

SPRINT NEXTEL CORP
Form S-3
October 10, 2006

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As filed with the Securities and Exchange Commission on October 10, 2006
Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Sprint Nextel Corporation
(Exact name of registrant as specified in its charter)

Kansas
*(State or other jurisdiction of
incorporation or organization)*

48-0457967
*(I.R.S. Employer
Identification No.)*

**2001 Edmund Halley Drive
Reston, Virginia 20191
(703) 433-4000**
*(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)*

**Leonard J. Kennedy, Esq.
General Counsel
Sprint Nextel Corporation
2001 Edmund Halley Drive
Reston, Virginia 20191
(703) 433-4000**
*(Name, address, including zip code, and telephone number,
including area code, of agent for service)*

Copies to:

Lisa A. Stater, Esq.
Jones Day
1420 Peachtree Street, N.E., Suite 800
Atlanta, Georgia 30309-3053
(404) 521-3939

Approximate date of commencement of proposed sale to the public: As soon as practicable following the effective date of this Registration Statement.

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, 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 this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Unit(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(2)
Guarantees of debt securities issued by Nextel Partners, Inc.(1)	\$475,000,000(2)	100%(2)	\$475,000,000(2)	\$50,825(2)

(1) This registration statement relates to the offer by Sprint Nextel Corporation to fully and unconditionally guarantee certain outstanding debt securities of Nextel Partners, Inc. in return for the consent of the holders of the debt securities to amendments to the indentures under which the debt securities were issued.

(2) The registration fee has been calculated in accordance with Rule 457 of the Securities Act of 1933, as amended. For purposes of this calculation, the maximum aggregate offering price, which is estimated solely for the purpose of calculating the registration fee, is the aggregate book value of the Nextel Partners, Inc. debt securities that would be amended and receive the guarantees registered hereby, which is \$475,000,000.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, nor have any of these organizations determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The solicitation agent for the consent solicitation is:

Bear, Stearns & Co. Inc.

The date of this prospectus is _____, 2006

REFERENCES TO ADDITIONAL INFORMATION

As used in this prospectus, we, us or our refers to Sprint Nextel Corporation (formerly known as Sprint Corporation), Nextel Partners refers to Nextel Partners, Inc., our wholly owned subsidiary, and Nextel Communications or Nextel refers to Nextel Communications, Inc. prior to its merger with and into one of our wholly owned subsidiaries and, thereafter, to that subsidiary as the surviving corporation in that merger (which was renamed Nextel Communications, Inc.), in each case, together with such corporation's subsidiaries. This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. You may obtain documents that we file with the SEC and incorporate by reference into this prospectus by requesting the documents, in writing or by telephone, from the SEC or from:

Sprint Nextel Corporation
 2001 Edmund Halley Drive
 Reston, Virginia 20191
 Attention: Investor Relations
 Telephone: (703) 433-4300

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PROSPECTUS SUMMARY

This summary highlights basic information about us, Nextel Partners, the consent solicitation and the guarantees, but does not contain all information important to you. You should read the more detailed information and consolidated financial statements and the related notes incorporated by reference into this prospectus.

Overview

Sprint Nextel

2001 Edmund Halley Drive
Reston, Virginia 20191
(703) 433-4000

On August 12, 2005, Nextel Communications merged with one of our wholly owned subsidiaries. In connection with the merger, we changed our name from Sprint Corporation to Sprint Nextel Corporation. We offer a comprehensive suite of wireless and long distance wireline communications products and services to individuals, small businesses, large enterprises and government customers. We own extensive wireless networks and a global long distance, Tier 1 Internet backbone. At the time that we announced the merger with Nextel, we also announced that we intended to spin-off our local communications business. We completed the spin-off on May 17, 2006.

Nextel Partners

4500 Carillon Point
Kirkland, Washington 90833
(425) 576-3600

Nextel Partners is principally engaged in the ownership and operation of wireless communications. Nextel Partners provides wireless communications services under the Nextel® brand name within its service areas. Its wireless network utilizes integrated Digital Enhanced Network, or iDEN®, technology provided by Motorola, Inc., or Motorola. On June 26, 2006, we acquired the remaining common stock of Nextel Partners that we did not already own and completed the acquisition of Nextel Partners by merging one of our wholly owned subsidiaries with Nextel Partners.

