of them and any agent of any of them harmless, then, in the absence of notice to the Company or the Agent that such Certificate has been acquired by a bona fide purchaser, the Company shall execute and deliver to the Agent, and the Agent shall authenticate, execute on behalf of the Holder, and deliver to the Holder, in lieu of any such destroyed, lost or stolen Certificate, a new Certificate, evidencing the same number of Corporate Units or Treasury Units, as the case may be, and bearing a Certificate number not contemporaneously outstanding, at the cost of the Holder.

Notwithstanding the foregoing, the Company shall not be obligated to execute and deliver to the Agent, and the Agent shall not be obligated to authenticate, execute on behalf of the Holder, and deliver to the Holder, a Certificate on or after the Business Day immediately preceding the earlier of the Purchase Contract Settlement Date or the Termination Date. In lieu of delivery of a new Certificate, upon satisfaction of the applicable conditions specified above in this Section and receipt of appropriate registration or transfer instructions from such

Holder, the Agent shall (i) if the Purchase Contract Settlement Date has occurred, deliver the shares of Common Stock issuable in respect of the Purchase Contracts forming a part of the Securities evidenced by such Certificate (together with any cash or other property to which the Holder is entitled), or (ii) if a Termination Event shall have occurred prior to the Purchase Contract Settlement Date, transfer the Senior Notes, the appropriate Applicable Ownership Interest of the Treasury Portfolio or the Treasury Securities, as the case may be, evidenced thereby, in each case subject to the applicable conditions and in accordance with the applicable provisions of Article Five hereof.

Upon the issuance of any new Certificate under this Section, the Company and the Agent may require the payment by the Holder of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Agent) connected therewith.

Every new Certificate issued pursuant to this Section in lieu of any destroyed, lost or stolen Certificate shall constitute an original additional contractual obligation of the Company and of the Holder in respect of the Security evidenced thereby, whether or not the destroyed, lost or stolen Certificate (and the Securities evidenced thereby) shall be at any time enforceable by anyone, and shall be entitled to all the benefits and be subject to all the obligations of this Agreement equally and proportionately with any and all other Certificates delivered hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Certificates.

Section 3.11 Persons Deemed Owners.

Prior to due presentment of a Certificate for registration of transfer, the Company and the Agent, and any agent of the Company or the Agent, may treat the Person in whose name such Certificate is registered as the owner of the Corporate Units or Treasury Units evidenced thereby, for the purpose of receiving interest on the Senior Notes or on the maturing quarterly interest strips of the Treasury Portfolio, as applicable, receiving payments of Contract Adjustment Payments, if any, performance of the Purchase Contracts and for all other purposes whatsoever, whether or not any interest on the Senior Notes or the Contract Adjustment Payments, if any, payable in respect of the Purchase Contracts constituting a part of the Corporate Units or Treasury Units evidenced thereby shall be overdue and notwithstanding any notice to the contrary, and neither the Company nor the Agent, nor any agent of the Company or the Agent, shall be affected by notice to the contrary.

Notwithstanding the foregoing, with respect to any Global Certificate, nothing herein shall prevent the Company, the Agent or any agent of the Company or the Agent, from giving effect to any written certification, proxy or other authorization furnished by any Clearing Agency (or its nominee), as a Holder, with respect to such Global Certificate or impair, as between such Clearing Agency and owners of beneficial interests in such Global Certificate, the operation of customary practices governing the exercise of rights of such Clearing Agency (or its nominee) as Holder of such Global Certificate.

Section 3.12 Cancellation.

All Certificates surrendered (i) for delivery of shares of Common Stock on or after the Purchase Contract Settlement Date, (ii) upon the transfer of Senior Notes, the appropriate Applicable Ownership Interest of the Treasury Portfolio or Treasury Securities, as the case may be, after the occurrence of a Termination Event or pursuant to an Early Settlement or Merger Early Settlement, (iii) upon the registration of a transfer or exchange of a Security or (iv) upon a Collateral Substitution or the re-establishment of a Corporate Unit, shall, if surrendered to any Person other than the Agent, be delivered to the Agent and, if not already cancelled, shall be promptly cancelled by it. The Company may at any time deliver to the Agent for cancellation any Certificates previously authenticated, executed and delivered hereunder that the Company may have acquired in any manner whatsoever, and all Certificates so delivered shall, upon Issuer Order, be promptly cancelled by the Agent. No Certificates shall be authenticated, executed on behalf of the Holder and delivered in lieu of or in exchange for any Certificates cancelled as provided in this Section, except as expressly permitted by this Agreement. All cancelled Certificates held by the Agent shall upon written request be returned to the Company.

If the Company or any Affiliate of the Company shall acquire any Certificate, such acquisition shall not operate as a cancellation of such Certificate unless and until such Certificate is delivered to the Agent cancelled or for cancellation.

Section 3.13 Establishment of Treasury Units.

A Holder may separate the Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as applicable, from the related Purchase Contracts in respect of Corporate Units by substituting for such Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, Treasury Securities in an aggregate principal amount of such Senior Notes or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, as applicable (a "Collateral Substitution"), at any time from and after the date of this Agreement and on or prior to the fifth Business Day immediately preceding the Purchase Contract Settlement Date in the case of the Senior Notes and on or prior to the second Business Day immediately preceding the Purchase Contract Settlement Date in the case of the appropriate Applicable Ownership Interest of the Treasury Portfolio, in each case by (a) depositing with the Collateral Agent Treasury Securities having an aggregate principal amount at maturity equal to the aggregate principal amount of the Senior Notes comprising part of such Corporate Units or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio comprising part of such Corporate Units, as the case may be, and (b) transferring the related Corporate Units to the Agent accompanied by a notice to the Agent, substantially in the form of Exhibit D hereto, stating that the Holder has transferred the relevant amount of Treasury Securities to the Collateral Agent and requesting that the Agent instruct

the Collateral Agent to release the Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, underlying such Corporate Units, whereupon the Agent shall promptly give such instruction to the Collateral Agent, substantially in the form of Exhibit C hereto. Upon receipt of the Treasury Securities described in clause (a) above and the instruction described in clause (b) above, in accordance with the terms of the Pledge Agreement, the Collateral Agent will release to the Agent, on behalf of the Holder, Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, having the appropriate aggregate principal amount in the case of such Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, from the Pledge, free and clear of the Company's security interest therein, and upon receipt thereof the Agent shall promptly:

- (i) cancel the related Corporate Units;
- (ii) transfer the Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, to the Holder; and
- (iii) authenticate, execute on behalf of such Holder and deliver a Treasury Units Certificate executed by the Company in accordance with Section 3.3 evidencing the same number of Treasury Units as the number of Corporate Units that were evidenced by the cancelled Corporate Units Certificate.

Holders who elect to separate the Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, from the related Purchase Contract and to substitute Treasury Securities for such Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, shall be responsible for any fees or expenses payable to the Collateral Agent for its services as Collateral Agent in respect of the substitution, and the Company shall not be responsible for any such fees or expenses.

Holders may make Collateral Substitutions (i) only in integral multiples of 40 Corporate Units if Senior Notes are being substituted for with Treasury Securities, or (ii) only in integral multiples of 100,000 Corporate Units if the appropriate Applicable Ownership Interest of the Treasury Portfolio is being substituted for with Treasury Securities.

In the event a Holder making a Collateral Substitution pursuant to this Section 3.13 fails to effect a book-entry transfer of the Corporate Units or fails to deliver a Corporate Units Certificate(s) to the Agent after depositing Treasury Securities with the Collateral Agent, the Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, constituting a part of such Corporate Units, and any interest on such Senior Note or the Applicable Ownership Interest of the Treasury Portfolio, as the case may be, shall be held in the name of the Agent or its nominee in trust for the benefit of such Holder, until such Corporate Units are so transferred or the Corporate Units Certificate is so delivered, as the case may be, or, with respect to a Corporate Units Certificate, such Holder provides evidence satisfactory to the Company and the Agent that such Corporate Units Certificate has been destroyed, lost or stolen, together with any indemnity that may be required by the Agent and the Company.

Except as described in this Section 3.13, for so long as the Purchase Contract underlying a Corporate Unit remains in effect, such Corporate Unit shall not be separable into its constituent parts, and the rights and obligations of the Holder of such Corporate Unit in respect of the Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, and Purchase Contract comprising such Corporate Unit may be acquired, and may be transferred and exchanged, only as a Corporate Unit.

Section 3.14 Reestablishment of Corporate Units.

A Holder of Treasury Units may recreate Corporate Units at any time (i) on or prior to the fifth Business Day immediately preceding the Purchase Contract Settlement Date, if a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing alternatively has not occurred, and (ii) on or prior to the second Business Day immediately preceding the Purchase Contract Settlement Date, if a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred and an Applicable Ownership Interest in the Treasury Portfolio has become a component of the Corporate Units, in each case by (a) depositing with the Collateral Agent Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, having an aggregate principal amount in the case of the Senior Notes, or an appropriate Applicable Ownership Interest (as defined in clause (A) of the definition of such term) of the Treasury Portfolio, as the case may be, equal to the aggregate principal amount at maturity of the Treasury Securities comprising part of such Treasury Units and (b) transferring the related Treasury Units to the Agent accompanied by a notice to the Agent, substantially in the form of Exhibit D hereto, stating that the Holder has transferred the relevant amount of Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, to the Collateral Agent and requesting that the Agent instruct the Collateral Agent to release the Treasury Securities underlying such Treasury Units, whereupon the Agent shall promptly give such instruction to the Collateral Agent, substantially in the form of Exhibit C hereto. Upon receipt of the Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, described in clause (a) above and the instruction described in clause (b) above, in accordance with the terms of the Pledge Agreement, the Collateral Agent will release to the Agent, on behalf of the Holder, the Treasury Securities having a corresponding aggregate principal amount from the Pledge, free and clear of the Company's security interest therein, and upon receipt thereof the Agent shall promptly:

- (i) cancel the related Treasury Units;
- (ii) transfer the Treasury Securities to the Holder; and

(iii) authenticate, execute on behalf of such Holder and deliver a Corporate Units Certificate executed by the Company in accordance with Section 3.3 evidencing the same number of Corporate Units as the number of Treasury Units that were evidenced by the cancelled Treasury Units Certificate.

Holders of Treasury Units may reestablish Corporate Units in integral multiples of 40 Treasury Units for 40 Corporate Units if a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has not occurred, and in integral multiples of 100,000 Treasury Units for 100,000 Corporate Units if a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred.

In the event a Holder re-establishing Corporate Units pursuant to this Section 3.14 fails to effect a book-entry transfer of the Treasury Units or fails to deliver a Treasury Units Certificate(s) to the Agent after depositing Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, with the Collateral Agent, the Treasury Securities constituting a part of such Treasury Units shall be held in the name of the Agent or its nominee in trust for the benefit of such Holder, until such Treasury Units are so transferred or the Treasury Units Certificate is so delivered, as the case may be, or, with respect to a Treasury Units Certificate, such Holder provides evidence satisfactory to the Company and the Agent that such Treasury Units Certificate has been destroyed, lost or stolen, together with any indemnity that may be required by the Agent and the Company.

Except as provided in this Section 3.14, for so long as the Purchase Contract underlying a Treasury Unit remains in effect, such Treasury Unit shall not be separable into its constituent parts and the rights and obligations of the Holder of such Treasury Unit in respect of the Treasury Security and Purchase Contract comprising such Treasury Unit may be acquired, and may be transferred and exchanged, only as a Treasury Unit.

Section 3.15 Transfer of Collateral upon Occurrence of Termination Event .

Upon the occurrence of a Termination Event and the transfer to the Agent of the Senior Notes, the appropriate Applicable Ownership Interest of the Treasury Portfolio or the Treasury Securities, as the case may be, underlying the Corporate Units and the Treasury Units pursuant to the terms of the Pledge Agreement, the Agent shall request transfer instructions with respect to such Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio or Treasury Securities, as the case may be, from each Holder by written request mailed to such Holder at its address as it appears in the Corporate Units Register or the Treasury Units Register, as the case may be. Upon book-entry transfer of the Corporate Units or Treasury Units or delivery of a Corporate Units Certificate or Treasury Units Certificate to the Agent with such transfer instructions, the Agent shall transfer the Senior Notes, the Applicable Ownership Interest of the Treasury Portfolio or Treasury Securities, as the case may be, underlying such Corporate Units or Treasury Units, as the case may be, to such Holder by book-entry transfer, or other appropriate procedures, in accordance with such instructions; provided , however , that, to the extent that a Holder of Corporate Units or Treasury Units would otherwise be entitled to receive less than \$1,000 principal amount at maturity of the Treasury Portfolio or the Treasury Securities, the Agent shall dispose of such securities for cash using a customary method (and shall have no liability relating to the amount of cash so received, unless any deficiency in the amount of such cash arose from the negligence, willful misconduct or bad faith of the Agent), and transfer the appropriate amount of such cash to such Holder in accordance with such Holder's instructions. In the event a Holder of Corporate Units or Treasury Units fails to effect such transfer or delivery, the Senior Notes, the appropriate Applicable Ownership Interest of the Treasury Portfolio or Treasury Securities, as the case may be, underlying such Corporate Units or Treasury Units, as the case may be, and any distributions thereon, shall be held in the name of the Agent or its nominee in trust for the benefit of such Holder, until such Corporate Units or Treasury Units are transferred or the Corporate Units Certificate or Treasury Units Certificate is surrendered or such Holder provides satisfactory evidence that such Corporate Units Certificate or Treasury Units Certificate has been destroyed, lost or stolen, together with any indemnity that may be required by the Agent and the Company.

Section 3.16 No Consent to Assumption .

Each Holder of a Security, by acceptance thereof, shall be deemed expressly to have withheld any consent to the assumption under Section 365 of the Bankruptcy Code or otherwise of the related Purchase Contract by the Company or its trustee, receiver, liquidator or a person or entity performing similar functions, in the event that the Company becomes the debtor under the Bankruptcy Code or subject to other similar state or federal law providing for reorganization or liquidation.

Section 3.17 CUSIP Numbers .

The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Agent shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Agent of any changes in the "CUSIP" numbers.

ARTICLE IV

THE SENIOR NOTES

Section 4.1 Payment of Distribution; Rights to Distributions Preserved; Distribution Rate Reset; Notice .

A distribution on any Senior Note or on the appropriate Applicable Ownership Interest in the Treasury Portfolio, as the case may be, which is paid on any Payment Date shall, subject to receipt thereof by the Agent from the Collateral Agent as provided by the terms of the Pledge Agreement, be paid to the Person in whose name the Corporate Units Certificate (or one or more Predecessor Corporate Units Certificates) of which such Senior Note or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, is a part is registered at the close of business on the Record Date for such Payment Date.

Each Corporate Units Certificate evidencing Senior Notes (or the appropriate Applicable Ownership Interest in the Treasury Portfolio) delivered under this Agreement upon registration of transfer of or in exchange for or in lieu of any other Corporate Units Certificate shall carry the rights to distributions accrued and unpaid, and distributions to accrue, which were or will be carried by the Senior Notes (or such Applicable Ownership Interest in the Treasury Portfolio, as the case may be) underlying such other Corporate Units Certificate.

In the case of any Corporate Units with respect to which Cash Settlement of the underlying Purchase Contract is effected on the fourth Business Day immediately preceding the Purchase Contract Settlement Date pursuant to prior notice, or with respect to which Early Settlement of the underlying Purchase Contract is effected on an Early Settlement Date, or with respect to which Merger Early Settlement of the underlying Purchase Contract is effected on a Merger Early Settlement Date, or with respect to which a Collateral Substitution is effected, in each case on a date that is after any Record Date and on or prior to the next succeeding Payment Date, interest on the Senior Notes or distributions on the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, underlying such Corporate Units otherwise payable on such Payment Date shall be payable on such Payment Date notwithstanding such Cash Settlement, Early Settlement, Merger Early Settlement or Collateral Substitution, and such distributions shall, subject to receipt thereof by the Agent, be payable to the Person in whose name the Corporate Units Certificate (or one or more Predecessor Corporate Units Certificates) was registered at the close of business on the Record Date. Except as otherwise expressly provided in the immediately preceding sentence, in the case of any Corporate Units with respect to which (x) Cash Settlement of the underlying Purchase Contract is effected on the fourth Business Day immediately preceding the Purchase Contract Settlement Date or (y) Early Settlement of the underlying Purchase Contract is effected on an Early Settlement Date or (z) Merger Early Settlement of the underlying Purchase Contract is effected on a Merger Early Settlement Date, as the case may be, or with respect to which a Collateral Substitution has been effected, distributions on the related Senior Notes or on the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, that would otherwise be payable after the Purchase Contract Settlement Date, Early Settlement Date, Merger Early Settlement Date or Collateral Substitution shall not be payable hereunder to the Holder of such Corporate Units; provided, however, that to the extent that such Holder continues to hold the separated Senior Notes that formerly comprised a part of such Holder's Corporate Units, such Holder shall be entitled to receive the distributions on such separated Senior Notes.

The Coupon Rate on the Senior Notes outstanding on and after May 15, 2005 alternatively will be reset on the Initial Remarketing Date, Second Remarketing Date or Third Remarketing Date, as the case may be, in connection with any successful remarketing on any such date to the applicable Reset Rate (such Reset Rate to be in effect on and after February 15, 2005, March 15, 2005, or April 15, 2005, respectively). In the event of a Failed Third Remarketing, the Coupon Rate on the Senior Notes outstanding on and after the Purchase Contract Settlement Date will be reset on the Final Remarketing Date to the applicable Reset Rate (such Reset Rate to be in effect on and after the Purchase Contract Settlement Date). On the Business Day immediately following a Successful Initial Remarketing, a Successful Second Remarketing, a Successful Third Remarketing, or the Final Remarketing Date, the Reset Rate will be announced by the Company (including, in the case of a Failed Final Remarketing, the Reset Spread and Two-Year Benchmark Treasury) in an Authorized Newspaper or other customary method designed to ensure public dissemination.

Section 4.2 Notice and Voting.

Under the terms of the Pledge Agreement, the Agent will be entitled to exercise the voting and any other consensual rights pertaining to the Senior Notes pledged with the Collateral Agent but only to the extent instructed by the Holders as described below. Upon receipt of notice of any meeting at which holders of Senior Notes are entitled to vote or upon any solicitation of consents, waivers or proxies of holders of Senior Notes, the Agent shall, as soon as practicable thereafter, mail to the Holders of Corporate Units a notice (a) containing such information as is contained in the notice or solicitation, (b) stating that each Holder on the record date set by the Agent therefor (which, to the extent possible, shall be the same date as the record date for determining the holders of Senior Notes entitled to vote) shall be entitled to instruct the Agent as to the exercise of the voting rights pertaining to the Senior Notes underlying their Corporate Units and (c) stating the manner in which such instructions may be given. Upon the written request of the Holders of Corporate Units on such record date, the Agent shall endeavor insofar as practicable to vote or cause to be voted, in accordance with the instructions set forth in such requests, the maximum number of Senior Notes as to which any particular voting instructions are received. In the absence of specific instructions from the Holder of a Corporate Unit, the Agent shall abstain from voting the Senior Notes underlying such Corporate Units. The Company hereby agrees, if applicable, to solicit Holders of Corporate Units to timely instruct the Agent in order to enable the Agent to vote such Senior Notes.

Section 4.3 Tax Event Redemption.

Upon the occurrence of a Tax Event Redemption prior to February 15, 2005 or, in the event of a Failed Initial Remarketing, prior to March 15, 2005, or in the event of a Failed Second Remarketing, prior to April 15, 2005 or in the event of a Failed Third Remarketing, prior to the Purchase Contract Settlement Date, pursuant to the terms of the Pledge Agreement, the Collateral Agent will apply, out of the aggregate Redemption Price for the Senior Notes that are components of Corporate Units, an amount equal to the aggregate Redemption Amount for the Senior Notes that are components of Corporate Units to purchase on behalf of the Holders of Corporate Units the Treasury Portfolio and promptly remit the remaining portion of such Redemption Price to the Agent for payment to the Holders of such Corporate Units, such payment to be made promptly to Holders of record on the Tax Event Redemption Date, each such Holder being entitled to receive a pro rata portion of such remaining portion, based on the number of Corporate Units held by such Person. The Treasury Portfolio will be substituted for the pledged Senior Notes, and will be held by the Collateral Agent in accordance with the terms of the Pledge Agreement to secure the

obligation of each Holder of a Corporate Unit to purchase the Common Stock of the Company under the Purchase Contract constituting a part of such Corporate Units. Following the occurrence of a Tax Event Redemption prior to February 15, 2005 or, in the event of a Failed Initial Remarketing, prior to March 15, 2005, or in the event of a Failed Second Remarketing, prior to April 15, 2005 or in the event of a Failed Third Remarketing, prior to the Purchase Contract Settlement Date, the Holders of Corporate Units and the Collateral Agent shall have such security interests, rights and obligations with respect to the Treasury Portfolio as the Holder of Corporate Units and the Collateral Agent had in respect of the Senior Notes, as the case may be, subject to the Pledge thereof as provided in Articles 2, 3, 4, 5 and 6 of the Pledge Agreement, and any reference herein or in the Certificates to the Senior Notes shall be deemed to be a reference to such Treasury Portfolio and any reference herein or in the Certificates to interest on the Senior Notes shall be deemed to be a reference to corresponding distributions on the Treasury Portfolio. The Company may cause to be made in any Corporate Units Certificates thereafter to be issued such change in phraseology and form (but not in substance) as may be appropriate to reflect the substitution of the Treasury Portfolio for Senior Notes as collateral.

The Company shall cause notice of any Tax Event Redemption to be mailed, at least 30 calendar days but not more than 60 calendar days before such Tax Event Redemption Date, to each Holder of Notes to be redeemed at its registered address.

Upon the occurrence of a Tax Event Redemption after the successful remarketing of the Senior Notes, the Redemption Price will be payable in cash to the holders of the Senior Notes.

Section 4.4 CUSIP Numbers.

The Company in issuing the Senior Notes may use "CUSIP" numbers (if then generally in use), and, if so, the Indenture Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Senior Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Senior Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Indenture Trustee and the Agent of any changes in the "CUSIP" numbers.

Section 4.5 Consent to Treatment for Tax Purposes.

Each Holder of a Corporate Unit or a Treasury Unit, by its acceptance thereof, covenants and agrees to treat itself as the owner, for federal, state and local income and franchise tax purposes, of (i) the related Senior Notes or the Applicable Ownership Interest in the Treasury Portfolio, in the case of the Corporate Units, or (ii) the Treasury Securities, in the case of the Treasury Units. Each Holder of a Corporate Unit, by its acceptance thereof, further covenants and agrees to treat the Senior Notes as indebtedness of the Company for federal, state and local income and franchise tax purposes.

ARTICLE V

THE PURCHASE CONTRACTS

Section 5.1 Purchase of Shares of Common Stock.

Subject to the terms and conditions of this Article V, each Purchase Contract shall, unless an Early Settlement has occurred in accordance with Section 5.9 hereof or a Merger Early Settlement has occurred in accordance with Section 5.10 hereof, obligate the Holder of the related Security to purchase, and the Company to sell, on the Purchase Contract Settlement Date at a price equal to the Stated Amount (the "Purchase Price"), a number of newly issued shares of Common Stock equal to the Settlement Rate unless, on or prior to the Purchase Contract Settlement Date, there shall have occurred a Termination Event with respect to the Security of which such Purchase Contract is a part. The "Settlement Rate" is equal to (a) if the Applicable Market Value (as defined below) is equal to or greater than \$36.00 (the "Threshold Appreciation Price"), 0.6944 shares of Common Stock per Purchase Contract, (b) if the Applicable Market Value is less than the Threshold Appreciation Price but is greater than \$28.60, the number of shares of Common Stock per Purchase Contract equal to the Stated Amount divided by the Applicable Market Value and (c) if the Applicable Market Value is less than or equal to \$28.60, 0.8741 shares of Common Stock per Purchase Contract, in each case subject to adjustment as provided in Section 5.6 (and in each case rounded upward or downward to the nearest 1/10,000th of a share). As provided in Section 5.11, no fractional shares of Common Stock will be issued upon settlement of Purchase Contracts.

The "Applicable Market Value" means (i) the average of the Closing Price per share of Common Stock on each of the 20 consecutive Trading Days ending on the third Trading Day immediately preceding the Purchase Contract Settlement Date, (ii) in the case of a Merger Early Settlement, the third Trading Day immediately preceding the Cash Merger Date, or (iii) for purposes of determining cash payable in lieu of fractional shares in connection with an Early Settlement, the third Trading Day immediately preceding the relevant Early Settlement Date. The "Closing Price" of the Common Stock on any date of determination means the closing sale price (or, if no closing price is reported, the last reported sale price) per share of the Common Stock on The New York Stock Exchange, Inc. (the "NYSE") on such date or, if the Common Stock is not listed for trading on the NYSE on any such date, as reported in the composite transactions for the principal United States securities exchange on which the Common Stock is so listed, or if the Common Stock is not so listed on a United States national or regional securities exchange, the last sale price on and as reported by the Nasdaq National Market or, if the Common Stock is not so reported, the last quoted bid price for the Common Stock in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if such bid price is not available, the market value of the Common Stock on such date as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company. A "Trading Day" means a day on which the Common Stock (A) is not

suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock.

Promptly after the calculation of the Settlement Rate and the Applicable Market Value, the Company shall give the Agent notice thereof. All calculations and determinations of the Settlement Rate and the Applicable Market Value shall be made by the Company or its agent, and the Agent shall have no responsibility with respect thereto.

Each Holder of a Corporate Unit or a Treasury Unit, by its acceptance thereof, irrevocably authorizes the Agent to enter into and perform the related Purchase Contract on its behalf as its attorney-in-fact (including the execution of Certificates on behalf of such Holder), agrees to be bound by the terms and provisions thereof, covenants and agrees to perform its obligations under such Purchase Contract, and consents to the provisions hereof, irrevocably authorizes the Agent as its attorney-in-fact to enter into and perform the Pledge Agreement on its behalf as its attorney-in-fact, and consents to and agrees to be bound by the Pledge of the Senior Notes, the Treasury Portfolio or the Treasury Securities, as the case may be, pursuant to the Pledge Agreement; provided that upon a Termination Event, the rights of the Holder of such Security under such Purchase Contract may be enforced without regard to any other rights or obligations. Each Holder of a Corporate Unit or Treasury Unit, by its acceptance thereof, further covenants and agrees, that, to the extent and in the manner provided in Section 5.4 and the Pledge Agreement, but subject to the terms thereof, Proceeds of the Treasury Securities, the Final Remarketing of Senior Notes or the Treasury Portfolio, as applicable, on the Purchase Contract Settlement Date shall be paid by the Collateral Agent to the Company in satisfaction of such Holder's obligations under such Purchase Contract and such Holder shall acquire no right, title or interest in such Proceeds.

Upon registration of transfer of a Certificate, the transferee shall be bound (without the necessity of any other action on the part of such transferee, except as may be required by the Agent pursuant hereto), under the terms of this Agreement, the Purchase Contracts underlying such Certificate and the Pledge Agreement and the transferor shall be released from the obligations under this Agreement, the Purchase Contracts underlying the Certificate so transferred and the Pledge Agreement. The Company covenants and agrees, and each Holder of a Certificate, by its acceptance thereof, likewise covenants and agrees, to be bound by the provisions of this paragraph.

Section 5.2 Contract Adjustment Payments.

(a) The Company shall pay or cause to be paid, on each Payment Date, the Contract Adjustment Payments, if any, payable in respect of each Purchase Contract to the Person in whose name a Certificate (or one or more Predecessor Certificates) is registered at the close of business on the Record Date next preceding such Payment Date in such coin or currency of the United States as at the time of payment shall be legal tender for payments. The Contract Adjustment Payments, if any, will be payable at the New York Office maintained for that purpose or, at the option of the Company, by check mailed to the address of the Person entitled thereto at such Person's address as it appears on the Corporate Units Register or the Treasury Units Register or by wire transfer to the account designated by written notice by such Person delivered to the Agent at least 15 days prior to the applicable Payment Date.

Upon the occurrence of a Termination Event, the Company's obligation to pay Contract Adjustment Payments (including any accrued Contract Adjustment Payments), if any, shall cease.

Each Certificate delivered under this Agreement upon registration or transfer of or in exchange for or in lieu of (including as a result of a Collateral Substitution or the re-establishment of a Corporate Unit) any other Certificate shall carry the rights to Contract Adjustment Payments, if any, accrued and unpaid, and to accrue Contract Adjustment Payments, if any, which were carried by the Purchase Contracts underlying such other Certificates.

Subject to Sections 5.4, 5.9 and 5.10, in the case of any Security with respect to which Early Settlement or Merger Early Settlement of the underlying Purchase Contract is effected on an Early Settlement Date or Merger Early Settlement Date, respectively, or in respect of which Cash Settlement of the underlying Purchase Contract is effected on the fourth Business Day immediately preceding the Purchase Contract Settlement Date, or with respect to which a Collateral Substitution or a re-establishment of Corporate Units pursuant to Section 3.14 is effected, in each case on a date that is after any Record Date and on or prior to the next succeeding Payment Date, Contract Adjustment Payments on the Purchase Contracts underlying such Securities otherwise payable on such Payment Date shall be payable on such Payment Date notwithstanding such Cash Settlement, Early Settlement, Merger Early Settlement, Collateral Substitution or re-establishment of Corporate Units, and such Contract Adjustment Payments shall be paid to the Person in whose name the Certificate evidencing such Security (or one or more Predecessor Certificates) is registered at the close of business on such Record Date. Except as otherwise expressly provided in the immediately preceding sentence, in the case of any Security with respect to which (x) Cash Settlement of the underlying Purchase Contract is effected on the fourth Business Day immediately preceding the Purchase Contract Settlement Date or (y) Early Settlement of the underlying Purchase Contract is effected on an Early Settlement Date or (z) Merger Early Settlement of the underlying Purchase Contract is effected on a Merger Early Settlement Date, as the case may be, or with respect to which a Collateral Substitution or a re-establishment of Corporate Units has been effected, Contract Adjustment Payments, if any, that would otherwise be payable after the Purchase Contract Settlement Date, Early Settlement Date, Merger Early Settlement Date, Collateral Substitution or such reestablishment with respect to such Purchase Contract shall not be payable hereunder to the Holder of such Security.

(b) The Company's obligations with respect to Contract Adjustment Payments, if any, will be subordinated and junior in right of payment to the Company's obligations under any Senior Indebtedness.

(c) In the event (I) of any payment by, or distribution of assets of, the Company of any kind or character, whether in cash,

property or securities, to creditors upon any dissolution, winding-up, liquidation or reorganization of the Company, whether voluntary or involuntary or in bankruptcy, insolvency, receivership or other proceedings, or (II) subject to the provisions of Subsection 5.2(e) below, that (A) a default shall have occurred and be continuing with respect to the payment of principal, interest or any other monetary amounts due and payable on any Senior Indebtedness and such default shall have continued beyond the period of grace, if any, specified in the instrument evidencing such Senior Indebtedness (and the Agent shall have received written notice thereof from the Company or one or more holders of Senior Indebtedness or their representative or representatives or the trustee or trustees under any indenture pursuant to which any such Senior Indebtedness may have been issued), or (B) the maturity of any Senior Indebtedness shall have been accelerated because of a default in respect of such Senior Indebtedness (and the Agent shall have received written notice thereof from the Company or one or more holders of Senior Indebtedness or their representative or representatives or the trustee or trustees under any indenture pursuant to which any such Senior Indebtedness may have been issued), then:

(i) the holders of all Senior Indebtedness shall first be entitled to receive, in the case of (I) above, payment of all amounts due or to become due upon all Senior Indebtedness and, in the case of subclauses (A) and (B) of clause (II) above, payment of all amounts due thereon, or provision shall be made for such payment in money or moneys worth, before the Holders of any of the Securities are entitled to receive any Contract Adjustment Payments on the Purchase Contracts underlying the Securities;

(ii) any payment by, or distribution of assets of, the Company of any kind or character, whether in cash, property or securities, to which the Holders of any of the Securities would be entitled except for the provisions of Subsections 5.2(b) through (m), including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Company being subordinated to the payment of such Contract Adjustment Payments on the Purchase Contracts underlying the Securities, shall be paid or delivered by the Person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued, ratably according to the aggregate amounts remaining unpaid on account of such Senior Indebtedness held or represented by each, to the extent necessary to make payment in full of all Senior Indebtedness remaining unpaid after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Indebtedness, before any payment or distribution is made of such Contract Adjustment Payments to the Holders of such Securities; and

(iii) in the event that, notwithstanding the foregoing, any payment by, or distribution of assets of, the Company of any kind or character, whether in cash, property or securities, including any such payment or distribution that may be payable or deliverable by reason of the payment of any other indebtedness of the Company being subordinated to the payment of Contract Adjustment Payments on the Purchase Contracts underlying the Securities, shall be received by the Agent or the Holders of any of the Securities when such payment or distribution is prohibited pursuant to Subsections 5.2(b) through (m), such payment or distribution shall be paid over to the holders of such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any such Senior Indebtedness may have been issued, ratably as aforesaid, for application to the payment of all Senior Indebtedness remaining unpaid until all such Senior Indebtedness shall have been paid in full, after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Indebtedness.

(d) For purposes of Subsections 5.2(b) through (m), the words "cash, property or securities" shall not be deemed to include shares of stock of the Company as reorganized or readjusted, or securities of the Company or any other Person provided for by a plan of reorganization or readjustment, the payment of which is subordinated at least to the extent provided in Subsections 5.2(b) through (m) with respect to such Contract Adjustment Payments on the Securities to the payment of all Senior Indebtedness which may at the time be outstanding; provided that (i) the indebtedness or guarantee of indebtedness, as the case may be, that constitutes Senior Indebtedness is assumed by the Person, if any, resulting from any such reorganization or readjustment, and (ii) the rights of the holders of the Senior Indebtedness are not, without the consent of each such holder adversely affected thereby, altered by such reorganization or readjustment.

(e) Any failure by the Company to make any payment on or perform any other obligation under Senior Indebtedness, other than any indebtedness incurred by the Company or assumed or guaranteed, directly or indirectly, by the Company for money borrowed (or any deferral, renewal, extension or refunding thereof) or any indebtedness or obligation as to which the provisions of this subsection (e) shall have been waived by the Company in the instrument or instruments by which the Company incurred, assumed, guaranteed or otherwise created such indebtedness or obligation, shall not be deemed a default or event of default if (i) the Company shall be disputing its obligation to make such payment or perform such obligation and (ii) either (A) no final judgment relating to such dispute shall have been issued against the Company that is in full force and effect and is not subject to further review, including a judgment that has become final by reason of the expiration of the time within which a party may seek further appeal or review, and (B) in the event of a judgment that is subject to further review or appeal has been issued, the Company shall in good faith be prosecuting an appeal or other proceeding for review and a stay of execution shall have been obtained pending such appeal or review.

(f) Subject to the payment in full of all Senior Indebtedness, the Holders of the Securities shall be subrogated (equally and ratably with the holders of all obligations of the Company that by their express terms are subordinated to Senior Indebtedness of the Company to the same extent as payment of the Contract Adjustment Payments in respect of the Purchase Contracts underlying the Securities is subordinated and that are entitled to like rights of subrogation) to the rights of the holders of Senior Indebtedness to receive payments or distributions of cash, property or securities of the Company applicable to the Senior Indebtedness until all such Contract Adjustment Payments owing on the Securities shall be paid in full, and as between the Company, its creditors other than holders of such Senior Indebtedness and the

Holders, no such payment or distribution made to the holders of Senior Indebtedness by virtue of Subsections 5.2(b) through (m) that otherwise would have been made to the Holders shall be deemed to be a payment by the Company on account of such Senior Indebtedness, it being understood that the provisions of Subsections 5.2(b) through (m) are intended solely for the purpose of defining the relative rights of the Holders, on the one hand, and the holders of Senior Indebtedness, on the other hand.

(g) Nothing contained in Subsections 5.2(b) through (m) or elsewhere in this Agreement or in the Securities is intended to or shall impair, as among the Company, its creditors other than the holders of Senior Indebtedness and the Holders, the obligation of the Company, which is absolute and unconditional, to pay to the Holders such Contract Adjustment Payments on the Securities as and when the same shall become due and payable in accordance with their terms, or is intended to or shall affect the relative rights of the Holders and creditors of the Company other than the holders of Senior Indebtedness, nor shall anything herein or therein prevent the Agent or any Holder from exercising all remedies otherwise permitted by applicable law upon default under this Agreement, subject to the rights, if any, under these Subsections 5.2(b) through (m), of the Holders of Senior Indebtedness in respect of cash, property or securities of the Company received upon the exercise of any such remedy.

(h) Upon payment or distribution of assets of the Company referred to in Subsections 5.2(b) through (m), the Agent and the Holders shall be entitled to rely upon any order or decree made by any court of competent jurisdiction in which any such dissolution, winding up, liquidation or reorganization proceeding affecting the affairs of the Company is pending or upon a certificate of the trustee in bankruptcy, receiver, assignee for the benefit of creditors, liquidating trustee or agent or other person making any payment or distribution, delivered to the Agent or to the Holders, for the purpose of ascertaining the persons entitled to participate in such payment or distribution, the holders of the Senior Indebtedness and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to Subsections 5.2(b) through (m).

(i) The Agent shall be entitled to rely on the delivery to it of a written notice by a Person representing himself to be a holder of Senior Indebtedness (or a trustee or representative on behalf of such holder) to establish that such notice has been given by a holder of Senior Indebtedness or a trustee or representative on behalf of any such holder or holders. In the event that the Agent determines in good faith that further evidence is required with respect to the right of any Person as a holder of Senior Indebtedness to participate in any payment or distribution pursuant to Subsections 5.2(b) through (m), the Agent may request such Person to furnish evidence to the reasonable satisfaction of the Agent as to the amount of Senior Indebtedness held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such Person under Subsections 5.2(b) through (m), and, if such evidence is not furnished, the Agent may defer payment to such Person pending judicial determination as to the right of such Person to receive such payment.

(j) Each Holder of Securities, by his acceptance thereof, authorizes and directs the Agent in his, her or its behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in Subsections 5.2(b) through (m) and appoints the Agent his, her or its attorney-in-fact, as the case may be, for any and all such purposes.

(k) The Company shall give prompt written notice to the Agent of any fact known to the Company that would prohibit the making of any payment of moneys to or by the Agent in respect of the Securities pursuant to the provisions of this Section. Notwithstanding the provisions of Subsections 5.2(b) through (m) or any other provisions of this Agreement, the Agent shall not be charged with knowledge of the existence of any facts that would prohibit the making of any payment of moneys to or by the Agent, or the taking of any other action by the Agent, unless and until the Agent shall have received written notice thereof mailed or delivered to the Agent at its office located at 2525 West End Avenue, Suite 1200, Nashville, Tennessee 37203, Attention: Susan Baker, from the Company, any Holder, any paying agent or the holder or representative of any Senior Indebtedness; provided that if at least two Business Days prior to the date upon which by the terms hereof any such moneys may become payable for any purpose, the Agent shall not have received with respect to such moneys the notice provided for in this Section, then, anything herein contained to the contrary notwithstanding, the Agent shall have full power and authority to receive such moneys and to apply the same to the purpose for which they were received and shall not be affected by any notice to the contrary that may be received by it within two Business Days prior to or on or after such date.

(l) The Agent in its individual capacity shall be entitled to all the rights set forth in this Section with respect to any Senior Indebtedness at the time held by it, to the same extent as any other holder of Senior Indebtedness and nothing in this Agreement shall deprive the Agent of any of its rights as such holder.

