

APN# _____

Recording Requested by:

Name Sierra Pacific Communications
Attn: Bill Peterson

Address 6100 Neil Road, Suite 555

City/State/Zip Reno, NV 89511

BOOK *421* PAGE *59-63*
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EUREKA COUNTY, NEVADA
M.H. REBALEATI, RECORDER
FILE NO. FEES *1800*

200584

(for recorder's use only)

PARTIAL UNDERLYING RIGHTS ASSIGNMENT
(Title of Document)

This page added to provide additional information required by NRS 111.312 Section 1-2.
(Additional recording fee applies)

This cover page must be typed or printed.

THE TRANSFER OF THE PROPERTY DESCRIBED HEREIN IS NOT SUBJECT TO TAXATION UNDER ANY STATE OR LOCAL LAW IMPOSING A STAMP, TRANSFER OR SIMILAR TAX, IN ACCORDANCE WITH THE COMPREHENSIVE SALE, INTERPLEADER AND SETTLEMENT ORDER ENTERED ON OCTOBER 6, 2004 BY THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE PURSUANT TO SECTIONS 105, 363(b), 363(f), 365(a), 365(f), 1123(a)(5) AND 1123(b) OF THE BANKRUPTCY CODE (THE "SETTLEMENT ORDER"), WHICH ORDER (A) AUTHORIZED SIERRA PACIFIC COMMUNICATIONS TO SELL, TRANSFER, ASSIGN, CONVEY AND DELIVER CERTAIN OF ITS RIGHTS, ASSETS, CONTRACTS AND PROPERTY TO SIERRA TOUCH AMERICA, LLC, A DEBTOR AND DEBTOR-IN-POSSESSION, FREE AND CLEAR OF ALL LIENS (OTHER THAN PERMITTED ENCUMBRANCES) AND LIABILITIES (OTHER THAN ASSUMED LIABILITIES), PURSUANT TO THE TERMS SET FORTH IN THE SPC AGREEMENT (AS DEFINED BELOW) AND (B) APPROVED THE ASSIGNMENT TO SIERRA TOUCH AMERICA, LLC OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES OF SIERRA PACIFIC COMMUNICATIONS DESIGNATED BY DEBTORS, AND WAIVING THE AUTOMATIC STAY UNDER FED. R. BANKR. P. 6004(g) AND 6006(d)

PARTIAL UNDERLYING RIGHTS ASSIGNMENT

STATE OF NEVADA §

COUNTY OF EUREKA §

THIS PARTIAL UNDERLYING RIGHTS ASSIGNMENT is made effective as of the 19th day of October, 2004, by and between AT&T CORP., a New York corporation whose mailing address is One AT&T Way, Room 3A 123, Bedminster, New Jersey 07921 ("AT&T"), AT&T's designee AT&T Network Assets 2 Inc., a Delaware corporation whose mailing address is One AT&T Way, Room _____, Bedminster, New Jersey 07921 ("AT&T Network 2") and SIERRA PACIFIC COMMUNICATIONS, a Nevada corporation whose mailing address is 5860 South Pecos Street, Bldg. G, Las Vegas, NV 89120 ("SPC") (AT&T, AT&T Network 2 and SPC to include their respective successors, legal representatives and assigns where the context requires or permits). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the SPC Agreement.

WITNESSETH

WHEREAS, AT&T, SPC, and Touch America, Inc., a Montana corporation ("Touch America"), and certain of Touch America's affiliates (together with Touch America, the "Debtors") are each parties to that Settlement Agreement dated as of July 28, 2004 (the "SPC Agreement");

WHEREAS, SPC has entered into an agreement with Qwest Communications Corporation ("Qwest") dated June 29, 2001, which agreement was amended and superseded by that certain Amended and Restated Agreement for Construction and Sale of a Conduit dated on or about September 11, 2002 (as amended and extended, the "Qwest Agreement") pursuant to

which SPC has agreed, among other things, to convey to Qwest the SPC/Qwest Duct (as defined in the SPC Agreement); and

WHEREAS, pursuant to Section 2.5.1 of the SPC Agreement, AT&T and AT&T Network 2 have each agreed to provide to SPC partial interests in all underlying rights currently held by them necessary for the construction, placement, development, ownership, use, operation, maintenance or upgrade of the SPC/Qwest Duct, as more specifically identified on the annexed Schedule A (collectively, the "Partial Underlying Rights"); and

WHEREAS, AT&T and its designee AT&T Network 2 now desire to assign to SPC an interest in and to the Partial Underlying Rights.

