

ATTACHMENT A

SUMMARY OF TERMS FOR PROPOSED PLAN OF REORGANIZATION OF POCKET COMMUNICATIONS, INC.

1 PURPOSE

- 1.1 Each of Ericsson, Inc. (“Ericsson”), Masa Telecom, Inc. ("MTI"), Pacific Eagle Investments, Ltd. ("PEIL"), Pacific Eagle Investment (L) Limited ("PEILL"), Masa Telecom Asia Investment Pte Ltd. ("MTAI") (collectively, “Masa/Pacific Eagle”), and Siemens Telecom Networks (“Siemens”) (together with Ericsson and Masa/Pacific Eagle, the “DIP Lenders”) has decided to develop and file a plan of reorganization (the “Plan”) with the U.S. Bankruptcy Court (the “Court”) for DCR PCS, Inc. (“DCR”) and Pocket Communications, Inc. (“Pocket” and together with DCR “the Debtors”). Among other issues, the Plan will provide for the disposition of the licenses (collectively, the “Licenses”) issued by the Federal Communications Commission (“FCC”) to DCR for providing personal communications services (“PCS”). This Summary of Terms (the “Term Sheet”) sets forth the framework for the Plan.
- 1.2 This Term Sheet was prepared for discussion purposes only and is not to be construed as a commitment to invest, to lend money, or to provide vendor financing. It is a summary of the terms upon which the DIP Lenders expect to submit this transaction for corporate approval from each of their respective boards or principals, and it is subject to negotiation with and consent of the United States and potential Designated Entities, as well as agreement to terms of final documentation. Neither this Term Sheet nor the Plan shall bind the FCC to approve the transactions contemplated by the Term Sheet or the Plan.

2 OVERVIEW OF THE PLAN

- 2.1 Subject to Sections 7.8 and 7.9, on the effective date of the Plan (the “Effective Date”), in exchange for payment of certain cash and entry into the agreements specified below:
 - 2.1.1 DCR shall transfer the Licenses for the Chicago MTA (hereinafter, the “Chicago Licenses”) and the Licenses for the Dallas MTA (hereinafter the “Dallas Licenses”) to certain subsidiaries of NEWGSM Co. to be formed as provided in Section 3.3 (the “New Licensees”);
 - 2.1.2 All Licenses except the Chicago Licenses and the Dallas Licenses shall automatically cancel pursuant to section 10.7 hereof; and

2.1.3 Debtors shall transfer all their assets other than the Licenses to NEWGSM Co. or subsidiaries thereof other than the New Licensees.

2.2 All terms of this Term Sheet except the Confidential Provisions shall be included in a public version of the Term Sheet (the “Public Version Term Sheet”).

3 TRANSFER OF THE CHICAGO AND DALLAS LICENSES

3.1 The DIP Lenders will cause a new company, NEWGSM Co., to be formed prior to the Effective Date.

3.2 The DIP Lenders will cause NEWGSM Co. to create operating subsidiaries (the “Operating Subsidiaries”) of NEWGSM Co. prior to the Effective Date. The Operating Subsidiaries shall conduct the business operations of NEWGSM Co. and its direct and indirect subsidiaries for the provision of PCS in the Chicago and Dallas MTAs.

3.3 The DIP Lenders will cause NEWGSM Co. to create the New Licensees prior to the Effective Date as wholly owned subsidiaries of NEWGSM Co. for the sole purpose of holding the Chicago Licenses and the Dallas Licenses.

3.4 Vendor financing (as specified in Sections 4.3 and 8.2, “Vendor Financing”) will be provided to one or more Operating Subsidiaries.

3.5 NEWGSM Co. will be controlled by a new “Control Group,” as defined by the FCC’s rules.

3.6 [Intentionally omitted]

3.7 Each New Licensee shall comply with all FCC rules and regulations, including those relating to C-Block and C-Block eligibility; provided, however, that to the extent any New Licensee is unable to satisfy said rules and regulations, it may seek a waiver from the FCC in connection with the transactions contemplated by this Term Sheet.