(m) No right of any present or future holder of any Senior Indebtedness to enforce the subordination herein shall at any time or in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any noncompliance by the Company with the terms, provisions and covenants of this Agreement, regardless of any knowledge thereof that any such holder may have or be otherwise charged with.

Nothing in this Section 5.2 shall apply to claims of, or payments to, the Agent under or pursuant to Section 7.7.

With respect to the holders of Senior Indebtedness, (i) the duties and obligations of the Agent shall be determined solely by the express provisions of this Agreement; (ii) the Agent shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement; (iii) no implied covenants or obligations shall be read into this Agreement against the Agent; and (iv) the Agent shall not be deemed to be a fiduciary as to such holders.

(a) Unless a Tax Event Redemption has occurred, the Company shall engage a nationally recognized investment bank (the "Remarketing Agent") pursuant to the Remarketing Agreement to sell the Senior Notes of Corporate Unit Holders (the "Initial Remarketing") on the third Business Day (the "Initial Remarketing Date") immediately preceding February 15, 2005. In order to facilitate the remarketing, the Agent shall notify, by 11:00 a.m., New York City time, on the Business Day immediately preceding the Initial Remarketing Date, the Remarketing Agent and the Company of the aggregate principal amount of Senior Notes that constitute part of the Corporate Units to be remarketed. Concurrently, the Collateral Agent, pursuant to the terms of the Pledge Agreement, will present for remarketing such Senior Notes to the Remarketing Agent. Upon receipt of the notice from the Agent and such Senior Notes from the Collateral Agent, the Remarketing Agent will, on the Initial Remarketing Date, use its reasonable efforts to remarket such Senior Notes on such date at a price of approximately 100.25% (but not less than 100%) of the Treasury Portfolio Purchase Price. If the Remarketing Agent is able to remarket the Senior Notes at a price equal to or greater than 100% of the Treasury Portfolio Purchase Price (a "Successful Initial Remarketing"), the portion of the proceeds from such Successful Initial Remarketing equal to the Treasury Portfolio Purchase Price will be applied to purchase the Treasury Portfolio. In addition, the Remarketing Agent may deduct as a remarketing fee ("Remarketing Fee") an amount not exceeding 25 basis points (0.25%) of the Treasury Portfolio Purchase Price from any amount of such proceeds in excess of the Treasury Portfolio Purchase Price. Any proceeds in excess of those required to pay the Treasury Portfolio Purchase Price and the Remarketing Fee will be remitted to the Agent for prompt payment to the Holders of the related Corporate Units to be made on a pro rata basis. Corporate Unit Holders whose Senior Notes are so remarketed will not otherwise be responsible for the payment of any Remarketing Fee in connection therewith. The Treasury Portfolio will be substituted for the Senior Notes of Corporate Unit Holders and the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio will be pledged to the Collateral Agent to secure the Corporate Unit Holders' obligation to pay the Purchase Price for the Common Stock under the related Purchase Contracts on the Purchase Contract Settlement Date. Following the occurrence of a Successful Initial Remarketing, the Holders of Corporate Units and the Collateral Agent shall have such security interests, rights and obligations with respect to the Treasury Portfolio as the Holder of Corporate Units and the Collateral Agent had in respect of the Senior Notes, as the case may be, subject to the Pledge thereof as provided in Articles 2, 3, 4, 5 and 6 of the Pledge Agreement, and any reference herein or in the Certificates to the Senior Notes shall be deemed to be a reference to such Treasury Portfolio and any reference herein or in the Certificates to interest on the Senior Notes shall be deemed to be a reference to corresponding distributions on the Treasury Portfolio. The Company may cause to be made in any Corporate Units Certificates thereafter to be issued such change in phraseology and form (but not in substance) as may be appropriate to reflect the substitution of the Treasury Portfolio for Senior Notes as collateral.

If, (i) in spite of using its reasonable efforts, the Remarketing Agent cannot remarket the related Senior Notes (other than to the Company) of such Holders of Corporate Units at a price equal to or greater than 100% of the Treasury Portfolio Purchase Price, or (ii) the remarketing has not occurred because a condition precedent to the remarketing has not been fulfilled, the remarketing will be deemed to have failed (a "Failed Initial Remarketing"). The Company will cause a notice of a Failed Initial Remarketing to be published on the second Business Day immediately preceding February 15, 2005 in an Authorized Newspaper.

Holders of beneficial interests in the Corporate Units shall be hereby deemed to agree that the obligations of the Remarketing Agent under the Remarketing Agreement will be subject to satisfaction of conditions to be set forth in or incorporated by reference into any such agreement.

(b) Unless a Tax Event Redemption or a Successful Initial Remarketing has occurred, the Company shall engage the Remarketing Agent pursuant to the Remarketing Agreement to sell the Senior Notes of Corporate Unit Holders (the "Second Remarketing") on the third Business Day (the "Second Remarketing Date") immediately preceding March 15, 2005. In order to facilitate the remarketing, the Agent shall notify, by 11:00 a.m., New York City time, on the Business Day immediately preceding the Second Remarketing Date, the Remarketing Agent and the Company of the aggregate principal amount of Senior Notes that constitute part of the Corporate Units to be remarketed. Concurrently, the Collateral Agent, pursuant to the terms of the Pledge Agreement, will present for remarketing such Senior Notes to the Remarketing Agent. Upon receipt of the notice from the Agent and such Senior Notes from the Collateral Agent, the Remarketing Agent will, on the Second Remarketing Date, use its reasonable efforts to remarket such Senior Notes on such date at a price of approximately 100.25% (but not less than 100%) of the Treasury Portfolio Purchase Price. If the Remarketing Agent is able to remarket the Senior Notes at a price equal to or greater than 100% of the Treasury Portfolio Purchase Price (a "Successful Second Remarketing"), the portion of the proceeds from such Successful Second Remarketing equal to the Treasury Portfolio Purchase Price will be applied to purchase the Treasury Portfolio. In addition, the Remarketing Agent may deduct the Remarketing Fee not exceeding 25 basis points (0.25%) of the Treasury Portfolio Purchase Price from any amount of such proceeds in excess of the Treasury Portfolio Purchase Price. Any proceeds in excess of those required to pay the Treasury Portfolio Purchase Price and the Remarketing Fee will be remitted to the Agent for a prompt payment to the Holders of the related Corporate Units to be made on a pro rata basis. Corporate Unit Holders whose Senior Notes are so remarketed will not otherwise be responsible for the payment of any Remarketing Fee in connection therewith. The Treasury Portfolio will be substituted for the Senior Notes of Corporate Unit Holders and the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio will be pledged to the Collateral Agent to secure the Corporate Unit Holders' obligation to pay the Purchase Price for the Common Stock under the related Purchase Contracts on the Purchase Contract Settlement Date. Following the occurrence of a Successful Second Remarketing, the Holders of Corporate Units and the Collateral Agent shall have such security interests, rights and obligations with respect to the Treasury Portfolio as the Holder of Corporate Units and the Collateral Agent had in respect of the Senior Notes, as the case may be, subject to the Pledge thereof as provided in Articles 2, 3, 4, 5 and 6 of the Pledge Agreement, and any reference herein or in the Certificates to the Senior Notes shall be deemed to be a reference to such Treasury Portfolio and any reference herein or in the Certificates to interest on the Senior Notes shall be deemed to be a reference to corresponding distributions on the Treasury Portfolio. The Company may cause to be made in any Corporate Units Certificates thereafter to be issued such change in phraseology and form (but not in substance) as may be appropriate to reflect the substitution of the Treasury Portfolio for Senior Notes as collateral.

If, (i) in spite of using its reasonable efforts, the Remarketing Agent cannot remarket the related Senior Notes (other than to the Company) of such Holders of Corporate Units at a price equal to or greater than 100% of the Treasury Portfolio Purchase Price, or (ii) the remarketing has not occurred because a condition precedent to the remarketing has not been fulfilled, the remarketing will be deemed to have

failed (a "Failed Second Remarketing"). The Company will cause a notice of a Failed Second Remarketing to be published on the second Business Day immediately preceding March 15, 2005 in an Authorized Newspaper.

Holders of beneficial interests in the Corporate Units shall be hereby deemed to agree that the obligations of the Remarketing Agent under the Remarketing Agreement will be subject to satisfaction of conditions to be set forth in or incorporated by reference into any such agreement.

(c) Unless a Tax Event Redemption, Successful Initial Remarketing or a Successful Second Remarketing has occurred, the Company shall engage the Remarketing Agent pursuant to the Remarketing Agreement to sell the Senior Notes of Corporate Unit Holders (the "Third Remarketing") on the third Business Day (the "Third Remarketing Date") immediately preceding April 15, 2005. In order to facilitate the remarketing, the Agent shall notify, by 11:00 a.m., New York City time, on the Business Day immediately preceding the Third Remarketing Date, the Remarketing Agent and the Company of the aggregate principal amount of Senior Notes which constitute part of the Corporate Units to be remarketed. Concurrently, the Collateral Agent, pursuant to the terms of the Pledge Agreement, will present for remarketing such Senior Notes to the Remarketing Agent. Upon receipt of the notice from the Agent and such Senior Notes from the Collateral Agent, the Remarketing Agent will, on the Third Remarketing Date, use its reasonable efforts to remarket such Senior Notes on such date at a price of approximately 100.25% (but not less than 100%) of the Treasury Portfolio Purchase Price. If the Remarketing Agent is able to remarket the Senior Notes at a price equal to or greater than 100% of the Treasury Portfolio Purchase Price (a "Successful Third Remarketing"), the portion of the proceeds from such Successful Third Remarketing equal to the Treasury Portfolio Purchase Price will be applied to purchase the Treasury Portfolio. In addition, the Remarketing Agent may deduct the Remarketing Fee not exceeding 25 basis points (0.25%) of the Treasury Portfolio Purchase Price from any amount of such proceeds in excess of the Treasury Portfolio Purchase Price. Any proceeds in excess of those required to pay the Treasury Portfolio Purchase Price and the Remarketing Fee will be remitted to the Agent for prompt payment to the Holders of the related Corporate Units to be made on a pro rata basis. Corporate Unit Holders whose Senior Notes are so remarketed will not otherwise be responsible for the payment of any Remarketing Fee in connection therewith. The Treasury Portfolio will be substituted for the Senior Notes of Corporate Unit Holders and the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio will be pledged to the Collateral Agent to secure the Corporate Unit Holders' obligation to pay the Purchase Price for the Common Stock under the related Purchase Contracts on the Purchase Contract Settlement Date. Following the occurrence of a Successful Third Remarketing, the Holders of Corporate Units and the Collateral Agent shall have such security interests, rights and obligations with respect to the Treasury Portfolio as the Holder of Corporate Units and the Collateral Agent had in respect of the Senior Notes, as the case may be, subject to the Pledge thereof as provided in Articles 2, 3, 4, 5 and 6 of the Pledge Agreement, and any reference herein or in the Certificates to the Senior Notes shall be deemed to be a reference to such Treasury Portfolio and any reference herein or in the Certificates to interest on the Senior Notes shall be deemed to be a reference to corresponding distributions on the Treasury Portfolio. The Company may cause to be made in any Corporate Units Certificates thereafter to be issued such change in phraseology and form (but not in substance) as may be appropriate to reflect the substitution of the Treasury Portfolio for Senior Notes as collateral.

If, (i) in spite of using its reasonable efforts, the Remarketing Agent cannot remarket the related Senior Notes (other than to the Company) of such Holders of Corporate Units at a price equal to or greater than 100% of the Treasury Portfolio Purchase Price, or (ii) the remarketing has not occurred because a condition precedent to the remarketing has not been fulfilled, the remarketing will be deemed to have failed (a "Failed Third Remarketing"). The Company will cause a notice of a Failed Third Remarketing to be published on the second Business Day immediately preceding April 15, 2005 in an Authorized Newspaper.

Holders of beneficial interests in the Corporate Units shall be hereby deemed to agree that the obligations of the Remarketing Agent under the Remarketing Agreement will be subject to satisfaction of conditions to be set forth in or incorporated by reference into any such agreement.

(d) Not later than seven calendar days nor more than 15 calendar days prior to the Initial Remarketing Date, the Second Remarketing Date, the Third Remarketing Date or the Final Remarketing Date, as applicable, the Company will request DTC or its nominee (or any successor Clearing Agency or its nominee) by first-class mail, postage prepaid, to notify the Beneficial Owners or Clearing Agency Participants holding Corporate Units or Treasury Units of such Initial Remarketing Date, the Second Remarketing Date, the Third Remarketing Date or the Final Remarketing Date, as applicable, and, in the case of a Final Remarketing, pursuant to Section 5.4, the procedures to be followed by Holders of Corporate Units who intend to settle their obligation under the Purchase Contract with separate cash on the fourth Business Day immediately preceding the Purchase Contract Settlement Date.

Section 5.4 Payment of Purchase Price; Final Remarketing.

(a) Unless a Tax Event Redemption, Successful Initial Remarketing, Successful Second Remarketing, Successful Third Remarketing, Termination Event, Early Settlement or Merger Early Settlement has occurred, each Holder of a Corporate Unit may pay in cash ("Cash Settlement") the Purchase Price for the shares of Common Stock to be purchased pursuant to a Purchase Contract if such Holder notifies the Agent by use of a notice in substantially the form of Exhibit E hereto of its intention to make a Cash Settlement and delivers the Certificate evidencing such Corporate Unit to the Agent at the Corporate Trust Office or the New York Office duly endorsed for transfer to the Company or in blank.

(i) Such notice shall be made on or prior to 5:00 p.m., New York City time, on the fifth Business Day immediately preceding the Purchase Contract Settlement Date. The Agent shall promptly notify the Collateral Agent of the receipt of such a notice from a Holder intending to make a Cash Settlement.

(ii) A Holder of a Corporate Unit who has so notified the Agent of its intention to make a Cash Settlement is required to pay the Purchase Price to the Collateral Agent on or prior to 11:00 a.m., New York City time, on the fourth Business Day immediately preceding the Purchase Contract Settlement Date in lawful money of the United States by certified or cashiers' check or wire transfer, in each case in immediately available funds payable to or upon the order of the Company. Any cash received by the Collateral Agent will be invested promptly by the Collateral Agent in Permitted Investments and paid to the Company on the Purchase Contract Settlement Date in settlement of the Purchase Contract in accordance with the terms of this Agreement and the Pledge Agreement. Any funds received by the Collateral Agent in respect of the investment earnings from the investment in such Permitted Investments will be distributed to the Agent when received for payment to the Holder.

(iii) If a Holder of a Corporate Unit (unless a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred) fails to notify the Agent of its intention to make a Cash Settlement in accordance with paragraph (a)(i) above, such failure shall constitute an event of default hereunder and under the Pledge Agreement and the Holder shall be deemed to have consented to the disposition of the pledged Senior Notes pursuant to the Final Remarketing as described in paragraph (b) below. If a Holder of a Corporate Unit does notify the Agent as provided in paragraph (a)(i) above of its intention to pay the Purchase Price in cash, but fails to make such payment as required by paragraph (a)(ii) above, such failure shall also constitute an event of default hereunder and under the Pledge Agreement and the Holder shall be deemed to have consented to the disposition of the pledged Senior Notes pursuant to the Final Remarketing as described in paragraph (b) below.

(b) Unless a Tax Event Redemption, Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred, the Senior Notes of Corporate Unit Holders who have not notified the Agent of their intention to effect a Cash Settlement as provided in paragraph (a)(i) above or who have not delivered separate cash as provided in paragraph (a)(ii) above will be sold by the Remarketing Agent (the "Final Remarketing") on the third Business Day (the "Final Remarketing Date") immediately preceding the Purchase Contract Settlement Date. The Agent shall notify, by 11:00 a.m., New York City time, on the Business Day immediately preceding the Final Remarketing Date, the Remarketing Agent and the Company of the aggregate principal amount of Senior Notes that are part of Corporate Units to be remarketed. Concurrently, the Collateral Agent, pursuant to the terms of the Pledge Agreement, will present for remarketing such Senior Notes to the Remarketing Agent. Upon receipt of such notice from the Agent and such Senior Notes from the Collateral Agent, the Remarketing Agent will, on the Final Remarketing Date, use its reasonable efforts to remarket such Senior Notes on such date at a price of approximately 100.25% (but not less than 100%) of the aggregate principal amount of such Senior Notes. If the Remarketing Agent is able to remarket the Senior Notes at a price equal to or greater than 100% of the aggregate principal amount of Senior Notes (a "Successful Final Remarketing"), the Remarketing Agent will remit the entire amount of the proceeds from such Successful Final Remarketing to the Collateral Agent; provided, however, that the Remarketing Agent may deduct the Remarketing Fee not exceeding 25 basis points (0.25%) of the aggregate principal amount of the remarketed Senior Notes from any amount of the proceeds of a Successful Final Remarketing in excess of 100% of the aggregate principal amount of the remarketed Senior Notes. The portion of the proceeds equal to 100% of the aggregate principal amount of Senior Notes will automatically be applied by the Collateral Agent, in accordance with the Pledge Agreement, to satisfy in full such Corporate Unit Holders' obligations to pay the Purchase Price for the Common Stock under the related Purchase Contracts on the Purchase Contract Settlement Date. Any proceeds in excess of those required to pay the Purchase Price and the Remarketing Fee will be remitted to the Agent for payment to the Holders of the related Corporate Units. Corporate Unit Holders whose Senior Notes are so remarketed will not otherwise be responsible for the payment of any Remarketing Fee in connection therewith.

If, (i) in spite of using its reasonable efforts, the Remarketing Agent cannot remarket the related Senior Notes (other than to the Company) of such Holders of Corporate Units at a price equal to or greater than 100% of the aggregate principal amount of the Senior Notes, or (ii) the remarketing has not occurred because a condition precedent to the remarketing has not been fulfilled, the remarketing will be deemed to have failed (a "Failed Final Remarketing") and in accordance with the terms of the Pledge Agreement the Collateral Agent for the benefit of the Company will exercise its rights as a secured party with respect to such Senior Notes, including those actions specified in paragraph (c) below. The Company will cause a notice of such Failed Final Remarketing to be published on the second Business Day immediately preceding the Purchase Contract Settlement Date in an Authorized Newspaper.

(c) With respect to any Senior Notes that are subject to a Failed Final Remarketing, the Collateral Agent for the benefit of the Company reserves all of its rights as a secured party with respect thereto and, subject to applicable law and paragraph (h) below, may, among other things, (i) retain the Senior Notes and assert all rights of ownership thereto or (ii) sell the Senior Notes in one or more public or private sales, each in full satisfaction of the Holders' obligations under the Purchase Contracts.

(d) Unless a Termination Event or an Early Settlement or a Merger Early Settlement has occurred, the Purchase Contract underlying each Treasury Unit and, if a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred, each Corporate Unit will be settled with the Proceeds at maturity of the Treasury Security or the Applicable Ownership Interest (as defined in clause (A) of the definition of such term) of the Treasury Portfolio, as applicable. Upon receipt of such Proceeds, the Collateral Agent will pay the Proceeds to the Company on the Purchase Contract Settlement Date in accordance with the terms of this Agreement and the Pledge Agreement. Any such Proceeds received by the Collateral Agent in excess of the Purchase Price will be distributed to the Agent when received for payment to the Holder.

(e) Any distribution to Holders of excess funds and interest described above, shall be payable at the New York Office maintained for that purpose or, at the option of the Holder, by check mailed to the address of the Person entitled thereto at such address as it appears on the Register or, at the option of the Company, by wire transfer to the bank account designated by such Holder in writing, such payments to be made to the same Persons entitled to receive Common Stock with respect to Purchase Contracts referred to in subsection (d) above.

(f) Unless a Holder settles the underlying Purchase Contract through an Early Settlement in the manner described in Section 5.9, the Company, notwithstanding anything herein to the contrary, shall not be obligated to issue any shares of Common Stock in respect of a Purchase Contract or deliver any certificate therefor to the Holder unless it shall have received payment in full of the Purchase Price for the shares of Common Stock to be purchased thereunder in the manner set forth in this Section 5.4.

(g) Upon Cash Settlement of any Purchase Contract, (i) the Collateral Agent will in accordance with the terms of the Pledge Agreement cause the pledged Senior Notes underlying the related Corporate Units to be released from the Pledge by the Collateral Agent free and clear of any security interest of the Company and transferred to the Agent for delivery to the Holder thereof or its designee as soon as practicable and (ii) subject to the receipt thereof from the Collateral Agent, the Agent shall, by book-entry transfer, or other appropriate procedures, in accordance with instructions provided by the Holder thereof, transfer such Senior Notes to such Holder (or, if no such instructions are given to the Agent by the Holder, the Agent shall hold such Senior Notes and any distributions thereon in the name of the Agent or its nominee in trust for the benefit of such Holder).

(h) The obligations of the Holders to pay the Purchase Price are non-recourse obligations and are payable solely out of any Cash Settlement or the Proceeds of any Collateral pledged to secure the obligations of the Holders, and in no event will Holders be liable for any deficiency between the Proceeds of Collateral and the Purchase Price.

Section 5.5 Issuance of Shares of Common Stock.

Unless a Termination Event or an Early Settlement or a Merger Early Settlement shall have occurred, on the Purchase Contract Settlement Date, upon its receipt of payment in full of the Purchase Price for the shares of Common Stock purchased by the Holders pursuant to the foregoing provisions of this Article and subject to Section 5.6(b), the Company shall issue and deposit with the Agent, for the benefit of the Holders of the Outstanding Securities, one or more certificates representing freely-tradable, newly issued shares of Common Stock registered in the name of the Agent (or its nominee) as custodian for the Holders (such certificates for shares of Common Stock, together with any dividends or distributions for which both a record date and payment date for such dividend or distribution has occurred on or after the Purchase Contract Settlement Date, being hereinafter referred to as the "Purchase Contract Settlement Fund") to which the Holders are entitled hereunder. Subject to the foregoing, upon surrender of a Certificate to the Agent on or after the Purchase Contract Settlement Date, together with settlement instructions thereon duly completed and executed, the Holder of such Certificate shall be entitled to receive in exchange therefor a certificate representing that number of whole shares of Common Stock that such Holder is entitled to receive pursuant to the provisions of this Article V (after taking into account all Securities then held by such Holder) together with cash in lieu of fractional shares as provided in Section 5.11 and any dividends or distributions with respect to such shares constituting part of the Purchase Contract Settlement Fund, but without any interest thereon, and the Certificate so surrendered shall forthwith be cancelled. Such shares shall be registered in the name of the Holder or the Holder's designee as specified in the settlement instructions provided by the Holder to the Agent. If any shares of Common Stock issued in respect of a Purchase Contract are to be registered to a Person other than the Person in whose name the Certificate evidencing such Purchase Contract is registered, no such registration shall be made unless the Person requesting such registration has paid any transfer and other taxes required by reason of such registration in a name other than that of the registered Holder of the Certificate evidencing such Purchase Contract or has established to the satisfaction of the Company that such tax either has been paid or is not payable.

Section 5.6 Adjustment of Settlement Rate.

(a) Adjustments for Dividends, Distributions, Stock Splits, Etc.

(1) In case the Company shall pay or make a dividend or other distribution on the Common Stock in Common Stock, the Settlement Rate, as in effect at the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such dividend or other distribution, shall be increased by dividing such Settlement Rate by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution, such increase to become effective immediately after the opening of business on the day following the date fixed for such determination. For the purposes of this paragraph (1), the number of shares of Common Stock at any time outstanding shall not include shares held in treasury by the Company but shall include any shares issuable in respect of any scrip certificates issued in lieu of fractions of shares of Common Stock. The Company will not pay any dividend or make any distribution on shares of Common Stock held in treasury by the Company.

(2) In case the Company shall issue rights, options or warrants to all holders of its Common Stock (not being available on an equivalent basis to Holders of the Securities upon settlement of the Purchase Contracts underlying such Securities) entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price per share of the Common Stock on the date fixed for the determination of stockholders entitled to receive such rights, options or warrants (other than pursuant to a dividend reinvestment plan or share purchase plan), the Settlement Rate in effect at the opening of business on the day following the date fixed for such determination shall be increased by dividing such Settlement Rate by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock which the aggregate offering price of the total number of shares of Common Stock so offered for subscription or purchase would purchase at such Current Market Price and the denominator shall be the number of shares of Common Stock outstanding at the close of

business on the date fixed for such determination plus the number of shares of Common Stock so offered for subscription or purchase, such increase to become effective immediately after the opening of business on the day following the date fixed for such determination. For the purposes of this paragraph (2), the number of shares of Common Stock at any time outstanding shall not include shares held in treasury by the Company but shall include any shares issuable in respect of any scrip certificates issued in lieu of fractions of shares of Common Stock. The Company shall not issue any such rights, options or warrants in respect of shares of Common Stock held in treasury by the Company.

(3) In case outstanding shares of Common Stock shall be subdivided or split into a greater number of shares of Common Stock, the Settlement Rate in effect at the opening of business on the day following the day upon which such subdivision or split becomes effective shall be proportionately increased, and, conversely, in case outstanding shares of Common Stock shall each be combined into a smaller number of shares of Common Stock, the Settlement Rate in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately reduced, such increase or reduction, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision, split or combination becomes effective.

(4) (a) In case the Company shall, by dividend or otherwise, distribute to all holders of its Common Stock evidences of its indebtedness, shares of capital stock, securities, cash or other property (but excluding any rights, options or warrants referred to in paragraph (2) of this Section, any dividend or distribution paid exclusively in cash, any dividend or distribution referred to in paragraph (1) of this Section and any dividend, shares of capital stock of any class or series, or similar equity interests, of or relating to a subsidiary or other business unit in the case of a Spin-Off referred to in the next paragraph), the Settlement Rate shall be increased so that the same shall equal the rate determined by dividing the Settlement Rate in effect immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such distribution by a fraction of which the numerator shall be the Current Market Price per share of the Common Stock on the date fixed for such determination less the then fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution filed with the Agent) on such date of the portion of the evidences of indebtedness, shares of capital stock, securities, cash or other property so distributed applicable to one share of Common Stock and the denominator shall be such Current Market Price per share of the Common Stock, such adjustment to become effective immediately prior to the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such distribution. In any case in which this Paragraph (4) is applicable, paragraphs (1) and (2) of this Section 5.6(a) shall not be applicable.

(b) In the case of a Spin-Off, the Settlement Rate in effect immediately before the close of business on the record date fixed for determination of stockholders entitled to receive that distribution will be increased by multiplying the Settlement Rate by a fraction, the numerator of which is the Current Market Price per share of the Common Stock plus the Fair Market Value of the portion of those shares of Capital Stock or similar equity interests so distributed applicable to one share of Common Stock and the denominator of which is the Current Market Price per share of the Common Stock. Any adjustment to the settlement rate under this paragraph 4(b) will occur on the date that is the earlier of (1) the tenth Trading Day following the effective date of the Spin-Off and (2) the date of the securities being offered in the Initial Public Offering of the Spin-Off, if that Initial Public Offering is effected simultaneously with the Spin-Off.

(5) In case the Company shall, (I) by dividend or otherwise, distribute to all holders of its Common Stock cash (excluding (i) regular quarterly cash distributions, (ii) any cash that is distributed in a Reorganization Event to which Section 5.6(b) applies or (iii) cash that is distributed as part of a distribution referred to in paragraph (4) of this Section) in an aggregate amount that, combined together with (II) the aggregate amount of any other distributions (other than regular quarterly cash distributions) to all holders of its Common Stock made exclusively in cash within the 12 months preceding the date of payment of such distribution and in respect of which no adjustment pursuant to this paragraph (5) or paragraph (6) of this Section has been made and (III) the aggregate of any cash plus the fair market value, as of the expiration of the applicable tender or exchange offer referred to below (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution), of consideration payable in respect of any tender or exchange offer (other than consideration payable in respect of any odd-lot tender offer) by the Company or any of its subsidiaries for all or any portion of the Common Stock concluded within the 12 months preceding the date of payment of the distribution described in clause (I) above and in respect of which no adjustment pursuant to this paragraph (5) or paragraph (6) of this Section has been made, exceeds 10% of the product of the Current Market Price per share of the Common Stock on the date fixed for the determination of holders of shares of Common Stock entitled to receive such distribution times the number of shares of Common Stock outstanding on such date, then, and in each such case, immediately after the close of business on such date for determination, the Settlement Rate shall be increased so that the same shall equal the rate determined by dividing the Settlement Rate in effect immediately prior to the close of business on the date fixed for determination of the stockholders entitled to receive such distribution by a fraction (i) the numerator of which shall be equal to the Current Market Price per share of the Common Stock on the date fixed for such determination less an amount equal to the quotient of (x) the combined amount distributed or payable in the transactions described in clauses (I), (II) and (III) above and (y) the number of shares of Common Stock outstanding on such date for determination and (ii) the denominator

of which shall be equal to the Current Market Price per share of the Common Stock on such date for determination.

(6) In case (I) a tender or exchange offer made by the Company or any subsidiary of the Company for all or any portion of the Common Stock shall expire and such tender or exchange offer (as amended upon the expiration thereof) shall require the payment to stockholders (based on the acceptance (up to any maximum specified in the terms of the tender or exchange offer) of Purchased Shares) of an aggregate consideration having a fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution) that combined together with (II) the aggregate of the cash plus the fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution), as of the expiration of such tender or exchange offer, of consideration payable in respect of any other tender or exchange offer (other than consideration payable in respect of any odd-lot tender offer) by the Company or any subsidiary of the Company for all or any portion of the Common Stock expiring within the 12 months preceding the expiration of such tender or exchange offer and in respect of which no adjustment pursuant to paragraph (5) of this Section or this paragraph (6) has been made and (III) the aggregate amount of any distributions (other than regular quarterly cash distributions) to all holders of the Company's Common Stock made exclusively in cash within the 12 months preceding the expiration of such tender or exchange offer and in respect of which no adjustment pursuant to paragraph (5) of this Section or this paragraph (6) has been made, exceeds 10% of the product of the Current Market Price per share of the Common Stock as of the last time (the "Expiration Time") tenders could have been made pursuant to such tender or exchange offer (as it may be amended) times the number of shares of Common Stock outstanding (including any tendered shares) on the Expiration Time, then, and in each such case, immediately prior to the opening of business on the day after the date of the Expiration Time, the Settlement Rate shall be adjusted so that the same shall equal the rate determined by dividing the Settlement Rate immediately prior to the close of business as of the Expiration Time by a fraction (i) the numerator of which shall be equal to (A) the product of (I) the Current Market Price per share of the Common Stock as of the Expiration Time and (II) the number of shares of Common Stock outstanding (including any tendered shares) as of the Expiration Time less (B) the amount of cash plus the fair market value (determined as aforesaid) of the aggregate consideration payable to stockholders based on the transactions described in clauses (I), (II) and (III) above (assuming in the case of clause (I) the acceptance, up to any maximum specified in the terms of the tender or exchange offer, of Purchased Shares), and (ii) the denominator of which shall be equal to the product of (A) the Current Market Price per share of the Common Stock as of the Expiration Time and (B) the number of shares of Common Stock outstanding (including any tendered shares) as of the Expiration Time less the number of all shares validly tendered and not withdrawn as of the Expiration Time (the shares deemed so accepted, up to any such maximum, being referred to as the "Purchased Shares").

(7) The reclassification of Common Stock into securities including securities other than Common Stock (other than any reclassification upon a Reorganization Event to which Section 5.6(b) applies) shall be deemed to involve (a) a distribution of such securities other than Common Stock to all holders of Common Stock (and the effective date of such reclassification shall be deemed to be "the date fixed for the determination of stockholders entitled to receive such distribution" and the "date fixed for such determination" within the meaning of paragraph (4) of this Section), and (b) a subdivision, split or combination, as the case may be, of the number of shares of Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediately thereafter (and the effective date of such reclassification shall be deemed to be "the day upon which such subdivision or split becomes effective" or "the day upon which such combination becomes effective", as the case may be, and "the day upon which such subdivision, split or combination becomes effective" within the meaning of paragraph (3) of this Section).

(8) The "Current Market Price" per share of Common Stock on any day means (a) the average of the daily Closing Prices for the five consecutive Trading Days ending not later than, the earlier of the day in question and the day before the "ex date" with respect to the issuance or distribution requiring such computation, (b) in the case of any Spin-Off that is effected simultaneously with an Initial Public Offering of the securities being distributed in the Spin-Off, the Closing Price of the Common Stock on the Trading Day on which the initial public offering price of the securities being distributed in the Spin-Off is determined, and (c) in the case of any other Spin-Off, the average of the Closing Prices of the Common Stock over the first 10 Trading Days after the effective date of such Spin-Off. For purposes of this paragraph, the term "ex date," when used with respect to any issuance or distribution, shall mean the first date on which the Common Stock trades regular way on such exchange or in such market without the right to receive such issuance or distribution.

(9) All adjustments to the Settlement Rate, shall be calculated to the nearest 1/10,000th of a share of Common Stock (or if there is not a nearest 1/10,000th of a share to the next lower 1/10,000th of a share). No adjustment in the Settlement Rate shall be required unless such adjustment would require an increase or decrease of at least one percent therein; provided, however, that any adjustments that by reason of this subparagraph are not required to be made shall be carried forward and taken into account in any subsequent adjustment. If an adjustment is made to the Settlement Rate pursuant to paragraph (1), (2), (3), (4), (5), (6), (7) or (10) of this Section 5.6(a), an adjustment shall also be made to the Applicable Market Value solely to determine which of clauses (a), (b) or (c) of the definition of Settlement Rate in Section 5.1 will apply on the Purchase Contract Settlement Date and, if clause (b) of such definition applies, to determine the Settlement Rate thereunder. Such

adjustment shall be made by multiplying the Applicable Market Value by a fraction of which the numerator shall be the Settlement Rate immediately after such adjustment pursuant to paragraph (1), (2), (3), (4), (5), (6), (7) or (10) of this Section 5.6(a) and the denominator shall be the Settlement Rate immediately before such adjustment; provided, however, that if such adjustment to the Settlement Rate is required to be made pursuant to the occurrence of any of the events contemplated by paragraph (1), (2), (3), (4), (5), (6), (7) or (10) of this Section 5.6 (a) during the period taken into consideration for determining the Applicable Market Value, appropriate and customary adjustments shall be made to the Settlement Rate.

(10) The Company may make such increases in the Settlement Rate, in addition to those required by this Section, as it considers to be advisable in order to avoid or diminish any income tax to any holders of shares of capital stock resulting from any dividend or distribution of stock or issuance of rights or warrants to purchase or subscribe for stock or from any event treated as such for income tax purposes or for any other reasons.

(b) Adjustment for Consolidation, Merger or Other Reorganization Event.

In the event of (i) any consolidation or merger of the Company with or into another Person (other than a merger or consolidation in which the Company is the continuing corporation and in which the Common Stock outstanding immediately prior to the merger or consolidation is not exchanged for cash, securities or other property of the Company or another corporation), (ii) any sale, transfer, lease or conveyance to another Person of the property of the Company as an entirety or substantially as an entirety, (iii) any statutory exchange of securities of the Company with another Person (other than in connection with a merger or acquisition) or (iv) any liquidation, dissolution or winding up of the Company other than as a result of or after the occurrence of a Termination Event (any such event, a "Reorganization Event"), each share of Common Stock covered by each Purchase Contract forming a part of a Security prior to such Reorganization Event shall, after such Reorganization Event, be converted for purposes of such Purchase Contract into the kind and amount of securities, cash and other property receivable upon such Reorganization Event (without any interest thereon, and without any right to dividends or distribution thereon which have a record date that is prior to the Purchase Contract Settlement Date) per share of Common Stock by a holder of Common Stock assuming such holder of Common Stock is not a Person with which the Company consolidated or into which the Company merged or that merged into the Company or to which such sale or transfer was made, as the case may be (any such Person, a "Constituent Person"), or an Affiliate of a Constituent Person to the extent such Reorganization Event provides for different treatment of Common Stock held by Affiliates of the Company and non-affiliates and such Holder failed to exercise its rights of election, if any, as to the kind or amount of securities, cash and other property receivable upon such Reorganization Event (provided that if the kind or amount of securities, cash and other property receivable upon such Reorganization Event is not the same for each share of Common Stock held immediately prior to such Reorganization Event by other than a Constituent Person or an Affiliate thereof and in respect of which such rights of election shall not have been exercised ("non-electing share"), then for the purpose of this Section the kind and amount of securities, cash and other property receivable upon such Reorganization Event by each non-electing share shall be deemed to be the kind and amount so receivable per share by the non-electing shares). On the Purchase Contract Settlement Date, the Settlement Rate then in effect will be applied to the value on the Purchase Contract Settlement Date of such securities, cash or other property. In the event of such a Reorganization Event, the Person formed by such consolidation, merger or exchange or the Person that acquires or leases the assets of the Company or, in the event of a liquidation or dissolution of the Company, the Company or a liquidating trust created in connection therewith, shall execute and deliver to the Agent an agreement supplemental hereto providing that the Holders of each Outstanding Security shall have the rights provided by this Section 5.6. Such supplemental agreement shall provide for adjustments that, for events subsequent to the effective date of such supplemental agreement, shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section. The above provisions of this Section shall similarly apply to successive Reorganization Events.

Section 5.7 Notice of Adjustments and Certain Other Events.

(a) Whenever the Settlement Rate is adjusted as herein provided, the Company shall:

(i) forthwith compute the Settlement Rate in accordance with Section 5.6 and prepare and transmit to the Agent an Officer's Certificate setting forth the Settlement Rate, the method of calculation thereof in reasonable detail, and the facts requiring such adjustment and upon which such adjustment is based, and any related adjustment to the Applicable Market Value; and

(ii) within 10 Business Days following the occurrence of an event that requires an adjustment to the Settlement Rate and the Applicable Market Value pursuant to Section 5.6 (or if the Company is not aware of such occurrence, as soon as practicable after becoming so aware), provide a written notice to the Holders of the Securities of the occurrence of such event and a statement in reasonable detail setting forth the method by which the adjustment to the Settlement Rate and the Applicable Market Value was determined and setting forth the adjusted Settlement Rate and the Applicable Market Value.

(b) The Agent shall not at any time be under any duty or responsibility to any Holder of Securities to determine whether any facts exist that may require any adjustment of the Settlement Rate or the Applicable Market Value, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed in making the same. The Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any shares of Common Stock, or of any securities or property, which may at the time be issued or delivered with respect to any Purchase Contract; and the Agent makes no representation with respect thereto. The Agent shall not be responsible for any failure of the Company to issue, transfer or deliver any shares of Common Stock pursuant to a Purchase Contract or to comply with any of the duties, responsibilities or covenants of the Company contained in this Article.

Section 5.8 Termination Event; Notice.

The Purchase Contracts and all obligations and rights of the Company and the Holders thereunder, including, without limitation, the rights of the Holders to receive and the obligation of the Company to pay Contract Adjustment Payments, if any, and the rights and obligations of Holders to purchase Common Stock, shall immediately and automatically terminate, without the necessity of any notice or action by any Holder, the Agent or the Company, if, on or prior to the Purchase Contract Settlement Date, a Termination Event shall have occurred. Upon and after the occurrence of a Termination Event, the Securities shall thereafter represent the right to receive the Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, forming a part of such Securities in the case of Corporate Units, or Treasury Securities in the case of Treasury Units, in accordance with the provisions of Section 4.3 of the Pledge Agreement; provided, however, that, to the extent that a Holder of Corporate Units or Treasury Units would otherwise be entitled to receive less than \$1,000 principal amount at maturity of the Treasury Portfolio or the Treasury Securities, the Agent shall dispose of such securities for cash using a customary method (and shall have no liability relating to the amount of cash so received, unless any deficiency in the amount of such cash arose from the negligence, willful misconduct or bad faith of the Agent), and transfer the appropriate amount of such cash to such Holder in accordance with such Holder's instructions. Upon the occurrence of a Termination Event, the Company shall promptly but in no event later than two Business Days thereafter give written notice to the Agent, the Collateral Agent and to the Holders, at their addresses as they appear in the Register.