Although both of the indentures governing the 81/8% Senior Notes due 2011 contain provisions that generally require Nextel Partners to make an offer to repurchase these notes upon a change in control, our acquisition of Nextel Partners did not trigger these provisions. Because we are a permitted holder of Nextel Partners stock under both indentures, our acquisition of the common stock of Nextel Partners that we did not already own did not qualify as a change of control under the indentures. See Description of the Amended Notes Covenants Change of Control. In addition, because Nextel Partners was the surviving entity in the merger that completed our acquisition, the merger was permitted under the merger covenants of both indentures and did not require Nextel Partners to offer to repurchase the notes. See Description of the Amended Notes Covenants Merger, Sale of Assets, Etc.

Use of Proceeds

We will not receive any cash proceeds from the issuance of our guarantees.

The Consent Solicitation

The Notes

81/8% Senior Notes due 2011, issued in December 2003, or the 2003 notes.

81/8% Senior Notes due 2011, issued in October 2004, or the 2004 notes, which, together with the 2003 notes, are referred to in this prospectus as the notes.

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The Consent Solicitation	We are soliciting consents from the holders of the notes to the proposed amendments described below. See The Consent Solicitation. We will provide our guarantees if consents to the proposed amendments have been validly submitted and not withdrawn by holders of record of a majority in aggregate principal amount of each series of notes.
Record Date	, 2006
Proposed Amendments	<p>We are making the consent solicitation to amend certain covenants contained in the indentures governing the notes to provide us with the operational flexibility to integrate more effectively our and Nextel Partner s business and substitute our financial reports that we file with the SEC for those of Nextel Partners. The proposed amendments would, among other things:</p> <ul style="list-style-type: none">modify the definition of Asset Sale to exclude specifically any transfer or sale of assets from Nextel Partners or its restricted subsidiaries to us or any of our other direct or indirect subsidiaries;permit Nextel Partners to provide our periodic reports and other information filed with the SEC to the holders of the notes, in lieu of separate reports and information relating only to Nextel Partners; andmodify the affiliate transactions covenant to permit Nextel Partners and its restricted subsidiaries to engage in transactions with us and any of our other direct or indirect subsidiaries, so long as such transactions are on terms that are no less favorable to Nextel Partners and its restricted subsidiaries than those that would have been obtained in comparable transactions by Nextel Partners and its restricted subsidiaries with an unrelated person, without having to obtain:<ul style="list-style-type: none">an independent fairness opinion; orexcept in transactions above a certain dollar threshold, the approval of Nextel Partners board of directors.
The Supplemental Indentures	The proposed amendments to the indentures would be set forth in supplemental indentures to be executed by Nextel Partners and the trustee with respect to the 2003 notes, and Nextel Partners and the trustee with respect to the 2004 notes, promptly following the expiration date, if the required consents have been obtained. If the proposed amendments become effective, each indenture, as amended, will apply to each holder of the corresponding notes, regardless of whether that holder delivered a consent to the proposed amendments.
Expiration Date; Waiver; Amendment; Termination	The consent solicitation will expire at 5:00 p.m., New York City time, on , , 2006, unless extended in respect of either or both series of the notes. We expressly reserve the right to waive or modify any term

of, or terminate, the consent solicitation in respect of either or both series of the notes.

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Required Consents	The proposed amendments to the indentures governing the notes require the consent of the holders of a majority in aggregate principal amount of each series of the notes for the proposed amendments to either of the indentures to become operative. We may waive this requirement, however, for either series of the notes, if we receive the required consents from the holders of a majority of that series of notes.
Revocation of Consents	A holder of notes may revoke a previously submitted consent at any time prior to the expiration date by following the procedures set forth herein.
Guarantees	We are offering to fully and unconditionally guarantee Nextel Partners payment obligations under the 2003 notes and the indenture governing the 2003 notes, or the 2003 indenture, and the 2004 notes and the indenture governing the 2004 notes, or the 2004 indenture, on a senior, unsecured basis, if the proposed amendments to the indentures become effective. If the guarantees are issued and Nextel Partners cannot make any payment on either of the 2003 notes or the 2004 notes, we would be required to make the payment instead.
United States Federal Income Tax Considerations	Although the issue is not free from doubt, we believe that a holder of notes should not recognize any income, gain or loss as a result of the implementation of the proposed amendments to the indentures governing the notes and the provision of our guarantees. See United States Federal Income Tax Considerations.
Solicitation Agent	The solicitation agent for the consent solicitation is Bear, Stearns & Co. Inc.
Consent Agent	The consent agent for the consent solicitation is The Bank of New York.
Information Agent	The information agent for the consent solicitation is Georgeson, Inc. Additional copies of this prospectus, the letter of consent and other related materials may be obtained from the information agent.
Risk Factors	You should read the Risk Factors section beginning on page 6 of this prospectus, as well as other cautionary statements included or incorporated by reference into this prospectus, to ensure that you understand the risks associated with the consent solicitation and the guarantees.