4 CAPITAL: By the date (the “Confirmation Date”) on which the Court enters an order (the “Confirmation Order”) confirming the Plan, NEWGSM Co. will have the following commitments for capital conditioned solely upon the occurrence of the Effective Date:

4.1 COMMON EQUITY:

4.1.1 the “Initial Equity Investment”

4.1.2 [Redacted]

4.1.3 [Redacted]

4.1.4 [Redacted]

4.1.5 [Intentionally omitted]

4.2 SUBORDINATED DEBT:

4.2.1 the “Initial Purchase Commitment”

4.2.2 [Redacted]

4.3 VENDOR FINANCING:

4.3.1 [Redacted]

5 ASSUMED DEBT: As part of the Plan, the DIP Lenders shall cause the following obligations to be assumed on the Effective Date in the manner set forth below:

5.1 FCC LICENSE PAYMENTS:

5.1.1 The New Licensees shall make quarterly payments to the United States in accordance with Schedule 5.1.1 attached hereto to hold the Chicago and Dallas Licenses and to satisfy the obligation to the United States originally incurred as a result of the initial issuance to DCR of the Chicago and Dallas Licenses. All payments specified in this section 5.1.1, whether matured or unmatured, shall be known as the “FCC License Payments.”

5.1.2 Each Chicago and Dallas License shall incorporate a payment schedule specific to that License. Each such License's quarterly payment shall be for an amount equal to the quarterly payment shown on Schedule 5.1.1 times the POP Ratio for the BTA for that License. "POP Ratio" means, for each of the Chicago and Dallas Licenses, the percentage equaling the number of POPs in that BTA divided by the total number of POPs in the Chicago and Dallas MTAs. The FCC License Payments scheduled to be made after November 4, 2006 (the "Extended Payments") may be prepaid at a discount rate of 6.5 percent prior to the date on which the Chicago and Dallas Licenses are scheduled to expire by their terms. Any Extended Payments not made by November 4, 2006 shall be included in the renewed Chicago or Dallas License (each, a “Renewed License”) to which it relates. Each Chicago and Dallas License and each Renewed License shall provide that if full and timely payment of the FCC License Payment to be made thereunder is not made, the License shall automatically cancel to the extent provided in FCC rules and regulations.

- 5.1.3 All obligations of the New Licensees to make the FCC License Payments shall be secured in accordance with the same terms and conditions set forth in sections 1 and 2 of the original FCC Broadband Personal Communications Service, C-Block Security Agreement executed by DCR for the Licenses, except for changes necessary to accommodate the structure of the FCC License Payments. Each member of the NEWGSM Co. Corporate Family and each Vendor shall execute an agreement covenanting not to bring any suit or take any other action, other than applying for relief at the FCC, to prevent the United States or the FCC from collecting all FCC License Payments, or from canceling any of the Chicago Licenses, the Dallas Licenses or the Renewed Licenses under the terms provided therein.
- 5.1.4 NEWGSM Co. and each of its direct and indirect subsidiaries (the “NEWGSM Co. Corporate Family”) shall guarantee the obligation of each New Licensee to make the FCC License Payments.
- 5.1.5 Each of the Chicago Licenses (the “Chicago Asset Pool”) shall secure payment of the FCC License Payments arising under the Chicago Licenses, and failure to make a timely payment of an FCC License Payment arising under one of the Chicago Licenses shall be a payment default on only the Chicago Asset Pool. Each of the Dallas Licenses (the “Dallas Asset Pool”) shall secure payment of the FCC License Payments arising under the Dallas Licenses, and failure to make a timely payment of an FCC License Payment arising under one of the Dallas Licenses shall be a payment default on only the Dallas Asset Pool. Any default on the FCC License Payments for the Chicago Licenses shall not be a default on FCC License Payments for the Dallas Asset Pool. Any default on the FCC License Payments for the Dallas Licenses shall not be a default on FCC License Payments for the Chicago Asset Pool.
- 5.1.6 Except for changes which are necessary to accommodate the structure of the FCC License Payments, the events of default for the FCC License Payments and cure periods therefor shall be the same as specified in the FCC Installment Payment Plan Note for Broadband Personal Communications Services, C-Block executed by DCR.
- 5.1.7 Transfer of any of the Chicago or Dallas Licenses shall be subject to approval by the FCC. If, with FCC approval, any of the New Licensees transfers one of the Chicago Licenses out of the Chicago Asset Pool or one of the Dallas Licenses out of the Dallas Asset Pool, then in exchange for the United States' release of any further FCC License Payments for that License, the New Licensee shall pay or have paid for it an amount equal to the present value of the remaining FCC License Payments for that License at a discount rate of 6.5 percent, together with any unjust enrichment payment obligations incurred under FCC regulations.
- 5.2 [Intentionally omitted]

5.3 NEWGSM Co. will assume \$158 million of certain of the DIP Lenders' pre-petition secured and unsecured claims against the Debtors' estates on terms acceptable to the DIP Lenders.