Section 5.9 Early Settlement.

(a) Subject to and upon compliance with the provisions of this Section 5.9, at the option of the Holder thereof, Purchase Contracts underlying Securities having an aggregate Stated Amount equal to \$1,000 or an integral multiple thereof may be settled early ("Early Settlement") in the case of Corporate Units (unless a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred) on or prior to the fifth Business Day immediately preceding the Purchase Contract Settlement Date and in the case of Treasury Units on or prior to the second Business Day immediately preceding the Purchase Contract Settlement Date, in each case, as provided herein; provided, however, that if a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred and the Treasury Portfolio has become a component of the Corporate Units, Purchase Contracts underlying Corporate Units may be settled early on or prior to the second Business Day immediately preceding the Purchase Contract Settlement Date, but only in an aggregate amount of 100,000 Corporate Units or in an integral multiple thereof. In order to exercise the right to effect Early Settlement with respect to any Purchase Contracts, the Holder of the Certificate evidencing Securities shall deliver such Certificate to the Agent at the Corporate Trust Office or the New York Office duly endorsed for transfer to the Company or in blank with the form of Election to Settle Early on the reverse thereof duly completed and accompanied by payment (payable to the Company) in immediately available funds in an amount (the "Early Settlement Amount") equal to (i) the product of (A) the Stated Amount times (B) the number of Purchase Contracts with respect to which the Holder has elected to effect Early Settlement plus (ii) if such delivery is made with respect to any Purchase Contracts during the period from the close of business on any Record Date next preceding any Payment Date to the opening of business on such Payment Date, an amount equal to the Contract Adjustment Payments, if any, payable on such Payment Date with respect to such Purchase Contracts. Except as provided in the immediately preceding sentence and subject to the second to last paragraph of Section 5.2, no payment or adjustment shall be made upon Early Settlement of any Purchase Contract on account of any Contract Adjustment Payments accrued on such Purchase Contract or on account of dividends on the Common Stock issued upon such Early Settlement. If the foregoing requirements are first satisfied with respect to Purchase Contracts underlying any Securities at or prior to 5:00 p.m., New York City time, on a Business Day, such day shall be the "Early Settlement Date" with respect to such Securities and if such requirements are first satisfied after 5:00 p.m., New York City time, on a Business Day or on a day that is not a Business Day, the "Early Settlement Date" with respect to such Securities shall be the next succeeding Business Day.

(b) Upon Early Settlement of Purchase Contracts by a Holder of the related Securities and payment of any transfer or similar taxes payable by such Holder in connection with the issuance of the related Common Stock to any person other than such Holder, the Company shall issue, and the Holder shall be entitled to receive, 0.6944 shares of newly issued Common Stock on account of each Purchase Contract as to which Early Settlement is effected (the "Early Settlement Rate"); provided, however, that upon the Early Settlement of the Purchase Contracts, the Holder of such related Securities will forfeit the right to receive any future Contract Adjustment Payments, if any, except to the extent that the Early Settlement Date is after the close of business on a Record Date and prior to the opening of business on the corresponding Payment Date. The Early Settlement Rate shall be adjusted in the same manner and at the same time as the Settlement Rate is adjusted. As promptly as practicable after Early Settlement of Purchase Contracts in accordance with the provisions of this Section 5.9, the Company shall issue and shall deliver to the Agent at the Corporate Trust Office a certificate or certificates for the full number of shares of Common Stock issuable upon such Early Settlement together with payment in lieu of any fraction of a share, as provided in Section 5.11.

(c) No later than the third Business Day after the applicable Early Settlement Date the Company shall cause (i) the shares of Common Stock issuable upon Early Settlement of Purchase Contracts to be issued and delivered, and (ii) the related Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, in the case of Corporate Units, or the related Treasury Securities, in the case of Treasury Units, to be released from the Pledge by the Collateral Agent and transferred, in each case to the Agent for delivery to the Holder thereof or its designee.

(d) Upon Early Settlement of any Purchase Contracts, and subject to receipt of shares of Common Stock from the Company and the Senior Notes, the appropriate Applicable Ownership Interest of the Treasury Portfolio or Treasury Securities, as the case may be, from the Collateral Agent, as applicable, the Agent shall, in accordance with the instructions provided by the Holder thereof on the applicable form of Election to Settle Early on the reverse of the Certificate evidencing the related Securities, (i) transfer to the Holder the Senior Notes, Treasury Portfolio or Treasury Securities, as the case may be, forming a part of such Securities, and (ii) deliver to the Holder a certificate or certificates for the full number of shares of Common Stock issuable upon such Early Settlement together with payment in lieu of any fraction

of a share, as provided in Section 5.11.

(e) In the event that Early Settlement is effected with respect to Purchase Contracts underlying less than all the Securities evidenced by a Certificate, upon such Early Settlement the Company shall execute and the Agent shall authenticate, countersign and deliver to the Holder thereof, at the expense of the Company, a Certificate evidencing the Securities as to which Early Settlement was not effected.

Section 5.10 Early Settlement Upon Merger.

In the event of a merger, consolidation or statutory share exchange of the Company (which for purposes of this Section 5.10 includes any successor company pursuant to a Cash Merger (as defined below)) in which all the Common Stock outstanding immediately prior to such merger, consolidation or statutory share exchange is exchanged for consideration consisting of at least 30% cash or cash equivalents (any such event a "Cash Merger" and the date on which the Cash Merger is consummated being referred to as a "Cash Merger Date"), then, provided the Merger Early Settlement Date (as defined below) is on or before the fifth Business Day immediately preceding the Purchase Contract Settlement Date, the Company (or the successor to the Company hereunder) shall be required to offer the Holder of each Outstanding Security the right to settle the Purchase Contract relating to such Security prior to the Purchase Contract Settlement Date (such early settlement, "Merger Early Settlement") as provided herein. On or before the fifth Business Day after the Cash Merger Date, the Company or, at the request and expense of the Company, the Agent, shall give all Holders notice of the occurrence of the Cash Merger and of the right of Merger Early Settlement arising as a result thereof. The Company shall also deliver a copy of such notice to the Agent and the Collateral Agent.

Each such notice shall contain:

- (i) the date, which shall be not less than 20 Business Days nor more than 30 Business Days after the date of such notice, on which the Merger Early Settlement may be effected (the "Merger Early Settlement Date");
- (ii) the date, which shall be three Business Days prior to the Merger Early Settlement Date, by which the Merger Early Settlement right must be exercised by notice by the Holders to the Agent and the Company;
- (iii) the Settlement Rate in effect as a result of such Cash Merger and the kind and amount of securities, cash and other property receivable by the Holder upon settlement of each Purchase Contract pursuant to Section 5.6(b); and
- (iv) the instructions a Holder must follow to exercise the Merger Early Settlement right.

To exercise a Merger Early Settlement right, a Holder must (i) deliver to the Agent at the Corporate Trust Office at least three Business Days before the Merger Early Settlement Date, at or prior to 5:00 p.m., New York City time, the Certificates evidencing the Securities with respect to which the Merger Early Settlement right is being exercised, duly endorsed for transfer to the Company or in blank with the form of Election to Settle Early on the reverse thereof duly completed and executed and (ii) make payment, payable to the Company in immediately available funds in an amount equal to the Early Settlement Amount.

On the Merger Early Settlement Date, the Company shall cause to be delivered (i) the securities and other property to be received by such exercising Holder, equal to the Settlement Rate as adjusted pursuant to Section 5.6, in respect of the number of Purchase Contracts for which such Merger Early Settlement right was exercised, (ii) the Company shall cause the number of shares of Common Stock, if any, issuable upon Merger Early Settlement of the related Purchase Contracts, together with any payment in lieu of any fraction of a share, as provided in Section 5.11, to the Holder that has exercised its right to Merger Early Settlement and (iii) the related Senior Notes, or if substituted therefor, the Treasury Portfolio, in the case of Corporate Units, or Treasury Securities, in the case of Treasury Units, to be released from the Pledge by the Collateral Agent and transferred, in each case, to the Agent for delivery to the Holder thereof or its designee. In the event a Merger Early Settlement right shall be exercised by a Holder in accordance with the terms hereof, all references herein to Purchase Contract Settlement Date shall be deemed to refer to such Merger Early Settlement Date.

Upon Merger Early Settlement of any Purchase Contracts, and subject to receipt of such securities or other property from the Company and the Senior Notes, the Treasury Portfolio or the Treasury Securities, as the case may be, from the Collateral Agent, the Agent shall, in accordance with the instructions provided by the Holder thereof on the applicable form of Election to Settle Early on the reverse of the Certificate evidencing the related Securities, (i) transfer to the Holder the Senior Notes, the Treasury Portfolio or the Treasury Securities, as the case may be, forming a part of such Securities, and (ii) deliver to the Holder such net cash, securities or other property issuable upon such Merger Early Settlement together with payment in lieu of any fraction of a share, as provided in Section 5.11.

In the event that Merger Early Settlement is effected with respect to Purchase Contracts relating to less than all the Securities evidenced by a Certificate, upon such Merger Early Settlement the Company (or the successor to the Company hereunder) shall execute and the Agent shall authenticate, countersign and deliver to the Holder thereof, at the expense of the Company, a Certificate evidencing the Securities as to which Merger Early Settlement was not effected.

Notwithstanding anything to the contrary contained herein, Holders may effect Merger Early Settlement (i) only if the Merger Early Settlement Date established by the Company in accordance with this Section 5.10 is on or prior to the fifth Business Day immediately preceding the Purchase Contract Settlement Date and (ii) of Securities only in integral multiples of 40 Corporate Units or 40 Treasury Units; provided, however, that if a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third

Remarketing has occurred and the Treasury Portfolio has become a component of the Corporate Units, Holders of Corporate Units may effect Merger Early Settlement only in integral multiples of 100,000 Corporate Units.

Section 5.11 No Fractional Shares.

No fractional shares or scrip representing fractional shares of Common Stock shall be issued or delivered upon settlement on the Purchase Contract Settlement Date or upon Early Settlement of any Purchase Contracts. If Certificates evidencing more than one Purchase Contract shall be surrendered for settlement at one time by the same Holder, the number of full shares of Common Stock that shall be delivered upon settlement shall be computed on the basis of the aggregate number of Purchase Contracts evidenced by the Certificates so surrendered. Instead of any fractional share of Common Stock that would otherwise be deliverable upon settlement of any Purchase Contracts on the Purchase Contract Settlement Date or upon Early Settlement or Merger Early Settlement, the Company, through the Agent, shall make a cash payment in respect of such fractional interest in an amount equal to the value of such fractional shares times the Applicable Market Value. The Company shall provide the Agent from time to time with sufficient funds to permit the Agent to make all cash payments required by this Section 5.11 in a timely manner.

Section 5.12 Charges and Taxes.

The Company will pay all stock transfer and similar taxes attributable to the initial issuance and delivery of the shares of Common Stock pursuant to the Purchase Contracts; provided, however, that the Company shall not be required to pay any such tax or taxes which may be payable in respect of any exchange of or substitution for a Certificate evidencing a Security or any issuance of a share of Common Stock in a name other than that of the registered Holder of a Certificate surrendered in respect of the Securities evidenced thereby, other than in the name of the Agent, as custodian for such Holder, and the Company shall not be required to issue or deliver such share certificates or Certificates unless or until the Person or Persons requesting the transfer or issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid or that no such tax is due.

ARTICLE VI

REMEDIES

Section 6.1 Unconditional Right of Holders to Receive Contract Adjustment Payments and to Purchase Common Stock.

The Holder of any Corporate Units or Treasury Units shall have the right, which is absolute and unconditional, (1) (subject to the forfeiture of any accrued Contract Adjustment Payments upon Early Settlement or Merger Early Settlement pursuant to Section 5.2(a) or upon the occurrence of a Termination Event) to receive payment of each installment of the Contract Adjustment Payments, if any, with respect to the Purchase Contract constituting a part of such Security on the respective Payment Date for such Security, and (2) (subject to the occurrence of a Termination Event) to purchase Common Stock pursuant to such Purchase Contract and, in each such case, to institute suit for the enforcement of any such payment and right to purchase Common Stock, and such rights shall not be impaired without the consent of such Holder.

Section 6.2 Restoration of Rights and Remedies.

If any Holder has instituted any proceeding to enforce any right or remedy under this Agreement and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to such Holder, then and in every such case, subject to any determination in such proceeding, the Company and such Holder shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of such Holder shall continue as though no such proceeding had been instituted.

Section 6.3 Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Certificates in the last paragraph of Section 3.10, no right or remedy herein conferred upon or reserved to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 6.4 Delay or Omission Not Waiver.

No delay or omission of any Holder to exercise any right or remedy upon a default shall impair any such right or remedy or constitute a waiver of any such right. Every right and remedy given by this Article or by law to the Holders may be exercised from time to time, and as often as may be deemed expedient, by such Holders.

Section 6.5 Undertaking for Costs.

All parties to this Agreement agree, and each Holder of Corporate Units or Treasury Units, by its acceptance of such Corporate Units or Treasury Units shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or

remedy under this Agreement, or in any suit against the Agent for any action taken, suffered or omitted by it as Agent, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; provided that the provisions of this Section shall not apply to any suit instituted by the Company, to any suit instituted by the Agent, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% of the Outstanding Securities, or to any suit instituted by any Holder for the enforcement of interest on any Senior Notes or Contract Adjustment Payments, if any, on any Purchase Contract on or after the respective Payment Date therefor in respect of any Security held by such Holder, or for enforcement of the right to purchase shares of Common Stock under the Purchase Contracts constituting part of any Security held by such Holder.

Section 6.6 Waiver of Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Agreement; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Agent or the Holders, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE VII

THE AGENT

Section 7.1 Certain Duties and Responsibilities.

(a) (1) The Agent undertakes to perform, with respect to the Securities, such duties and only such duties as are specifically set forth in this Agreement and the Pledge Agreement, and no implied covenants or obligations shall be read into this Agreement or the Pledge Agreement against the Agent; and

(2) The Agent may, with respect to the Securities, conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Agent and conforming to the requirements of this Agreement or the Pledge Agreement, as applicable, but in the case of any certificates or opinions that by any provision hereof are specifically required to be furnished to the Agent, the Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement or the Pledge Agreement, as applicable, but need not confirm or investigate the accuracy of mathematical calculations stated therein.

(b) No provision of this Agreement shall be construed to relieve the Agent from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct or bad faith, except that

(1) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;

(2) the Agent shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Agent was negligent in ascertaining the pertinent facts; and

(3) no provision of this Agreement shall require the Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(c) Whether or not therein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Agent shall be subject to the provisions of this Section.

(d) The Agent is authorized to execute and deliver the Pledge Agreement in its capacity as Agent.

(e) Upon the occurrence of any default by the Company hereunder (that has not been cured or waived) of which a Responsible Officer of the Agent has actual knowledge, the Agent shall exercise such of the rights and provisions vested in it by this Agreement, and use the same degree of care and skill in its exercise thereof, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

Section 7.2 Notice of Default.

Upon the occurrence of any default by the Company hereunder of which a Responsible Officer of the Agent has actual knowledge, the Agent shall transmit a written notice thereof by mail to the Company and not less than 45 days after such notice to the Company has been so transmitted, shall transmit by mail to the Holders of Securities, as their names and addresses appear in the Register, notice of such default hereunder, unless such default shall have been cured or waived.

Section 7.3 Certain Rights of Agent.

Subject to the provisions of Section 7.1:

- (a) the Agent may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;
- (b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by an Officer's Certificate, Issuer Order or Issuer Request, and any resolution of the Board of Directors of the Company may be sufficiently evidenced by a Board Resolution;
- (c) whenever in the administration of this Agreement the Agent shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Agent (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate of the Company;
- (d) the Agent may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;
- (e) the Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, other evidence of indebtedness or other paper or document, but the Agent, in its discretion, may make reasonable further inquiry or investigation into such facts or matters related to the execution, delivery and performance of the Purchase Contracts as it may see fit, and, if the Agent shall determine to make such further inquiry or investigation, it shall be given a reasonable opportunity to examine the books, records and premises of the Company, personally or by agent or attorney; and
- (f) the Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or an Affiliate and the Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney or an Affiliate appointed with due care by it hereunder.

Section 7.4 Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Certificates shall be taken as the statements of the Company and the Agent assumes no responsibility for their accuracy. The Agent makes no representations as to the validity or sufficiency of either this Agreement or of the Securities, or of the Pledge Agreement or the Pledge. The Agent shall have no duty to examine or review and shall have no liability for the contents of any document submitted to the Holders in the nature of a prospectus, offering statement or similar disclosure document. The Agent shall not be accountable for the use or application by the Company of the proceeds in respect of the Purchase Contracts and shall not be responsible for the perfection, priority or maintenance of any security interest created under the Pledge Agreement.

Section 7.5 May Hold Securities.

Any Registrar or any other agent of the Company, or the Agent and its Affiliates, in their individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Company, the Collateral Agent or any other Person with the same rights it would have if it were not Registrar or such other agent, or the Agent.

Section 7.6 Money Held in Custody.

Money held by the Agent in custody hereunder need not be segregated from the other funds except to the extent required by law or provided herein.

The Agent shall be under no obligation to invest or pay interest on any money received by it hereunder except as otherwise expressly provided herein or as otherwise agreed in writing with the Company.

Section 7.7 Compensation and Reimbursement.

The Company agrees:

- (a) to pay to the Agent from time to time such compensation for all services rendered by it hereunder as the parties shall agree from time to time in writing;
- (b) except as otherwise expressly provided herein, to reimburse the Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Agent in accordance with any provision of this Agreement (including the reasonable

compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence, willful misconduct or bad faith; and

(c) to indemnify the Agent and any predecessor Agent for, and to hold it harmless against, any loss, liability or expense, including taxes (other than taxes based upon, measured by or determined by the income of the Agent) incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of its duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

The provisions of this Section shall survive the termination of this Agreement.

Section 7.8 Corporate Agent Required; Eligibility.

There shall at all times be an Agent hereunder that shall be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers, having (or being a subsidiary of a bank holding company having) a combined capital and surplus of at least \$50,000,000, subject to supervision or examination by Federal or State authority and having an office in the Borough of Manhattan, The City of New York, if there be such a corporation in the Borough of Manhattan, The City of New York, qualified and eligible under this Article and willing to act on reasonable terms. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Agent shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article. The provisions of this Section shall survive the termination of this Agreement.

Section 7.9 Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Agent and no appointment of a successor Agent pursuant to this Article shall become effective until the acceptance of appointment by the successor Agent in accordance with the applicable requirements of Section 7.10.

(b) The Agent may resign at any time by giving written notice thereof to the Company 60 days prior to the effective date of such resignation. If the instrument of acceptance by a successor Agent required by Section 7.10 shall not have been delivered to the Agent within 30 days after the giving of such notice of resignation, the resigning Agent may petition any court of competent jurisdiction for the appointment of a successor Agent.

(c) The Agent may be removed at any time by Act of the Holders of a majority in number of the Outstanding Securities delivered to the Agent and the Company. If the instrument of acceptance by a successor Agent required by Section 7.10 shall not have been delivered to the Agent within 30 days after such removal, the Agent being removed may petition any court of competent jurisdiction for the appointment of a successor Agent.

(d) If at any time

(1) the Agent fails to comply with Section 3.10(b) of the TIA, after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(2) the Agent shall cease to be eligible under Section 7.8 and shall fail to resign after written request therefor by the Company or by any such Holder, or

(3) the Agent shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Agent or of its property shall be appointed or any public officer shall take charge or control of the Agent or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the Company by a Board Resolution may remove the Agent, or (ii) any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Agent and the appointment of a successor Agent.

(e) If the Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Agent for any cause, the Company, by a Board Resolution, shall promptly appoint a successor Agent and shall comply with the applicable requirements of Section 7.10. If no successor Agent shall have been so appointed by the Company and accepted appointment in the manner required by Section 7.10, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Agent.

(f) The Company shall give, or shall cause such successor Agent to give, notice of each resignation and each removal of the Agent and each appointment of a successor Agent by mailing written notice of such event by first-class mail, postage prepaid, to all Holders as

their names and addresses appear in the applicable Register. Each notice shall include the name of the successor Agent and the address of its Corporate Trust Office and New York Office, if any.

(g) If the Agent has or shall acquire any "conflicting interest" within the meaning of Section 310(b) of the TIA, the Agent and the Company shall in all respects comply with the provisions of Section 310(b) of the TIA.

Section 7.10 Acceptance of Appointment by Successor.

(a) In case of the appointment hereunder of a successor Agent, every such successor Agent so appointed shall execute, acknowledge and deliver to the Company and to the retiring Agent an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Agent shall become effective and such successor Agent, without any further act, deed or conveyance, shall become vested with all the rights, powers, agencies and duties of the retiring Agent; but, on the request of the Company or the successor Agent, such retiring Agent shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Agent all the rights, powers and trusts of the retiring Agent and shall duly assign, transfer and deliver to such successor Agent all property and money held by such retiring Agent hereunder.

(b) Upon request of any such successor Agent, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Agent all such rights, powers and agencies referred to in paragraph (a) of this Section.

(c) No successor Agent shall accept its appointment unless at the time of such acceptance such successor Agent shall be qualified and eligible under this Article.

Section 7.11 Merger, Conversion, Consolidation or Succession to Business.

Any Person into which the Agent may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Agent shall be a party, or any Person succeeding to all or substantially all the corporate trust business of the Agent, shall be the successor of the Agent hereunder, provided such Person shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Certificates shall have been authenticated and executed on behalf of the Holders, but not delivered, by the Agent then in office, any successor by merger, conversion or consolidation to such Agent may adopt such authentication and execution and deliver the Certificates so authenticated and executed with the same effect as if such successor Agent had itself authenticated and executed such Securities.

Section 7.12 Preservation of Information; Communications to Holders.

(a) The Agent shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders received by the Agent in its capacity as Registrar.

(b) If three or more Holders (herein referred to as "applicants") apply in writing to the Agent, and furnish to the Agent reasonable proof that each such applicant has owned a Security for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other Holders with respect to their rights under this Agreement or under the Securities and is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, then the Agent shall mail to all the Holders copies of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Agent of the materials to be mailed and of payment, or provision for the payment, of the reasonable expenses of such mailing.

Section 7.13 No Obligations of Agent.

Except to the extent otherwise provided in this Agreement, the Agent assumes no obligations and shall not be subject to any liability under this Agreement, the Pledge Agreement or any Purchase Contract in respect of the obligations of the Holder of any Security thereunder. The Company agrees, and each Holder of a Certificate, by such Holder's acceptance thereof, shall be deemed to have agreed, that the Agent's execution of the Certificates on behalf of the Holders shall be solely as agent and attorney-in-fact for the Holders, and that the Agent shall have no obligation to perform such Purchase Contracts on behalf of the Holders, except to the extent expressly provided in Article V hereof.

Notwithstanding anything in this Agreement to the contrary, in no event shall the Agent or its officers, employees or agents be liable for indirect, special, punitive or consequential loss or damage of any kind whatsoever, including, but not limited to, lost profits, whether or not the likelihood of such loss or damage was known to the Agent and regardless of the form of action.

Section 7.14 Tax Compliance.

(a) The Agent will comply with all applicable certification, information reporting and withholding (including "backup" withholding) requirements imposed by applicable tax laws, regulations or administrative practice with respect to (i) any payments made with respect to the Securities or (ii) based on consultation with the Company, the issuance, delivery, holding, transfer, redemption or exercise of rights under the Securities. Such compliance shall include, without limitation, the preparation and timely filing of required returns and the

timely payment of all amounts required to be withheld to the appropriate taxing authority or its designated agent.

(b) The Agent shall comply with any written direction received from the Company with respect to the application of such requirements to particular payments or Holders or in other particular circumstances, and may for purposes of this Agreement rely on any such direction in accordance with the provisions of Section 7.1(a)(2) hereof.

(c) The Agent shall maintain all appropriate records documenting compliance with such requirements, and shall make such records available, on written request, to the Company or its authorized representative within a reasonable period of time after receipt of such request.

ARTICLE VIII

SUPPLEMENTAL AGREEMENTS

Section 8.1 Supplemental Agreements Without Consent of Holders.

Without the consent of any Holders, the Company, when authorized by or pursuant to a Board Resolution, and the Agent, at any time and from time to time, may enter into one or more agreements supplemental hereto, in form satisfactory to the Company and the Agent, for any of the following purposes:

- (a) to evidence the succession of another Person to the Company, and the assumption by any such successor of the covenants of the Company herein and in the Certificates; or
- (b) to add to the covenants of the Company for the benefit of the Holders, or to surrender any right or power herein conferred upon the Company; or
- (c) to evidence and provide for the acceptance of appointment hereunder by a successor Agent; or
- (d) to make provision with respect to the rights of Holders pursuant to the requirements of Sections 5.6(b) or 5.10; or
- (e) to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other provisions herein, or to make any other provisions with respect to such matters or questions arising under this Agreement, provided such action shall not adversely affect the interests of the Holders in any material respect.

Section 8.2 Supplemental Agreements with Consent of Holders.

With the consent of the Holders of not less than a majority of the outstanding Purchase Contracts voting together as one class, by Act of said Holders delivered to the Company and the Agent, the Company, when authorized by or pursuant to a Board Resolution, and the Agent may enter into an agreement or agreements supplemental hereto for the purpose of modifying in any manner the terms of the Purchase Contracts or the provisions of this Agreement or the rights of the Holders in respect of the Securities (other than the Senior Notes, which may be modified only in accordance with the applicable provisions of the Indenture); provided, however, that, except as contemplated herein, no such supplemental agreement shall, without the consent of the Holder of each Outstanding Security affected thereby,

- (a) change any Payment Date;
- (b) change the amount or the type of Collateral required to be Pledged to secure a Holder's obligations under any Purchase Contract, impair the right of the Holder of any Purchase Contract to receive distributions on the related Collateral or otherwise adversely affect the Holder's rights in or to such Collateral or adversely alter the rights in or to such Collateral;
- (c) reduce any Contract Adjustment Payments, if any, or change any place where, or the coin or currency in which, any Contract Adjustment Payment is payable;
- (d) impair the right to institute suit for the enforcement of any Purchase Contract or any Contract Adjustment Payment, if any;
- (e) reduce the number of shares of Common Stock (or the amount of any other property) to be purchased pursuant to any Purchase Contract, increase the price to purchase shares of Common Stock (or any other property) upon settlement of any Purchase Contract, change the Purchase Contract Settlement Date or otherwise adversely affect the Holder's rights under any Purchase Contract; or
- (f) reduce the percentage of the outstanding Purchase Contracts the consent of whose Holders is required for any such supplemental agreement;

provided, that if any amendment or proposal referred to above would adversely affect only the Corporate Units or the Treasury Units, then only

the affected class of Holders as of the record date, if any, for Holders entitled to vote thereon will be entitled to vote on such amendment or proposal, and such amendment or proposal shall not be effective except with the consent of Holders of not less than a majority of such class or the Holders of each affected Outstanding Security within such class, as applicable.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental agreement, but it shall be sufficient if such Act shall approve the substance thereof.

Section 8.3 Execution of Supplemental Agreements.

In executing, or accepting the additional agencies created by, any supplemental agreement permitted by this Article or the modifications thereby of the agencies created by this Agreement, the Agent shall be entitled to receive and (subject to Section 7.1) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental agreement is authorized or permitted by this Agreement. The Agent may, but shall not be obligated to, enter into any such supplemental agreement that affects the Agent's own rights, duties or immunities under this Agreement or otherwise.

Section 8.4 Effect of Supplemental Agreements.

Upon the execution of any supplemental agreement under this Article, this Agreement and the Securities shall be modified in accordance therewith, and such supplemental agreement shall form a part of this Agreement for all purposes; and every Holder of Certificates theretofore or thereafter authenticated, executed on behalf of the Holders and delivered hereunder shall be bound thereby.

Section 8.5 Reference to Supplemental Agreements.

Certificates authenticated, executed on behalf of the Holders and delivered after the execution of any supplemental agreement pursuant to this Article may, and shall if required by the Agent, bear a notation in form approved by the Agent as to any matter provided for in such supplemental agreement. If the Company shall so determine, new Certificates so modified as to conform, in the opinion of the Agent and the Company, to any such supplemental agreement may be prepared and executed by the Company and authenticated, executed on behalf of the Holders and delivered by the Agent in exchange for Outstanding Certificates.

ARTICLE IX

MERGER, CONSOLIDATION, SALE OR CONVEYANCE

Section 9.1 Covenant Not to Merge, Consolidate, Sell or Convey Property Except Under Certain Conditions.

The Company covenants that it will not merge with and into, consolidate with or convert into any other Person or sell, assign, transfer, lease or convey all or substantially all of its properties and assets to any Person, unless (i) the successor shall be a Person organized and existing under the laws of the United States of America or a State thereof or the District of Columbia and such Person shall expressly assume all the obligations of the Company under the Purchase Contracts, this Agreement, the Remarketing Agreement and the Pledge Agreement by one or more supplemental agreements in form reasonably satisfactory to the Agent and the Collateral Agent, executed and delivered to the Agent and/or the Collateral Agent, as the case may be, by such Person, and (ii) such successor Person shall not, immediately after such merger, consolidation or conversion, or such sale, assignment, transfer, lease or conveyance, be in default of its payment obligations under this Agreement, the Remarketing Agreement, any Purchase Contracts or the Pledge Agreement or in material default in the performance of any other covenant hereunder or thereunder.

Section 9.2 Rights and Duties of Successor Corporation.

In case of any such merger, consolidation, conversion, sale, assignment, transfer, lease or conveyance and upon any such assumption by a successor Person in accordance with Section 9.1, such successor Person shall succeed to and be substituted for the Company with the same effect as if it had been named herein as the Company, and its predecessor shall, except in the case of a lease, be released from its obligations under this Agreement. Such successor Person thereupon may cause to be signed, and may issue in its own name any or all of the Certificates evidencing Securities issuable hereunder that theretofore shall not have been signed by the Company and delivered to the Agent; and, upon the order of such successor Person, instead of the Company, and subject to all the terms, conditions and limitations in this Agreement prescribed, the Agent shall authenticate and execute on behalf of the Holders and deliver any Certificates that previously shall have been signed and delivered by the officers of the Company to the Agent for authentication and execution, and any Certificate evidencing Securities that such successor Person thereafter shall cause to be signed and delivered to the Agent for that purpose. All the Certificates so issued shall in all respects have the same legal rank and benefit under this Agreement as the Certificates theretofore or thereafter issued in accordance with the terms of this Agreement as though all of such Certificates had been issued at the date of the execution hereof.

In case of any such merger, consolidation, conversion, sale, assignment, transfer, lease or conveyance, such change in phraseology and form (but not in substance) may be made in the Certificates evidencing Securities thereafter to be issued as may be appropriate.

Section 9.3 Opinion of Counsel Given to Agent.

The Agent, subject to Sections 7.1 and 7.3, shall receive an Opinion of Counsel as conclusive evidence that any such merger, consolidation, conversion, sale, assignment, transfer, lease or conveyance, and any such assumption, complies with the provisions of this Article and that all conditions precedent hereunder to the consummation of any such merger, consolidation, conversion, sale, assignment, transfer, lease or conveyance have been met.

ARTICLE X

COVENANTS

Section 10.1 Performance Under Purchase Contracts.

The Company covenants and agrees for the benefit of the Holders from time to time of the Securities that it will duly and punctually perform its obligations under the Purchase Contracts in accordance with the terms of the Purchase Contracts and this Agreement.

Section 10.2 Maintenance of Office or Agency.

The Company will maintain or cause to be maintained in the Borough of Manhattan, The City of New York an office or agency (a "New York Office") where Certificates may be presented or surrendered for payment and for acquisition of shares of Common Stock (or other property) upon settlement of the Purchase Contracts on the Purchase Contract Settlement Date or Early Settlement and for transfer of Collateral upon occurrence of a Termination Event, where Certificates may be surrendered for registration of transfer or exchange, for a Collateral Substitution or re-establishment of a Corporate Unit and where notices and demands to or upon the Company in respect of the Securities and this Agreement may be served. The Company will give prompt written notice to the Agent of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Agent with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office, and the Company hereby appoints the Agent as its agent to receive all such presentations, surrenders, notices and demands.

The Company may also from time to time designate one or more other offices or agencies where Certificates may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, The City of New York for such purposes. The Company will give prompt written notice to the Agent of any such designation or rescission and of any change in the location of any such other office or agency. The Company hereby designates the Borough of Manhattan, The City of New York, as the places of payment for the Securities, and hereby appoints the Agent, acting through its Corporate Trust Office, as the registrar, paying agent and transfer agent for the Corporate Units and the Treasury Units and for the other purposes contemplated by this Section 10.2.

Section 10.3 Company to Reserve Common Stock.

The Company shall at all times prior to the Purchase Contract Settlement Date reserve and keep available, free from preemptive rights, out of its authorized but unissued Common Stock the full number of shares of Common Stock issuable against tender of payment in respect of all Purchase Contracts constituting a part of the Securities evidenced by Outstanding Certificates.

Section 10.4 Covenants as to Common Stock.

The Company covenants that all shares of Common Stock that may be issued against tender of payment in respect of any Purchase Contract constituting a part of the Outstanding Securities will, upon issuance, be duly authorized, validly issued, fully paid and nonassessable. The Company shall comply, in all material respects, with all applicable securities laws regulating the offer, issuance and delivery of shares of Common Stock upon settlement of Purchase Contracts and will issue such shares of Common Stock as freely-tradable shares, except to the extent holders thereof are underwriters (within the meaning of the Securities Act) or Affiliates of the Company.

ARTICLE XI

TRUST INDENTURE ACT

Section 11.1 Trust Indenture Act; Application.

(a) This Agreement is subject to the provisions of the TIA that are required or deemed to be part of this Agreement and shall, to the extent applicable be governed by such provisions; and

(b) if and to the extent that any provision of this Agreement limits, qualifies or conflicts with the duties imposed by Section 310 to 317, inclusive, of the TIA, such imposed duties shall control.

Section 11.2 Lists of Holders of Securities.

(a) The Company shall furnish or cause to be furnished to the Agent (i) semiannually, not later than May 1 and November 1

in each year, commencing November 1, 2002, a list, in such form as the Agent may reasonably require, of the names and addresses of the Holders ("List of Holders") as of a date not more than 15 days prior to the delivery thereof, and (ii) at such other times as the Agent may request in writing, within 30 days after the receipt by the Company of any such request, a List of Holders as of a date not more than 15 days prior to the time such list is furnished; provided that, the Company shall not be obligated to provide such List of Holders at any time the List of Holders does not differ from the most recent List of Holders given to the Agent by the Company and, provided further that, no such List of Holders need be furnished for any Securities for which the Agent shall be the Registrar. The Agent may destroy any List of Holders previously given to it on receipt of a new List of Holders.

(b) The Agent shall comply with its obligations under Section 311(a) of the TIA, subject to the provisions of Section 311(b) and Section 312(b) of the TIA.

Section 11.3 Reports by the Agent.

Not later than April 15 of each year, commencing April 15, 2003, the Agent shall provide to the Holders such reports, if any, as are required by Section 313(a) of the TIA in the form and in the manner provided by Section 313(a) of the TIA. Such reports shall be as of the preceding December 31. The Agent shall also comply with the requirements of Sections 313(b), (c) and (d) of the TIA.

Section 11.4 Periodic Reports to Agent.

The Company shall provide to the Agent such documents, reports and information as required by Section 314(a) (if any) and the compliance certificate required by Section 314(a) of the TIA in the form, in the manner and at the times required by Section 314(a) of the TIA.

Section 11.5 Evidence of Compliance with Conditions Precedent.

The Company shall provide to the Agent such evidence of compliance with any conditions precedent provided for in this Agreement as and to the extent required by Section 314(c) of the TIA. Any certificate or opinion required to be given by an officer pursuant to Section 314(c) (1) of the TIA may be given in the form of an Officer's Certificate. Any opinion required to be given pursuant to Section 314(c)(2) of the TIA may be given in the form of an Opinion of Counsel.

Section 11.6 Defaults; Waiver.

The Holders of a majority of the outstanding Purchase Contracts voting together as one class may, by vote or consent, on behalf of the Holders, waive any past default of the Company in any of its obligations under this Agreement and its consequences, except a default

(a) in the payment on any Security, or

(b) in respect of a provision hereof which under Section 8.2 cannot be modified or amended without the consent of the Holder of each Outstanding Security affected.

Upon such waiver, any such default shall cease to exist, and any default arising therefrom shall be deemed to have been cured, for every purpose of this Agreement, but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 11.7 Agent's Knowledge of Defaults.

The Agent shall not be deemed to have knowledge of any default of the Company in any of its obligations under this agreement unless a Responsible Officer shall have obtained written notice of such default.

Section 11.8 Conflicting Interests.

The Indenture shall be deemed to be specifically described in this Agreement for the purposes of clause (i) of the first proviso contained in Section 310(b) of the TIA.

Section 11.9 Direction of Agent.

Sections 315(d)(3) and 316(a)(1)(A) of the TIA are hereby expressly excluded from this Agreement, as permitted by the TIA

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

CENTURYTEL, INC.

By: /s/ R. Stewart Ewing, Jr.

R. Stewart Ewing, Jr.

Executive Vice President, Chief Financial Officer and
Treasurer

By: /s/ Stacey W. Goff

Stacey W. Goff

Vice President and Assistant Secretary

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Purchase Contract Agent

By: /s/ Caroline R. Oakes

Caroline R. Oakes

Vice President

Exhibit A
to Purchase Contract Agreement

[THIS CERTIFICATE IS A GLOBAL CERTIFICATE WITHIN THE MEANING OF THE PURCHASE CONTRACT AGREEMENT (AS HEREINAFTER DEFINED) AND IS REGISTERED IN THE NAME OF THE CLEARING AGENCY OR A NOMINEE THEREOF. THIS CERTIFICATE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A CERTIFICATE REGISTERED, AND NO TRANSFER OF THIS CERTIFICATE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH CLEARING AGENCY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE PURCHASE CONTRACT AGREEMENT.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO., OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, AND ANY PAYMENT HEREON IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.] ¹

No. _____

CUSIP No. 156700403

Number of Corporate Units _____

CENTURYTEL, INC.

Corporate Units
(\$25 Stated Amount)

This Corporate Units Certificate ("Corporate Units Certificate") certifies that CEDE & CO. is the registered Holder of the number of Corporate Units ("Corporate Units") set forth above [(or such other number as is set forth in the Schedule of Increases or Decreases in Global Certificate annexed hereto)]¹. Each Corporate Unit represents (i) either (a) beneficial ownership by the Holder of \$25 principal amount of Senior Notes, Series J, due 2007 (the "Senior Note") of CenturyTel, Inc., a Louisiana corporation (the "Company," which term, as used herein, includes its successors pursuant to the Purchase Contract Agreement), subject to the Pledge of such Senior Note by such Holder pursuant to the Pledge Agreement or (b) upon the occurrence of a Tax Event Redemption prior to the Purchase Contract Settlement Date or a Successful Initial

Remarketing, Successful Second Remarketing or Successful Third Remarketing, the appropriate Applicable Ownership Interest of the Treasury Portfolio, subject to the Pledge of such Applicable Ownership Interest of the Treasury Portfolio by such Holder pursuant to the Pledge Agreement, and (ii) the rights and obligations of the Holder under one Purchase Contract with the Company. All capitalized terms used herein that are defined in the Purchase Contract Agreement have the meaning set forth therein.