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The following table sets forth our selected historical financial data. The following data as of and for each of the years in the five-year period ended December 31, 2005 have been derived from our consolidated financial statements. The statement of operations and balance sheet data as of June 30, 2006 and 2005 have been derived from our unaudited consolidated financial statements. All periods reflect the spin-off of our local communications business, completed on May 17, 2006, as discontinued operations. In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. The following information should be read together with our consolidated financial statements and the notes related to those financial statements, which are incorporated by reference into this prospectus. The information set forth below is not necessarily indicative of the results of future operations.

	As of or for the Six Months Ended		As of or for the Years Ended December 31,				
	June 30, 2006	2005	2005	2004	2003	2002	2001
(In millions, except per share amounts and ratios)							
Statement of Operations Data:							
Net operating revenues	\$ 20,088	\$ 11,172	\$ 28,789	\$ 21,647	\$ 20,414	\$ 20,889	\$ 19,595
Operating income (loss)(1)(2)	1,196	1,356	2,141	(1,999)	(729)	417	(2,582)
Income (loss) from continuing operations(1)(2)	455	553	821	(2,006)	(1,306)	(522)	(2,632)
Net income (loss)(1)(2)	789	1,072	1,785	(1,012)	1,290	610	(1,447)
Diluted earnings (loss) per common share from continuing operations(1) (2) (3)(4)	\$ 0.15	\$ 0.37	\$ 0.40	\$ (1.40)	\$ (0.92)	\$ (0.38)	\$ (1.91)
Basic earnings (loss) per common share from continuing operations(1) (2) (3)(4)	\$ 0.15	\$ 0.37	\$ 0.40	\$ (1.40)	\$ (0.92)	\$ (0.38)	\$ (1.91)
Diluted earnings (loss) per common share(3)(4)	\$ 0.26	\$ 0.71	\$ 0.87	\$ (0.71)	\$ 0.91	\$ 0.43	\$ (1.05)
Basic earnings (loss) per common share(3)(4)	\$ 0.26	\$ 0.72	\$ 0.87	\$ (0.71)	\$ 0.91	\$ 0.43	\$ (1.05)
Diluted weighted average common shares outstanding(3)(4)	2,997	1,497	2,054	1,443	1,415	1,400	1,382
Basic weighted average common shares outstanding(3)(4)	2,974	1,479	2,033	1,443	1,415	1,400	1,382
	\$ 0.05	\$ 0.25	\$ 0.30	Note(6)	Note(6)	Note(6)	Note(6)

Dividends per common
share(5)(6)

Balance Sheet Data:

Total assets	\$ 98,251	\$ 42,529	\$ 102,580	\$ 41,321	\$ 42,675	\$ 45,113	\$ 45,619
Property, plant and equipment, net	24,120	14,341	23,329	14,662	19,130	21,127	21,423
Intangible assets, net	60,655	7,802	49,307	7,809	7,788	9,019	9,034
Total debt (including short-term and long-term borrowings, equity unit notes and redeemable preferred stock)	23,301	15,578	25,261	16,672	18,490	21,109	21,522
Shareholders equity	54,012	14,478	51,937	13,521	13,113	12,108	12,450
Ratio of Earnings to Fixed Charges:	1.57	2.16	1.63	(7)	(8)	(9)	(10)

(1) For the six months ended June 30, 2006, we recorded net charges reducing our operating income by \$267 million and income from continuing operations by \$161 million. For the six months ended June 30, 2005, we recorded net charges reducing our operating income by \$58 million and income from continuing operations by \$36 million. These charges for both periods related to merger and integration costs, asset impairments and restructuring charges.