NOW THEREFORE, AT&T and AT&T Network 2, for and in consideration of the sum of One Hundred and No/100 Dollars (\$100.00) and other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, each hereby assign, sets over and transfer to SPC, an interest in and to the Partial Underlying Rights, free and clear of all Liens (other than Permitted Encumbrances) pursuant to the SPC Agreement, Plan and Settlement Order.

AT&T and AT&T Network 2 hereby covenant with SPC that, upon SPC's request and at SPC's sole expense, each of them will execute and deliver (i) individual assignments, in recordable form and otherwise satisfactory to SPC, assigning one or more Partial Underlying Rights, and (ii) such further assurances of the assignments provided for in this Partial Underlying Rights Assignment as SPC may reasonably request.

SPC's interests in and to the Partial Underlying Rights shall be freely assignable by SPC, without prior notice, to Qwest or such other entity as Qwest may designate pursuant to the Qwest Agreement (a "Qwest Designee"). SPC may assign its interest in and to the Partial Underlying Rights to a person or entity other than Qwest or a Qwest Designee only upon the prior written consent of AT&T, which consent shall not be unreasonably withheld (a "Non-Qwest Assignment"). In the event that SPC seeks to effectuate a Non-Qwest Assignment, SPC shall request AT&T's consent in writing actually delivered both to AT&T's address set forth above, to the attention of both Robert S. Feit, Esquire, and to AT&T's counsel, Dickstein Shapiro Morin & Oshinsky LLP, 2101 L Street, NW, Washington, D.C. 20037, Attn: Jonathan Odell, Esquire, at least twenty-one (21) days prior to the anticipated date of such Non-Qwest Assignment. AT&T shall actually deliver a written response to such request to SPC's address set forth above, to the attention of Michael W. Yackira, President, and to SPC's counsel, Skadden Arps Slate Meagher & Flom LLP, 300 South Grand Avenue, 36th Floor, Los Angeles, California 90071-3144, Attn: Van C. Durrer, II, Esquire, within no more than fifteen (15) days from the date such request is received. In the absence of a timely response, AT&T shall be deemed to have consented to such Non-Qwest Assignment.

IN WITNESS THEREOF, AT&T and AT&T Network 2 have each signed and sealed this Partial Underlying Rights Assignment as of the day and year first above written.

ASSIGNOR:

AT&T CORP.

By: Gregory T. Smith
Name: Gregory T. Smith
Title: Group Manager

AT&T NETWORK ASSETS 2 INC.

By: Gregory T. Smith
Name: Gregory T. Smith
Title: Secretary

STATE OF New Jersey §
COUNTY OF Somerset §

Before me, the undersigned authority, on this day personally appeared Gregory T. Smith the Group Manager of AT&T CORP., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration and in the capacity therein expressed.

Given under my hand and seal of office this 20th day of July, 2005.

TERESA A. PISCIOTTI
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 4/24/2009

Theresa Pisciotti
Notary Public

STATE OF New Jersey §
COUNTY OF Somerset §

Before me, the undersigned authority, on this day personally appeared Gregory T. Smith the Secretary of AT&T Network Assets 2 Inc., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration and in the capacity therein expressed.

Given under my hand and seal of office this 20th day of July, 2005.

TERESA A. PISCIOTTI
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 4/24/2009

Theresa Pisciotti
Notary Public

Schedule A

ASSIGNED RIGHTS AND INTERESTS

1. Partial interests, to the extent currently held by AT&T and AT&T Network, or either of them, in any and all permit, right-of-way, license, occupancy, use, and other access rights in and to the Conduit System (as defined in the Qwest Agreement) to the extent necessary for the construction, placement, development, ownership, use, operation, maintenance or upgrade of the SPC/Qwest Duct.

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