Pursuant to the Pledge Agreement, the Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, constituting part of each Corporate Unit evidenced hereby have been pledged to the Collateral Agent, for the benefit of the Company, to secure the obligations of the Holder under the Purchase Contract comprising a portion of such Corporate Unit.

Subject to Section 3.1 of the Pledge Agreement, so long as the Purchase Contract Agent is the registered owner of the pledged Senior Notes or Applicable Ownership Interest in the Treasury Portfolio, it shall receive all payments thereon. Interest on any Senior Notes or distributions on the appropriate Applicable Ownership Interest (as specified in clause (B) of the definition of such term) of the Treasury Portfolio, as the case may be, forming part of a Corporate Unit evidenced hereby which are payable quarterly in arrears on February 15, May 15, August 15 and November 15 each year, commencing August 15, 2002 (a "Payment Date"), shall, subject to receipt thereof by the Agent from the Collateral Agent, be paid to the Person in whose name this Corporate Units Certificate (or a Predecessor Corporate Units Certificate) is registered at the close of business on the Record Date for such Payment Date.

Each Purchase Contract evidenced hereby obligates the Holder of this Corporate Units Certificate to purchase, and the Company to sell, on May 15, 2005 (the "Purchase Contract Settlement Date"), at a price equal to \$25 (the "Stated Amount"), a number of newly issued shares of Common Stock, \$1.00 par value ("Common Stock"), of the Company equal to the Settlement Rate, unless on or prior to the Purchase Contract Settlement Date there shall have occurred a Termination Event, an Early Settlement or a Merger Early Settlement with respect to the Corporate Units of which such Purchase Contract is a part, all as provided in the Purchase Contract Agreement and more fully described on the reverse hereof. The purchase price (the "Purchase Price") for the shares of Common Stock purchased pursuant to each Purchase Contract evidenced hereby, if not paid earlier, shall be paid on the Purchase Contract Settlement Date (1) by application of cash received from a Holder, (2) by application of payment received in respect of the remarketing of the Senior Notes or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, as the case may be, pledged to secure the obligations under such Purchase Contract of the Holder of the Corporate Units of which such Purchase Contract is a part or (3) in the manner provided by Section 5.4(c) of the Purchase Contract Agreement.

Interest on the Senior Notes or distributions on the appropriate Applicable Ownership Interest (as specified in clause (B) of the definition of such term) of the Treasury Portfolio, as the case may be, will be payable at the Corporate Trust Office of the Agent and at the New York Office or, at the option of the Company, by check mailed to the address of the Person entitled thereto as such address appears on the Corporate Units Register or by wire transfer to the account designated by a prior written notice from such Person.

Subject to Section 5.2 of the Purchase Contract Agreement, the Company shall pay on each Payment Date in respect of each Purchase Contract forming part of a Corporate Unit evidenced hereby an amount (the "Contract Adjustment Payments") equal to 0.855% per annum of the Stated Amount, computed on the basis of a 360-day year of twelve 30 day months. Such Contract Adjustment Payments, if any, shall be payable to the Person in whose name this Corporate Units Certificate (or a Predecessor Corporate Units Certificate) is registered at the close of business on the Record Date for such Payment Date.

Contract Adjustment Payments, if any, will be payable at the Corporate Trust Office of the Agent and at the New York Office or, at the option of the Company, by check mailed to the address of the Person entitled thereto as such address appears on the Corporate Units Register or by wire transfer to the account designated by written notice of such Person delivered to the Agent at least 15 days prior to the applicable Payment Date.

Reference is hereby made to the further provisions set forth on the following pages hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Agent by manual signature, this Corporate Units Certificate shall not be entitled to any benefit under the Pledge Agreement or the Purchase Contract Agreement or be valid or obligatory for any purpose.

1 To be inserted in Global Certificates only

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

CENTURYTEL, INC.

By: _____

Name:

Title:

By: _____

Name:

Title:

HOLDER SPECIFIED ABOVE (as to obligations of such Holder under the Purchase Contracts evidenced hereby)

By: WACHOVIA BANK, NATIONAL ASSOCIATION,
not individually but solely as attorney-in-fact of
such Holder

By: _____

Name:

Title:

AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Corporate Units Certificates referred to in the within mentioned Purchase Contract Agreement.

By: WACHOVIA BANK, NATIONAL ASSOCIATION,
as Purchase Contract Agent

By: _____

Name:

Title:

Dated:

Each Purchase Contract evidenced hereby is governed by a Purchase Contract Agreement, dated as of May 1, 2002 (as may be supplemented, restated or amended from time to time, the "Purchase Contract Agreement"), between the Company and Wachovia Bank, National Association, as Purchase Contract Agent (including its successors thereunder, herein called the "Agent"), to which Purchase Contract Agreement reference is hereby made for a description of the respective rights, limitations of rights, obligations, duties and immunities thereunder of the Agent, the Company and the Holders and of the terms upon which the Corporate Units Certificates are, and are to be, executed and delivered. In the case of any inconsistency between this Certificate and the terms of the Purchase Contract Agreement, the terms of the Purchase Contract Agreement shall prevail.

Each Purchase Contract evidenced hereby obligates the Holder of this Corporate Units Certificate to purchase, and the Company to sell, on the Purchase Contract Settlement Date at the Purchase Price, a number of newly issued shares of Common Stock of the Company equal to the Settlement Rate, unless, on or prior to the Purchase Contract Settlement Date, there shall have occurred a Termination Event, an Early Settlement or a Merger Early Settlement with respect to the Security of which such Purchase Contract is a part. The "Settlement Rate" is equal to (a) if the Applicable Market Value (as defined below) is equal to or greater than \$36.00 (the "Threshold Appreciation Price"), 0.6944 shares of Common Stock per Purchase Contract, (b) if the Applicable Market Value is less than the Threshold Appreciation Price but is greater than \$28.60, the number of shares of Common Stock per Purchase Contract equal to the Stated Amount divided by the Applicable Market Value and (c) if the Applicable Market Value is less than or equal to \$28.60, 0.8741 shares of Common Stock per Purchase Contract, in each case subject to adjustment as provided in the Purchase Contract Agreement. No fractional shares of Common Stock will be issued upon settlement of Purchase Contracts, as provided in the Purchase Contract Agreement.

Each Purchase Contract evidenced hereby that is settled either through Early Settlement, Merger Early Settlement or Cash Settlement shall obligate the Holder of the related Corporate Units to purchase at the Purchase Price, and the Company to sell, a number of newly issued shares of Common Stock equal to the Early Settlement Rate or the applicable Settlement Rate provided for in the Purchase Contract Agreement, as applicable.

The "Applicable Market Value" means (i) the average of the Closing Price per share of Common Stock on each of the 20 consecutive Trading Days ending on the third Trading Day immediately preceding the Purchase Contract Settlement Date, (ii) in the case of a Merger Early Settlement, the third Trading Day immediately preceding the Cash Merger Date, or (iii) for purposes of determining cash payable in lieu of fractional shares in connection with an Early Settlement, the third Trading Day immediately preceding the relevant Early Settlement Date. The "Closing Price" of the Common Stock on any date of determination means the closing sale price (or, if no closing price is reported, the last reported sale price) of the Common Stock on The New York Stock Exchange, Inc. (the "NYSE") on such date or, if the Common Stock is not listed for trading on the NYSE on any such date, as reported in the composite transactions for the principal United States securities exchange on which the Common Stock is so listed, or if the Common Stock is not so listed on a United States national or regional securities exchange, the last sale price on and as reported by the Nasdaq National Market, or, if the Common Stock is not so reported, the last quoted bid price for the Common Stock in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if such bid price is not available, the market value of the Common Stock on such date as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company. A "Trading Day" means a day on which the Common Stock (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock.

In accordance with the terms of the Purchase Contract Agreement, the Holder of this Corporate Units Certificate shall pay the Purchase Price for the shares of Common Stock purchased pursuant to each Purchase Contract evidenced hereby by effecting a Cash Settlement, an Early Settlement or a Merger Early Settlement, from the Proceeds of a remarketing of the related pledged Senior Notes of such holders or of the appropriate Applicable Ownership Interest of the Treasury Portfolio, or in the manner provided by Section 5.4(c) of the Purchase Contract Agreement. Unless a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred, a Holder of Corporate Units who does not elect to make an effective (1) Cash Settlement on or prior to 5:00 p.m., New York City time, on the fifth Business Day immediately preceding the Purchase Contract Settlement Date (or who notifies the Agent of its intention to make a Cash Settlement, but fails to make such payment as set forth in the Purchase Contract Agreement), or (2) Early Settlement or Merger Early Settlement on or prior to 5:00 p.m., New York City time, on the fifth Business Day immediately preceding the Purchase Contract Settlement Date (or who notifies the Agent of its intention to make an Early Settlement or Merger Early Settlement, but fails to make such payment as set forth in the Purchase Contract Agreement), shall pay the Purchase Price for the shares of Common Stock to be issued under the related Purchase Contract from the Proceeds of the sale of the related pledged Senior Notes held by the Collateral Agent. Unless a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred, such sale will be made by the Remarketing Agent pursuant to the terms of the Remarketing Agreement executed in connection therewith between the parties thereto, on the third Business Day immediately preceding the Purchase Contract Settlement Date. If a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred, a Holder of Corporate Units who does not elect to make an effective Early Settlement on or prior to 5:00 p.m., New York City time, on the second Business Day immediately preceding the Purchase Contract Settlement Date (or who notifies the Agent of its intention to make a Early Settlement, but fails to make such payment as set forth in the Purchase Contract Agreement) shall pay the Purchase Price with the Proceeds at maturity of the Applicable Ownership Interest (as defined in clause (A) of the definition of such term) of the Treasury Portfolio.

The Company shall not be obligated to issue any shares of Common Stock in respect of a Purchase Contract or deliver any certificates therefor to the Holder unless it shall have received payment in full of the aggregate Purchase Price for the shares of Common Stock to be purchased thereunder in the manner set forth in the Purchase Contract Agreement.

Under the terms of the Pledge Agreement, the Agent will be entitled to exercise the voting and any other consensual rights pertaining to the pledged Senior Notes. Upon receipt of notice of any meeting at which holders of Senior Notes are entitled to vote or upon the solicitation of consents, waivers or proxies of holders of pledged Senior Notes, the Agent shall, as soon as practicable thereafter, mail to the Corporate Unit holders a notice (a) containing such information as is contained in the notice or solicitation, (b) stating that each Corporate Units holder on the record date set by the Agent therefor (which, to the extent possible, shall be the same date as the record date for determining the holders of Senior Notes entitled to vote) shall be entitled to instruct the Agent as to the exercise of the voting rights pertaining to the pledged Senior Notes constituting a part of such holder's Corporate Units and (c) stating the manner in which such instructions may be given. Upon the written request of the Corporate Unit Holders on such record date, the Agent shall endeavor insofar as practicable to vote or cause to be voted, in accordance with the instructions set forth in such requests, the maximum number of pledged Senior Notes as to which any particular voting instructions are received. In the absence of specific instructions from the Holder of a Corporate Unit, the Agent shall abstain from voting the pledged Senior Notes evidenced by such Corporate Units.

Upon the occurrence of a Tax Event Redemption prior to the Purchase Contract Settlement Date, pursuant to the terms of the Pledge Agreement, the Collateral Agent will apply, out of the aggregate Redemption Price for the Senior Notes that are components of Corporate Units, an amount equal to the aggregate Redemption Amount for the Senior Notes that are components of Corporate Units to purchase on behalf of the Holders of Corporate Units, the Treasury Portfolio and, after deducting the Remarketing Fee to the extent permitted under the terms of the Purchase Contract Agreement, promptly remit any remaining portion of such Redemption Price to the Agent for payment to the Holders of such Corporate Units.

Upon the occurrence of a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing, pursuant to

the terms of the Remarketing Agreement, the Remarketing Agent will apply an amount equal to the Treasury Portfolio Purchase Price to purchase, on behalf of the Holders of Corporate Units, the Treasury Portfolio, and, after deducting the Remarketing Fee to the extent permitted under the terms of the Purchase Contract Agreement, promptly remit any remaining portion of such Proceeds of the Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing to the Agent for payment to the Holders of such Corporate Units.

Following the occurrence of a Tax Event Redemption prior to the Purchase Contract Settlement Date or following a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing, the Holders of Corporate Units and the Collateral Agent shall have such security interests, rights and obligations with respect to the Treasury Portfolio as the Holder of Corporate Units and the Collateral Agent had in respect of the Senior Notes, as the case may be, subject to the Pledge thereof as provided in Articles 2, 3, 4, 5 and 6 of the Pledge Agreement, and any reference herein to the Senior Notes shall be deemed to be a reference to such Treasury Portfolio and any reference herein to interest on the Senior Notes shall be deemed to be a reference to corresponding distributions on the Treasury Portfolio.

The Corporate Units Certificates are issuable only in registered form and only in denominations of a single Corporate Unit and any integral multiple thereof. The transfer of any Corporate Units Certificate will be registered and Corporate Units Certificates may be exchanged as provided in the Purchase Contract Agreement. The Corporate Units Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents permitted by the Purchase Contract Agreement. No service charge shall be required for any such registration of transfer or exchange, but the Company and the Agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. A Holder who elects to substitute Treasury Securities for Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, thereby creating Treasury Units, shall be responsible for any fees or expenses payable in connection therewith. Except as provided in the Purchase Contract Agreement, for so long as the Purchase Contract underlying a Corporate Unit remains in effect, such Corporate Unit shall not be separable into its constituent parts, and the rights and obligations of the Holder of such Corporate Unit in respect of Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, and the Purchase Contract constituting such Corporate Unit may be transferred and exchanged only as a Corporate Unit.

A Holder of a Corporate Unit may create a Treasury Unit by delivering to the Collateral Agent Treasury Securities in an aggregate principal amount equal to the aggregate principal amount of the pledged Senior Notes or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, as the case may be, in exchange for the release of such pledged Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, in accordance with the terms of the Purchase Contract Agreement and the Pledge Agreement. From and after such Collateral Substitution, the Security for which such pledged Treasury Securities secures the Holder's obligation under the Purchase Contract shall be referred to as a "Treasury Unit." A Holder may make such Collateral Substitution only in integral multiples of 40 Corporate Units for 40 Treasury Units; provided, however, that if a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred and the Treasury Portfolio has become a component of the Corporate Units, a Holder may make such Collateral Substitutions only in integral multiples of 100,000 Corporate Units for 100,000 Treasury Units. Such Collateral Substitution may cause the equivalent aggregate Stated Amount of this Certificate to be increased or decreased; provided, however, the equivalent aggregate Stated Amount outstanding under this Corporate Units Certificate shall not exceed \$500,000,000 (subject to Section 3.1 of Purchase Contract Agreement). [All such adjustments to the equivalent aggregate Stated Amount of this Corporate Units Certificate shall be duly recorded by placing an appropriate notation on the Schedule attached hereto.]²

A Holder of Treasury Units may recreate Corporate Units by delivering to the Collateral Agent Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, with an aggregate principal amount, in the case of such Senior Notes, or with the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, in the case of such appropriate Applicable Ownership Interest of the Treasury Portfolio, equal to the aggregate principal amount payable at stated maturity of the pledged Treasury Securities in exchange for the release of such pledged Treasury Securities in accordance with the terms of the Purchase Contract Agreement and the Pledge Agreement. Any such recreation of a Corporate Unit may be effected only in multiples of 40 Treasury Units for 40 Corporate Units; provided, however, that if a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred and the Treasury Portfolio has become a component of the Corporate Units, a Holder may make such Collateral Substitution only in integral multiples of 100,000 Treasury Units for 100,000 Corporate Units.

The Purchase Contracts and all obligations and rights of the Company and the Holders thereunder, including, without limitation, the rights of the Holders to receive and the obligation of the Company to pay Contract Adjustment Payments, if any, and the rights and obligations of Holders to purchase Common Stock, shall immediately and automatically terminate, without the necessity of any notice or action by any Holder, the Agent or the Company, if, on or prior to the Purchase Contract Settlement Date, a Termination Event shall have occurred. Upon the occurrence of a Termination Event, the Company shall promptly but in no event later than two Business Days thereafter give written notice to the Agent, the Collateral Agent and to the Holders, at their addresses as they appear in the Corporate Units Register. Upon and after the occurrence of a Termination Event, the Collateral Agent shall release the Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, from the Pledge in accordance with the provisions of the Pledge Agreement.

Subject to and upon compliance with the provisions of the Purchase Contract Agreement, at the option of the Holder thereof, Purchase Contracts underlying Securities having an aggregate Stated Amount equal to \$1,000 or an integral multiple thereof may be settled early ("Early Settlement") as provided in the Purchase Contract Agreement; provided, however, that if a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred and the Treasury Portfolio has become a component of the Corporate Units, Holders may early settle Corporate Units only in integral multiples of 100,000 Corporate Units. In order to exercise the right to effect Early Settlement with respect to any Purchase Contracts evidenced by this Corporate Units Certificate, the Holder of this Corporate Units Certificate shall deliver this Corporate Units Certificate to the Agent at the Corporate Trust Office or the New York Office

duly endorsed for transfer to the Company or in blank with the form of Election to Settle Early set forth below duly completed and accompanied by payment in the form of immediately available funds payable to the Company in an amount (the "Early Settlement Amount") equal to (i) the product of (A) the Stated Amount times (B) the number of Purchase Contracts with respect to which the Holder has elected to effect Early Settlement plus (ii) if such delivery is made with respect to any Purchase Contracts during the period from the close of business on any Record Date next preceding any Payment Date to the opening of business on such Payment Date, an amount equal to the Contract Adjustment Payments, if any, payable on such Payment Date with respect to such Purchase Contracts. Upon Early Settlement of Purchase Contracts by a Holder of the related Securities, the pledged Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio underlying such Securities shall be released from the Pledge as provided in the Pledge Agreement and the Holder shall be entitled to receive a number of shares of Common Stock on account of each Purchase Contract forming part of a Corporate Unit as to which Early Settlement is effected equal to the Early Settlement Rate; provided, however, that upon the Early Settlement of the Purchase Contracts, the Holder of such related Securities will forfeit the right to receive any future Contract Adjustment Payments, except to the extent that the Early Settlement Date is after the close of business on a Record Date and prior to the opening of business on the corresponding Payment Date. The Early Settlement Rate shall initially be equal to 0.6944 shares of Common Stock and shall be adjusted in the same manner and at the same time as the Settlement Rate is adjusted as provided in the Purchase Contract Agreement.

Upon registration or transfer of this Corporate Units Certificate in accordance with the Purchase Contract Agreement, the transferee shall be bound (without the necessity of any other action on the part of such transferee, except as may be required by the Agent pursuant to the Purchase Contract Agreement) under the terms of the Purchase Contract Agreement, the Pledge Agreement and the Purchase Contracts evidenced hereby and the transferor shall be released from the obligations under the Purchase Contract Agreement, the Pledge Agreement and the Purchase Contracts evidenced by this Corporate Units Certificate. The Company covenants and agrees, and the Holder, by its acceptance hereof, likewise covenants and agrees, to be bound by the provisions of this paragraph.

The Holder of this Corporate Units Certificate, by its acceptance hereof, authorizes the Agent to enter into and perform the related Purchase Contracts forming part of the Corporate Units evidenced hereby on his behalf as his attorney-in-fact, expressly withholds any consent to the assumption or affirmation of the Purchase Contracts by the Company or its trustee in the event that the Company becomes the subject of a case under the Bankruptcy Code, agrees to be bound by the terms and provisions thereof, covenants and agrees to perform its obligations under such Purchase Contracts, consents to the provisions of the Purchase Contract Agreement, authorizes the Agent to enter into and perform the Pledge Agreement on its behalf as its attorney-in-fact, and consents to the Pledge of the Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, underlying this Corporate Units Certificate pursuant to the Pledge Agreement and to all other provisions of the Pledge Agreement. The Holder further covenants and agrees, that, to the extent and in the manner provided in the Purchase Contract Agreement and the Pledge Agreement, but subject to the terms thereof, Proceeds of the pledged Senior Notes or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio on the Purchase Contract Settlement Date shall be paid by the Collateral Agent to the Company in satisfaction of such Holder's obligations under such Purchase Contract and such Holder shall acquire no right, title or interest in such Proceeds.

Subject to certain exceptions, the provisions of the Purchase Contract Agreement may be amended with the consent of the Holders of a majority of the Purchase Contracts then outstanding.

The Purchase Contracts shall for all purposes be governed by, and construed in accordance with, the laws of the State of New York.

The Company, the Agent and its Affiliates and any agent of the Company or the Agent may treat the Person in whose name this Corporate Units Certificate is registered as the owner of the Corporate Units evidenced hereby for the purpose of receiving payments of interest payable quarterly on the Senior Notes or on the maturing quarterly interest strips of the Treasury Portfolio, as applicable, receiving payments of Contract Adjustment Payments, if any, performance of the Purchase Contracts and for all other purposes whatsoever, whether or not any payments in respect thereof be overdue and notwithstanding any notice to the contrary, and neither the Company, the Agent nor any such agent shall be affected by notice to the contrary.

The Purchase Contracts shall not, prior to the settlement thereof, entitle the Holder to any of the rights of a holder of shares of Common Stock.

A copy of the Purchase Contract Agreement is available for inspection at the offices of the Agent.

2 To be inserted in Global Certificates only.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	as tenants in common
UNIF GIFT MIN ACT	Custodian

(cust) (minor)
Under Uniform Gifts to Minors Act

TEN ENT
JT TEN

(State)
as tenants by the entireties
as joint tenants with right of survivorship and not as
tenants in common

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please insert Social Security or Taxpayer I.D. or other Identifying Number of Assignee)

(Please Print or Type Name and Address Including Postal Zip Code of Assignee)

the within Corporate Units Certificates and all rights thereunder, hereby irrevocably constituting and appointing

attorney to transfer said Corporate Units Certificates on the books of CenturyTel, Inc. with full power of substitution in the premises.

Dated: _____

Signature

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Corporate Units Certificates in every particular, without alteration or enlargement or any change whatsoever.

Signature Guarantee: _____

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as

may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SETTLEMENT INSTRUCTIONS

The undersigned Holder directs that a certificate for shares of Common Stock deliverable upon settlement on or after the Purchase Contract Settlement Date of the Purchase Contracts underlying the number of Corporate Units evidenced by this Corporate Units Certificate be registered in the name of, and delivered, together with a check in payment for any fractional share, to the undersigned at the address indicated below unless a different name and address have been indicated below. If shares are to be registered in the name of a Person other than the undersigned, the undersigned will pay any transfer tax payable incident thereto.

Dated: _____

Signature

Signature Guarantee: _____

(if assigned to another person)

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

If shares are to be registered in the name of and delivered to a Person other than the Holder, please (i) print such Person's name and address and (ii) provide a guarantee of your signature:

REGISTERED HOLDER

Please print name and address of Registered Holder:

Name	Name
Address	Address

Social Security or other Taxpayer Identification Number, if any

ELECTION TO SETTLE EARLY

The undersigned Holder of this Corporate Units Certificate hereby irrevocably exercises the option to effect Early Settlement in accordance with the terms of the Purchase Contract Agreement with respect to the Purchase Contracts underlying the number of Corporate Units evidenced by this Corporate Units Certificate specified below. The option to effect Early Settlement or Merger Early Settlement may be exercised only with respect to Purchase Contracts underlying Corporate Units with an aggregate Stated Amount equal to \$1,000 or an integral multiple thereof; provided, however, that if a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred and the Treasury Portfolio has become a component of the Corporate Units, Holders may early settle Corporate Units only in integral multiples of 100,000 Corporate Units. The undersigned Holder directs that a certificate for shares of Common Stock (or cash, securities or other property) deliverable upon such Early Settlement or Merger Early Settlement be registered in the name of, and delivered, together with a check in payment for any fractional share and any Corporate Units Certificate representing any Corporate Units evidenced hereby as to which Early Settlement or Merger Early Settlement of the related Purchase Contracts is not effected, to the undersigned at the address indicated below unless a different name and address have been indicated below. Pledged Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, deliverable upon such Early Settlement or Merger Early Settlement will be transferred in accordance with the transfer instructions set forth below. If shares are to be registered in the name of a

Person other than the undersigned, the undersigned will pay any transfer tax payable incident thereto.

Dated: _____

Signature

Signature Guarantee: _____

(if assigned to another person)

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Number of Securities evidenced hereby as to which Early Settlement of the related Purchase Contracts is being elected:

If shares of Common Stock or Corporate Units Certificates are to be registered in the name of and delivered to, and pledged Senior Notes or the Applicable Ownership Interest in the Treasury Portfolio, as the case may be, are to be transferred to, a Person other than the Holder, please (i) print such Person's name and address and (ii) provide a guarantee of your signature:

REGISTERED HOLDER

Please print name and address of Registered Holder

_____ Name	_____ Name
_____ Address	_____ Address
_____	_____
_____	_____

Social Security or other Taxpayer Identification Number, if any

Transfer Instructions for pledged Senior Notes or the Applicable Ownership Interest in the Treasury Portfolio, as the case may be, transferable Upon Early Settlement, Merger Early Settlement or a Termination Event:

[TO BE ATTACHED TO GLOBAL CERTIFICATES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL CERTIFICATE

(For Corporate Units)

The following increases or decreases in this Global Certificate have been made:

Amount of decrease in	Amount of increase in	Stated Amount of the Global Certificate	Signature of authorized officer of
-----------------------	-----------------------	--	---------------------------------------

Date	Stated Amount of the Global Certificate	Stated Amount of the Global Certificate	following such decrease or increase	Purchase Contract Agent
------	--	--	--	----------------------------

Exhibit B
to Purchase Contract Agreement

[THIS CERTIFICATE IS A GLOBAL CERTIFICATE WITHIN THE MEANING OF THE PURCHASE CONTRACT AGREEMENT (AS HEREINAFTER DEFINED) AND IS REGISTERED IN THE NAME OF THE CLEARING AGENCY OR A NOMINEE THEREOF. THIS CERTIFICATE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A CERTIFICATE REGISTERED, AND NO TRANSFER OF THIS CERTIFICATE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH CLEARING AGENCY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE PURCHASE CONTRACT AGREEMENT.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO., OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, AND ANY PAYMENT HEREON IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]]

No. _____

CUSIP NO. 156700502

Number of Treasury Units _____

CENTURYTEL, INC.

Treasury Units
(\$25 Stated Amount)

This Treasury Units Certificate ("Treasury Units Certificate") certifies that CEDE & CO. is the registered Holder of the number of Treasury Units ("Treasury Units") set forth above [(or such other number as is set forth in the Schedule of Increases or Decreases in Global

Certificate annexed hereto)]1. Each Treasury Unit represents (i) a 1/40, or 2.5%, undivided beneficial ownership interest in a Treasury Security having a principal amount at maturity equal to \$1,000, subject to the Pledge of such Treasury Security by such Holder pursuant to the Pledge Agreement, and (ii) the rights and obligations of the Holder under one Purchase Contract with CenturyTel, Inc., a Louisiana corporation (the "Company," which term, as used herein, includes its successors pursuant to the Purchase Contract Agreement). All capitalized terms used herein that are defined in the Purchase Contract Agreement have the meaning set forth therein.

Pursuant to the Pledge Agreement, the Treasury Securities constituting part of each Treasury Unit evidenced hereby have been pledged to the Collateral Agent, for the benefit of the Company, to secure the obligations of the Holder under the Purchase Contract comprising a portion of such Treasury Units.

Subject to Section 3.1. of the Pledge Agreement, so long as the Purchase Contract Agent is the registered owner of the pledged Treasury Securities, it shall receive all payments thereon.

Each Purchase Contract evidenced hereby obligates the Holder of this Treasury Units Certificate to purchase, and the Company to sell, on May 15, 2005 (the "Purchase Contract Settlement Date"), at a price equal to \$25 (the "Stated Amount"), a number of newly issued shares of Common Stock, \$1.00 par value ("Common Stock"), of the Company equal to the Settlement Rate, unless on or prior to the Purchase Contract Settlement Date there shall have occurred a Termination Event, an Early Settlement or a Merger Early Settlement with respect to the Treasury Units of which such Purchase Contract is a part, all as provided in the Purchase Contract Agreement and more fully described on the reverse hereof. The purchase price (the "Purchase Price") for the shares of Common Stock purchased pursuant to each Purchase Contract evidenced hereby, if not paid earlier, shall be paid on the Purchase Contract Settlement Date by application of the Proceeds from the Treasury Securities pledged to secure the obligations under such Purchase Contract in accordance with the terms of the Pledge Agreement.

Subject to Section 5.2 of the Purchase Contract Agreement, the Company shall pay on each Payment Date in respect of each Purchase Contract forming part of a Treasury Unit evidenced hereby an amount (the "Contract Adjustment Payments") equal to 0.855% per annum of the Stated Amount, computed on the basis of a 360-day year of twelve 30 day months. Such Contract Adjustment Payments, if any, shall be payable to the Person in whose name this Treasury Units Certificate (or a Predecessor Treasury Units Certificate) is registered at the close of business on the Record Date for such Payment Date.

Contract Adjustment Payments, if any, will be payable at the Corporate Trust Office of the Agent and at the New York Office or, at the option of the Company, by check mailed to the address of the Person entitled thereto as such address appears on the Treasury Units Register or by wire transfer to the account designated by such Person by a written notice delivered at least 15 days prior to the applicable Payment Date.

Reference is hereby made to the further provisions set forth on the following pages hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Agent by manual signature, this Treasury Units Certificate shall not be entitled to any benefit under the Pledge Agreement or the Purchase Contract Agreement or be valid or obligatory for any purpose.

1 To be inserted in Global Certificate only.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

CENTURYTEL, INC.

By: _____

Name:

Title:

By: _____

Name:

Title:

HOLDER SPECIFIED ABOVE (as to obligations of such Holder under the Purchase Contracts evidenced hereby)

By: WACHOVIA BANK, NATIONAL ASSOCIATION,

not individually but solely as attorney-in-fact of
such Holder

By: _____

Name:

Title:

AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Treasury Units Certificates referred to in the within-mentioned Purchase Contract Agreement.

By: **WACHOVIA BANK, NATIONAL ASSOCIATION,**
as Purchase Contract Agent

By: _____

Name:

Title:

Dated:

Each Purchase Contract evidenced hereby is governed by a Purchase Contract Agreement, dated as of May 1, 2002 (as may be supplemented, restated or amended from time to time, the "Purchase Contract Agreement"), between the Company and Wachovia Bank, National Association, as Purchase Contract Agent (including its successors thereunder, herein called the "Agent"), to which the Purchase Contract Agreement and supplemental agreements thereto reference is hereby made for a description of the respective rights, limitations of rights, obligations, duties and immunities thereunder of the Agent, the Company and the Holders and of the terms upon which the Treasury Units Certificates are, and are to be, executed and delivered. In the case of any inconsistency between this Certificate and the terms of the Purchase Contract Agreement, the terms of the Purchase Contract Agreement shall prevail.

Each Purchase Contract evidenced hereby obligates the Holder of this Treasury Units Certificate to purchase, and the Company to sell, on the Purchase Contract Settlement Date at the Purchase Price, a number of newly issued shares of Common Stock of the Company equal to the Settlement Rate, unless, on or prior to the Purchase Contract Settlement Date, there shall have occurred a Termination Event, an Early Settlement or a Merger Early Settlement with respect to the Security of which such Purchase Contract is a part. The "Settlement Rate" is equal to (a) if the Applicable Market Value (as defined below) is equal to or greater than \$36.00 (the "Threshold Appreciation Price"), 0.6944 shares of Common Stock per Purchase Contract, (b) if the Applicable Market Value is less than the Threshold Appreciation Price but is greater than \$28.60, the number of shares of Common Stock per Purchase Contract equal to the Stated Amount divided by the Applicable Market Value and (c) if the Applicable Market Value is less than or equal to \$28.60, 0.8741 shares of Common Stock per Purchase Contract, in each case subject to adjustment as provided in the Purchase Contract Agreement. No fractional shares of Common Stock will be issued upon settlement of Purchase Contracts, as provided in the Purchase Contract Agreement.

Each Purchase Contract evidenced hereby that is settled either through Early Settlement or Merger Early Settlement shall obligate the Holder of the related Treasury Units to purchase at the Purchase Price, and the Company to sell, a number of newly issued shares of Common Stock equal to the Early Settlement Rate or the applicable Settlement Rate provided for in the Purchase Contract Agreement, as applicable.

The "Applicable Market Value" means (i) the average of the Closing Price per share of Common Stock on each of the 20 consecutive Trading Days ending on the third Trading Day immediately preceding the Purchase Contract Settlement Date, (ii) in the case of a Merger Early Settlement, the third Trading Day immediately preceding the Cash Merger Date, or (iii) for purposes of determining cash payable in lieu of fractional shares in connection with an Early Settlement, the third Trading Day immediately preceding the relevant Early Settlement Date. The "Closing Price" of the Common Stock on any date of determination means the closing sale price (or, if no closing price is reported, the last reported sale price) of the Common Stock on The New York Stock Exchange, Inc. (the "NYSE") on such date or, if the Common Stock is not listed for trading on the NYSE on any such date, as reported in the composite transactions for the principal United States securities exchange on which the Common Stock is so listed, or if the Common Stock is not so listed on a United States national or regional securities exchange, the last sale price on and as reported by the Nasdaq National Market or, if the Common Stock is not so reported, the last quoted bid price for the Common Stock in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if such bid price is

not available, the market value of the Common Stock on such date as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company. A "Trading Day" means a day on which the Common Stock (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock.

In accordance with the terms of the Purchase Contract Agreement, the Holder of this Treasury Units Certificate shall pay the Purchase Price for the shares of Common Stock purchased pursuant to each Purchase Contract evidenced hereby by effecting either an Early Settlement or a Merger Early Settlement of each such Purchase Contract or by applying a principal amount of the pledged Treasury Securities underlying such Holder's Treasury Units equal to the Stated Amount to the purchase of the Common Stock. A Holder of Treasury Units who does not elect (1) to make an Early Settlement on or prior to 5:00 p.m., New York City time, on the second Business Day immediately preceding the Purchase Contract Settlement Date (or who notifies the Agent of its intention to make an Early Settlement, but fails to make such payment as set forth in the Purchase Contract Agreement) or (2) to make a Merger Early Settlement, on or prior to 5:00 p.m., New York City time, on the fifth Business Day immediately preceding the Purchase Contract Settlement Date (or who notifies the Agent of its intention to make a Merger Early Settlement, but fails to make such payment as set forth in the Purchase Contract Agreement), shall pay the Purchase Price for the shares of Common Stock to be issued under the related Purchase Contract by applying a principal amount of the pledged Treasury Securities as aforesaid.

The Company shall not be obligated to issue any shares of Common Stock in respect of a Purchase Contract or deliver any certificates therefor to the Holder unless it shall have received payment in full of the aggregate Purchase Price for the shares of Common Stock to be purchased thereunder in the manner set forth in the Purchase Contract Agreement.

The Treasury Units Certificates are issuable only in registered form and only in denominations of a single Treasury Unit and any integral multiple thereof. The transfer of any Treasury Units Certificate will be registered and Treasury Units Certificates may be exchanged as provided in the Purchase Contract Agreement. The Treasury Units Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents permitted by the Purchase Contract Agreement. No service charge shall be required for any such registration of transfer or exchange, but the Company and the Agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. A Holder who elects to substitute Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, for Treasury Securities, thereby recreating Corporate Units, shall be responsible for any fees or expenses payable in connection therewith. Except as provided in the Purchase Contract Agreement, for so long as the Purchase Contract underlying a Treasury Unit remains in effect, such Treasury Unit shall not be separable into its constituent parts, and the rights and obligations of the Holder of such Treasury Unit in respect of the Treasury Security and the Purchase Contract constituting such Treasury Unit may be transferred and exchanged only as a Treasury Unit.

A Holder of Treasury Units may recreate Corporate Units by delivering to the Collateral Agent Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio with an aggregate principal amount, in the case of such Senior Notes, or with the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, in the case of such appropriate Applicable Ownership Interest of the Treasury Portfolio, equal to the aggregate principal amount at stated maturity of the pledged Treasury Securities in exchange for the release of such pledged Treasury Securities in accordance with the terms of the Purchase Contract Agreement and the Pledge Agreement. From and after such Collateral Substitution, the Security for which such pledged Senior Notes or appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, secures the Holder's obligation under the Purchase Contract shall be referred to as a "Corporate Unit." A Holder may make such a substitution only in integral multiples of 40 Treasury Units for 40 Corporate Units; provided, however, that if a Tax Event Redemption or a Successful Initial Remarketing, a Successful Second Remarketing or a Successful Third Remarketing has occurred and the Treasury Portfolio has become a component of the Corporate Units, a Holder may make such substitution only in integral multiples of 100,000 Treasury Units for 100,000 Corporate Units. Such Collateral Substitution may cause the equivalent aggregate Stated Amount of this Certificate to be increased or decreased; provided, however, the equivalent aggregate Stated Amount outstanding under this Treasury Units Certificate shall not exceed \$500,000,000 (subject to Section 3.1 of the Purchase Contract Agreement). [All such adjustments to the equivalent aggregate Stated Amount of this Treasury Units Certificate shall be duly recorded by placing an appropriate notation on the Schedule attached hereto.]2

A Holder of a Corporate Unit may create a Treasury Unit by delivering to the Collateral Agent Treasury Securities in an aggregate principal amount equal to the aggregate principal amount of the pledged Senior Notes or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, as the case may be, in exchange for the release of such pledged Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, in accordance with the terms of the Purchase Contract Agreement and the Pledge Agreement. Any such creation of a Treasury Unit may be effected only in multiples of 40 Corporate Units for 40 Treasury Units; provided, however, if a Tax Event Redemption or a Successful Initial Remarketing, a Successful Second Remarketing or a Successful Third Remarketing has occurred and the Treasury Portfolio has become a component of the Corporate Unit, a Holder may make such Collateral Substitution only in integral multiples of 100,000 Corporate Units for 100,000 Treasury Units.

The Purchase Contracts and all obligations and rights of the Company and the Holders thereunder, including, without limitation, the rights of the Holders to receive and the obligation of the Company to pay Contract Adjustment Payments, if any, and the rights and obligations of Holders to purchase Common Stock shall immediately and automatically terminate, without the necessity of any notice or action by any Holder, the Agent or the Company, if, on or prior to the Purchase Contract Settlement Date, a Termination Event shall have occurred. Upon the occurrence of a Termination Event, the Company shall promptly but in no event later than two Business Days thereafter give written notice to the Agent, the Collateral Agent and to the Holders, at their addresses as they appear in the Treasury Units Register. Upon and after the occurrence of a Termination Event, the Collateral Agent shall release the Treasury Securities from the Pledge in accordance with the provisions

of the Pledge Agreement.