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In 2005, we recorded net charges reducing our operating income by \$724 million and income from continuing operations by \$446 million. These charges related to merger and integration costs, asset impairments, restructurings and hurricane-related costs.

In 2004, we recorded net charges reducing our operating income by \$3.7 billion to an operating loss and reducing income from continuing operations by \$2.3 billion to an overall loss from continuing operations. The charges related primarily to restructurings and a long distance network impairment, partially offset by recoveries of fully reserved MCI Communications Corporation, or MCI, (now Verizon) receivables.

In 2003, we recorded net charges reducing our operating income by \$1.9 billion and reducing income from continuing operations by \$1.2 billion resulting in an overall loss from continuing operations. The charges related primarily to restructurings, asset impairments, and executive separation agreements, offset by recoveries of fully reserved MCI receivables.

In 2002, we recorded charges reducing our operating income by \$318 million and reducing income from continuing operations by \$200 million. The charges related primarily to restructurings, asset impairments and expected loss on MCI receivables.

In 2001, we recorded charges reducing our operating income by \$1.7 billion to an operating loss and increasing the loss from continuing operations by \$1.1 billion. The charges related primarily to restructurings and asset impairments.

- (2) We adopted Statement of Financial Accounting Standards, or SFAS, No. 142, *Goodwill and Other Intangible Assets*, on January 1, 2002. Accordingly, amortization of goodwill, spectrum licenses and trademarks ceased as of that date because they are indefinite life intangibles.
- (3) As the effects of including the incremental shares associated with options, restricted stock units and employees stock purchase plan shares are antidilutive, both basic loss per common share and diluted loss per common share from continuing operations reflect the same calculation for the years ended December 31, 2004, 2003, 2002 and 2001.
- (4) All per share amounts have been restated, for all periods before 2004, to reflect the recombination of our common stock and PCS common stock as of the earliest period presented at an identical conversion ratio (0.50 shares of our common stock for each share of PCS common stock). The conversion ratio was also applied to dilutive PCS securities (mainly stock options, employees stock purchase plan shares, convertible preferred stock and restricted stock units) to determine diluted weighted average shares on a consolidated basis.
- (5) In the first and second quarter 2005, a dividend of \$0.125 per share was paid. In the third and fourth quarter 2005 and the first and second quarter 2006, the dividend was \$0.025 per share.
- (6) Before the recombination of our two tracking stocks, shares of PCS common stock did not receive dividends. For each of the four years ended December 31, 2004 and prior, shares of our common stock (before the conversion of shares of PCS common stock) received dividends of \$0.50 per share. In the first quarter 2004, shares of our common stock (before the conversion of shares of PCS common stock) received a dividend of \$0.125 per share. In the second, third and fourth quarter 2004, shares of our common stock, which included shares resulting from the conversion of shares of PCS common stock, received quarterly dividends of \$0.125 per share.
- (7) Earnings, as adjusted, were inadequate to cover fixed charges by \$3.3 billion in 2004.

- (8) Earnings, as adjusted, were inadequate to cover fixed charges by \$2.1 billion in 2003.
- (9) Earnings, as adjusted, were inadequate to cover fixed charges by \$1.1 billion in 2002.
- (10) Earnings, as adjusted, were inadequate to cover fixed charges by \$4.0 billion in 2001.

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RISK FACTORS

You should carefully consider the risk factors discussed below, as well as the other information included and incorporated by reference into this prospectus, in connection with participation in the consent solicitation.

Risk Factors Relating to the Proposed Amendments to the Indentures

The proposed amendments to the indentures would result in fewer restrictions on Nextel Partners' conduct than currently exist.

If the proposed amendments to the indentures become effective, the covenants in the amended indentures would generally impose fewer restrictions on Nextel Partners' conduct than the covenants currently in the indentures. The proposed amendments would allow Nextel Partners to take actions that would otherwise have been restricted or conditioned, including certain transactions with affiliates, and with which you may not agree. For example, the proposed amendments to the indentures would permit Nextel Partners to engage in transactions with affiliates, which might, in certain circumstances, otherwise require Nextel Partners to seek a waiver from noteholders. See "The Consent Solicitation - Description of the Proposed Amendments" and Annex A to this prospectus for more information about the differences between what actions are currently restricted by the covenants currently applicable to the notes and what actions would be restricted by the covenants following the effectiveness of the proposed amendments.