6 TERMS AND CONDITIONS FOR CHICAGO LICENSES AND DALLAS LICENSES

6.1 Except as modified hereby or otherwise agreed upon by the parties, the same terms and conditions applicable to C-Block licensees, including without limitation the build-out benchmarks and license renewal provisions, shall apply to the Chicago Licenses and Dallas Licenses upon assignment to the New Licensees.

7 TIMING OF PLAN PROPOSAL AND CONFIRMATION DATE, AND OF INVESTMENTS AND NOTE PURCHASES

7.1 Each of the DIP Lenders shall use its best efforts to file the Plan with the Court by March 31, 1998 (the "Plan Filing Deadline"). Each of the DIP Lenders shall be a co-proponent of the Plan.

7.2 If DCR desires to elect any restructuring option under the C Block Order (as amended from time to time), it shall indicate in writing which of the options it prefers by the earlier of (i) the deadline for making such an election in the C Block Order as amended or in any other extension connected with the election of the options that the FCC permits and that applies to DCR, (ii) the thirtieth calendar day after the Termination Date (as defined in Section 7.3.1 below), or (iii) the thirtieth calendar day after Confirmation Deadline if the Confirmation Date has not occurred by the Confirmation Deadline (as defined in Section 7.3 below). The Plan shall provide that upon occurrence of the Effective Date, (i) the Debtors' right to elect any of the restructuring options offered to C Block licensees shall terminate, and (ii) any of the Debtors' previous elections under the C-Block Order shall be deemed null and void. Any disposition of Licenses in connection with any DCR election pursuant to the C Block Order shall be subject to applicable law.

7.3 [Redacted]

7.3.1 The DIP Lenders may terminate the Plan if the FCC has not approved the transfer of the Chicago Licenses and Dallas Licenses to the New Licensees (the "FCC Grant") by the earlier of 150 days after the approval of the Disclosure Statement or December 31, 1998 (the "Termination Date"), or if the FCC Grant has occurred by the Termination Date but is subject to a stay.

7.4 By the date scheduled for the hearing on the Disclosure Statement, each of the DIP Lenders shall have obtained, among other things:

- 7.4.1 all requisite approvals within each of their respective organizations to take all actions contemplated herein to be taken by them provided only that the Effective Date conditions specified in Section 12.2 below are met; and
- 7.4.2 [Redacted]
- 7.5 By the Confirmation Date, the DIP Lenders and the DE shall execute commitment letters, binding unless the Effective Date does not occur, to provide funds necessary to confirm the Plan to capitalize NEWGSM Co. without resort to third-party financing of any kind. Such commitments shall not preclude NEWGSM Co. from obtaining new or additional financing from other sources, reasonably acceptable to the DIP Lenders and the United States, provided (x) the payment terms, security and other rights of the United States, and the credit quality of the obligor, are not adversely changed, and (y) such financing is consistent with applicable law, including any applicable FCC regulations.
- 7.6 [Intentionally omitted]
- 7.7 The DIP Lenders and the United States shall jointly move for an order by the Court, and if any objection thereto is filed, shall present evidence, that the United States and the FCC have not defaulted on any obligation under the DIP Order and the related FCC Term Sheet. By the date three business days prior to the date on which ballots on the Plan are due, the United States shall have obtained an order of the Court that the United States and the FCC have not defaulted on any obligation under the DIP Order and the related FCC Term Sheet.
- 7.8 The United States shall determine, in its sole discretion, whether the United States believes there exists a higher and better alternative (the "Alternative") to the Plan. The United States is free to accept any such Alternative instead of the Plan. In determining whether an Alternative exists:
- 7.8.1 for sixty (60) days from the date of this Term Sheet, the United States and the FCC may negotiate with any person about alternative proposals for reorganizing the Debtors, and may reveal to any such person any information that the FCC deems appropriate to disclose (including without limitation, all provisions of this Term Sheet) except the Confidential Provisions (as defined in Section 7.8.2);
- 7.8.2 neither the United States nor the FCC will reveal (i) any business plan or draft thereof provided to it or them by the DIP Lenders in connection with the negotiation of this Term Sheet, (ii) any provision of the Term Sheet other than those set forth in the Public Version Term Sheet, Exhibit 2.2 hereof, (items (i) and (ii), the "Confidential Provisions");

7.8.3 as of the date of this Term Sheet, the FCC may publish in the customary ways a public notice that (i) discloses the Public Version Term Sheet, (ii) indicates that any person who desires to propose or discuss an alternative to the Plan must first represent in writing to the FCC that doing so would not contravene any agreement with the DIP Lenders, and (iii) discusses the other procedures for submitting alternatives to the Plan to the FCC, but otherwise, except as expressly authorized in writing by the DIP Lenders or to any extent required by law, neither the United States nor the FCC will solicit an alternative proposal to the Term Sheet by any of the following means: (i) commissioning any advertisement, (ii) running any notice in any federal publication or (iii) issuing any press release.