Subject to and upon compliance with the provisions of the Purchase Contract Agreement, at the option of the Holder thereof, Purchase Contracts underlying Securities having an aggregate Stated Amount equal to \$1,000 or an integral multiple thereof may be settled early ("Early Settlement") as provided in the Purchase Contract Agreement. In order to exercise the right to effect Early Settlement with respect to any Purchase Contracts evidenced by this Treasury Units Certificate, the Holder of this Treasury Units Certificate shall deliver this Treasury Units Certificate to the Agent at the Corporate Trust Office or the New York Office duly endorsed for transfer to the Company or in blank with the form of Election to Settle Early set forth below duly completed and accompanied by payment in the form of immediately available funds payable to the Company in an amount (the "Early Settlement Amount") equal to (i) the product of (A) the Stated Amount times (B) the number of Purchase Contracts with respect to which the Holder has elected to effect Early Settlement plus (ii) if such delivery is made with respect to any Purchase Contracts during the period from the close of business on any Record Date next preceding any Payment Date to the opening of business on such Payment Date, an amount equal to the Contract Adjustment Payments, if any, payable on such Payment Date with respect to such Purchase Contracts. Upon Early Settlement of Purchase Contracts by a Holder of the related Securities, the pledged Treasury Securities underlying such Securities shall be released from the Pledge as provided in the Pledge Agreement and the Holder shall be entitled to receive a number of shares of Common Stock on account of each Purchase Contract forming part of a Treasury Unit as to which Early Settlement is effected equal to the Early Settlement Rate; provided, however, that upon the Early Settlement of the Purchase Contracts, the Holder of such related Securities will forfeit the right to receive any future Contract Adjustment Payments, except to the extent that the Early Settlement Date is after the close of business on a Record Date and prior to the opening of business on the corresponding Payment Date. The Early Settlement Rate shall initially be equal to 0.6944 shares of Common Stock and shall be adjusted in the same manner and at the same time as the Settlement Rate is adjusted as provided in the Purchase Contract Agreement.

Upon registration or transfer of this Treasury Units Certificate in accordance with the Purchase Contract Agreement, the transferee shall be bound (without the necessity of any other action on the part of such transferee, except as may be required by the Agent pursuant to the Purchase Contract Agreement) under the terms of the Purchase Contract Agreement, the Pledge Agreement and the Purchase Contracts evidenced hereby and the transferor shall be released from the obligations under the Purchase Contract Agreement, the Pledge Agreement and the Purchase Contracts evidenced by this Treasury Units Certificate. The Company covenants and agrees, and the Holder, by its acceptance hereof, likewise covenants and agrees, to be bound by the provisions of this paragraph.

The Holder of this Treasury Units Certificate, by its acceptance hereof, authorizes the Agent to enter into and perform the related Purchase Contracts forming part of the Treasury Units evidenced hereby on his behalf as its attorney-in-fact, expressly withholds any consent to the assumption or affirmation of the Purchase Contracts by the Company or its trustee in the event that the Company becomes the subject of a case under the Bankruptcy Code, agrees to be bound by the terms and provisions thereof, covenants and agrees to perform its obligations under such Purchase Contracts, consents to the provisions of the Purchase Contract Agreement, authorizes the Agent to enter into and perform the Pledge Agreement on its behalf as its attorney-in-fact, and consents to the Pledge of the Treasury Securities underlying this Treasury Units Certificate pursuant to the Pledge Agreement and to all other provisions of the Pledge Agreement. The Holder further covenants and agrees, that, to the extent and in the manner provided in the Purchase Contract Agreement and the Pledge Agreement, but subject to the terms thereof, Proceeds of the pledged Treasury Securities on the Purchase Contract Settlement Date shall be paid by the Collateral Agent to the Company in satisfaction of such Holder's obligations under such Purchase Contract and such Holder shall acquire no right, title or interest in such Proceeds.

Subject to certain exceptions, the provisions of the Purchase Contract Agreement may be amended with the consent of the Holders of a majority of the Purchase Contracts then outstanding.

The Purchase Contracts shall for all purposes be governed by, and construed in accordance with, the laws of the State of New York.

The Company, the Agent and its Affiliates and any agent of the Company or the Agent may treat the Person in whose name this Treasury Units Certificate is registered as the owner of the Treasury Units evidenced hereby for the purpose of receiving payments on the Treasury Securities, receiving payments of Contract Adjustment Payments, if any, performance of the Purchase Contracts and for all other purposes whatsoever, whether or not any payments in respect thereof be overdue and notwithstanding any notice to the contrary, and neither the Company, the Agent nor any such agent shall be affected by notice to the contrary.

The Purchase Contracts shall not, prior to the settlement thereof, entitle the Holder to any of the rights of a holder of shares of Common Stock.

A copy of the Purchase Contract Agreement is available for inspection at the offices of the Agent.

2 To be inserted in Global Certificates only.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM

as tenants in common

UNIF GIFT MIN ACT

Custodian

(cust) (minor)
Under Uniform Gifts to Minors Act

TEN ENT
JT TEN

(State)
as tenants by the entireties
as joint tenants with right of survivorship and not as
tenants in common

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please insert Social Security or Taxpayer I.D. or other Identifying Number of Assignee)

(Please Print or Type Name and Address Including Postal Zip Code of Assignee)

the within Treasury Units Certificates and all rights thereunder, hereby irrevocably constituting and appointing

attorney to transfer said Treasury Units Certificates on the books of CenturyTel, Inc. with full power of substitution in the premises.

Dated: _____

Signature

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Treasury Units Certificates in every particular, without alteration or enlargement or any change whatsoever.

Signature Guarantee: _____

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SETTLEMENT INSTRUCTIONS

The undersigned Holder directs that a certificate for shares of Common Stock deliverable upon settlement on or after the Purchase Contract Settlement Date of the Purchase Contracts underlying the number of Treasury Units evidenced by this Treasury Units Certificate be registered in the name of, and delivered, together with a check in payment for any fractional share, to the undersigned at the address indicated below unless a different name and address have been indicated below. If shares are to be registered in the name of a Person other than the undersigned, the undersigned will pay any transfer tax payable incident thereto.

Dated: _____

Signature

Signature Guarantee: _____

(if assigned to another person)

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

If shares are to be registered in the name of and delivered to a Person other than the Holder, please (i) print such Person's name and address and (ii) provide a guarantee of your signature:

REGISTERED HOLDER

Please print name and address of Registered Holder:

Name	Name
_____	_____
_____	_____
_____	_____

Address	Address
_____	_____

Social Security or other Taxpayer Identification Number, if any

ELECTION TO SETTLE EARLY

The undersigned Holder of this Treasury Units Certificate hereby irrevocably exercises the option to effect Early Settlement or Merger Early Settlement in accordance with the terms of the Purchase Contract Agreement with respect to the Purchase Contracts underlying the number of Treasury Units evidenced by this Treasury Units Certificate specified below. The option to effect Early Settlement or Merger Early Settlement may be exercised only with respect to Purchase Contracts underlying Treasury Units with an aggregate Stated Amount equal to \$1,000 or an integral multiple thereof. The undersigned Holder directs that a certificate for shares of Common Stock deliverable upon such Early Settlement or Merger Early Settlement be registered in the name of, and delivered, together with a check in payment for any fractional share and any Treasury Units Certificate representing any Treasury Units evidenced hereby as to which Early Settlement or Merger Early Settlement of the related Purchase Contracts is not effected, to the undersigned at the address indicated below unless a different name and address have been indicated below. Pledged Treasury Securities, as the case may be, deliverable upon such Early Settlement or Merger Early Settlement will be transferred in accordance with the transfer instructions set forth below. If shares are to be registered in the name of a Person

Dated: _____

Signature Guarantee: _____

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

If shares of Common Stock or Treasury Units Certificates are to be registered in the name of and delivered to, and pledged Treasury Securities are to be transferred to, a Person other than the Holder, please (i) print such Person's name and address and (ii) provide a guarantee of your signature:

Please print name and address of Registered Holder:

Name

Address

Transfer Instructions for pledged Treasury Securities transferable Upon Early Settlement, Merger Early Settlement or a Termination Event:

The following increases or decreases in this Global Certificate have been made:

Date	Amount of decrease in Stated Amount of the Global Certificate	Amount of increase in Stated Amount of the Global Certificate	Stated Amount of the Global Certificate following such decrease or increase	Signature of authorized officer of Purchase Contract Agent
------	---	---	---	--

**Exhibit C
to Purchase Contract Agreement**

**INSTRUCTION FROM PURCHASE CONTRACT AGENT
TO COLLATERAL AGENT**

JPMorgan Chase Bank
Institutional Trust Services
600 Travis Street, Suite 1150
Houston, Texas 77002
Attn: Gary Jones

cc: Regions Bank
60 Commerce Street
Montgomery, Alabama 36104
Attention: Robert B. Rinehart

Re: Equity Units of CenturyTel, Inc. (the "Company")

We hereby notify you in accordance with Section [4.1] [4.2] of the Pledge Agreement, dated as of May 1, 2002, (the "Pledge Agreement") among the Company, yourselves, as Collateral Agent, Custodial Agent and Securities Intermediary and ourselves, as Purchase Contract Agent and as attorney-in-fact for the holders of [Corporate Units] [Treasury Units] from time to time, that the holder of the Securities listed below (the "Holder") has elected to substitute [\$_____ aggregate principal amount of Treasury Securities] [\$_____ aggregate principal amount of Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] in exchange for an equal Value of [Pledged Senior Notes or the appropriate Pledged Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] [Pledged Treasury Securities] held by you in accordance with the Pledge Agreement and has delivered to us a notice stating that the Holder has Transferred [Treasury Securities] [Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] to you, as Collateral Agent. We hereby instruct you, upon receipt of such [Pledged Treasury Securities] [Pledged Senior Notes or the appropriate Pledged Applicable Ownership Interest of the Treasury Portfolio, as the case may be,], and upon the payment by such Holder of any applicable fees, to release the [Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] [Treasury Securities] related to such [Corporate Units] [Treasury Units] to us in accordance with the Holder's instructions.

Capitalized terms used herein but not defined shall have the meaning set forth in the Pledge Agreement.

Date: _____

By: _____

Name:

Title:

Signature Guarantee: _____

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Please print name and address of Registered Holder electing to substitute [Treasury Securities] [Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] for the [Pledged Senior Notes or the appropriate Pledged Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] [Pledged Treasury Securities]:

_____	_____
Name	Social Security or other Tax Payer Identification Number, if any

Address	

Exhibit D
to Purchase Contract Agreement

INSTRUCTION TO PURCHASE CONTRACT AGENT

Wachovia Bank, National Association
2525 West End Avenue
Suite 1200
Nashville, Tennessee 37203
Attention: Susan Baker

Re: Equity Units of CenturyTel, Inc. (the "Company")

The undersigned Holder hereby notifies you that it has delivered to JPMorgan Chase Bank, as Collateral Agent, [\$_____ aggregate principal amount of Treasury Securities] [\$ aggregate principal amount of Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] in exchange for an equal Value of [Pledged Senior Notes or the appropriate Pledged Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] [Pledged Treasury Securities] held by the Collateral Agent, in accordance with Section [4.1], [4.2] of the Pledge Agreement, dated May 1, 2002 (the "Pledge Agreement"), between you, the Company and the Collateral Agent. The undersigned Holder has paid the Collateral Agent all applicable fees relating to such exchange. The undersigned Holder hereby instructs you to instruct the Collateral Agent to release to you on behalf of the undersigned Holder the [Pledged Senior Notes or the appropriate Pledged Applicable Ownership Interest of the Treasury Portfolio] [Pledged Treasury Securities] related to such [Corporate Units] [Treasury Units].

Capitalized terms used herein but not defined shall have the meaning set forth in the Pledge Agreement.

Date: _____

Signature	_____
Guarantee:	_____

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Please print name and address of Registered Holder:

Name

Social Security or other Tax Payer
Identification Number, if any

Address

Exhibit E
to Purchase Contract Agreement

NOTICE TO SETTLE BY SEPARATE CASH

Wachovia Bank, National Association
2525 West End Avenue
Suite 1200
Nashville, Tennessee 37203
Attention: Susan Baker

Re: Equity Units of CenturyTel, Inc. (the "Company")

The undersigned Holder hereby irrevocably notifies you in accordance with Section 5.4 of the Purchase Contract Agreement dated as of May 1, 2002 among the Company and yourselves, as Purchase Contract Agent and as attorney-in-fact for the Holders of the Purchase Contracts, that such Holder has elected to pay to the Collateral Agent, on or prior to 11:00 a.m., New York City time, on the fourth Business Day immediately preceding the Purchase Contract Settlement Date (in lawful money of the United States by [certified or cashiers check or] wire transfer, in each case in immediately available funds), \$_____ as the Purchase Price for the shares of Common Stock issuable to such Holder by the Company under the related Purchase Contract on the Purchase Contract Settlement Date. The undersigned Holder hereby instructs you to notify promptly the Collateral Agent of the undersigned Holders election to make such cash settlement with respect to the Purchase Contracts related to such Holder's Corporate Units.

Date: _____

Signature

Signature

Guarantee: _____

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Please print name and address of Registered Holder:

Name

Social Security or other Tax Payer
Identification Number, if any

Address

PLEDGE AGREEMENT

Dated as of May 1, 2002

among

CENTURYTEL, INC.

JPMORGAN CHASE BANK,

as Collateral Agent, Custodial Agent

and Securities Intermediary

and

WACHOVIA BANK, NATIONAL ASSOCIATION,

as Purchase Contract Agent

TABLE OF CONTENTS

ARTICLE 1

DEFINITIONS

	<u>Page</u>
Section 1.1 Definitions of Terms	2

ARTICLE 2

PLEDGE; CONTROL AND PERFECTION

Section 2.1 The Pledge	5
Section 2.2 Control and Perfection	7

ARTICLE 3

DISTRIBUTIONS ON PLEDGED COLLATERAL

Section 3.1 Distributions	9
Section 3.2 Application of Payments	10

ARTICLE 4

**SUBSTITUTION, RELEASE, REPLEDGE
AND SETTLEMENT OF SENIOR NOTES**

Section 4.1 Substitution for Senior Notes and the Creation of Treasury Units	10
Substitution of Treasury Securities and the Recreation of Corporate	

Section 4.2	Units	11
Section 4.3	Termination Event	12
Section 4.4	Cash Settlement	12
Section 4.5	Early Settlement; Merger Early Settlement	13
Section 4.6	Application of Proceeds, Settlement	14

ARTICLE 5

VOTING RIGHTS - SENIOR NOTES

Section 5.1	Voting Rights - Senior Notes	16
-------------	------------------------------------	----

ARTICLE 6

RIGHTS AND REMEDIES; TAX EVENT REDEMPTION

Section 6.1	Rights and Remedies of the Collateral Agent	16
Section 6.2	Tax Event Redemption	17
Section 6.3	Initial, Second and Third Remarketing	18
Section 6.4	Substitutions	19

ARTICLE 7

REPRESENTATIONS AND WARRANTIES; COVENANTS

Section 7.1	Representations and Warranties	19
Section 7.2	Covenants	19

ARTICLE 8

THE COLLATERAL AGENT

Section 8.1	Appointment, Powers and Immunities	20
Section 8.2	Instructions of the Company	21
Section 8.3	Reliance	21
Section 8.4	Rights in other Capacities	21
Section 8.5	Non-Reliance	22
Section 8.6	Compensation and Indemnity	22
Section 8.7	Failure to Act	23
Section 8.8	Resignation and Removal	23
Section 8.9	Right to Appoint Agent or Advisor	24
Section 8.10	Survival	24
Section 8.11	Exculpation.....	24

ARTICLE 9

AMENDMENT

Section 9.1	Amendment Without Consent of Holders	25
Section 9.2	Amendment with Consent of Holders	25
Section 9.3	Execution of Amendments	26
Section 9.4	Effect of Amendments	26
Section 9.5	Reference to Amendments	26

ARTICLE 10

MISCELLANEOUS

Section 10.1	No Waiver	27
Section 10.2	Governing Law	27
Section 10.3	Notices	27
Section 10.4	Successors and Assigns	28
Section 10.5	Counterparts	28
Section 10.6	Severability	28
Section 10.7	Expenses	28
Section 10.8	Security Interest Absolute	29

EXHIBIT A INSTRUCTION FROM PURCHASE CONTRACT AGENT TO COLLATERAL AGENT

EXHIBIT B INSTRUCTION TO PURCHASE CONTRACT AGENT

EXHIBIT C INSTRUCTION TO CUSTODIAL AGENT REGARDING REMARKETING

EXHIBIT D INSTRUCTION TO CUSTODIAL AGENT REGARDING WITHDRAWAL FROM
REMARKETING

PLEDGE AGREEMENT, dated as of May 1, 2002 (this "Agreement"), among CenturyTel, Inc., a Louisiana corporation (the "Company"), JPMorgan Chase Bank, a New York banking association, not individually but solely as collateral agent (in such capacity, together with its successors in such capacity, the "Collateral Agent"), as custodial agent for the Company (in such capacity, together with its successors in such capacity, the "Custodial Agent") and as "securities intermediary" as defined in Section 8-102(a)(14) of the Code (as defined herein) for the Purchase Contract Agent on behalf of the Holders (in such capacity, together with its successors in such capacity, the "Securities Intermediary"), and Wachovia Bank, National Association, not individually but solely as purchase contract agent and as attorney-in-fact of the Holders (as defined in the Purchase Contract Agreement) from time to time of the Securities (as hereinafter defined) (in such capacity, together with its successors in such capacity, the "Purchase Contract Agent") under the Purchase Contract Agreement (as hereinafter defined).

RECITALS

WHEREAS, the Company and the Purchase Contract Agent are parties to the Purchase Contract Agreement, dated as of the date hereof (as modified and supplemented and in effect from time to time, the "Purchase Contract Agreement"), pursuant to which there may be issued 20,000,000 Equity Units of the Company (or 23,000,000 Equity Units if, pursuant to the Underwriting Agreement, the underwriters' overallotment option is exercised in full), having a stated amount of \$25 (the "Stated Amount") per Equity Unit (the "Equity Units"); and

WHEREAS, the Equity Units will initially consist of 20,000,000 (or 23,000,000 if the underwriters' overallotment option is exercised in full) Corporate Units (referred to as "Corporate Units") with a stated amount, per Corporate Unit, equal to the Stated Amount. Each Corporate Unit will initially consist of (a) a stock purchase contract (the "Purchase Contract") under which the holder will purchase from the Company not later than May 15, 2005 (the "Purchase Contract Settlement Date"), for an amount of cash equal to the Stated Amount, a number of newly issued shares of common stock, \$1.00 par value including, where applicable, the preference share purchase rights attached thereto, of the Company (the "Common Stock") equal to the Settlement Rate (as defined below) and (b) beneficial ownership of a Senior Note (as defined below); and

WHEREAS, if Holders of Corporate Units substitute collateral as contemplated by Section 4. 1, each Treasury Unit created thereby (referred to as "Treasury Units" and, together with the Corporate Units, the "Securities") will initially consist of (a) a Purchase Contract under which the Holder will purchase from the Company on the Purchase Contract Settlement Date, for an amount in cash equal to the Stated Amount, a number of newly issued shares of Common Stock equal to the Settlement Rate, and (b) a 1/40, or 2.5%, undivided beneficial interest in a zero-coupon U.S. Treasury Security (CUSIP No. 912803AD5) having a principal amount at maturity equal to \$1,000 and maturing on May 15, 2005 (the "Treasury Securities"); and

WHEREAS, pursuant to the terms of the Indenture (as defined below) the Company will issue \$500,000,000 aggregate principal amount of Senior Notes, Series J, due 2007 (or \$575,000,000 if the underwriters' overallotment option is exercised) bearing interest at the initial rate of 6.02% per annum and (the "Senior Notes"), each having a principal amount per Senior Note equal to \$25; and

WHEREAS, pursuant to the terms of the Purchase Contract Agreement and the Purchase Contracts, the Holders, from time to time, of the Securities have irrevocably authorized the Purchase Contract Agent, as attorney-in-fact of such Holders, among other things, to execute and

deliver this Agreement on behalf of such Holders and to grant the pledge provided hereby of the Senior Notes, any Applicable Ownership Interest in the Treasury Portfolio and the Treasury Securities to secure each Holder's obligations under the related Purchase Contract, as provided herein and subject to the terms hereof; and

WHEREAS, upon such pledge, the Pledged Senior Notes or the Pledged Applicable Ownership Interests in the Treasury Portfolio, as the case may be, and the Pledged Treasury Securities will be beneficially owned by the Holders but will be owned of record by the Purchase Contract Agent subject to the Pledge hereunder.

NOW THEREFORE, in consideration of the foregoing premises, the Company, the Collateral Agent, the Securities Intermediary, the Custodial Agent and the Purchase Contract Agent, on its own behalf and as attorney-in-fact of the Holders from time to time of the Securities, agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.1 Definitions of Terms. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular, and nouns and pronouns of the masculine gender include the feminine and neuter genders;

(b) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision;

(c) initially capitalized terms used but not otherwise defined herein have the meanings given to such terms in the Purchase Contract Agreement; and

(d) the following terms have the meanings given to them in this Section 1.1(d); and

"Agreement" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more agreements supplemental hereto entered into pursuant to the applicable provisions hereof.

"Cash" means any coin or currency of the United States as at the time shall be legal tender for payment of public and private debts.

"Code" has the meaning specified in Section 6.1 hereof.

"Collateral" has the meaning specified in Section 2.1 hereof.

"Collateral Account" means the securities account maintained with the Collateral Agent in the name "Wachovia Bank, National Association, as Purchase Contract Agent on behalf of the holders of certain securities of CenturyTel, Inc., Collateral Account subject to the security interest of JPMorgan Chase Bank, as Collateral Agent, for the benefit of CenturyTel, Inc., as pledgee" and any successor account.

"Collateral Agent" has the meaning specified in the first paragraph of this instrument.

"Common Stock" has the meaning specified in the Recitals.

"Company" means CenturyTel, Inc. until a successor shall have become such pursuant to the applicable provisions of the Purchase Contract Agreement, and thereafter "Company" shall mean such successor.

"Custodial Agent" has the meaning specified in the first paragraph of this instrument.

"Indenture" means the Indenture, dated as of March 31, 1994 between the Company and the Senior Indenture Trustee.

"Intermediary" means any entity that in the ordinary course of business maintains securities accounts for others and is acting in that capacity.

"Permitted Investments" means any one of the following which shall mature not later than the next succeeding Business Day (i) any evidence of indebtedness with an original maturity of 365 days or less issued, or directly and fully guaranteed or insured, by the United States of America or any agency or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof or such indebtedness constitutes a general obligation of it); (ii) deposits, certificates of deposit or acceptances with an original maturity of 365 days or less of any institution which is a member of the Federal Reserve System having combined capital and surplus and

undivided profits of not less than US \$200 million at the time of deposit; (iii) investments with an original maturity of 365 days or less of any Person that is fully and unconditionally guaranteed by a bank referred to in clause (ii); (iv) investments in commercial paper, other than commercial paper issued by the Company or any of its Affiliates, of any corporation incorporated under the laws of the United States or any State thereof, which commercial paper has a rating at the time of purchase at least equal to "A-1" by Standard & Poor's Ratings Services ("S&P") or at least equal to VP "P-I" by Moody's Investors Service, Inc. ("Moody's"); and (v) investments in money market funds registered under the Investment Company Act of 1940, as amended, rated in the highest applicable rating category by S&P or Moody's, which may include such money market funds offered, managed, administered or serviced by the Collateral Agent or any of its Affiliates.

"Pledge" has the meaning specified in Section 2.1 hereof.

"Pledged Applicable Ownership Interest in the Treasury Portfolio" has the meaning specified in Section 2.1 hereof.

"Pledged Senior Notes" has the meaning specified in Section 2.1 hereof.

"Pledged Treasury Securities" has the meaning specified in Section 2.1 hereof.

"Proceeds" means all interest, dividends, cash, instruments, securities, financial assets (as defined in §§ 8-102(a)(9) of the Code) and other property from time to time received, receivable or otherwise distributed upon the sale, exchange, maturity, collection or disposition of the Collateral or any proceeds thereof.

"Purchase Contract" has the meaning specified in the Recitals.

"Purchase Contract Agent" has the meaning specified in the first paragraph of this Agreement.

"Purchase Contract Agreement" has the meaning specified in the Recitals.

"Purchase Contract Settlement Date" has the meaning specified in the Recitals.

"Securities" has the meaning specified in the Recitals.

"Securities Intermediary" has the meaning specified in the first paragraph of this Agreement.

"Security Entitlement" has the meaning set forth in Section 8-102(a)(17) of the Code.

"Senior Notes" has the meaning specified in the Recitals.

"Senior Note Trustee" means Regions Bank (successor-in-interest to First American Bank and Trust of Louisiana and Regions Bank of Louisiana), an Alabama state banking corporation, as trustee under the Indenture, until a successor is appointed thereunder, and thereafter means such successor trustee.

"Separate Senior Notes" means any Senior Notes that are not Pledged Senior Notes.

"Stated Amount" has the meaning specified in the Recitals.

"Supplemental Remarketing Agreement" means the Supplemental Remarketing Agreement, if any, as defined in the Remarketing Agreement.

"TRADES" means the Treasury/Reserve Automated Debt Entry System maintained by the Federal Reserve Bank of New York pursuant to the TRADES Regulations.

"TRADES Regulations" means the regulations of the United States Department of the Treasury, published at 31 C.F.R. Part 357, as amended from time to time. Unless otherwise defined herein, all terms defined in the TRADES Regulations are used herein as therein defined.

"Transfer" means, except as otherwise expressly provided herein, with respect to the Collateral and in accordance with the instructions of the Collateral Agent, the Purchase Contract Agent or the Holder, as applicable:

(i) in the case of Collateral consisting of securities which cannot be delivered by book-entry or which the parties agree are to be delivered in physical form, delivery in appropriate physical form to the recipient accompanied by any duly executed instruments of transfer, assignments in blank, transfer tax stamps and any other documents necessary to constitute a legally valid transfer to the recipient;

(ii) in the case of Collateral consisting of securities maintained in book-entry form by causing a "securities intermediary" (as

defined in Section 8-102(a)(14) of the Code) to (i) credit a "security entitlement" (as defined in Section 8-102(a)(17) of the Code) with respect to such securities to a "securities account" (as defined in Section 8-501 (a) of the Code) maintained by or on behalf of the recipient and (ii) to issue a confirmation to the recipient with respect to such credit. In the case of Collateral to be delivered to the Collateral Agent, the Securities Intermediary shall be the securities intermediary and the securities account shall be the Collateral Account.

"Treasury Securities" has the meaning specified in the Recitals.

"Value" with respect to any item of Collateral on any date means, as to (i) a Senior Note, the principal amount thereof, (ii) Cash, the face amount thereof and (iii) Treasury Securities, the aggregate principal amount thereof at maturity.

ARTICLE 2

PLEDGE; CONTROL AND PERFECTION

Section 2.1 The Pledge .

(a) The Holders from time to time as beneficial owners of the Collateral (as defined below), acting through the Purchase Contract Agent, as their attorney-in-fact, and the Purchase Contract Agent, as nominal owner of the Collateral, each hereby pledge and grant to the Collateral Agent, for the benefit of the Company, as collateral security for the performance when due by such Holders of their respective obligations under the related Purchase Contracts, a security interest in all of the right, title and interest of the Purchase Contract Agent and such Holders (i) in the Senior Notes constituting a part of the Corporate Units, any Treasury Securities delivered in exchange for any Senior Notes (or, if applicable, the Applicable Ownership Interest in the Treasury Portfolio) and any Senior Notes (or, if applicable, the Applicable Ownership Interest in the Treasury Portfolio) delivered in exchange for any Treasury Securities, in accordance with Article 4 hereof, in each case that have been Transferred to or received by the Collateral Agent and not released by the Collateral Agent to such Holders under the provisions of this Agreement; (ii) in payments made by Holders pursuant to Section 4.4; (iii) in the Collateral Account and all securities, financial assets, Cash and other property credited thereto and all Security Entitlements related thereto; (iv) in the Treasury Portfolio purchased on behalf of the Holders of Corporate Units by the Collateral Agent upon the occurrence of a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing or a Tax Event Redemption as provided in Article 6, or otherwise, and (v) all Proceeds of the foregoing, including without limitation all Proceeds received under Section 4.6 (all of the foregoing, collectively, the "Collateral").

Prior to or concurrently with the execution and delivery of this Agreement, the Purchase Contract Agent, on behalf of the initial Holders of the Securities, shall cause the Senior Notes comprising a part of the Corporate Units to be Transferred to the Collateral Agent for the benefit of the Company. Such Senior Notes shall be Transferred by physically delivering such Senior Notes to the Securities Intermediary indorsed in blank (or accompanied by a stock or bond power indorsed in blank) and causing the Securities Intermediary to credit the Collateral Account with such Senior Notes such that security entitlements with respect to such Senior Notes are credited to the Collateral Account. In the event a Holder of Corporate Units so elects, such Holder may Transfer Treasury Securities to the Collateral Agent for the benefit of the Company as provided in Section 4.1 hereof in exchange for the release by the Collateral Agent on behalf of the Company of Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, with an aggregate principal amount equal to the aggregate principal amount of the Treasury Securities so Transferred, in the case of Senior Notes, or with an appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio equal to the aggregate principal amount of the Treasury Securities so Transferred, in the event that a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing or a Tax Event Redemption has occurred, to the Purchase Contract Agent on behalf of such Holder. In the event that a Holder of Treasury Units so elects, such Holder may Transfer Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio to the Collateral Agent for the benefit of the Company as provided in Section 4.2 hereof in exchange for the release by the Collateral Agent on behalf of the Company of Treasury Securities with an aggregate principal amount at maturity equal to the aggregate principal amount of the Senior Notes or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio so transferred to the Purchase Contract Agent on behalf of such Holder. Treasury Securities and the appropriate Applicable Ownership Interest of the Treasury Portfolio, as applicable, shall be Transferred to the Collateral Account maintained by the Collateral Agent at the Securities Intermediary by book-entry transfer to the Collateral Account in accordance with the TRADES Regulations and other applicable law and by the notation by the Securities Intermediary on its books that a Security Entitlement with respect to such Treasury Securities or appropriate Applicable Ownership Interest of the Treasury Portfolio, has been credited to the Collateral Account.

(b) For purposes of perfecting the Pledge under applicable law, including, to the extent applicable, the TRADES Regulations or the Uniform Commercial Code as adopted and in effect in any applicable jurisdiction, the Collateral Agent shall be the agent of the Company as provided herein. The pledge provided in this Section 2.1 is herein referred to as the "Pledge" and the Senior Notes (or, if applicable, the Applicable Ownership Interest in the Treasury Portfolio) or Treasury Securities subject to the Pledge, excluding any Senior Notes that are delivered pursuant to Section 6.2 hereof or Senior Notes (or, if applicable, the Applicable Ownership Interest in the Treasury Portfolio) or Treasury Securities released from the Pledge as provided in Article 4 hereof, are hereinafter referred to as "Pledged Senior Notes" (or, if applicable, the "Pledged Applicable Ownership Interest in the Treasury Portfolio") or the "Pledged Treasury Securities," respectively. Subject to the Pledge and the provisions of Section 2.2 hereof, the Holders from time to time shall have full beneficial ownership of the Collateral. Whenever directed by the Collateral Agent acting on behalf of the Company, the Securities Intermediary shall have the right to reregister the Senior Notes or any other securities held in physical form in its name.

Except as may be required in order to release Senior Notes in connection with a Tax Event Redemption or with a Holder's election to convert its investment from a Corporate Unit to a Treasury Unit, or except as otherwise required to release Senior Notes as specified herein,

neither the Collateral Agent nor the Securities Intermediary shall relinquish physical possession of any certificate evidencing a Senior Note prior to the termination of this Agreement, except Senior Notes may be held in any clearing corporation in an account including only assets of customers of the Collateral Agent or Securities Intermediary. If it becomes necessary for the Securities Intermediary to relinquish physical possession of a certificate in order to release a portion of the Senior Notes evidenced thereby from the Pledge, the Securities Intermediary shall use commercially reasonable efforts to obtain physical possession of a replacement certificate evidencing any Senior Notes remaining subject to the Pledge hereunder registered to it or indorsed in blank (or accompanied by a stock or bond power indorsed in blank) within fifteen days of the date it relinquished possession. The Securities Intermediary shall promptly notify the Company and the Collateral Agent of the Securities Intermediary's failure to obtain possession of any such replacement certificate as required hereby.

Section 2.2 Control and Perfection.

(a) In connection with the Pledge granted in Section 2.1, and subject to the other provisions of this Agreement, the Holders from time to time acting through the Purchase Contract Agent, as their attorney-in-fact, and the Purchase Contract Agent each hereby authorize and direct the Securities Intermediary (without the necessity of obtaining the further consent of the Purchase Contract Agent or any of the Holders), and the Securities Intermediary agrees, to comply with and follow any instructions and entitlement orders (as defined in Section 8-102(a)(8) of the Code) that the Collateral Agent on behalf of the Company may give in writing with respect to the Collateral Account, the Collateral credited thereto and any Security Entitlements with respect to any thereof. Such instructions and entitlement orders may, without limitation, direct the Securities Intermediary to transfer, redeem, sell, liquidate, assign, deliver or otherwise dispose of the Senior Notes, the Treasury Securities, the Treasury Portfolio, and any Security Entitlements with respect thereto and to pay and deliver any income, proceeds or other funds derived therefrom to the Company. The Holders from time to time acting through the Purchase Contract Agent hereby further authorize and direct the Collateral Agent, as agent of the Company, to issue instructions and entitlement orders to the Securities Intermediary, and to otherwise take action, with respect to the Collateral Account, the Collateral credited thereto and any Security Entitlements with respect thereto, pursuant to the terms and provisions hereof, all without the necessity of obtaining the further consent of the Purchase Contract Agent or any of the Holders. The Collateral Agent shall be the agent of the Company and shall act as directed in writing by the Company. Without limiting the generality of the foregoing, the Collateral Agent shall issue entitlement orders to the Securities Intermediary when and as directed by the Company.

(b) The Securities Intermediary hereby confirms and agrees that:

(i) all securities or other property underlying any financial assets credited to the Collateral Account shall be registered in the name of the Securities Intermediary, indorsed to the Securities Intermediary or in blank or credited to another collateral account maintained in the name of the Securities Intermediary and in no case will any financial asset credited to the Collateral Account be registered in the name of the Purchase Contract Agent, the Collateral Agent, the Company or any Holder, payable to the order of, or specially indorsed to, the Purchase Contract Agent, the Collateral Agent, the Company or any Holder except to the extent the foregoing have been specially indorsed to the Securities Intermediary or in blank;

(ii) all property delivered to the Securities Intermediary pursuant to this Pledge Agreement (including, without limitation, any Senior Notes, the Treasury Portfolio or the Treasury Securities) will be promptly credited to the Collateral Account;

(iii) the Collateral Account is an account to which financial assets are or may be credited, and the Securities Intermediary shall, subject to the terms of this Agreement, treat the Purchase Contract Agent as entitled to exercise the rights of any financial asset credited to the Collateral Account;

(iv) the Securities Intermediary has not entered into, and until the termination of this Agreement will not enter into, any agreement with any other person relating to the Collateral Account and/or any financial assets credited thereto pursuant to which it has agreed to comply with entitlement orders (as defined in Section 8-102(a)(8) of the Code) of such other person; and

(v) the Securities Intermediary has not entered into, and until the termination of this Agreement will not enter into, any agreement with the Company, the Collateral Agent or the Purchase Contract Agent purporting to limit or condition the obligation of the Securities Intermediary to comply with entitlement orders as set forth in this Section 2.2 hereof.

(c) The Securities Intermediary hereby agrees that each item of property (whether investment property, financial asset, security, instrument or cash) credited to the Collateral Account shall be treated as a "financial asset" within the meaning of Section 8-102(a)(9) of the Code.

(d) In the event of any conflict between this Agreement (or any portion thereof) and any other agreement now existing or hereafter entered into with respect to the Pledge of the Collateral described herein, the terms of this Agreement shall prevail.

(e) The Purchase Contract Agent hereby irrevocably constitutes and appoints the Collateral Agent and the Company, with full power of substitution, as the Purchase Contract Agent's attorneys-in-fact to take on behalf of, and in the name, place and stead of, the Purchase Contract Agent and the Holders, any action necessary or desirable to perfect and to keep perfected the security interest in the Collateral referred to in Section 2.1. The grant of such power-of-attorney shall not be deemed to require of the Collateral Agent any specific duties or obligations not otherwise assumed by the Collateral Agent hereunder.

ARTICLE 3

DISTRIBUTIONS ON PLEDGED COLLATERAL

Section 3.1 Distributions. So long as the Purchase Contract Agent is the registered owner of the Pledged Senior Notes, Pledged Applicable Ownership Interest in the Treasury Portfolio or Pledged Treasury Securities, it shall receive all payments thereon. If the Pledged Senior Notes are reregistered, such that the Collateral Agent becomes the registered holder, all payments of principal on the Pledged Senior Notes or, if applicable, the appropriate Pledged Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, or interest payments on the Pledged Senior Notes or on the appropriate Pledged Applicable Ownership Interest (as specified in clause (B) of the definition of such term) of the Treasury Portfolio, as the case may be, and all payments of the principal of, or cash distributions on, any Pledged Treasury Securities received by the Collateral Agent that are properly payable hereunder shall be paid by the Collateral Agent by wire transfer in same day funds:

(i) in the case of (A) interest payments with respect to the Pledged Senior Notes or the appropriate Pledged Applicable Ownership Interest (as specified in clause (B) of the definition of such term) of the Treasury Portfolio, as the case may be, and (B) any payments on the Senior Notes or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio with respect to any Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, that have been released from the Pledge pursuant to Section 4.1 or 4.3 hereof, to the Purchase Contract Agent, in the case of clause (A) above, and to the Senior Note Trustee, in the case of clause (B) above, for the benefit of the relevant Holders of Securities, to the account designated by the Purchase Contract Agent or the Senior Note Trustee, respectively, in writing for such purpose, no later than 2:00 p.m., New York City time, on the Business Day such payment is received by the Collateral Agent (provided that in the event such payment is received by the Collateral Agent on a day that is not a Business Day or after 12:30 p.m., New York City time, on a Business Day, then such payment shall be made no later than 10:30 a.m., New York City time, on the next succeeding Business Day);

(ii) in the case of any principal payments with respect to any Treasury Securities that have been released from the Pledge pursuant to Section 4.2 or 4.3 hereof, to the Purchase Contract Agent for the benefit of Holders of the Treasury Units, to the accounts designated by it in writing for such purpose, no later than 2:00 p.m., New York City time, on the Business Day such payment is received by the Collateral Agent (provided that in the event such payment is received by the Collateral Agent on a day that is not a Business Day or after 12:30 p.m., New York City time, on a Business Day, then such payment shall be made no later than 10:30 a.m., New York City time, on the next succeeding Business Day); and

(iii) in the case of payments of the Proceeds of any Pledged Senior Notes or the appropriate Pledged Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, as the case may be, or the Proceeds of any Pledged Treasury Securities, to the Company on the Purchase Contract Settlement Date to the extent of the Purchase Price in accordance with the procedures set forth in Section 4.6(a) or 4.6(b) hereof, in full satisfaction of the respective obligations of the Holders under the related Purchase Contracts and, to the extent such Proceeds exceed the Purchase Price, to the Purchase Contract Agent for the benefit of the Holders.