Holders of the notes may be adversely affected if we do not issue our guarantees because, in that case, holders will have a claim only against Nextel Partners and not us.

Nextel Partners has a substantial amount of debt, including its obligations under the notes. The indentures governing the notes limit Nextel Partners' ability to, among other things, borrow more money, which limits its ability to raise additional capital that may be necessary to pay its debts, including the notes. If we do not receive the required consents, in which case we would not issue the guarantees, and Nextel Partners is unable to satisfy its payment obligations on the notes, holders of the notes would have no direct claim against us for these payment obligations.

There can be no assurance that the implementation of the proposed amendments to the indentures and the provision of our guarantees of the notes will not constitute a taxable event for the holders of the notes.

We believe that the adoption of the proposed amendments and the provision of our guarantees of the notes should not constitute a taxable event for the holders of the notes. However, these actions could be treated as significant modifications of the notes resulting in a deemed exchange not treated as a recapitalization for tax purposes. If, contrary to our belief, the implementation of the proposed amendments and the provision of our guarantees were treated in this manner, a holder of the notes would recognize gain or loss in an amount equal to the difference, if any, between the amount realized by the holder in the deemed exchange and the holder's adjusted tax basis in the notes deemed to be exchanged.

Risk Factors Relating to the Sprint-Nextel Merger and the Spin-off of Embarq

We may not be able to successfully integrate the businesses of Nextel with ours and realize the anticipated benefits of the merger.

Significant management attention and resources are being devoted to integrating the Nextel wireless network and other wireless technologies with ours, as well as the business practices, operations and support functions of the two

companies. The challenges we are facing and/or may face in the future in connection with these integration efforts include the following:

integrating our code division multiple access, or CDMA, and iDEN wireless networks, which operate on different technology platforms and use different spectrum bands, and developing wireless devices and other products and services that operate seamlessly on both technology platforms;

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developing and deploying next generation wireless technologies;

combining and simplifying diverse product and service offerings, subscriber plans and sales and marketing approaches;

preserving subscriber, supplier and other important relationships;

consolidating and integrating duplicative facilities and operations, including back-office systems; and

addressing differences in business cultures, preserving employee morale and retaining key employees, while maintaining focus on providing consistent, high quality customer service and meeting our operational and financial goals.

The process of integrating Nextel's operations with ours could cause interruptions of, or loss of momentum in, our business and financial performance. The diversion of management's attention and any delays or difficulties encountered in connection with the integration of the two companies' operations could have an adverse effect on our business, financial condition or results of operations. We may also incur additional and unforeseen expenses in connection with the integration efforts. There can be no assurance that the expense savings and synergies that we anticipate from the merger will be realized fully or within our expected timeframe.

We also recently acquired six third party affiliates that offer wireless services under the Sprint® brand name on CDMA networks built and operated at their own expense, or PCS Affiliates (US Unwired, Inc., IWO Holdings, Inc., Gulf Coast Wireless Limited Partnership, Alamosa Holdings, Inc., Enterprise Communications Partnership and UbiquiTel Inc.), and Nextel Partners, which provides service under the Nextel brand name in certain areas of the U.S. The process of integrating the business practices, operations and support functions of these companies could involve challenges similar to those identified above or add to those challenges by placing a greater strain on our management and employees.

We are subject to restrictions on acquisitions involving our stock and other stock issuances and possibly other corporate opportunities in order to enable the spin-off of our local communications business to qualify for tax-free treatment.

The spin-off of our local communications business, which is now an independent, publicly traded company known as Embarq Corporation, or Embarq, cannot qualify for tax-free treatment if 50% or more (by vote or value) of our stock, or the stock of Embarq, is acquired or issued as part of a plan, or series of related transactions, that includes the spin-off. Because the Nextel merger generally is treated as involving the acquisition of 49.9% of our stock (and the stock of Embarq) for purposes of this analysis, we are subject to restrictions on certain acquisitions using our stock and other issuances of our stock in order to enable the spin-off to qualify for tax-free treatment. At this time, it is not possible to determine how long these restrictions will apply. In addition, it is not possible to determine whether these limitations will have a material impact on us.

If the spin-off of Embarq does not qualify as a tax-free transaction, tax could be imposed on both our shareholders and us.