7.9 Nothing contained herein shall require the DIP Lenders to vote in favor of the Alternative.

8 TERMS OF NEW DEBT SECURITIES

8.1 [Intentionally omitted]

8.2 VENDOR FINANCING: [Redacted]

8.3 SUBORDINATED NOTES: [Redacted]

8.4 DIP LENDERS CLAIM NOTES: [Redacted]

9 VENDOR UNDERTAKINGS

The vendors will provide NEWGSM Co. with PCS equipment and services necessary to build an operational PCS service using the GSM mode of signal transmission for the Chicago Licenses and the Dallas Licenses. NEWGSM Co. shall purchase all PCS equipment and services for the Chicago Licenses from Ericsson, and all PCS equipment and services for the Dallas Licenses from Siemens.

10 REORGANIZATION OF THE RESIDUAL DEBTOR ESTATES

10.1 Allowed administrative expenses shall be paid as follows:

10.1.1 On the Effective Date, the DIP Lenders shall lend to the Debtors' estates, on the same terms and conditions as the original DIP Loan (except as to maturity, repayment and as otherwise modified herein), an additional amount (the "Additional Loan") not to exceed \$5.5 million to pay in full all unpaid administrative expenses other than the original DIP Loan and the Additional Loan.

10.1.2 On the later of the Effective Date or when otherwise allowed, administrative

claims shall be paid to the extent allowed by the Court ("Allowed Administrative Claims").

- 10.1.3 On the Effective Date, NEWGSM Co. shall assume and repay to the DIP Lenders the DIP Loan and the Additional Loan, plus accrued interest and charges, and the DIP Lenders shall waive payment of the DIP Loan by the Debtors and by the United States (including the FCC) under the terms of the existing DIP Loan Order and documentation.
- 10.2 On the Effective Date, NEWGSM Co. shall pay to the Pocket estate \$5.5 million less the amount of Allowed Administrative Claims, for payment of distributions to the unsecured creditors, other than the DIP Lenders in accordance with section 10.6.
- 10.3 [Intentionally omitted]
- 10.4 [Intentionally omitted]
- 10.5 On the Effective Date, NEWGSM Co. will assume \$158 million of the DIP Lenders' pre-petition secured and unsecured debt against the Debtors' estates, as provided in Section 8.4.
- 10.6 After the DIP Loan, Additional Loan and Allowed Administrative Claims are indefeasibly paid in full, the DIP Lenders will permit the unsecured creditors, other than the DIP Lenders, to share *pro rata* in the remaining funds described in section 10.2 above, ahead of the remaining unsecured claims of the DIP Lenders, which are approximately \$20 million.
- 10.7 On the Effective Date, Licenses except the Chicago Licenses and the Dallas Licenses shall automatically be canceled, and the Debtors and certain others shall be released from obligations to the United States related to the Licenses as provided in Section 11.2 below.
- 10.8 NEWGSM Co. shall comply with section 1123(a)(6) of the Bankruptcy Code in issuing equity and warrants.

11 RELEASES

- 11.1 On the Effective Date, each of the Debtors, and each of their successors and assigns, on its own behalf and on behalf of each of its present and former officers, directors, trustees, managers, employees, agents, attorneys, accountants, and consultants, shall release, waive, compromise and settle any and all rights, claims and causes of action that each has, has had or at any time in the future may have against any of the United States, the FCC, the DIP Lenders or any present or former commissioner, employee, agent, attorney, financial

advisor or consultant of the United States, the FCC, or the DIP Lenders with respect to or arising in any way in connection with or as a result of any of the Licenses, or any of Debtors' notes, security agreements, or other instruments to the United States, the FCC, or the DIP Lenders, or financial accommodations at any time furnished to or for the benefit of either of the Debtors, including without limitation, any claim under any state or federal fraudulent transfer, fraudulent conveyance, preference or similar law. If the Effective Date does not occur, the releases for which this paragraph provides shall be deemed null and void.