Section 3.2 Application of Payments. All payments received by the Purchase Contract Agent as provided herein shall be applied by the Purchase Contract Agent pursuant to the provisions of the Purchase Contract Agreement. If, notwithstanding the foregoing, the Purchase Contract Agent shall receive any payments of the principal amount of the Senior Notes or, if applicable, the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) on account of any Pledged Senior Notes or the appropriate Pledged Applicable Ownership Interest of the Treasury Portfolio, as applicable, that, at the time of such payment, is subject to the Pledge, or a Holder of a Treasury Unit shall receive any payments of principal on account of any Treasury Securities that, at the time of such payment, are Pledged Treasury Securities, the Purchase Contract Agent or such Holder shall hold the same as trustee of an express trust for the benefit of the Company (and promptly deliver the same over to the Company) for application to the obligations of the Holders under the related Purchase Contracts, and the Holders shall acquire no right, title or interest in any such payments of principal so received.

ARTICLE 4

SUBSTITUTION, RELEASE, REPLEDGE AND SETTLEMENT OF SENIOR NOTES

Section 4.1 Substitution for Senior Notes and the Creation of Treasury Units. At any time on or prior to the fifth Business Day immediately preceding the Purchase Contract Settlement Date (or on or prior to the second Business Day immediately preceding the Purchase Contract Settlement Date, if a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred), a Holder of Corporate Units shall have the right to substitute Treasury Securities for the Pledged Senior Notes (or, if a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred, for the appropriate Pledged Applicable Ownership Interest in the Treasury Portfolio) securing such Holder's obligations under the Purchase Contract(s) comprising a part of its Corporate Units in integral multiples of 40 Corporate Units (or, if a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred and the Treasury Portfolio has become a component of the Corporate Units, Holders of Corporate Units may make such substitution only in integral multiples of 100,000 Corporate Units) by (a) Transferring to the Collateral Agent Treasury Securities having a Value equal to the aggregate principal amount of the Pledged Senior Notes (or appropriate Pledged Applicable Ownership Interest (as defined in clause (A) of the definition of such term) in the Treasury Portfolio as the case may be), to be released and (b) transferring the related Corporate Units to the Purchase Contract Agent, accompanied by a notice, substantially in the form of Exhibit B hereto, to the Purchase Contract Agent stating that such Holder has Transferred the relevant Treasury Securities to the Collateral Agent pursuant to clause (a) above (stating the Value of the Treasury Securities Transferred

by such Holder) and requesting that the Purchase Contract Agent instruct the Collateral Agent to release from the Pledge the Pledged Senior Notes or the appropriate Pledged Applicable Ownership Interest of the Treasury Portfolio, as the case may be, related to such Corporate Units. The Purchase Contract Agent shall instruct the Collateral Agent in the form provided in Exhibit A. Upon receipt of Treasury Securities from a Holder of Corporate Units and the related instruction from the Purchase Contract Agent, the Collateral Agent shall release the Pledged Senior Notes or the appropriate Pledged Applicable Ownership Interest of the Treasury Portfolio, as the case may be, and shall promptly Transfer to the securities account specified by the Purchase Contract Agent such Pledged Senior Notes or the appropriate Pledged Applicable Ownership Interest of the Treasury Portfolio, as the case may be, free and clear of any lien, pledge or security interest created hereby. Upon a release of Pledged Senior Notes, the Collateral Agent shall reflect a decrease in the aggregate principal amount of such Pledged Senior Notes by an endorsement on the schedule attached to the certificate representing such Pledged Senior Notes. All items Transferred and/or substituted by any Holder pursuant to this Section 4.1, Section 4.2 or any other Section of this Agreement shall be Transferred and/or substituted free and clear of all liens, claims and encumbrances.

Section 4.2 Substitution of Treasury Securities and the Recreation of Corporate Units. At any time on or prior to the fifth Business Day immediately preceding the Purchase Contract Settlement Date (or on or prior to the second Business Day immediately preceding the Purchase Contract Settlement Date if a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred), a Holder of Treasury Units shall have the right to recreate Corporate Units in integral multiples of 40 Corporate Units (or, if a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred and the Treasury Portfolio has become a component of the Corporate Units, Holders of Treasury Units may make such substitution only in integral multiples of 100,000 Treasury Units) by (a) Transferring to the Collateral Agent Senior Notes having a Value equal to the Value of the Pledged Treasury Securities to be released (or the appropriate Applicable Ownership Interest of the Treasury Portfolio with the Applicable Ownership Interest (as defined in clause (A) of the definition of such term) having Value equal to the Value of the Pledged Treasury Securities to be released) and (b) delivering the related Treasury Units to the Purchase Contract Agent, accompanied by a notice, substantially in the form of Exhibit B hereto, to the Purchase Contract Agent stating that such Holder has transferred the relevant amount of Senior Notes (or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be) to the Collateral Agent pursuant to clause (a) above and requesting that the Purchase Contract Agent instruct the Collateral Agent to release from the Pledge the Pledged Treasury Securities underlying such Treasury Units. The Purchase Contract Agent shall instruct the Collateral Agent in the form provided in Exhibit A. Upon receipt of the Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, from such Holder and the instruction from the Purchase Contract Agent, the Collateral Agent shall release the Treasury Securities having a corresponding aggregate principal amount from the Pledge and shall promptly Transfer such Treasury Securities, free and clear of any lien, pledge or security interest created hereby, to the Purchase Contract Agent. Upon receipt of Senior Notes in connection with a release of Pledged Treasury Securities, the Collateral Agent shall reflect an increase in the aggregate principal amount of Pledged Senior Notes by an endorsement on the schedule attached to the certificate representing such Pledged Senior Notes.

Section 4.3 Termination Event. Upon receipt by the Collateral Agent of written notice from the Company and the Purchase Contract Agent that there has occurred a Termination Event, the Collateral Agent shall release all Collateral from the Pledge and shall promptly Transfer any Pledged Senior Notes (or the Pledged Applicable Ownership Interest of the Treasury Portfolio, if a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred) and Pledged Treasury Securities to the Purchase Contract Agent for the benefit of the Holders of the Corporate Units and the Treasury Units, respectively, free and clear of any lien, pledge or security interest or other interest created hereby. Upon a release of Pledged Senior Notes, the Collateral Agent shall reflect a decrease in the aggregate principal amount of such Pledged Senior Notes by an endorsement on the schedule to the certificate representing such Pledged Senior Notes.

If such Termination Event shall result from the Company's becoming a debtor under the Bankruptcy Code, and if the Collateral Agent shall for any reason fail promptly to effectuate the release and Transfer of all Pledged Senior Notes, Pledged Applicable Ownership Interest in the Treasury Portfolio or the Pledged Treasury Securities, as the case may be, as provided by this Section 4.3, the Purchase Contract Agent shall (i) use reasonable efforts to obtain an opinion of a nationally recognized law firm reasonably acceptable to the Collateral Agent to the effect that, as a result of the Company's being the debtor in such a bankruptcy case, the Collateral Agent will not be prohibited from releasing or Transferring the Collateral as provided in this Section 4.3, and shall deliver such opinion to the Collateral Agent within ten days after the occurrence of such Termination Event, and if (y) the Purchase Contract Agent shall be unable to obtain such opinion within ten days after the occurrence of such Termination Event or (z) the Collateral Agent shall continue, after delivery of such opinion, to refuse to effectuate the release and Transfer of all Pledged Senior Notes, Pledged Applicable Ownership Interest in the Treasury Portfolio or the Pledged Treasury Securities, as the case may be, as provided in this Section 4.3, then the Purchase Contract Agent shall within fifteen days after the occurrence of such Termination Event commence an action or proceeding in the court with jurisdiction of the Company's case under the Bankruptcy Code seeking an order requiring the Collateral Agent to effectuate the release and transfer of all Pledged Senior Notes, Pledged Applicable Ownership Interest in the Treasury Portfolio or of the Pledged Treasury Securities, as the case may be, as provided by this Section 4.3 or (ii) commence an action or proceeding like that described in subsection (i)(z) hereof within ten days after the occurrence of such Termination Event.

Section 4.4 Cash Settlement.

(a) Upon receipt by the Collateral Agent of (i) a notice from the Purchase Contract Agent promptly after the receipt by the Purchase Contract Agent of such notice that a Holder of a Corporate Unit has elected, in accordance with the procedures specified in Section 5.4(a)(i) of the Purchase Contract Agreement, to settle its Purchase Contract with Cash and (ii) payment of the amount required to settle such Purchase Contract by such Holder on or prior to 11:00 a.m., New York City time, on the fourth Business Day immediately preceding the Purchase Contract Settlement Date in lawful money of the United States by certified or cashiers' check or wire transfer in immediately available funds payable to or upon the order of the Company, then the Collateral Agent shall (x) at the written direction of the Company,

promptly invest any Cash received from a Holder in connection with a Cash Settlement in Permitted Investments and (y) release from the Pledge, free and clear of any security interest of the Company, the Pledged Senior Notes underlying the Corporate Units and Transfer such Pledged Senior Notes to the Holder thereof or its designee pursuant to Section 5.4(g) of the Purchase Contract Agreement. Upon a release of Pledged Senior Notes, the Collateral Agent shall reflect a decrease in the aggregate principal amount of such Pledged Senior Notes by an endorsement on the schedule attached to the certificate representing such Pledged Senior Notes. Upon receipt of the proceeds upon the maturity of the Permitted Investments on the Purchase Contract Settlement Date, the Collateral Agent shall pay the portion of such proceeds and deliver any certified or cashiers' checks received and any funds so wired, in an aggregate amount equal to the Purchase Price, to the Company on the Purchase Contract Settlement Date, and shall distribute any funds in respect of the interest earned from the Permitted Investments to the Purchase Contract Agent for payment to the relevant Holders.

(b) If a Holder of a Corporate Unit (unless a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred) fails to notify the Purchase Contract Agent of its intention to make a Cash Settlement in accordance with Section 5.4(a)(i) of the Purchase Contract Agreement, such failure shall constitute an event of default under the Purchase Contract Agreement and hereunder, and the Holder shall be deemed to have consented to the disposition of the Pledged Senior Notes pursuant to the Final Remarketing as described in Section 5.4(b) of the Purchase Contract Agreement, which is incorporated herein by reference. If a Holder of a Corporate Unit does notify the Purchase Contract Agent as provided in Section 5.4(a)(i) of the Purchase Contract Agreement of its intention to pay the Purchase Price in cash, but fails to make such payment on the fourth Business Day immediately preceding the Purchase Contract Settlement Date, as required by Section 5.4(a)(ii) of the Purchase Contract Agreement, such a Holder shall be deemed to have consented to the disposition of the Pledged Senior Notes pursuant to the Final Remarketing in accordance with Section 5.4(b) of the Purchase Contract Agreement. In addition, in the event of a Failed Final Remarketing as described in Section 5.4(b) of the Purchase Contract Agreement, such Failed Final Remarketing shall constitute an additional event of default hereunder by such Holder, and the Collateral Agent, for the benefit of the Company, will also exercise its rights as a secured party with respect to such Pledged Senior Notes at the direction of the Company to retain or dispose of the Collateral in accordance with applicable law.

Section 4.5 Early Settlement; Merger Early Settlement . Upon written notice to the Collateral Agent by the Purchase Contract Agent that one or more Holders of Securities have elected to effect Early Settlement or Merger Early Settlement of their respective obligations under the Purchase Contracts forming a part of such Securities in accordance with the terms of the Purchase Contracts and the Purchase Contract Agreement (setting forth the number of such Purchase Contracts as to which such Holders have elected to effect Early Settlement or Merger Early Settlement), and that the Purchase Contract Agent has received from such Holders, and paid to the Company as confirmed in writing by the Company, the related Early Settlement Amounts or Merger Early Settlement Amounts pursuant to the terms of the Purchase Contracts and the Purchase Contract Agreement and that all conditions to such Early Settlement or Merger Early Settlement have been satisfied, then the Collateral Agent shall release from the Pledge, (a) Pledged Senior Notes or the appropriate Pledged Applicable Ownership Interest of the Treasury Portfolio in the case of a Holder of Corporate Units or (b) Pledged Treasury Securities in the case of a Holder of Treasury Units, as the case may be, in each case with an aggregate principal amount, as the case may be, equal to the product of (i) the Stated Amount times (ii) the number of such Purchase Contracts as to which such Holders have elected to effect Early Settlement or Merger Early Settlement and shall Transfer all such Pledged Senior Notes, the appropriate Pledged Applicable Ownership Interest of the Treasury Portfolio or the Pledged Treasury Securities, as the case maybe, free and clear of the Pledge created hereby, to the Purchase Contract Agent for the benefit of such Holders. Upon a release of Pledged Senior Notes, the Collateral Agent shall reflect a decrease in the aggregate principal amount of such Pledged Senior Notes by an endorsement on the schedule attached to the certificate representing such Pledged Senior Notes.

Section 4.6 Application of Proceeds, Settlement .

(a) In the event a Holder of Corporate Units (unless a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred) has not elected to make an effective Cash Settlement by notifying the Purchase Contract Agent in the manner provided for in Section 5.4(a)(i) in the Purchase Contract Agreement (or has elected to make a Cash Settlement but has not paid the Purchase Price in the manner required by Section 5.4(a)(ii) of the Purchase Contract Agreement) and has not made an Early Settlement or a Merger Early Settlement of the Purchase Contracts underlying its Corporate Units, such Holder shall be deemed to have irrevocably elected to pay for the shares of Common Stock to be issued under such Purchase Contracts from the Proceeds of the related Pledged Senior Notes. The Collateral Agent shall, by 11:00 a.m., New York City time, on the fourth Business Day immediately preceding the Purchase Contract Settlement Date, without any instruction from such Holder of Corporate Units, present the related Pledged Senior Notes to the Remarketing Agent for remarketing. Upon receiving such Pledged Senior Notes, the Remarketing Agent, pursuant to the terms of the Remarketing Agreement and any Supplemental Remarketing Agreement, will use its reasonable efforts to remarket such Pledged Senior Notes on the Final Remarketing Date at a price of approximately 100.25% (but not less than 100%) of the aggregate Value of such Pledged Senior Notes. After deducting as the Remarketing Fee an amount not exceeding 25 basis points (.25%) of the aggregate Value of the remarketed Pledged Senior Notes from any amount of such Proceeds in excess of the aggregate Value of the remarketed Pledged Senior Notes, the Remarketing Agent will remit the entire amount of the Proceeds of such remarketing to the Collateral Agent. On the Purchase Contract Settlement Date, the Collateral Agent shall apply that portion of the Proceeds from such remarketing equal to the aggregate Value of such remarketed Pledged Senior Notes to satisfy in full the obligations of such Holders of Corporate Units to pay the Purchase Price to purchase the Common Stock under the related Purchase Contracts. The remaining portion of such Proceeds, if any, shall be remitted by the Collateral Agent to the Purchase Contract Agent for payment to the Holders. If the Remarketing Agent advises the Collateral Agent in writing that it cannot remarket the related Pledged Senior Notes of such Holders of Corporate Units at a price equal to or greater than 100% of the aggregate Value of such Pledged Senior Notes or if the remarketing shall not have occurred because a condition precedent to the remarketing shall not have been fulfilled, thus resulting in a Failed Final Remarketing and an event of default under the Purchase Contract Agreement and hereunder, the Collateral Agent, for the benefit of the Company will, at the written direction of the Company, retain or dispose of the Pledged Senior Notes in accordance with applicable law and any such disposition or retention shall be deemed to be satisfaction in full of any such Holder's obligation to pay the Purchase Price for the Common Stock.

(b) In the event a Holder of Treasury Units or Corporate Units (if a Tax Event Redemption or a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing has occurred) has not made an Early Settlement or a Merger Early Settlement of the Purchase Contracts underlying its Treasury Units or Corporate Units, respectively, such Holder shall be deemed to have elected to pay for the shares of Common Stock to be issued under such Purchase Contracts from the Proceeds of the related Pledged Treasury Securities or the appropriate Pledged Applicable Ownership Interest (as defined in clause (A) of the definition of such term) of the Treasury Portfolio, as the case may be. On the Business Day immediately prior to the Purchase Contract Settlement Date, the Collateral Agent shall invest the Cash proceeds of the maturing Pledged Treasury Securities or the maturing appropriate Pledged Applicable Ownership Interest (as defined in clause (A) of the definition of such term) of the Treasury Portfolio, as the case may be, in overnight Permitted Investments of the type specified in clause (v) of the definition of "Permitted Investments," unless it received other instructions from the Company prior to 10:00 a.m. New York City time. The Collateral Agent shall apply the Proceeds of the related Pledged Treasury Securities or appropriate Pledged Applicable Ownership Interest (as defined in clause (A) of the definition of such term) of the Treasury Portfolio to the settlement of such Purchase Contracts on the Purchase Contract Settlement Date, whether or not the Collateral Agent receives an instruction from any Holder of Treasury Units or Corporate Units, to so apply such Proceeds.

In the event the sum of the Proceeds from the related Pledged Treasury Securities or appropriate Pledged Applicable Ownership Interest (as defined in clause (A) of the definition of such term) of the Treasury Portfolio, as the case may be, and the investment earnings from the investment in overnight Permitted Investments is in excess of the aggregate Purchase Price of the Purchase Contracts being settled thereby, the Collateral Agent shall remit such excess, when received, to the Purchase Contract Agent for the benefit of the Holders.

(c) Pursuant to the Remarketing Agreement and subject to the terms of any Supplemental Remarketing Agreement, on or prior to the second Business Day immediately preceding the Initial Remarketing Date, Second Remarketing Date, Third Remarketing Date or Final Remarketing Date, as applicable, but no earlier than the Payment Date immediately preceding such date, holders of Separate Senior Notes may elect to have their Separate Senior Notes remarketed by delivering their Separate Senior Notes, together with a notice of such election, substantially in the form of Exhibit C hereto, to the Custodial Agent. The Custodial Agent shall hold such Separate Senior Notes in an account separate from the Collateral Account. A holder of Separate Senior Notes electing to have its Separate Senior Notes remarketed will also have the right to withdraw such election by written notice to the Custodial Agent, substantially in the form of Exhibit D hereto, on or prior to the second Business Day immediately preceding the Initial Remarketing Date, Second Remarketing Date, Third Remarketing Date or Final Remarketing Date, as the case may be, upon which notice the Custodial Agent shall return such Separate Senior Notes to such holder. On the Business Day immediately preceding the Initial Remarketing Date, Second Remarketing Date, Third Remarketing Date or Final Remarketing Date, as the case may be, the Custodial Agent shall notify the Remarketing Agent and the Company of the aggregate principal amount of the Separate Senior Notes to be remarketed and will deliver to the Remarketing Agent for remarketing all Separate Senior Notes delivered to the Custodial Agent pursuant to this Section 4.6(c) and not withdrawn pursuant to the terms hereof prior to such date. After deducting the Remarketing Fee to the extent permitted under the terms of the Remarketing Agreement, the Remarketing Agent will remit to the Custodial Agent any remaining portion of the proceeds for the benefit of such holders. In the event of a Failed Initial Remarketing, Failed Second Remarketing, Failed Third Remarketing or Failed Final Remarketing, as the case may be, the Remarketing Agent will promptly return such Separate Senior Notes to the Custodial Agent for redelivery to such holders.

The Purchase Contract Agent, on behalf of itself and the Holders, acknowledges and irrevocably agrees that any remarketing of the Senior Notes on the Initial Remarketing Date, Second Remarketing Date, Third Remarketing Date or Final Remarketing Date shall not constitute a foreclosure of the Pledge of or other exercise of default remedies with respect to the Senior Notes within the meaning of the Code, but rather shall constitute a voluntary sale of the Senior Notes by and on behalf of the Holders and the Purchase Contract Agent.

ARTICLE 5

VOTING RIGHTS -- SENIOR NOTES

Section 5.1 Voting Rights - Senior Notes. The Purchase Contract Agent may exercise, or refrain from exercising, any and all voting and other consensual rights pertaining to the Pledged Senior Notes or any part thereof for any purpose not inconsistent with the terms of this Agreement and in accordance with the terms of the Purchase Contract Agreement; provided, that the Purchase Contract Agent shall give the Company and the Collateral Agent at least five days' prior written notice of the manner in which it intends to exercise, or its reasons for refraining from exercising, any such right. Upon receipt of any notices and other communications in respect of any Pledged Senior Notes, including notice of any meeting at which holders of Senior Notes are entitled to vote or solicitation of consents, waivers or proxies of holders of Senior Notes, the Collateral Agent shall use reasonable efforts to send promptly to the Purchase Contract Agent such notice or communication, and as soon as reasonably practicable after receipt of a written request therefor from the Purchase Contract Agent, execute and deliver to the Purchase Contract Agent such proxies and other instruments in respect of such Pledged Senior Notes (in form and substance satisfactory to the Collateral Agent) as are prepared by the Purchase Contract Agent with respect to the Pledged Senior Notes.

ARTICLE 6

RIGHTS AND REMEDIES; TAX EVENT REDEMPTION

Section 6.1 Rights and Remedies of the Collateral Agent.

(a) In addition to the rights and remedies specified in Section 4.4 hereof or otherwise available at law or in equity, after an event of default hereunder, the Collateral Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under

the Uniform Commercial Code (or any successor thereto) as in effect in the State of New York from time to time (the "Code") (whether or not, to the extent permitted by law, the Code is in effect in the jurisdiction where the rights and remedies are asserted) and the TRADES Regulations, and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted. Wherever reference is made in this Agreement to any section of the Code, such reference shall be deemed to include a reference to any provision of the Code that is a successor to, or amendment of, such section. Without limiting the generality of the foregoing, such remedies may include, to the maximum extent permitted by applicable law, (i) cancellation or retention of the Pledged Senior Notes or other Collateral in full satisfaction of the Holders' obligations under their respective Purchase Contracts or (ii) sale of the Pledged Senior Notes or other Collateral in one or more public or private sales.

(b) Without limiting any rights or powers otherwise granted by this Agreement to the Collateral Agent, in the event the Collateral Agent is unable to make payments to the Company on account of the appropriate Pledged Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio or on account of principal payments of any Pledged Treasury Securities as provided in Article 3 hereof in satisfaction of the obligations of the Holder of the Securities of which such Pledged Treasury Securities, or the appropriate Pledged Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, as applicable, is a part under the related Purchase Contracts, the inability to make such payments shall constitute an event of default hereunder and the Collateral Agent shall have and may exercise, with reference to such Pledged Treasury Securities, or such appropriate Pledged Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, as applicable, and such obligations of such Holder, any and all of the rights and remedies available to a secured party under the Code and the TRADES Regulations after default by a debtor, and as otherwise granted herein or under any other law.

(c) Without limiting any rights or powers otherwise granted by this Agreement to the Collateral Agent, the Collateral Agent is hereby irrevocably authorized to receive and collect all payments of (i) principal and interest on the Pledged Senior Notes, (ii) the principal amount of the Pledged Treasury Securities, or (iii) the appropriate Pledged Applicable Ownership Interest of the Treasury Portfolio, subject, in each case, to the provisions of Article 3, and as otherwise specified herein.

(d) The Purchase Contract Agent, individually and as attorney-in-fact for each Holder of Securities, agrees that, from time to time, upon the written request of the Collateral Agent, the Purchase Contract Agent or such Holder shall execute and deliver such further documents and do such other acts and things as the Collateral Agent may reasonably request in order to maintain the Pledge, and the perfection and priority thereof, and to confirm the rights of the Collateral Agent hereunder. The Purchase Contract Agent shall have no liability to any Holder for executing any documents or taking any such acts requested by the Collateral Agent hereunder, except for liability for its own negligent act, its own negligent failure to act or its own willful misconduct.

Section 6.2 Tax Event Redemption. Upon the occurrence of a Tax Event Redemption prior to a Successful Initial Remarketing, Successful Second Remarketing or Successful Third Remarketing or prior to the Purchase Contract Settlement Date, the aggregate Redemption Price payable on the Tax Event Redemption Date with respect to the Pledged Senior Notes shall be delivered to the Collateral Agent by the Senior Note Trustee on or prior to 12:00 p.m., New York City time, by check or wire transfer in immediately available funds at such place and at such account as may be designated by the Collateral Agent in exchange for the Pledged Senior Notes. In the event the Collateral Agent receives such Redemption Price, the Collateral Agent will, at the written direction of the Company, apply an amount, out of such Redemption Price, equal to the aggregate Redemption Amount with respect to the Pledged Senior Notes to purchase from the Quotation Agent the Treasury Portfolio and promptly remit any remaining portion of such Redemption Price to the Purchase Contract Agent for payment to the Holders of Corporate Units. The Collateral Agent shall Transfer the Treasury Portfolio to the Collateral Account to secure the obligation of all Holders of Corporate Units to purchase Common Stock under the Purchase Contracts constituting a part of such Corporate Units, in substitution for the Pledged Senior Notes. Thereafter the Collateral Agent shall have such security interests, rights and obligations with respect to the Treasury Portfolio as it had in respect of the Pledged Senior Notes as provided in Articles 2, 3, 4, 5 and 6, and any reference herein to the Senior Notes shall be deemed to be reference to such Treasury Portfolio, and any reference herein to interest on the Senior Notes shall be deemed to be a reference to distributions on such Treasury Portfolio.

Section 6.3 Initial, Second and Third Remarketing. The Collateral Agent shall, by 11:00 a.m., New York City time, on the fourth Business Day immediately preceding February 15, 2005, March 15, 2005 or April 15, 2005, as applicable, without any instruction from any Holder of Corporate Units, present the related Pledged Senior Notes to the Remarketing Agent for remarketing. Upon receiving such Pledged Senior Notes, the Remarketing Agent, pursuant to the terms of the Remarketing Agreement and any Supplemental Remarketing Agreement, will use its reasonable efforts to remarket such Pledged Senior Notes on the Initial Remarketing Date, Second Remarketing Date or Third Remarketing Date, as applicable, at a price of approximately 100.25% (but not less than 100%) of the Treasury Portfolio Purchase Price. After deducting as the Remarketing Fee an amount not exceeding 25 basis points (.25%) of the Treasury Portfolio Purchase Price from any amount of such Proceeds in excess of the Treasury Portfolio Purchase Price, the Remarketing Agent will remit the entire amount of the Proceeds of such remarketing to the Collateral Agent on or prior to 12:00 p.m., New York City time, by check or wire transfer in immediately available funds at such place and at such account as may be designated by the Collateral Agent in exchange for the Pledged Senior Notes. In the event the Collateral Agent receives such Proceeds, the Collateral Agent will, at the written direction of the Company, apply an amount equal to the Treasury Portfolio Purchase Price to purchase from the Quotation Agent the Treasury Portfolio and promptly remit any remaining portion of such Proceeds to the Purchase Contract Agent for payment to the Holders of Corporate Units. The Collateral Agent shall Transfer the Treasury Portfolio to the Collateral Account to secure the obligation of all Holders of Corporate Units to purchase Common Stock under the Purchase Contracts constituting a part of such Corporate Units, in substitution for the Pledged Senior Notes. Thereafter the Collateral Agent shall have such security interests, rights and obligations with respect to the Treasury Portfolio as it had in respect of the Pledged Senior Notes as provided in Articles 2, 3, 4, 5 and 6, and any reference herein to the Senior Notes shall be deemed to be reference to such Treasury Portfolio, and any reference herein to interest on the Senior Notes shall be deemed to be a reference to distributions on such Treasury Portfolio.

Section 6.4 Substitutions. Whenever a Holder has the right to substitute Treasury Securities, Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, for Collateral held by the Collateral Agent, such substitution shall not constitute a novation of the security interest created hereby.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES; COVENANTS

Section 7.1 Representations and Warranties. The Holders from time to time, acting through the Purchase Contract Agent as their attorney-in-fact (it being understood that the Purchase Contract Agent shall not be liable for any representation or warranty made by or on behalf of a Holder), hereby represent and warrant to the Collateral Agent, which representations and warranties shall be deemed repeated on each day a Holder Transfers Collateral that:

(a) such Holder has the power to grant a security interest in and lien on the Collateral;

(b) such Holder is the sole beneficial owner of the Collateral and, in the case of Collateral delivered in physical form, is the sole holder of such Collateral and is the sole beneficial owner of, or has the right to Transfer, the Collateral it Transfers to the Collateral Agent, free and clear of any security interest, lien, encumbrance, call, liability to pay money or other restriction other than the security interest and lien granted under Article 2 hereof;

(c) upon the Transfer of the Collateral to the Collateral Account, the Collateral Agent, for the benefit of the Company, will have a valid and perfected first priority security interest therein; and

(d) the execution and performance by the Holder of its obligations under this Agreement will not result in the creation of any security interest, lien or other encumbrance on the Collateral other than the security interest and lien granted under Article 2 hereof or violate any provision of any existing law or regulation applicable to it or of any mortgage, charge, pledge, indenture, contract or undertaking to which it is a party or which is binding on it or any of its assets.

Section 7.2 Covenants. The Holders from time to time, acting through the Purchase Contract Agent as their attorney-in-fact (it being understood that the Purchase Contract Agent shall not be liable for any covenant made by or on behalf of a Holder), hereby covenant to the Collateral Agent that for so long as the Collateral remains subject to the Pledge:

(a) neither the Purchase Contract Agent nor such Holders will create or purport to create or allow to subsist any mortgage, charge, lien, pledge or any other security interest whatsoever over the Collateral or any part of it other than pursuant to this Agreement; and

(b) neither the Purchase Contract Agent nor such Holders will sell or otherwise dispose (or attempt to dispose) of the Collateral or any part of it except for the beneficial interest therein, subject to the pledge hereunder, transferred in connection with the Transfer of the Securities.

ARTICLE 8

THE COLLATERAL AGENT

It is hereby agreed as follows:

Section 8.1 Appointment, Powers and Immunities.

(a) The Collateral Agent shall act as agent for the Company hereunder with such powers as are specifically vested in the Collateral Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto. Each of the Collateral Agent, the Custodial Agent and the Securities Intermediary:

(i) shall have no duties or responsibilities except those expressly set forth in this Agreement and no implied covenants or obligations shall be inferred from this Agreement against any of them, nor shall any of them be bound by the provisions of any agreement beyond the specific terms hereof nor shall any of them have any duty to inquire beyond the specific terms hereof;

(ii) shall not be responsible for any recitals contained in this Agreement, or in any certificate or other document referred to or provided for in, or received by it under, this Agreement, the Securities or the Purchase Contract Agreement, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement (other than as against the Collateral Agent), the Securities or the Purchase Contract Agreement or any other document referred to or provided for herein or therein or for any failure by the Company or any other Person (except the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be) to perform any of its obligations hereunder or thereunder or for the perfection, priority or, except as expressly required hereby, maintenance of any security interest created hereunder;

(iii) shall not be required to initiate or conduct any litigation or collection proceedings hereunder (except in the case of the Collateral Agent, pursuant to directions furnished under Section 8.2 hereof, subject to Section 8.6 hereof);

(iv) shall not be responsible for any action taken or omitted to be taken by it hereunder or under any other document or instrument referred to or provided for herein or in connection herewith or therewith, except for its own negligence, bad faith or willful misconduct;

(v) shall not be required to advise any party as to selling or retaining, or taking or refraining from taking any action with respect to, the Securities or other property deposited hereunder; and

(vi) shall not be responsible for the acts or omissions of any clearing corporation with whom collateral is deposited.

Subject to the foregoing, during the term of this Agreement, the Collateral Agent shall take all reasonable action in connection with the safekeeping and preservation of the Collateral hereunder.

(b) No provision of this Agreement shall require the Collateral Agent, the Custodial Agent or the Securities Intermediary to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder. In no event shall the Collateral Agent, the Custodial Agent or the Securities Intermediary be liable for any amount in excess of the Value of the Collateral. Notwithstanding the foregoing, the Collateral Agent, the Custodial Agent, the Purchase Contract Agent and Securities Intermediary, each in its individual capacity, hereby waive any right of setoff, banker's lien, liens or perfection rights as securities intermediary or any counterclaim with respect to any of the Collateral.

Section 8.2 Instructions of the Company. The Company shall have the right, by one or more instruments in writing executed and delivered to the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, to direct the time, method and place of conducting any proceeding for the realization of any right or remedy available to the Collateral Agent, or of exercising any power conferred on the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, or to direct the taking or refraining from taking of any action authorized by this Agreement; provided, however, that (i) such direction shall not conflict with the provisions of any law or of this Agreement and (ii) the Collateral Agent, the Custodial Agent and the Securities Intermediary shall be adequately indemnified as provided herein. Nothing in this Section 8.2 shall impair the right of the Collateral Agent in its discretion to take any action or omit to take any action which it deems proper and which is not inconsistent with such direction.

Section 8.3 Reliance. Each of the Securities Intermediary, the Custodial Agent and the Collateral Agent shall be entitled conclusively to rely upon any certification, order, judgment, opinion, notice or other communication (including, without limitation, any thereof by telephone, telecopy, telex, facsimile, e-mail or similar electronic means) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons (without being required to determine the correctness of any fact stated therein), and upon the advice of legal counsel and other experts selected by the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be. As to any matters not expressly provided for by this Agreement, the Collateral Agent, the Custodial Agent and the Securities Intermediary shall in all cases be fully protected in and shall not be liable for acting, or in refraining from acting, hereunder in accordance with instructions given by the Company in accordance with this Agreement.

Section 8.4 Rights in other Capacities. The Collateral Agent, the Custodial Agent and the Securities Intermediary and their affiliates may (without having to account therefor to the Company) accept deposits from, lend money to, make their investments in and generally engage in any kind of banking, trust or other business with the Purchase Contract Agent, any Holder of Securities and any holder of Separate Senior Notes (and any of their respective subsidiaries or affiliates) as if it were not acting as the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, and the Collateral Agent, the Custodial Agent and the Securities Intermediary and their affiliates may accept fees and other consideration from the Purchase Contract Agent, any Holder of Securities or any holder of Separate Senior Notes without having to account for the same to the Company; provided that each of the Securities Intermediary, the Custodial Agent and the Collateral Agent covenants and agrees with the Company that it shall not accept, receive or permit there to be created in favor of itself and shall take no affirmative action to permit there to be created in favor of any other Person, any security interest, lien or other encumbrance of any kind in or upon the Collateral and the Collateral shall be segregated or the books and records of the Collateral Agent and not commingled with any other assets of any such Person.

Section 8.5 Non-Reliance. None of the Securities Intermediary, the Custodial Agent or the Collateral Agent shall be required to keep itself informed or to inquire or investigate as to the performance or observance by the Purchase Contract Agent or any Holder of Securities of this Agreement, the Purchase Contract Agreement, the Securities or any other document referred to or provided for herein or therein or to inspect the properties or books of the Purchase Contract Agent or any Holder of Securities. The Collateral Agent, the Custodial Agent and the Securities Intermediary shall not have any duty or responsibility to provide the Company or the Remarketing Agent with any credit or other information concerning the affairs, financial condition or business of the Purchase Contract Agent, any Holder of Securities or any holder of Separate Senior Notes (or any of their respective subsidiaries or affiliates) that may come into the possession of the Collateral Agent, the Custodial Agent or the Securities Intermediary or any of their respective affiliates.

Section 8.6 Compensation and Indemnity. The Company agrees: (i) to pay each of the Collateral Agent, the Custodial Agent and the Securities Intermediary, from time to time, such compensation as shall be agreed in writing between the Company and the Collateral Agent, the Custodial Agent and the Securities Intermediary, as the case may be, for all services rendered by each of them hereunder and (ii) to indemnify the Collateral Agent, the Custodial Agent and the Securities Intermediary for, and to hold each of them harmless from and against,

any loss, liability or reasonable expense incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of its powers and duties under this Agreement, including the reasonable costs and expenses (including reasonable fees and expenses of counsel) of defending itself against any claim or liability in connection with the exercise or performance of such powers and duties. The Collateral Agent, the Custodial Agent and the Securities Intermediary shall each promptly notify the Company of any third party claim which may give rise to the indemnity hereunder and give the Company the opportunity to participate in the defense of such claim or if the Company so elects to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party, and no such claim shall be settled without the written consent of the Company, which consent shall not be unreasonably withheld.

Section 8.7 Failure to Act. In the event of any ambiguity in the provisions of this Agreement or any dispute between or conflicting claims by or among the parties hereto or any other Person with respect to any funds or property deposited hereunder, the Collateral Agent, the Custodial Agent and the Securities Intermediary shall be entitled, after prompt notice to the Company and the Purchase Contract Agent, at its sole option, to refuse to comply with any and all claims, demands or instructions with respect to such property or funds so long as such dispute or conflict shall continue, and neither the Collateral Agent, the Custodial Agent nor the Securities Intermediary shall be or become liable in any way to any of the parties hereto for its failure or refusal to comply with such conflicting claims, demands or instructions. The Collateral Agent, the Custodial Agent and the Securities Intermediary shall be entitled to refuse to act until either (i) such conflicting or adverse claims or demands shall have been finally determined by a court of competent jurisdiction or settled by agreement between the conflicting parties as evidenced in a writing, satisfactory to the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, or (ii) the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, shall have received security or an indemnity reasonably satisfactory to the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, sufficient to save the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, harmless from and against any and all loss, liability or reasonable expense which the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, may incur by reason of its acting without bad faith, willful misconduct or negligence. The Collateral Agent, the Custodial Agent or the Securities Intermediary may, in addition, elect to commence an interpleader action or seek other judicial relief or orders as the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, may deem necessary. Notwithstanding anything contained herein to the contrary, neither the Collateral Agent, the Custodial Agent nor the Securities Intermediary shall be required to take any action that is in its opinion contrary to law or to the terms of this Agreement, or which would in its opinion subject it or any of its officers, employees or directors to liability.

Section 8.8 Resignation and Removal. Subject to the appointment and acceptance of a successor Collateral Agent, Custodial Agent or Securities Intermediary as provided below, (a) the Collateral Agent, the Custodial Agent and the Securities Intermediary may resign at any time by giving 45 days' prior notice thereof to the Company and the Purchase Contract Agent as attorney-in-fact for the Holders of Securities, (b) the Collateral Agent, the Custodial Agent and the Securities Intermediary may be removed at any time by the Company and (c) if the Collateral Agent, the Custodial Agent or Securities Intermediary fails to perform any of its material obligations hereunder in any material respect for a period of not less than 20 days after receiving written notice of such failure by the Purchase Contract Agent and such failure shall be continuing, the Collateral Agent, the Custodial Agent or the Securities Intermediary may be removed by the Purchase Contract Agent. Any resignation or removal of the Collateral Agent, the Custodial Agent or the Securities Intermediary shall become effective only upon acceptance of appointment by its successor. The Purchase Contract Agent shall promptly notify the Company of any removal of the Collateral Agent, the Custodial Agent or the Securities Intermediary pursuant to clause (c) above. Upon any such resignation or removal, the Company shall have the right and shall exercise commercially reasonable efforts to appoint a successor Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be. If no successor Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be, shall have been so appointed and shall have accepted such appointment within 45 days after the retiring Collateral Agent's, Custodial Agent's or Securities Intermediary's giving of notice of resignation or such removal, then the retiring Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be, may petition any court of competent jurisdiction for the appointment of a successor Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be. Each of the Collateral Agent, the Custodial Agent and the Securities Intermediary shall be a bank which has an office in New York, New York with a combined capital and surplus of at least \$75,000,000. Upon the acceptance of any appointment as Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be, hereunder by a successor Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be, such successor shall thereupon assume, succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be, and the retiring Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be, shall take all appropriate action to transfer any money and property held by it hereunder (including the Collateral) to such successor. The retiring Collateral Agent, Custodial Agent or Securities Intermediary shall, upon such succession, be discharged from its duties and obligations as Collateral Agent, Custodial Agent or Securities Intermediary hereunder. After any retiring Collateral Agent's, Custodial Agent's or Securities Intermediary's resignation hereunder as Collateral Agent, Custodial Agent or Securities Intermediary, the provisions of this Article 8 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Collateral Agent, Custodial Agent or Securities Intermediary. Any resignation or removal of the Collateral Agent hereunder shall be deemed for all purposes of this Agreement as the simultaneous resignation or removal of the Custodial Agent and the Securities Intermediary. The Company shall give the Purchase Contract Agent prompt notice of the appointment of any successor to the Collateral Agent, the Custodial Agent or the Securities Intermediary.