We have received a private letter ruling from the Internal Revenue Service, or IRS, that the spin-off of Embarq qualifies for tax-free treatment under Sections 355 and 361 of the Internal Revenue Code of 1986, as amended. In addition, we obtained opinions of counsel from each of Cravath, Swaine & Moore LLP and Paul, Weiss, Rifkind, Wharton & Garrison LLP that the spin-off so qualifies. The IRS ruling and the opinions rely on certain

representations, assumptions and undertakings, including those relating to the past and future conduct of Embarq s and our business, and neither the IRS ruling nor the opinions would be valid if such representations, assumptions and undertakings were incorrect. Moreover, the IRS private letter ruling does not address all the issues that are relevant to determining whether the distribution qualifies for tax-free treatment. Notwithstanding the IRS private letter ruling and opinions, the IRS could determine that the distribution should be treated as a taxable transaction if it determines that any of the representations, assumptions or undertakings that were included in the request for the private letter ruling are false or have been violated, or if it disagrees

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with the conclusions in the opinions that are not covered by the IRS private letter ruling. If the distribution fails to qualify for tax-free treatment, it will be treated as a taxable distribution to our shareholders in an amount equal to the fair market value of Embarq's equity securities (i.e., Embarq's common stock issued to our common shareholders) received by them. In addition, we would be required to recognize gain in an amount up to the fair market value of the Embarq equity securities that we distributed on the distribution date plus the fair market value of the senior notes of Embarq received by us.

Furthermore, subsequent events could cause us to recognize gain on the distribution. For example, even minimal acquisitions of our equity securities or Embarq's equity securities that are deemed to be part of a plan or a series of related transactions that include the distribution and the Sprint-Nextel merger could cause us to recognize gain on the distribution.

We are subject to exclusivity provisions and other restrictions under our arrangements with the remaining independent PCS Affiliates. Continued compliance with those restrictions may limit our ability to achieve synergies and fully integrate the operations of Nextel in the geographic areas served by those PCS Affiliates, and we could incur significant costs to resolve issues related to the merger under these arrangements. The manner in which these restrictions will be addressed is not currently known.

The arrangements with the remaining four independent PCS Affiliates restrict our and their ability to own, operate, build or manage specified wireless communication networks or to sell certain wireless services within specified geographic areas. Several of these PCS Affiliates have commenced litigation against us asserting that actions that we have taken or may take in the future in connection with our integration efforts are inconsistent with our obligations under our agreements with them, particularly with respect to the restrictions noted above. Continued compliance with those restrictions may limit our ability to achieve synergies and fully integrate the operations of Nextel and Nextel Partners in the areas served by those PCS Affiliates. We could incur significant costs to resolve these issues.

Risk Factors Relating to Our Business and Operations

We face intense competition that may reduce our market share and harm our financial performance.

Each of our two operating segments faces intense competition. Our ability to compete effectively depends on, among other things, the factors discussed below.

The blurring of the traditional dividing lines between local, long distance, wireless, cable and Internet services contributes to increased competition.

The traditional dividing lines between long distance, local, wireless, cable and Internet services are increasingly becoming blurred. Through mergers, joint ventures and various service expansion strategies, major providers are striving to provide integrated services in many of the markets we serve. This trend is also reflected in changes in the regulatory environment that have encouraged competition and the offering of integrated services.

We expect competition to intensify across our business segments as a result of the entrance of new competitors or the expansion of services offered by existing competitors, and the rapid development of new technologies, products, and services. We cannot predict which of many possible future technologies, products, or services will be important to maintain our competitive position or what expenditures we will be required to make in order to develop and provide these technologies, products or services. To the extent we do not keep pace with technological advances or fail to timely respond to changes in the competitive environment affecting our industry, we could lose market share or experience a decline in revenue, cash flows and net income. As a result of the financial strength and benefits of scale enjoyed by some of our competitors, they may be able to offer services at lower prices than we can, thereby adversely

affecting our revenues, growth and profitability.

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If we are not able to attract and retain customers, our financial performance could be impaired.

Our ability to compete successfully for new customers and to retain our existing customers will depend on:

our marketing and sales and service delivery activities;

our ability to anticipate and develop new or enhanced services that are attractive to existing or potential customers; and

our ability to anticipate and respond to various competitive factors affecting the industry, including new services that may be introduced by our competitors, changes in consumer preferences, demographic trends, economic conditions, and discount pricing and other strategies that may be implemented by our competitors.