- 11.2 On the Effective Date, the United States (including the FCC) will release all claims and causes of action (other than tax, criminal or fraud claims) that it has, has had or at any time in the future may have against any of the DIP Lenders, the Debtors, the Debtors' estates, or any of its or their present or former officers, directors, trustees, managers, employees, agents, attorneys, financial advisors and consultants, with respect to or arising in any way in connection with or as a result of the Licenses, or any of Debtors' notes, security agreements, or other instruments to the United States or the FCC, or financial accommodations at any time furnished to or for the benefit of either of the Debtors; provided, however, that all claims and rights of the United States or the FCC under the Plan and the documents delivered to the United States or the FCC in connection with the Plan are expressly excluded from the foregoing release. If the Effective Date does not occur, the releases for which this paragraph provides shall be deemed null and void.
- 11.3 On the Effective Date, each of the DIP Lenders, and each of their successors and assigns, on its own behalf and on behalf of each of its present and former officers, directors, trustees, managers, employees, agents, attorneys, accountants, and consultants, shall release, waive, compromise and settle any and all rights, claims and causes of action that each has, has had or at any time in the future may have against the United States, the FCC, the Debtors, or any present or former commissioner, employee, agent, attorney, financial advisor or consultant of any of them, with respect to or arising in any way in connection with or as a result of the Licenses, or any of Debtors' notes, security agreements, or other instruments to the United States, the FCC, or the DIP Lenders, or financial accommodations at any time furnished to or for the benefit of either of the Debtors, including without limitation, any claim under any state or federal fraudulent transfer, fraudulent conveyance, preference or similar law; provided that all claims and rights of the DIP Lenders or NEWGSM Co. under the Plan and the documents delivered to the DIP Lenders or NEWGSM Co. in connection with the Plan are expressly excluded from the foregoing release. If the Effective Date does not occur, the releases for which this paragraph provides shall be deemed null and void.
- 11.4 On the Effective Date, each unsecured creditor and administrative claimant of the Debtors, and each of their successors and assigns, on its own behalf and on behalf of each of its present and former officers, directors, trustees, managers, employees, agents, attorneys,

accountants, and consultants, shall release, waive, compromise and settle any and all rights, claims and causes of action that each has, has had or at any time in the future may have against the United States, the FCC, each of the DIP Lenders, or any present or former commissioner, employee, agent, attorney, financial advisor or consultant of any of them, with respect to or arising in any way in connection with or as a result of the Licenses, or any claim against, or administrative expense of , either of the Debtors; provided that such releases shall not apply to the rights of unsecured creditors and administrative claimants to payments under the Plan and Confirmation Order. If the Effective Date does not occur, the releases for which this paragraph provides shall be deemed null and void.

12 EFFECTIVE DATE TIMING AND CONDITIONS

12.1 The Effective Date shall occur on the later of (i) eleventh calendar day after the Confirmation Date, and (ii) the date on which the conditions precedent to the effectiveness of the Plan have been fulfilled or waived in accordance with the Plan; provided that if such day is a Saturday, a Sunday, or a legal holiday specified in Fed. R. Civ. P. 6(a), then the Effective Date shall occur the next calendar day that is not a Saturday, a Sunday, or a legal holiday specified in Fed. R. Civ. P. 6(a).

12.2 In addition to the provisions of section 12.1, the occurrence of the Effective Date shall be subject to the occurrence of each of the following conditions:

12.2.1 the Confirmation Order shall have been entered in form and substance satisfactory to the United States and the DIP Lenders, and shall not be the subject of a stay; and

12.2.2 the FCC Grant shall have been entered and such order shall not be the subject of a stay.

Schedule 5.1.1
Schedule of Payments under the FCC Obligation

Payment	Total Payment	Payment	Total Payment
10/1998	\$ 5,826,000 ¹	1/2005	\$ 23,541,000
1/1999	5,826,000	4/2005	23,541,000
4/1999	5,826,000	7/2005	23,541,000
7/1999	5,826,000	10/2005	23,541,000
10/1999	5,826,000	1/2006	23,541,000
1/2000	5,826,000	4/2006	23,541,000
4/2000	5,826,000	7/2006	23,541,000
7/2000	5,826,000	10/2006	23,541,000
10/2000	5,826,000	1/2007	613,438
1/2001	5,826,000	4/2007	613,438
4/2001	5,826,000	7/2007	613,438
7/2001	5,826,000	10/2007	613,438
10/2001	5,826,000	1/2008	613,438
1/2002	5,826,000	4/2008	613,438
4/2002	5,826,000	7/2008	613,438
7/2002	5,826,000	10/2008	38,363,438
10/2002	5,826,000		
1/2003	23,541,000		
4/2003	23,541,000		
7/2003	23,541,000		
10/2003	23,541,000		
1/2004	23,541,000		
4/2004	23,541,000		
7/2004	23,541,000		
10/2004	23,541,000		

¹ If the payment due at the end of October 1998 is for less than a full quarter, the payment will be pro rated based on 12 thirty-day months.