Section 8.9 Right to Appoint Agent or Advisor. The Collateral Agent shall have the right to appoint agents or advisors in connection with any of its duties hereunder, and the Collateral Agent shall not be liable for any action taken or omitted by, or in reliance upon the advice of, such agents or advisors selected in good faith. The appointment of agents pursuant to this Section 8.9 shall be subject to prior consent of the Company, which consent shall not be unreasonably withheld.

Section 8.10 Survival. The provisions of this Article 8 shall survive termination of this Agreement and the resignation or removal of the Collateral Agent or the Custodial Agent.

Section 8.11 Exculpation. Anything in this Agreement to the contrary notwithstanding, in no event shall any of the Collateral

Agent, the Custodial Agent or the Securities Intermediary or their officers, employees or agents be liable under this Agreement to any third party for indirect, special, punitive, or consequential loss or damage of any kind whatsoever, including lost profits, whether or not the likelihood of such loss or damage was known to the Collateral Agent, the Custodial Agent or the Securities Intermediary, or any of them, incurred without any act or deed that is found to be attributable to negligence or willful misconduct on the part of the Collateral Agent, the Custodial Agent or the Securities Intermediary.

ARTICLE 9

AMENDMENT

Section 9.1 Amendment Without Consent of Holders. Without the consent of any Holders or the holders of any Separate Senior Notes, the Company when authorized by or pursuant to a Board Resolution, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Purchase Contract Agent, at any time and from time to time, may amend this Agreement, in form satisfactory to the Company, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Purchase Contract Agent, for any of the following purposes:

- (a) to evidence the succession of another Person to the Company, and the assumption by any such successor of the covenants of the Company;
- (b) to add to the covenants of the Company for the benefit of the Holders, or to surrender any right or power herein conferred upon the Company;
- (c) to evidence and provide for the acceptance of appointment hereunder by a successor Collateral Agent, Custodial Agent, Securities Intermediary or Purchase Contract Agent; or
- (d) to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other such provisions herein, or to make any other provisions with respect to such matters or questions arising under this Agreement, provided such action shall not adversely affect the interests of the Holders in any material respect.

Section 9.2 Amendment with Consent of Holders. With the consent of the Holders of not less than a majority of the Purchase Contracts at the time outstanding, by Act of said Holders delivered to the Company, the Purchase Contract Agent or the Collateral Agent, as the case may be, the Company, when authorized by or pursuant to a Board Resolution, the Purchase Contract Agent, the Collateral Agent, the Custodial Agent and the Securities Intermediary may amend this Agreement for the purpose of modifying in any manner the provisions of this Agreement or the rights of the Holders in respect of the Securities; provided, however, that no such supplemental agreement shall, without the consent of the Holder of each Outstanding Security affected thereby,

- (a) change the amount or type of Collateral underlying a Security (except for the right of holders of Corporate Units to substitute the Treasury Securities for the Pledged Senior Notes or the appropriate Pledged Applicable Ownership Interest in the Treasury Portfolio, as the case may be, or the rights of the holders of Treasury Units to substitute Senior Notes or the appropriate Applicable Ownership Interest in the Treasury Portfolio, as applicable for the Pledged Treasury Securities), impair the right of the Holder of any Security to receive distributions on the underlying Collateral or otherwise adversely affect the Holder's rights in or to such Collateral;
- (b) otherwise effect any action that would require the consent of the Holder of each outstanding Security affected thereby pursuant to the Purchase Contract Agreement if such action were effected by an agreement supplemental thereto;
- (c) reduce the amount payable or distributable to Holders upon the remarketing of Senior Notes; or
- (d) reduce the percentage of Purchase Contracts the consent of whose Holders is required for any such amendment.

If any amendment referred to above would adversely affect only the Corporate Units or the Treasury Units, then only the affected class of Holders shall be entitled to vote on the amendment and the amendment shall not be effective except with the consent of the Holders of not less than a majority or each of the affected Holders, as applicable, of the relevant class. It shall not be necessary for any Act of Holders under this Article 9 to approve the particular form of any proposed amendment, but it shall be sufficient if such Act shall approve the substance thereof.

Section 9.3 Execution of Amendments. In executing any amendment permitted by this Section, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Purchase Contract Agent shall be provided and (subject to Section 8.1 hereof, with respect to the Collateral Agent, and Section 7.1 of the Purchase Contract Agreement, with respect to the Purchase Contract Agent) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such amendment is authorized or permitted by this Agreement and that all conditions precedent, if any, to the execution and delivery of such amendment have been satisfied. All amendments must be in writing, signed by all parties to this Agreement.

Section 9.4 Effect of Amendments. Upon the execution of any amendment under this Article 9, this Agreement shall be modified in accordance therewith, and such amendment shall form a part of this Agreement for all purposes; and every Holder of Certificates theretofore

or thereafter authenticated, executed on behalf of the Holders and delivered under the Purchase Contract Agreement shall be bound thereby.

Section 9.5 Reference to Amendments. Certificates authenticated, executed on behalf of the Holders and delivered after the execution of any amendment pursuant to this Article 9 may, and shall if required by the Collateral Agent or the Purchase Contract Agent, bear a notation in form approved by the Purchase Contract Agent and the Collateral Agent as to any matter provided for in such amendment. If the Company shall so determine, new Certificates so modified as to conform, in the opinion of the Collateral Agent, the Purchase Contract Agent and the Company, to any such amendment may be prepared and executed by the Company and authenticated, executed on behalf of the Holders and delivered by the Purchase Contract Agent in accordance with the Purchase Contract Agreement and without charge or expense to Holders in exchange for Outstanding Certificates.

ARTICLE 10

MISCELLANEOUS

Section 10.1 No Waiver. To the extent permitted by law, no failure on the part of any party hereto or any of its agents to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by any party hereto or any of its agents of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. To the extent permitted by law, the remedies herein are cumulative and are not exclusive of any remedies provided by law.

Section 10.2 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. Without limiting the foregoing, the above choice of law is expressly agreed to by the Securities Intermediary, the Collateral Agent, the Custodial Agent, the Purchase Contract Agent and the Holders from time to time acting through the Purchase Contract Agent, as their attorney-in-fact, in connection with the establishment and maintenance of the Collateral Account. The Company, the Collateral Agent, the Custodial Agent, the Securities Intermediary, the Purchase Contract Agent and the Holders from time to time of the Securities, acting through the Purchase Contract Agent as their attorney-in-fact, hereby submit to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York for the purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. Notwithstanding any provisions of any account agreement or any other agreement to the contrary, the Collateral Account and all other agreements relating thereto (including any related account agreement) shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to conflict of laws provisions that would require the application of any other law (other than Section 5-1401 of the General Obligations Law of the State of New York). This is intended to be "an agreement" within the meaning of Section 8-110(e) of the Code, and the State of New York shall be the Securities Intermediary's jurisdiction for the purposes of the Code. The Company, the Collateral Agent, the Custodial Agent, the Securities Intermediary, the Purchase Contract Agent and the Holders from time to time of the Securities, acting through the Purchase Contract Agent as their attorney-in-fact, irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum, as well as to trial by jury.

Section 10.3 Notices. All notices, requests, consents and other communications provided for herein (including, without limitation, any modifications of, or waivers or consents under, this Agreement) shall be given or made in writing (including, without limitation, by telecopy) delivered to the intended recipient at the "Address for Notices" specified below its name on the signature pages hereof or, as to any party, at such other address as shall be designated by such party in a notice to the other parties. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when transmitted by telecopier or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid.

Section 10.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Company, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Purchase Contract Agent, and the Holders from time to time of the Securities, by their acceptance of the same, shall be deemed to have agreed to be bound by the provisions hereof and to have ratified the agreements of, and the grant of the Pledge hereunder by, the Purchase Contract Agent.

Section 10.5 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart.

Section 10.6 Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be construed in order to carry out the intentions of the parties hereto as nearly as may be possible and (ii) the invalidity or, unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

Section 10.7 Expenses. The Company agrees to reimburse the Collateral Agent, the Securities Intermediary and the Custodial Agent for: (a) all reasonable costs and expenses of the Collateral Agent, the Securities Intermediary and the Custodial Agent (including, without limitation, the reasonable fees and expenses of counsel to the Collateral Agent, the Securities Intermediary and the Custodial Agent), in connection with (i) the negotiation, preparation, execution and delivery or performance of this Agreement and (ii) any modification, supplement or waiver of any of the terms of this Agreement; (b) all reasonable costs and expenses of the Collateral Agent (including, without limitation, reasonable fees and expenses of counsel) in connection with (i) any enforcement or proceedings resulting or incurred in connection with causing any Holder of Securities to satisfy its obligations under the Purchase Contracts forming a part of the Securities and (ii) the

enforcement of this Section 10.7; and (c) all transfer, stamp, documentary or other similar taxes, assessments or charges levied by any governmental or revenue authority in respect of this Agreement or any other document referred to herein and all costs, expenses, taxes, assessments and other charges incurred in connection with any filing, registration, recording or perfection of any security interest contemplated hereby.

Section 10.8 Security Interest Absolute. All rights of the Collateral Agent and security interests hereunder, and all obligations of the Holders from time to time hereunder, shall be absolute and unconditional irrespective of:

- (a) any lack of validity or enforceability of any provision of the Purchase Contracts or the Securities or any other agreement or instrument relating thereto;
- (b) any change in the time, manner or place of payment of, or any other term of, or any increase in the amount of, all or any of the obligations of Holders of Securities under the related Purchase Contracts, or any other amendment or waiver of any term of, or any consent to any departure from any requirement of, the Purchase Contract Agreement or any Purchase Contract or any other agreement or instrument relating thereto; or
- (c) any other circumstance which might otherwise constitute a defense available to, or discharge of, a borrower, a guarantor or a pledgor.

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

CENTURYTEL, INC.

By: /s/ R. Stewart Ewing, Jr.

R. Stewart Ewing, Jr.
Executive Vice President
Chief Financial Officer and Treasurer

Address for Notices:

CenturyTel, Inc.
100 CenturyTel Drive
Monroe, Louisiana 71203
Attention: Chief Financial Officer
Telecopy: (318) 362-1728

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Purchase Contract Agent and as attorney-in-fact
of the Holders from time to time of the Securities

By: /s/ Caroline R. Oakes

Caroline R. Oakes
Vice President

Address for Notices:

2525 West End Avenue, Suite 1200
Nashville, Tennessee 37203
Attention: Susan Baker, Vice President
Telecopy: (615) 341-3927

JPMORGAN CHASE BANK,
as Collateral Agent, Custodial Agent and

as Securities Intermediary

By: /s/ John G. Jones

John G. Jones
Vice President

Address for Notices:

600 Travis Street
Suite 1150
Houston, Texas 77002
Attention: John G. Jones, Vice President and Trust Officer
Telecopy: (713) 577-5200

EXHIBIT A

**INSTRUCTION FROM PURCHASE CONTRACT AGENT
TO COLLATERAL AGENT**

JPMorgan Chase Bank
Institutional Trust Services
600 Travis Street, Suite 1150
Houston, Texas 77002
Attention: John G. Jones

cc: Regions Bank
60 Commerce Street
Montgomery, Alabama 36104
Attention: Robert B. Rinehart

Re: CenturyTel, Inc. (the "Company")

We hereby notify you in accordance with Section [4.1] [4.2] of the Pledge Agreement, dated as of May 1, 2002, (the "Pledge Agreement") among the Company, yourselves, as Collateral Agent, Custodial Agent and Securities Intermediary and ourselves, as Purchase Contract Agent and as attorney-in-fact for the holders of [Corporate Units] [Treasury Units] from time to time, that the holder of the Securities listed below (the "Holder") has elected to substitute \$_____ [aggregate principal amount of Treasury Securities] [aggregate principal amount of Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] in exchange for an equal Value of [Pledged Senior Notes or the appropriate Pledged Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] [Pledged Treasury Securities] held by you in accordance with the Pledge Agreement and has delivered to us a notice stating that the Holder has Transferred [Treasury Securities] [Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] to you, as Collateral Agent. We hereby instruct you, upon receipt of such [Pledged Treasury Securities] [Pledged Senior Notes or the appropriate Pledged Applicable Ownership Interest of the Treasury Portfolio, as the case may be,], and upon the payment by such Holder of any applicable fees, to release the [Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] [Treasury Securities] related to such [Corporate Units] [Treasury Units] to us in accordance with the Holder's instructions.

Capitalized terms used herein but not defined shall have the meaning set forth in the Pledge Agreement.

Date: _____

WACHOVIA BANK, NATIONAL ASSOCIATION

By: _____

Name:

Title:

Signature Guarantee:

Please print name and address of Registered Holder electing to substitute [Treasury Securities] [Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] for the [Pledged Senior Notes or the appropriate Pledged Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] [Pledged Treasury Securities]:

_____ Name	_____ Social Security or other Taxpayer Identification Number, if any
_____ Address	

EXHIBIT B

INSTRUCTION TO PURCHASE CONTRACT AGENT

Wachovia Bank, National Association
2525 West End Avenue
Suite 1200
Nashville, Tennessee 37203
Attention: Susan Baker,

Re: Equity Units of CenturyTel, Inc. (the "Company")

The undersigned Holder hereby notifies you that it has delivered to JPMorgan Chase Bank, as Collateral Agent, [\$_____ aggregate principal amount of Treasury Securities] [\$_____ aggregate principal amount of Senior Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] in exchange for an equal Value of [Pledged Senior Notes or the appropriate Pledged Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] [Pledged Treasury Securities] held by the Collateral Agent, in accordance with Section [4.1][4.2] of the Pledge Agreement, dated as of May 1, 2002 (the "Pledge Agreement"), between you, the Company and the Collateral Agent. The undersigned Holder has paid the Collateral Agent all applicable fees relating to such exchange. The undersigned Holder hereby instructs you to instruct the Collateral Agent to release to you on behalf of the undersigned Holder the [Pledged Senior Notes or the appropriate Pledged Applicable Ownership Interest of the Treasury Portfolio] [Pledged Treasury Securities] related to such [Corporate Units] [Treasury Units]. Capitalized terms used herein but not defined shall have the meaning set forth in the Pledge Agreement.

Dated: _____

Signature

Signature Guarantee: _____

Please print name and address of Registered Holder:

Name	Social Security or other Taxpayer Identification Number, if any
Address	

EXHIBIT C

INSTRUCTION TO CUSTODIAL AGENT REGARDING REMARKETING

JPMorgan Chase Bank
Institutional Trust Services
600 Travis Street, Suite 1150
Houston, Texas 77002
Attn: John G. Jones

Re: Senior Notes of CenturyTel, Inc. (the "Company")

The undersigned hereby notifies you in accordance with Section 4.6(c) of the Pledge Agreement, dated as of May 1, 2002 (the "Pledge Agreement"), among the Company, yourselves, as Collateral Agent, Securities Intermediary and Custodial Agent, and Wachovia Bank, National Association, as Purchase Contract Agent and as attorney-in-fact for the Holders of Corporate Units and Treasury Units from time to time, that the undersigned elects to deliver \$_____ aggregate principal amount of Senior Notes for delivery to the Remarketing Agent on the Business Day immediately preceding the [Initial Remarketing Date] [Second Remarketing Date] [Third Remarketing Date] [Final Remarketing Date] for remarketing pursuant to Section 4.6(c) of the Pledge Agreement. The undersigned will, upon request of the Remarketing Agent, execute and deliver any additional documents deemed by the Remarketing Agent or by the Company to be necessary or desirable to complete the sale, assignment and transfer of the Senior Notes tendered hereby.

The undersigned hereby instructs you, upon receipt of the Proceeds of such remarketing from the Remarketing Agent to deliver such Proceeds to the undersigned in accordance with the instructions indicated herein under "A. Payment Instructions". The undersigned hereby instructs you, in the event of a Failed [Initial] [Second] [Third] [Final] Remarketing, upon receipt of the Senior Notes tendered herewith from the Remarketing Agent, to deliver the Senior Notes to the person(s) and the address(es) indicated herein under "B. Delivery Instructions." Upon your delivery of the Proceeds of any such remarketing pursuant to our instructions, you shall be fully discharged and have no further duty or responsibility with regard to such proceeds.

With this notice, the undersigned hereby (i) represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Senior Notes tendered hereby and that the undersigned is the record owner of any Senior Notes tendered herewith in physical form or a participant in The Depository Trust Company ("DTC") and the beneficial owner of any Senior Notes tendered herewith by book-entry transfer to your account at DTC and (ii) agrees to be bound by the terms and conditions of Section 4.6(c) of the Pledge Agreement. Capitalized terms used herein but not defined shall have the meaning set forth in the Pledge Agreement.

Dated: _____

Signature

Signature Guarantee: _____

Please print name and address:

Name

Social Security or other Taxpayer
Identification Number, if any

Address

A. PAYMENT INSTRUCTIONS

Proceeds of the remarketing should be paid by check in the name of the person(s) set forth below and mailed to the address set forth below.

Name(s)

(Please Print)

Address

(Please Print)

(Zip Code)

(Tax Identification or Social Security Number)

B. DELIVERY INSTRUCTIONS

In the event of a failed remarketing, Senior Notes which are in physical form should be mailed to the person (s) at the address set forth below.

Name(s)

(Please Print)

Address

(Please Print)

(Zip Code)

(Tax Identification or Social Security Number)

In the event of a failed remarketing, Senior Notes which are in book-entry form should be credited to the account at The Depository Trust Company set forth below.

DTC Account Number

Name of Account Party: _____

EXHIBIT D

**INSTRUCTION TO CUSTODIAL AGENT REGARDING
WITHDRAWAL FROM REMARKETING**

JPMorgan Chase Bank
Institutional Trust Services
600 Travis Street, Suite 1150
Houston, Texas 77002
Attn: John G. Jones

Re: Senior Notes of CenturyTel, Inc. (the "Company")

The undersigned hereby notifies you in accordance with Section 4.6(c) of the Pledge Agreement, dated as of May 1, 2002 (the "Pledge Agreement") among the Company, yourselves, as Collateral Agent, Securities Intermediary and Custodial Agent and Wachovia Bank, National Association, as Purchase Contract Agent and as attorney-in-fact for the Holders of Corporate Units and Treasury Units from time to time, that the undersigned elects to withdraw the \$_____ aggregate principal amount of Senior Notes delivered to the Custodial Agent on _____ for remarketing pursuant to Section 4.6(c) of the Pledge Agreement. The undersigned hereby instructs you to return such Senior Notes to the undersigned in accordance with the undersigned's instructions. Upon your delivery of the Proceeds of any such remarketing pursuant to our instructions, you shall be fully discharged and have no further duty or responsibility with regard to such proceeds. With this notice, the Undersigned hereby agrees to be bound by the terms and conditions of Section 4.6(c) of the Pledge Agreement. Capitalized terms used herein but not defined shall have the meaning set forth in the Pledge Agreement.

Dated: _____

Signature

Signature Guarantee: _____

Please print name and address:

Name

Social Security or other Taxpayer
Identification Number, if any

Address

FORM OF REMARKETING AGREEMENT

REMARKETING AGREEMENT, dated as of _____, 20__ (this "Agreement"), by and between CenturyTel, Inc., a Louisiana corporation (the "Company"), Wachovia Bank, National Association, a national banking association organized and existing under the laws of the United States, not individually but solely as purchase contract agent (the "Purchase Contract Agent") and as attorney-in-fact of the holders of Purchase Contracts (as defined in the Purchase Contract Agreement (as defined herein)), and _____, as remarketing agent and reset agent (the "Remarketing Agent").

WITNESSETH:

WHEREAS, under the Purchase Contract Agreement, dated as of May 1, 2002, by and between the Purchase Contract Agent and the Company (the "Purchase Contract Agreement"), the Company issued \$_____ aggregate Stated Amount of its Equity Units (the "Equity Units"), which initially consisted of _____ Corporate Units referred to as "Corporate Units";

WHEREAS, concurrently in connection with the issuance of the Equity Units, the Company issued \$_____ aggregate principal amount of Senior Notes, Series J, due 2007 (the "Senior Notes");

WHEREAS, the Senior Notes forming a part of the Corporate Units were pledged pursuant to the Pledge Agreement (the "Pledge Agreement"), dated as of May 1, 2002, by and among the Company, JPMorgan Chase Bank, as Collateral Agent, Custodial Agent and Securities Intermediary (the "Collateral Agent"), and the Purchase Contract Agent, to secure the obligations of holders of Corporate Units under the related Purchase Contracts on the Purchase Contract Settlement Date;

WHEREAS, the Company desires to retain the Remarketing Agent to remarket on the third Business Day immediately preceding February 15, 2005 (the "Initial Remarketing Date") the Senior Notes beneficially owned by holders of Corporate Units and Senior Notes owned by holders who elect to have their Senior Notes remarketed;

WHEREAS, in the event of a Failed Initial Remarketing, the Senior Notes beneficially owned by holders of Corporate Units and Senior Notes owned by holders who elect to have their Senior Notes remarketed will be remarketed by the Remarketing Agent on the third Business Day immediately preceding March 15, 2005 (the "Second Remarketing Date");

WHEREAS, in the event of a Failed Second Remarketing, the Senior Notes beneficially owned by holders of Corporate Units and Senior Notes owned by holders who elect to have their Senior Notes remarketed will be remarketed by the Remarketing Agent on the third Business Day immediately preceding April 15, 2005 (the "Third Remarketing Date");

WHEREAS, in the event of a Failed Third Remarketing, the Senior Notes beneficially owned by holders who elect to have their Senior Notes remarketed and of the Corporate Unit holders who have elected not to settle the Purchase Contracts related to their Corporate Units by Cash Settlement (or have so elected, but have not paid the Purchase Price on or prior to the fourth Business Day immediately preceding the Purchase Contract Settlement Date) and who have not early settled their Purchase Contracts will be remarketed by the Remarketing Agent on the third Business Day immediately preceding the Purchase Contract Settlement Date;

WHEREAS, in the event of a Successful Initial Remarketing, the applicable interest rate on the Senior Notes will be reset on the Initial Remarketing Date, to the Reset Rate to be determined by the Remarketing Agent as the interest rate that such Senior Notes should bear in order for the Applicable Principal Amount of the Senior Notes to have an approximate aggregate market value of approximately 100.25% of the Treasury Portfolio Purchase Price on the Initial Remarketing Date, provided that in the determination of such Reset Rate, the Company shall, if applicable, limit the Reset Rate to the maximum rate, if any, permitted by applicable law;

WHEREAS, in the event of a Failed Initial Remarketing, the applicable interest rate on the Senior Notes will be reset on the Second Remarketing Date, to the Reset Rate to be determined by the Remarketing Agent as the rate that such Senior Notes should bear in order for the Applicable Principal Amount of the Senior Notes to have an approximate aggregate market value of approximately 100.25% of the Treasury Portfolio Purchase Price on the Second Remarketing Date, provided that in the determination of such Reset Rate, the Company shall, if applicable, limit the Reset Rate to the maximum rate, if any, permitted by applicable law;

WHEREAS, in the event of a Failed Second Remarketing, the applicable interest rate on the Senior Notes will be reset on the Third Remarketing Date, to the Reset Rate to be determined by the Remarketing Agent as the rate that such Senior Notes should bear in order for the Applicable Principal Amount of the Senior Notes to have an approximate aggregate market value of approximately 100.25% of the Treasury Portfolio Purchase Price on the Third Remarketing Date, provided that in the determination of such Reset Rate, the Company shall, if applicable, limit the Reset Rate to the maximum rate, if any, permitted by applicable law;

WHEREAS, in the event of a Failed Third Remarketing, unless a Final Failed Remarketing occurs, the applicable interest rate on the Senior Notes will be reset on the third Business Day immediately preceding the Purchase Contract Settlement Date, to the Reset Rate to be determined by the Remarketing Agent as the rate that such Senior Notes should bear in order to have an approximate market value of approximately 100.25% of the aggregate principal amount of the Senior Notes on the Final Remarketing Date, provided that in the

determination of such Reset Rate, the Company shall, if applicable, limit the Reset Rate to the maximum rate, if any, permitted by applicable law;

WHEREAS, in the event of a Final Failed Remarketing, the applicable rate on the Senior Notes will be reset on the Final Remarketing Date to the Reset Rate equal to the sum of the applicable Reset Spread and the rate of interest on the Two-Year Benchmark Treasury in effect on the Final Remarketing Date, provided that in the determination of such Reset Rate, the Company shall, if applicable, limit the Reset Rate to the maximum rate, if any, permitted by applicable law;

WHEREAS, the Company has requested _____ to act as its reset agent and remarketing agent, and as such to perform the services described herein; and

WHEREAS, _____ is willing to act as the Company's reset agent and remarketing agent and as such to perform such duties on the terms and conditions expressly set forth herein;

NOW, THEREFORE, for and in consideration of the covenants made, and subject to the conditions herein set forth, the parties hereto agree as follows:

Section 1. Definitions. Capitalized terms used and not defined in this Agreement or the preamble or recitals hereto shall have the meanings assigned to them in the Purchase Contract Agreement or, if not therein defined, the Pledge Agreement.

Section 2. Appointment and Obligations of Remarketing Agent. (a) The Company hereby appoints _____, and _____ hereby accepts such appointment, as (i) the reset agent to determine in consultation with the Company, in the manner provided for herein and in the First Supplemental Indenture with respect to the Senior Notes, (1) the Reset Rate that, in the opinion of the Remarketing Agent, will, when applied to the Senior Notes, enable the Applicable Principal Amount of the Senior Notes to have an approximate aggregate market value of approximately 100.25% of the Treasury Portfolio Purchase Price as of the Initial Remarketing Date, (2) in the event of a Failed Initial Remarketing, the Reset Rate that, in the opinion of the Remarketing Agent, will, when applied to the Senior Notes, enable the Applicable Principal Amount of the Senior Notes to have an approximate aggregate market value of approximately 100.25% of the Treasury Portfolio Purchase Price as of the Second Remarketing Date, (3) in the event of a Failed Second Remarketing, the Reset Rate that, in the opinion of the Remarketing Agent, will, when applied to the Senior Notes, enable the Applicable Principal Amount of the Senior Notes to have an approximate aggregate market value of approximately 100.25% of the Treasury Portfolio Purchase Price as of the Third Remarketing Date, (4) in the event of a Failed Third Remarketing, unless a Final Failed Remarketing occurs, the Reset Rate that, in the opinion of the Remarketing Agent, will, when applied to the Senior Notes, enable a Senior Note to have an approximate market value of approximately 100.25% of the aggregate principal amount of the Senior Notes as of the Purchase Contract Settlement Date, and (5) in the event of a Final Failed Remarketing, the Reset Rate that will be equal to the sum of the Reset Spread and the rate of interest on the Two-Year Benchmark Treasury in effect on the Final Remarketing Date, provided, in each case, that the Company, by notice to the Remarketing Agent prior to the tenth Business Day preceding February 15, 2005, in the case of the Initial Remarketing, March 15, 2005, in the case of the Second Remarketing, April 15, 2005, in the case of the Third Remarketing or the Purchase Contract Settlement Date, in the case of the Final Remarketing, shall, if applicable, limit the Reset Rate so that it does not exceed the maximum rate permitted by applicable law and (ii) the exclusive remarketing agent (subject to the right of _____ to appoint additional remarketing agents hereunder or described below) to (1) remarket the Senior Notes of the Senior Note holders electing to have their Senior Notes remarketed and of the Corporate Units holders on the Initial Remarketing Date, for settlement on February 15, 2005, (2) in the case of a Failed Initial Remarketing, remarket the Senior Notes of the Senior Note holders electing to have their Senior Notes remarketed and of the Corporate Units holders on the Second Remarketing Date, for settlement on March 15, 2005, (3) in the case of a Failed Second Remarketing, remarket the Senior Notes of the Senior Note holders electing to have their Senior Notes remarketed and of the Corporate Units holders on the Third Remarketing Date, for settlement on April 15, 2005 and (4) in the case of a Failed Third Remarketing, remarket the Senior Notes of the Senior Noteholders electing to have their Senior Notes remarketed and of the Corporate Units holders who have not early settled the related Purchase Contracts and have failed to notify the Purchase Contract Agent, on or prior to the fifth Business Day immediately preceding the Purchase Contract Settlement Date, of their intention to settle the related Purchase Contracts through Cash Settlement on the fourth Business Day immediately preceding the Purchase Contract Settlement Date (or have so notified the Purchase Contract Agent, but have not paid the Purchase Price on or prior to the fourth Business Day immediately preceding the Purchase Contract Settlement Date). In connection with the remarketing contemplated hereby, the Remarketing Agent will enter into a Supplemental Remarketing Agreement (the "Supplemental Remarketing Agreement") with the Company and the Purchase Contract Agent, which shall either be (i) substantially in the form attached hereto as Exhibit A (with such changes as the Company and the Remarketing Agent may agree upon, it being understood that changes may be necessary in the provisions of the Supplemental Remarketing Agreement due to changes in law or facts and circumstances or in the event that the _____ is not the sole remarketing agent), or (ii) in such other form as the Remarketing Agent may reasonably request, subject to the approval of the Company. Anything herein to the contrary notwithstanding, to the extent that the parties hereto are unable to agree on the form or substance of the Supplemental Remarketing Agreement, _____ shall not act as Remarketing Agent hereunder. The Company agrees that _____ shall have the right, on 15 Business Days' notice to the Company, to appoint one or more additional remarketing agents so long as any such additional remarketing agents shall be reasonably acceptable to the Company. Upon any such appointment, the parties shall enter into an appropriate amendment to this Agreement to reflect the addition of any such remarketing agent.

(b) Pursuant to the Supplemental Remarketing Agreement, the Remarketing Agent, either as sole remarketing agent or as representative of a group of remarketing agents appointed as aforesaid, will agree, subject to the terms and conditions set forth herein and therein, to use its reasonable efforts to (i) remarket, on the Initial Remarketing Date, the Senior Notes that the Purchase Contract Agent and the Custodial Agent shall have notified the Remarketing Agent have been tendered for, or otherwise are to be included in, the Initial Remarketing, at a price per Senior Note such that the aggregate price for the Applicable Principal Amount of the Senior Notes is approximately 100.25% of

the Treasury Portfolio Purchase Price, (ii) in the event of a Failed Initial Remarketing, remarket, on the Second Remarketing Date, the Senior Notes that the Purchase Contract Agent and the Custodial Agent shall have notified the Remarketing Agent have been tendered for, or otherwise are to be included in, the Second Remarketing, at a price of approximately 100.25% of the Treasury Portfolio Purchase Price, (iii) in the event of a Failed Second Remarketing, remarket, on the Third Remarketing Date, the Senior Notes that the Purchase Contract Agent and the Custodial Agent shall have notified the Remarketing Agent have been tendered for, or otherwise are to be included in, the Third Remarketing, at a price of approximately 100.25% of the Treasury Portfolio Purchase Price, and (iv) in the event of a Failed Third Remarketing, remarket, on the Final Remarketing Date, the Senior Notes that the Purchase Contract Agent and the Custodial Agent shall have notified the Remarketing Agent have been tendered for, or otherwise are to be included in, the Final Remarketing, at a price of approximately 100.25% of the aggregate principal amount of such Senior Notes. Notwithstanding the preceding sentence, the Remarketing Agent shall not remarket any Senior Notes for a price less than the price (the "Minimum Remarketing Price") necessary for the Applicable Principal Amount of the Senior Notes to have an aggregate price equal to 100% of the Treasury Portfolio Purchase Price, in the case of the Initial Remarketing, Second Remarketing or Third Remarketing, or 100% of the aggregate principal amount of such Senior Notes, in the case of the Final Remarketing. After deducting the fee specified in Section 3 below, the proceeds of such Initial Remarketing, Second Remarketing, Third Remarketing or Final Remarketing, as the case may be, shall be paid to the Collateral Agent in accordance with Section 4.6 or 6.3 of the Pledge Agreement and Section 5.3 or 5.4 of the Purchase Contract Agreement (each of which Sections are incorporated herein by reference).

(c) It is understood and agreed that the Remarketing Agent shall not have any obligation whatsoever to purchase any Senior Notes, whether in the Initial Remarketing, Second Remarketing, Third Remarketing or Final Remarketing or otherwise, and shall in no way be obligated to provide funds to make payment upon tender of Senior Notes for remarketing or to otherwise expend or risk their own funds or incur or be exposed to financial liability in the performance of their respective duties under this Agreement or the Supplemental Remarketing Agreement, and, without limitation of the foregoing, the Remarketing Agent shall not be deemed an underwriter of the remarketed Senior Notes. The Company shall not be obligated in any case to provide funds to make payment upon tender of Senior Notes for remarketing.

(d) The Remarketing Agent agrees to give the notices required by Sections 3.01(g) and (h), 3.02(g) and (h), 3.03(g) and (h) and 3.04 (h) and (i) of the First Supplemental Indenture.

Section 3. Fees. In the event of a Successful Initial Remarketing, Successful Second Remarketing, or Successful Third Remarketing, the Remarketing Agent shall retain as a fee for its reset and remarketing services (the "Remarketing Fee") an amount not exceeding 25 basis points (0.25%) of the Minimum Remarketing Price from any amount received in connection with such Initial Remarketing, Second Remarketing or Third Remarketing in excess of the Minimum Remarketing Price. In the event of a Successful Final Remarketing, the Remarketing Agent shall retain as the Remarketing Fee an amount not exceeding 25 basis points (0.25%), of the principal amount of the remarketed Senior Notes from any amount received in connection with such Final Remarketing in excess of the aggregate principal amount of such remarketed Senior Notes.

Section 4. Replacement and Resignation of Remarketing Agent. (a) The Company may at any time in its absolute discretion replace _____ as the reset agent and remarketing agent hereunder on ten Business Days' prior written notice to _____. Any such replacement shall become effective upon the expiration of such ten Business Days. Upon providing such notice, the Company shall use all reasonable efforts to appoint such a successor and to enter into a remarketing agreement with such successor as soon as reasonably practicable.

(b) _____ may resign at any time and be discharged from its duties and obligations hereunder as the reset agent, the remarketing agent, or both on ten Business Days' prior written notice to the Company. Any such resignation shall become effective upon the expiration of such ten Business Days. Upon receiving notice from the Remarketing Agent that it wishes to resign hereunder, the Company shall use all reasonable efforts to appoint such a successor and enter into a remarketing agreement with it as soon as reasonably practicable.

(c) The Company shall give the Purchase Contract Agent, the Indenture Trustee, the Collateral Agent and the Custodial Agent prompt written notice of the appointment of any successor Remarketing Agent.

Section 5. Dealing in the Securities. The Remarketing Agent, when acting hereunder or under the Supplemental Remarketing Agreement or when acting in its individual or any other capacity, may, to the extent permitted by law, buy, sell, hold or deal in any of the Senior Notes, Treasury Units, Corporate Units or any other securities of the Company. With respect to any Senior Notes, Treasury Units, Corporate Units or any other securities of the Company owned by it, the Remarketing Agent may exercise any vote or join in any action with like effect as if it did not act in any capacity hereunder. The Remarketing Agent, in its individual capacity, either as principal or agent, may also engage in or have an interest in any financial or other transaction with the Company as freely as if it did not act in any capacity hereunder.

Section 6. Registration Statement and Prospectus. In connection with the Initial Remarketing, Second Remarketing, in the event of a Failed Initial Remarketing, or Third Remarketing, in the event of a Failed Second Remarketing, if and to the extent required in the opinion of counsel (which need not be a formal written opinion) for the Remarketing Agent or the Company by applicable law, regulations or interpretations in effect at the time of such Initial Remarketing, Second Remarketing or Third Remarketing, as the case may be, the Company (i) shall use its reasonable efforts to have a registration statement relating to the Senior Notes effective under the Securities Act of 1933 prior to the third Business Day immediately preceding February 15, 2005, in the case of the Initial Remarketing, March 15, 2005, in the case of the Second Remarketing and April 15, 2005, in the case of the Third Remarketing, (ii) if reasonably requested by the Remarketing Agent shall furnish a current preliminary prospectus and, if applicable, a current preliminary prospectus supplement to be used by the Remarketing Agent in the Initial Remarketing not later than seven Business Days prior to February 15, 2005, in the case of the Initial Remarketing, March 15, 2005, in the case of the Second Remarketing and April 15, 2005, in the case of the Third Remarketing (or such earlier date as the Remarketing Agent may reasonably request) and in such quantities as the Remarketing Agent may reasonably request, and (iii) shall furnish a current final

prospectus and, if applicable, a final prospectus supplement to be used by the Remarketing Agent in the Initial Remarketing not later than the third Business Day immediately preceding February 15, 2005, in the case of the Initial Remarketing, March 15, 2005, in the case of the Second Remarketing, and April 15, 2005, in the case of the Third Remarketing, in such quantities as the Remarketing Agent may reasonably request, and shall pay all expenses relating thereto. In the event of a Failed Third Remarketing and in connection with the Final Remarketing, if and to the extent required in the opinion of counsel (which need not be a formal written opinion) for the Remarketing Agent or the Company by applicable law, regulations or interpretations in effect at the time of such Final Remarketing, the Company (i) shall use its reasonable efforts to have a registration statement relating to the Senior Notes effective under the Securities Act of 1933 prior to the third Business Day immediately preceding the Purchase Contract Settlement Date, (ii) if reasonably requested by the Remarketing Agent, shall furnish a current preliminary prospectus and, if applicable, a current preliminary prospectus supplement to be used by the Remarketing Agent in the Final Remarketing not later than seven Business Days prior to the Purchase Contract Settlement Date (or such earlier date as the Remarketing Agent may reasonably request) and in such quantities as the Remarketing Agent may reasonably request, and (iii) shall furnish a current final prospectus and, if applicable, a final prospectus supplement to be used by the Remarketing Agent in the Final Remarketing not later than the third Business Day immediately preceding the Purchase Contract Settlement Date in such quantities as the Remarketing Agent may reasonably request, and shall pay all expenses relating thereto. The Company shall also take all such actions as may (upon advice of counsel to the Company and the Remarketing Agent) be necessary or desirable under state securities or blue sky laws in connection with the Initial Remarketing, Second Remarketing, Third Remarketing or Final Remarketing, as applicable.

Section 7. Conditions to the Remarketing Agent's Obligations. The obligations of the Remarketing Agent under this Agreement and the Supplemental Remarketing Agreement shall be subject to the terms and conditions of this Agreement and the Supplemental Remarketing Agreement, including, without limitation, the following conditions: (i) the Senior Notes tendered for, or otherwise to be included in, the Initial Remarketing, Second Remarketing, Third Remarketing or Final Remarketing, as the case may be, have not been called for redemption, (ii) the Remarketing Agent is able to find a purchaser or purchasers for tendered Senior Notes (1) in the case of the Initial Remarketing, Second Remarketing or Third Remarketing, at a price not less than the Minimum Remarketing Price, and (2) in the case of the Final Remarketing, at a price not less than 100% of the principal amount thereof, (iii) the Purchase Contract Agent, the Collateral Agent, the Custodial Agent, the Company and the Trustee shall have performed their respective obligations in connection with the Initial Remarketing, the Second Remarketing, in the event of a Failed Initial Remarketing, the Third Remarketing, in the event of a Failed Second Remarketing, and the Final Remarketing, in the event of a Failed Third Remarketing, in each case pursuant to the Purchase Contract Agreement, the Pledge Agreement, the Indenture, this Agreement and the Supplemental Remarketing Agreement (including, without limitation, giving the Remarketing Agent notice of the aggregate principal amount, as the case may be, of Senior Notes to be remarketed, no later than 11:00 a.m., New York City time, on the fourth Business Day prior to the Purchase Contract Settlement Date, in the case of the Final Remarketing, and, in each case, concurrently delivering the Senior Notes to be remarketed to the Remarketing Agent), (iv) no Event of Default (as defined in the Indenture) with respect to the Senior Notes shall have occurred and be continuing, (v) the accuracy of any representations and warranties of the Company included in this Agreement and the Supplemental Remarketing Agreement, (vi) the performance by the Company of its covenants and other obligations included and incorporated by reference in this Agreement and the Supplemental Remarketing Agreement, and (vii) the satisfaction of the other conditions set forth in the Supplemental Remarketing Agreement.

Section 8. Termination of Remarketing Agreement. This Agreement shall terminate as to any Remarketing Agent that is replaced on the effective date of its replacement pursuant to Section 4(a) hereof or pursuant to Section 4(b) hereof. Notwithstanding any such termination, the obligations set forth in Section 3 hereof shall survive and remain in full force and effect until all amounts payable under said Section 3 shall have been paid in full. In addition, each former Remarketing Agent hereunder shall be entitled to the rights and benefits under Section 10 of this Agreement notwithstanding the replacement or resignation of such Remarketing Agent.

Section 9. Remarketing: Agent's Performance; Duty of Care. The duties and obligations of the Remarketing Agent shall be determined solely by the express provisions of this Agreement and the Supplemental Remarketing Agreement. No implied covenants or obligations of or against the Remarketing Agent shall be read into this Agreement or the Supplemental Remarketing Agreement. In the absence of bad faith on the part of the Remarketing Agent, the Remarketing Agent may conclusively rely upon any document furnished to it that purports to conform to the requirements of this Agreement or the Supplemental Remarketing Agreement, as the case may be, as to the truth of the statements expressed therein. The Remarketing Agent shall be protected in acting upon any document or communication reasonably believed by it to be signed, presented or made by the proper party or parties. The Remarketing Agent shall not have any obligation to determine whether there is any limitation under applicable law on the Reset Rate on the Senior Notes or, if there is any such limitation, the maximum permissible Reset Rate on the Senior Notes, and they shall rely solely upon written notice from the Company (which the Company agrees to provide prior to the tenth Business Day before February 15, 2005, in the case of the Initial Remarketing, prior to the tenth Business Day before March 15, 2005, in the case of the Second Remarketing, prior to the tenth Business Day before April 15, 2005, in the case of the Third Remarketing, and prior to the tenth Business Day before Purchase Contract Settlement Date, in the case of the Final Remarketing) as to whether or not there is any such limitation and, if so, the maximum permissible Reset Rate. The Remarketing Agent shall not incur any liability under this Agreement or the Supplemental Remarketing Agreement to any beneficial owner or holder of Senior Notes, or other securities, either in its individual capacity or as Remarketing Agent for any action or failure to act in connection with the remarketing or otherwise in connection with the transactions contemplated by this Agreement or the Supplemental Remarketing Agreement. The provisions of this Section 9 shall survive any termination of this Agreement and shall also continue to apply to every Remarketing Agent hereunder notwithstanding their resignation or removal.

Section 10. Indemnification and Contribution. [To Be Inserted]

Section 11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of law principles thereunder.

Section 12. Term of Agreement. Unless otherwise terminated in accordance with the provisions hereof and except as otherwise provided herein, this Agreement shall remain in full force and effect from the date hereof until the first Business Day thereafter on which no Senior Notes are outstanding, or, if earlier, the Business Day immediately following February 15, 2005, in the case of a Successful Initial Remarketing, the Business Day immediately following March 15, 2005, in the case of a Successful Second Remarketing, the Business Day immediately following April 15, 2005, in the case of a Successful Third Remarketing, or the Business Day immediately following the Purchase Contract Settlement Date. Anything herein to the contrary notwithstanding, the provisions of the last sentence of Section 8 hereof and the provisions of Sections 3, 9 and 10 hereof shall survive any termination of this Agreement and remain in full force and effect.

Section 13. Successors and Assigns. The rights and obligations of the Company and the Purchase Contract Agent (both in its capacity as Purchase Contract Agent and as attorney-in-fact) hereunder may not be assigned or delegated to any other person without the prior written consent of the Remarketing Agent, except, with respect to the Purchase Contract Agent, in connection with the appointment of a successor thereto pursuant to the Purchase Contract Agreement. The rights and obligations of the Remarketing Agent hereunder may not be assigned or delegated to any other person without the prior written consent of the Company, except that the Remarketing Agent shall have the right to appoint additional remarketing agents as provided herein. This Agreement shall inure to the benefit of and be binding upon the Company, the Purchase Contract Agent and the Remarketing Agent and their respective successors and assigns and the other Indemnified Parties (as defined in Section 10 hereof) and the successors, assigns, heirs and legal representatives of the Indemnified Parties. The terms "successors" and "assigns" shall not include any purchaser of Securities or Senior Notes merely because of such purchase.

Section 14. Headings. Section headings have been inserted in this Agreement and the Supplemental Remarketing Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement or the Supplemental Remarketing Agreement and will not be used in the interpretation of any provision of this Agreement or the Supplemental Remarketing Agreement.

Section 15. Severability. If any provision of this Agreement or the Supplemental Remarketing Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any or all jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy or for any other reason, then, to the extent permitted by law, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case, circumstances or jurisdiction, or of rendering any other provision or provisions of this Agreement or the Supplemental Remarketing Agreement, as the case may be, invalid, inoperative or unenforceable to any extent whatsoever.

Section 16. Counterparts. This Agreement and the Supplemental Remarketing Agreement may be executed in counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

Section 17. Amendments. This Agreement and the Supplemental Remarketing Agreement may be amended by any instrument in writing signed by the parties hereto. The Company and the Purchase Contract Agent agree that they will not enter into, cause or permit any amendment or modification of the Purchase Contract Agreement, the Pledge Agreement, the Securities or any other instruments or agreements relating to the Securities (other than those in effect on the date of this Agreement) that would materially and adversely affect the rights, duties or obligations of the Remarketing Agent without the prior written consent of the Remarketing Agent. The parties agree that without the Remarketing Agent's prior written consent the Company shall not amend the First Supplemental Indenture or the Senior Notes if such amendment would materially and adversely affect the rights or obligations of the Remarketing Agent or change the remarketing procedures applicable to the Senior Notes.

Section 18. Notices. Unless otherwise specified, any notices, requests, consents or other communications given or made hereunder or pursuant hereto shall be made in writing or transmitted by any standard form of telecommunication, including telephone or telecopy, and confirmed in writing. All written notices and confirmations of notices by telecommunication shall be deemed to have been validly given or made when delivered or mailed, registered or certified mail, return receipt requested and postage prepaid. All such notices, requests, consents or other communications shall be addressed as follows:

if to the Company, to:

100 CenturyTel Drive
Monroe, LA 71203
Attention: Chief Financial Officer

with a copy to:

Jones, Walker, Waechter, Poitevent, Carrere & Denegre, LLP
201 Saint Charles Avenue
New Orleans, LA 70170
Attention: Kenneth J. Najder, Esq.

if to the Remarketing Agent, to:

[ADDRESS OF REMARKETING AGENT]

with a copy to:

[COUNSEL TO REMARKETING AGENT]

and if to the Purchase Contract Agent, to:

Wachovia Bank, National Association
2525 West End Avenue, Suite 1200
Nashville, TN 37203

or to such other address as any of the above shall specify to the other in writing.

Section 19. Information. The Company agrees to furnish the Remarketing Agent with such information and other documents as the Remarketing Agent may reasonably request in connection with the transactions contemplated by this Remarketing Agreement and the Supplemental Remarketing Agreement, and make reasonably available to the Remarketing Agent and any accountant, attorney or other advisor retained by the Remarketing Agent such information that parties would customarily require in connection with a due diligence investigation conducted in accordance with applicable securities laws and cause the Company's officers, directors, employees and accountants to participate in all such discussions and to supply all such information reasonably requested by any such person in connection with such investigation.

IN WITNESS WHEREOF, each of the Company, the Purchase Contract Agent and the Remarketing Agent has caused this Agreement to be executed in its name and on its behalf by one of its duly authorized signatories as of the date first above written.

CENTURYTEL, INC.

By: _____
Name:
Title:

CONFIRMED AND ACCEPTED:

[_____]

By: _____
Authorized Signatory

WACHOVIA BANK, NATIONAL ASSOCIATION,
not individually but solely as Purchase Contract
Agent and as attorney-in-fact for the holders of
the Purchase Contracts

By: _____
Name:
Title:

Exhibit A to
Remarketing Agreement

FORM OF SUPPLEMENTAL REMARKETING AGREEMENT

Supplemental Remarketing Agreement dated _____, 20__ among CenturyTel, Inc., a Louisiana corporation (the "Company"), Wachovia Bank, National Association, a national banking association organized and existing under the laws of the United States, as Purchase Contract Agent and attorney-in-fact for the Holders of the Purchase Contracts (as such terms are defined in the Purchase Contract Agreement referred to in Schedule I hereto), and _____, as remarketing agent and reset agent (the "Remarketing Agent").

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

1. Definitions. Capitalized terms used and not defined in this Agreement shall have the meanings assigned to them in the Remarketing Agreement dated as of _____, 20__ (the "Remarketing Agreement") among the Company, the Purchase Contract Agent and _____ or, if not defined in the Remarketing Agreement, the meanings assigned to them in the Purchase Contract Agreement (as

defined in Schedule I hereto).

2. Registration Statement and Prospectus. [IF A REGISTRATION STATEMENT IS REQUIRED] The Company has filed with the Securities and Exchange Commission, and there has become effective, a registration statement on Form S-3, including a prospectus, relating to the Securities (as such term is defined on Schedule I hereto). Such Registration Statement, as amended, and including the information deemed to be a part thereof pursuant to Rule 430A under the Securities Act of 1933, as amended (the "1933 Act"), and the documents incorporated or deemed to be incorporated by reference therein, are hereinafter called, collectively, the "Registration Statement"; [the related preliminary prospectus dated _____, including the documents incorporated or deemed to be incorporated by reference therein, [and preliminary prospectus supplement dated _____] are hereinafter called, [collectively] the "preliminary prospectus"] and the related prospectus dated _____, including the documents incorporated or deemed to be incorporated by reference therein, [and prospectus supplement dated _____ are hereinafter called, [collectively,] the "Prospectus." The Company has provided copies of the Registration Statement [, the preliminary prospectus] and the Prospectus to the Remarketing Agent, and hereby consents to the use of the [preliminary prospectus] and the Prospectus in connection with the remarketing of the Securities. [In the event that a Registration Statement is not required, insert the following: The Company has provided to the Remarketing Agent, for use in connection with remarketing of the Securities (as such term is defined on Schedule I hereto), a [preliminary remarketing memorandum and] remarketing memorandum and [describe other materials, if any]. Such remarketing, memorandum (including the documents incorporated or deemed to be incorporated by reference therein, [and] [describe other materials] are hereinafter called, collectively, the "Prospectus," [and such preliminary marketing memorandum (including the documents incorporated or deemed to be incorporated by reference therein) is hereinafter called a "preliminary prospectus"]]. The Company hereby consents to the use of the Prospectus [and the preliminary prospectus] in connection with the remarketing of the Securities]. All references in this Agreement to amendments or supplements to the Registration Statement [, the preliminary prospectus] or the Prospectus shall be deemed to mean and include the filing of any document under the Securities Exchange Act of 1934, as amended (the "1934 Act"), which is incorporated or deemed to be incorporated by reference in the Registration Statement [, the preliminary prospectus] or the Prospectus, as the case may be.

3. Provisions Incorporated by Reference. (a) Subject to Section 3(b) hereof, Sections ____ of the Underwriting Agreement are incorporated herein by reference, *mutatis mutandis*, and the Company hereby makes the representations and warranties, and agrees to comply with the covenants and obligations, set forth in the provisions of the Underwriting Agreement incorporated by reference herein, as modified by the provisions of Section 3(b) hereof.

(b) With respect to the provisions of the Underwriting Agreement incorporated herein, for the purposes hereof, (i) all references therein to the "Underwriter" or "Underwriters" shall be deemed to refer to the Remarketing Agent and all references to the "Representative" or the "Representatives" shall be deemed to refer to _____; (ii) all references therein to the "Equity Units" or "Initial Securities" shall be deemed to refer to the Securities as defined herein; (iii) all references therein to the "Closing Date" shall be deemed to refer to the Remarketing Closing Date specified in Schedule I hereto; (iv) all references therein to the "Registration Statement," [the "Preliminary Prospectus"] or the "Final Prospectus" shall be deemed to refer to the Registration Statement[, the preliminary prospectus] and the Prospectus, respectively, as defined herein; (v) all references therein to this "Agreement," the "Underwriting Agreement," "hereof," "herein" and all references of similar import, shall be deemed to mean and refer to this Supplemental Remarketing Agreement; (vi) all references therein to "the date hereof," "the date of this Agreement" and all similar references shall be deemed to refer to the date of this Supplemental Remarketing Agreement; (vii) all references therein to any "settlement date" shall be disregarded; and (viii) [other changes].]

4. Remarketing. Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth or incorporated by reference herein and in the Remarketing Agreement, the Remarketing Agent agrees to use its reasonable efforts to remarket, in the manner set forth in Section 2(b) of the Remarketing Agreement, the aggregate principal amount, as the case may be, of Securities set forth in Schedule I hereto at a purchase price not less than 100% of the [Minimum Remarketing Price] [aggregate principal amount of the Securities]. In connection therewith, the registered holder or holders thereof agree, in the manner specified in Section 5 hereof, to pay to the Remarketing Agent a Remarketing Fee equal to an amount not exceeding 25 basis points (0.25%) of [the Minimum Remarketing Price] [such aggregate principal amount,] payable by deduction from any amount received in connection from such [Initial] [Second] [Third] [Final] Remarketing in excess of the [Minimum Remarketing Price] [aggregate principal amount of the Securities]. Pursuant to the First Supplemental Indenture, the right of each holder of Securities to have Securities tendered for purchase shall be limited to the extent set forth in the last sentence of Section 2(b) of the Remarketing Agreement (which is incorporated by reference herein). As more fully provided in Section 2(c) of the Remarketing Agreement (which is incorporated by reference herein), the Remarketing Agent is not obligated to purchase any Securities in the remarketing or otherwise, and neither the Company nor the Remarketing Agent shall be obligated in any case to provide funds to make payment upon tender of Securities for remarketing.

5. Delivery and Payment. (a) Delivery of payment for the remarketed Securities by the purchasers thereof identified by the Remarketing Agent and payment of the Remarketing Fee shall be made on the Remarketing Closing Date at the location and time specified in Schedule I hereto (or such later date not later than five Business Days after such date as the Remarketing Agent shall designate), which date and time may be postponed by agreement between the Remarketing Agent and the Company. Delivery of the remarketed Securities and payment of the Remarketing Fee shall be made to the Remarketing Agent against payment by the respective purchasers of the remarketed Securities of the consideration therefor as specified herein, which consideration shall be paid to the Collateral Agent for the account of the persons entitled thereto by certified or official bank check or checks drawn on or by a New York Clearing House bank and payable in immediately available funds or in immediately available funds by wire transfer to an account or accounts designated by the Collateral Agent.

(b) If the Securities are not represented by a Global Security held by or on behalf of The Depository Trust Company, certificates for the Securities shall be registered in such names and denominations as the Remarketing Agent may request not less than one full Business Day in advance of the Remarketing Closing Date, and the Company, the Collateral Agent and the registered holder or holders thereof agree to

have such certificates available for inspection, packaging and checking by the Remarketing Agent in New York, New York not later than 1:00 p.m. on the Business Day prior to the Remarketing Closing Date.

6. Notices. Unless otherwise specified, any notices, requests, consents or other communications given or made hereunder or pursuant hereto shall be made in writing or transmitted by any standard form of telecommunication, including telephone or telecopy, and confirmed in writing. All written notices and confirmations of notices by telecommunication shall be deemed to have been validly given or made when delivered or mailed, by registered or certified mail, return receipt requested and postage prepaid. All such notices, requests, consents or other communications shall be addressed as follows:

if to the Company, to:

100 CenturyTel Drive
Monroe, LA 71203
Attention: Chief Financial Officer

with a copy to:

Jones, Walker, Waechter, Poitevent, Carrere & Denegre, LLP
201 Saint Charles Avenue
New Orleans, LA 70170
Attention: Kenneth J. Najder, Esq.

if to the Remarketing Agent, to:

[ADDRESS OF REMARKETING AGENT]

with a copy to:

[COUNSEL TO REMARKETING AGENT]

and if to the Purchase Contract Agent, to:

Wachovia Bank, National Association
2525 West End Avenue, Suite 1200
Nashville, TN 37203

or to such other address as any of the above shall specify to the other in writing.

7. Indemnity and Contribution. Anything herein to the contrary notwithstanding, the Remarketing Agent shall be entitled to indemnity and contribution on the terms and conditions set forth in the Remarketing Agreement.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company and the Remarketing Agent.

Very truly yours,

CENTURYTEL, INC.

By: _____

Name:

Title:

CONFIRMED AND ACCEPTED:

[_____]

By: _____

Authorized Signatory

[Add other Remarketing Agents, if any]

WACHOVIA BANK, NATIONAL ASSOCIATION,
not individually but solely as Purchase Contract Agent and
as attorney-in-fact for the holders of the Purchase
Contracts

By: _____

Name:

Title:

SCHEDULE I
to Supplemental Remarketing Agreement

Securities subject to the remarketing: Senior Notes, Series J, due 2007 of CenturyTel, Inc. (the "Securities").

Purchase Contract Agreement, dated as of May 1, 2002 (the "Purchase Contract Agreement"), by and between CenturyTel, Inc., a Louisiana corporation, and Wachovia Bank, National Association, a national banking association organized and existing under the laws of the United States.

Pledge Agreement, dated as of May 1, 2002 (the "Pledge Agreement"), by and among CenturyTel, Inc., a Louisiana corporation, JPMorgan Chase Bank, a national banking association, and Wachovia Bank, National Association, a national banking association organized and existing under the laws of the United States.

Indenture, dated as of March 31, 1994 (the "Senior Indenture"), by and between CenturyTel, Inc., a Louisiana corporation, and Regions Bank (successor-in-interest to First American Bank and Trust of Louisiana and Regions Bank of Louisiana), an Alabama state banking corporation, as trustee.

First Supplemental Indenture, dated as of May 1, 2002 (the "First Supplemental Indenture" and, together with the Senior Indenture, the "Indenture") by and between CenturyTel, Inc., a Louisiana corporation, and Regions Bank, an Alabama state banking corporation, as trustee.

[Minimum Remarketing Price]

[Aggregate Principal Amount of Securities: \$_____]

Underwriting Agreement, dated April 30, 2002 (the "Underwriting Agreement") among CenturyTel, Inc. and Goldman Sachs & Co., as Representative of the several Underwriters.

Remarketing Closing Date, Time and Location: _____

Exhibit 5.4
to Registration Statement
Registration No. 333-84276

[Letterhead of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P.]

May 6, 2002

CenturyTel, Inc.

100 CenturyTel Drive
Monroe, Louisiana 71203

Re: Registration Statement on Form S-3
CenturyTel, Inc. ("CenturyTel")
Registration No. 333-84276

Ladies and Gentlemen:

We have acted as CenturyTel's special counsel in connection with the issuance and sale on the date hereof by CenturyTel of 20,000,000 Equity Units, initially consisting of 20,000,000 Corporate Units (the "Equity Units"), each of which will be initially comprised of a purchase contract to purchase shares of CenturyTel's common stock no later than May 15, 2005 (a "Purchase Contract") and a beneficial interest in a Senior Note, Series J, due 2007 having a \$25 stated principal amount (a "Senior Note"), pursuant to (i) the Underwriting Agreement, dated April 30, 2002 (the "Underwriting Agreement"), by and between CenturyTel and Goldman, Sachs & Co., as the representatives of the several underwriters named therein, (ii) the Purchase Contract Agreement, dated as of May 1, 2002 (the "Purchase Contract Agreement"), by and between CenturyTel and Wachovia Bank, National Association, as purchase contract agent (the "Purchase Agent"), (iii) the Pledge Agreement, dated as of May 1, 2002 (the "Pledge Agreement"), by and among CenturyTel, the Purchase Agent and JPMorgan Chase Bank, as collateral agent, custodial agent and securities intermediary, (iv) the Indenture, dated as of March 31, 1994 (as heretofore supplemented by board resolutions and as further supplemented by the First Supplemental Indenture thereto dated as of May 1, 2002 (the "Supplemental Indenture"), the "Indenture"), by and between CenturyTel and Regions Bank (successor to Regions Bank of Louisiana and First American Bank & Trust of Louisiana), as trustee (the "Trustee"), and (v) the registration statement (No. 333-84276) on Form S-3 (as amended, the "Registration Statement") and the prospectus dated April 29, 2002 (as supplemented by the prospectus supplement dated April 30, 2002, the "Final Prospectus") forming a part thereof. For purposes hereof, we refer to the Purchase Contract Agreement, the Pledge Agreement and the Indenture (including the Supplemental Indenture) as the "Ancillary Transaction Agreements."

In connection with rendering the opinions expressed below, we have examined and relied upon (i) copies of the Ancillary Transaction Agreements, (ii) specimens of certificates representing the Equity Units and the Senior Notes issued in connection therewith, (iii) minutes from the meetings of the Board of Directors of CenturyTel held on February 26, 2002, minutes from the meeting of the Special Pricing Committee of the Board of Directors of CenturyTel held on April 29, 2002, and the records of certain other proceedings of CenturyTel's Board of Directors that relate to the organization of CenturyTel, (iv) CenturyTel's amended and restated articles of incorporation and CenturyTel's bylaws, as amended, each as certified to our satisfaction, and (v) certain certificates, documents and other instruments delivered on or prior to the date hereof pursuant to the Underwriting Agreement, the Purchase Contract Agreement and the Indenture, including, without limitation, certain legal opinions and certificates furnished by CenturyTel on the date hereof pursuant to the Underwriting Agreement and certain certificates and orders relating to the authentication and delivery of the Equity Units and Senior Notes. We have also, without independent investigation or verification, relied upon factual representations made by CenturyTel during the course of our representation and upon such other documents, records, certificates and other instruments, including certificates or other written or oral advice of public officials and officers of CenturyTel, as we considered necessary or appropriate in connection with rendering the opinions expressed below.

In our examination of such documents, we have assumed without independent verification (i) that each of the documents and instruments reviewed by us has been duly authorized, executed and delivered by each of the parties thereto other than CenturyTel and is enforceable against such parties in accordance with the terms thereof, (ii) the authenticity of all documents and instruments submitted to us as originals, (iii) the conformity to the originals of all documents and instruments submitted to us as conformed, certified or photostatic copies, (iv) the accuracy and completeness of all corporate records made available to us by CenturyTel, (v) the absence of any other documents, instruments, records, agreements or understandings that alter, modify or change in any way the terms of the Ancillary Transaction Agreements, the Equity Units, the Purchase Contracts or the Senior Notes, or the validity or accuracy of the representations made to us orally or as set forth in any documents, instruments, records or agreements provided to or reviewed by us, (vi) that the effectiveness of the Registration Statement has not been terminated or rescinded, (vii) the genuineness of all signatures on all documents and instruments examined by us and (viii) the power and legal capacity of all persons (other than CenturyTel) who have executed documents reviewed by us hereunder.

Based upon the foregoing and subject to the following qualifications and comments, we are of the opinion that:

1. CenturyTel is a corporation duly organized, validly existing and in good standing under the laws of the State of Louisiana and has all requisite corporate power to issue the Equity Units and the Senior Notes.
2. The Equity Units and the Senior Notes have been duly authorized, executed and delivered by CenturyTel. The Purchase Contracts and the Senior Notes constitute valid and binding obligations of CenturyTel, enforceable against CenturyTel in accordance with their respective terms, except that (A) the enforcement thereof may be subject to bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws, now or hereafter in effect, relating to creditors' rights generally, (B) the enforceability thereof is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity) and that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought and (C) certain provisions contained in the Ancillary Transaction Agreements relating to remedies may be limited by public policy, equitable principles or other provisions of applicable laws, rules, regulations, court decisions or constitutional requirements.
3. The shares of common stock of CenturyTel issuable pursuant to the terms and conditions of the Purchase Contracts (the "Issuable

Common Stock") have been duly and validly authorized and reserved for issuance by CenturyTel and, when issued and delivered in accordance with the provisions of the Purchase Contract Agreement against payment of the purchase price therefor, will be duly and validly issued, fully paid and non-assessable. The issuance of the Issuable Common Stock will not be subject to any preemptive right.

The foregoing opinions are subject to the following exceptions, qualifications and comments:

(a) In connection with our opinions expressed above, we have assumed that neither the issuance and delivery of the Equity Units or the Senior Notes, nor the compliance by CenturyTel with the terms of the Equity Units or the Senior Notes, will violate any applicable law or regulation (including those relating to the regulation of communications companies) or will result in a violation of any provision of any instrument or agreement then binding upon CenturyTel, or any restriction imposed by any court or governmental body having jurisdiction over CenturyTel or its assets.

(b) We are members of the bar of the State of Louisiana and do not purport to be experts on the laws of any other jurisdiction. The opinions rendered herein are specifically limited to currently applicable United States federal law and the laws of the State of Louisiana, in each case solely as they relate to the opinions expressed herein. With respect to our opinions in paragraph 2 above concerning the enforceability of the securities referenced therein, we note that the Purchase Contracts purport to be governed by New York law. We have assumed that a reviewing court will enforce the parties' choice of New York law, and relied upon an opinion from Pillsbury Winthrop LLP with respect to all matters of New York law related to this opinion, subject to the assumptions, qualifications and exceptions set forth therein.

(c) Our opinions expressed in paragraph 2 above regarding the enforceability of the securities referenced therein are subject to the following exceptions, qualifications and comments:

(i) the possible unenforceability of provisions permitting modifications of an agreement only in writing;

(ii) the possible unenforceability of provisions that the terms of an agreement are severable;

(iii) the effect of laws requiring mitigation of damages;

(iv) the effect and possible unenforceability of contractual provisions providing for choice of governing law;

(v) the possible unenforceability of provisions requiring indemnification for, or providing exculpation, release or exemption from liability for, action or inaction, to the extent such action or inaction involves negligence or willful misconduct or to the extent otherwise contrary to public policy;

(vi) the possible unenforceability of waivers or advance consents that have the effect of waiving a party's unmatured rights;

(vii) the possible unenforceability of provisions that waivers or consents by a party may not be given effect unless in writing or in compliance with particular requirements or that a person's course of dealing, course of performance, or the like or failure or delay in taking actions may not constitute a waiver of related rights or provisions or that one or more waivers may not constitute a waiver of related rights or provisions or that one or more waivers may not under certain circumstances constitute a waiver of other matters of the same kind; and

(viii) the possible unenforceability of provisions permitting the exercise, under certain circumstances, of rights without notice or without providing opportunity to cure failures to perform.

(d) All opinions rendered herein are as of the date hereof and are based upon the circumstances that exist at the present time, including, without limitation, statutes, cases, regulations, facts and circumstances as they currently exist, all of which are subject to change. We assume no obligation to update or supplement this letter or the opinions given herein to reflect any facts or circumstances which may hereafter come to our attention, or any changes in laws or interpretations thereof which may hereafter occur.

(e) Except as to the matters, documents and transactions specifically addressed herein, we express no opinion whatsoever, and no opinion whatsoever is to be inferred, as to any other matter, document or transaction.

We consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us in the prospectus and prospectus supplement forming a part thereof under the caption "Legal Matters." In giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Act, or the general rules and regulations of the Commission.

Yours very truly,

JONES, WALKER, WAECHTER,
POITEVENT, CARRÈRE & DENÈGRE, L.L.P.

By: /s/ Kenneth J. Najder

Kenneth J. Najder

**Exhibit 5.5
to Registration Statement
Registration No. 333-84276**

[Letterhead of Pillsbury Winthrop LLP]

May 10, 2002

Jones, Walker, Waechter, Poitevent,
Carrère & Denègre, L.L.P.
201 St. Charles Avenue
New Orleans, Louisiana 70170-5100

Ladies and Gentlemen:

CenturyTel, Inc., a Louisiana corporation (the "*Company*"), has filed with the Securities and Exchange Commission a Registration Statement on Form S-3, as amended (the "*Registration Statement*"), with respect to \$3,000,000,000 maximum aggregate offering price of various securities to be issued by the Company and CenturyTel Capital Trust I, including contracts to purchase shares of the Company's Common Stock, \$1.00 par value ("*Common Stock*"), or the Company's debt securities and units, each comprised of one or more of the securities registered pursuant to the Registration Statement, including such contracts and the Company's debt securities, to be issued and sold from time to time pursuant to Rule 415 under the Securities Act of 1933.

We have acted as counsel for the several Underwriters named in an Underwriting Agreement dated April 30, 2002 between the Company and Goldman, Sachs & Co., as representatives of such Underwriters, in connection with the issuance and sale pursuant to such underwriting agreement by the Company of 20,000,000 Equity Units (the "*Equity Units*"), initially consisting of 20,000,000 Corporate Units, components of which are \$500 million principal amount of the Company's Senior Notes, Series J, due 2007 and contracts to purchase shares of Common Stock pursuant to the terms thereof (the "*Purchase Contracts*").

In connection with the filing of the Registration Statement and the consummation of the transactions contemplated by the Underwriting Agreement, we have reviewed originals (or copies certified or otherwise identified to our satisfaction) of the Registration Statement, the Amended and Restated Articles of Incorporation and By-Laws of the Company as in effect on the date hereof, corporate and other documents, records and papers and certificates of public officials. We are members of the Bar of the State of New York and, for purposes of this opinion, do not hold ourselves out as experts on the laws of any jurisdiction other than the State of New York.

On the basis of such review, assuming that the Equity Units have been duly authorized, executed and delivered by the Company, we are of the opinion that the Purchase Contracts constitute valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law) and subject to an implied covenant of good faith, reasonableness and fair dealing.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933 or the rules and regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

/s/ Pillsbury Winthrop LLP

Pillsbury Winthrop LLP

[Letterhead of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P.]

May 6, 2002

CenturyTel, Inc.
100 CenturyTel Drive
Monroe, Louisiana 71203

RE: Issuance and Sale of Equity Units

Ladies and Gentlemen:

We have acted as tax counsel to CenturyTel, Inc. ("CenturyTel") in connection with its preparation and filing with the Securities and Exchange Commission (the "Commission") on May 2, 2002 of a Prospectus Supplement dated April 30, 2002 (the "Prospectus Supplement") to the Prospectus dated April 29, 2002 (the "Base Prospectus" and, together with the Prospectus Supplement, the "Final Prospectus"), which formed a part of the Registration Statement on Form S-3 (as amended, the "Registration Statement") under the Securities Act of 1933, as amended, with respect to the issuance on the date hereof of 20,000,000 Equity Units (the "Equity Units"), initially consisting of units (referred to as "Corporate Units") initially comprised of (i) a purchase contract under which the holder agrees to purchase shares of common stock of CenturyTel no later than May 15, 2005 (a "Purchase Contract") and (ii) a beneficial interest in a Senior Note, Series J, due 2007 having a \$25 stated principal amount (a "Senior Note"). All capitalized terms used in this opinion letter and not otherwise defined herein shall have the meanings ascribed to such terms in the Final Prospectus.

In delivering this letter, we have reviewed and relied upon: (i) the Final Prospectus; (ii) the resolutions adopted by the Board of Directors of CenturyTel on February 26, 2002, and the resolutions adopted by the Special Pricing Committee of the Board of Directors of CenturyTel on April 29, 2002; (iii) the Underwriting Agreement, dated as of April 30, 2002, by and between CenturyTel and Goldman, Sachs & Co., as representatives of the several underwriters identified therein; (iv) the Purchase Contract Agreement, dated as of May 1, 2002, by and between CenturyTel and Wachovia Bank, National Association ("Wachovia"); (v) the Pledge Agreement, dated as of May 1, 2002, by and among CenturyTel, Wachovia and JPMorgan Chase Bank; (vi) the Senior Indenture, as supplemented by the First Supplemental Indenture dated as of May 1, 2002, by and between CenturyTel and Regions Bank, as trustee; (vii) a form of the global Corporate Units certificate; (viii) a form of the global Treasury Units certificate; and (ix) a form of the Senior Notes certificate. We also have examined and relied upon originals, or duplicates or certified or conformed copies, of such records of CenturyTel and such other documents, certificates, representations and records as we have deemed necessary or appropriate as a basis for the opinions set forth herein.

In our examination of such material, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to original documents of all copies of documents submitted to us. In addition, we also have assumed that factual representations made to us are true, correct and complete and that the transactions related to the issuance of the Equity Units, the Corporate Units, and the Senior Notes will be consummated in accordance with the terms of the documents and forms of documents described herein. If any of the above described assumptions are untrue for any reason or if the issuance of the Equity Units, the Corporate Units, and the Senior Notes is consummated in a manner that is inconsistent with the manner in which it is described in the Final Prospectus, our opinions as expressed below may be adversely affected and may not be relied upon.

On the basis of the foregoing, and subject to the following qualifications and comments, we are of the opinion that under current United States federal income tax law (i) the Senior Notes will be classified as indebtedness for United States federal income tax purposes and (ii) the statements made in the Prospectus Supplement under the caption "United States Federal Income Tax Consequences," insofar as they purport to constitute summaries of matters of United States federal tax law and regulations or legal conclusions with respect thereto, constitute accurate summaries of the matters described therein in all material respects.

We express no opinion with respect to the transactions referred to herein or in the Final Prospectus other than as expressly set forth herein.

Our opinions are based upon the Internal Revenue Code of 1986, as amended, the Treasury regulations promulgated thereunder and other relevant authorities and law, all as in effect on the date hereof. Consequently, future changes in the law may cause the tax treatment of the transactions referred to herein to be materially different from that described in the Final Prospectus. We disclaim any undertaking to advise you of any subsequent changes of the matters stated, represented or assumed herein or any subsequent changes in applicable law, regulations or interpretations thereof.

We are members of the Bar of the State of Louisiana, and we do not express any opinion herein concerning any law other than the federal law of the United States. We consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us in

the Base Prospectus under the caption "Legal Matters." In giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Act or the general rules and regulations of the Commission.

Yours very truly,

Jones, Walker, Waechter, Poitevent,
Carrère & Denègre, L.L.P.

By: /s/ Rudolph R. Ramelli

Rudolph R. Ramelli

Exhibit 12
to Registration Statement
Registration No. 333-84276

**RATIO OF EARNINGS TO FIXED CHARGES
FOR THE YEAR ENDED DECEMBER 31,**

(UNAUDITED)

	2001	Non-recurring items	2001 excluding non-recurring items	2000	Non-recurring items	2000 excluding non-recurring items	1999	Non-recurring items	1999 excluding non-recurring items	1998	Non-recurring items	1998 excluding non-recurring items	1997
Net income	343,031	(117,370)	225,661	231,474	(2,646)	228,828	239,769	(1,452)	238,317	228,757	(30,528)	198,229	255
Income taxes	210,025	(66,698)	143,327	154,711	(4,166)	150,545	189,503	(36,821)	152,682	158,701	(19,331)	139,370	152
Net income before income taxes	553,056	(184,068)	368,988	386,185	(6,812)	379,373	429,272	(38,273)	390,999	387,458	(49,859)	337,599	408
Adjustments to earnings:													
Fixed charges	229,649		229,649	187,766		187,766	153,222		153,222	168,870		168,870	58
Capitalized interest	(3,472)		(3,472)	(3,800)		(3,800)	(1,990)		(1,990)	(626)		(626)	
Preferred stock div req, before tax	(654)		(654)	(664)		(664)	(675)		(675)	(692)		(692)	
Gross earnings from unconsolidated cellular partnerships	(42,553)	(7,890)	(50,443)	(26,986)	(5,330)	(32,316)	(29,956)	(6,860)	(36,816)	(32,869)	-	(32,869)	(27)

Distributed earnings from unconsolidated cellular partnerships (from cash flow stmt)	30,856	30,856	35,842	35,842	22,219	22,219	26,515	26,515	16
Gross losses from unconsolidated cellular partnerships	15,093	15,093	-	-	2,281	2,281	-	-	
Minority losses from majority-owned subsidiaries	(127)	(127)	(1,702)	(1,702)	(10)	(10)	(37)	(37)	(1)
Earnings as adjusted	781,848	589,890	576,641	564,499	574,363	529,230	548,619	498,760	452
Fixed charges									
Interest expense	225,523	225,523	183,302	183,302	150,557	150,557	167,552	167,552	56
AFDC	3,472	3,472	3,800	3,800	1,990	1,990	626	626	
Preferred stock div req, before tax	654	654	664	664	675	675	692	692	
Total fixed charges	229,649	229,649	187,766	187,766	153,222	153,222	168,870	168,870	58
Ratio of earnings to fixed charges and preferred stock dividends	3.40	2.57	3.07	3.01	3.75	3.45	3.25	2.95	

RATIO OF EARNINGS FROM CONTINUING OPERATIONS TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS FOR THE YEAR ENDED DECEMBER 31,

(UNAUDITED)

	2001	Non-recurring items	2001 excluding non-recurring items	2000	Non-recurring items	2000 excluding non-recurring items	1999	Non-recurring items	1999 excluding non-recurring items
Income from continuing operations	144,146	(16,377)	127,769	124,229	5,494	129,723	135,520	(5,571)	129,949
Income taxes from continuing operations	88,711	(8,666)	80,045	83,542	2,957	86,499	88,560	(2,964)	87,524
Net income from continuing operations before income taxes	232,857	(25,043)	207,814	207,771	8,451	216,222	224,080	(8,535)	215,545
Adjustments to earnings (from continuing operations):									
Fixed charges	229,649		229,649	187,766		187,766	153,222		153,222
Capitalized interest	(3,472)		(3,472)	(3,800)		(3,800)	(1,990)		(1,990)
Preferred stock div req, before tax	(654)		(654)	(664)		(664)	(675)		(675)
Minority losses from majority-owned subsidiaries	(35)		(35)	(1,614)		(1,614)	-		-
Earnings from continuing operations as adjusted	458,345		433,302	389,459		397,910	374,637		374,637

Fixed charges from continuing operations:						
Interest expense	225,523	225,523	183,302	183,302	150,557	15
AFDC	3,472	3,472	3,800	3,800	1,990	
Preferred stock div req, before tax	654	654	664	664	675	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fixed charges	229,649	229,649	187,766	187,766	153,222	15
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Ratio of earnings from continuing operations to fixed						
charges and preferred stock dividends	2.00	1.89	2.07	2.12	2.45	

Exhibit 23.1
to Registration Statement
Registration No. 333-84276

INDEPENDENT AUDITORS' CONSENT

The Board of Directors
CenturyTel, Inc.:

We consent to the use of our report incorporated herein by reference and to the reference to our firm under the heading "Experts" in the prospectus dated April 29, 2002.

/s/ KPMG LLP

Shreveport, Louisiana
May 10, 2002

End of Filing

Powered By **EDGAR**
Online

© 2005 | EDGAR Online, Inc.