A key element in the economic success of communications carriers is the ability to retain customers as measured by the rate of subscriber churn. Our ability to retain customers and reduce our rate of churn is affected by a number of factors including, with respect to our wireless business, the actual or perceived quality and coverage of our network and the attractiveness of our service offerings. Our ability to retain customers in our businesses also is affected by competitive pricing pressures and the quality of our customer service. Our efforts to reduce churn may not be successful. A high rate of churn could impair our ability to increase the revenues of, or cause a deterioration in the operating margins of, our wireless operations or our operations as a whole.

As the wireless market matures, we must increasingly seek to attract customers from competitors and face increased credit risk from first time wireless subscribers.

We increasingly must attract a greater proportion of our new customers from our competitors' existing customer bases rather than from first time purchasers of wireless services. The higher market penetration also means that customers purchasing wireless services for the first time, on average, have a lower credit rating than existing wireless users, which generally results in both a higher churn rate due to involuntary churn and in a higher bad debt expense.

Competition and technological changes in the market for wireless services could negatively affect our average revenue per user, subscriber churn, ability to attract new subscribers, and operating costs, which would adversely affect our revenues, growth and profitability.

We compete with several other wireless service providers in each of the markets in which we provide wireless services. As competition among wireless communications providers has increased, we have created pricing plans that have resulted in declining average revenue per minute of use for voice services, a trend which we expect will continue. Competition in pricing and service and product offerings may also adversely impact customer retention, which would adversely affect our results of operations.

The wireless communications industry is experiencing significant technological change, including improvements in the capacity and quality of digital technology such as the move to third generation wireless technology and the deployment of unlicensed spectrum devices. This causes uncertainty about future subscriber demand for our wireless services and the prices that we will be able to charge for these services. The rapid change in technology may lead to the development of wireless communications technologies or alternative services that exceed our levels of service or that consumers prefer over our services. If we are unable to meet future advances in competing technologies on a timely basis, or at an acceptable cost, we may not be able to compete effectively and could lose customers to our competitors.

Mergers or other combinations involving our competitors and new entrants, including resellers commonly known as mobile virtual network operators, beginning to offer wireless services may also continue to increase competition. These wireless operators may be able to offer subscribers network features or products and services not offered by us, coverage in areas not served by either of our wireless networks or pricing plans

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that are lower than those offered by us, all of which would negatively affect our average revenue per user, subscriber churn, ability to attract new subscribers, and operating costs.

One of the primary differentiating features of our Nextel branded service is the two-way walkie-talkie service available on our iDEN network. A number of wireless equipment vendors, including Motorola, which supplies equipment for our Nextel branded service, have begun to offer wireless equipment that is capable of providing walkie-talkie services that are designed to compete with our walkie-talkie services. Several of our competitors have introduced handsets that are capable of providing walkie-talkie services. If these competitors' services are perceived to be or become, or if any such services introduced in the future are, comparable to our Nextel branded walkie-talkie services, a key competitive advantage of our Nextel service would be reduced, which in turn could adversely affect our business.

Failure to improve wireless subscriber service and to continue to enhance the quality and features of our wireless networks and meet capacity requirements of our subscriber growth could impair our financial performance and adversely affect our results of operations.

We must continually make investments and incur costs in order to improve our wireless subscriber service and remain competitive. In connection with our continuing enhancement of the quality of our wireless networks and related services, we must:

maintain and expand the capacity and coverage of our networks;

obtain additional spectrum in some or all of our markets, if and when necessary;

secure sufficient transmitter and receiver sites and obtain zoning and construction approvals or permits at appropriate locations; and

obtain adequate quantities of system infrastructure equipment and handsets, and related accessories to meet subscriber demand.

Network enhancements may not occur as scheduled or at the cost that we have estimated. Delays or failure to add network capacity, or increased costs of adding capacity, could limit our ability to satisfy our wireless subscribers, resulting in decreased revenues. Even if we continuously upgrade our wireless networks, there can be no assurance that existing subscribers will not prefer features of our competitors and switch wireless providers.

Consolidation and competition in the wholesale market for wireline services could adversely affect our revenues and profitability.

Our long distance segment competes with AT&T (formerly known as SBC Communications, or SBC, which recently acquired AT&T), Verizon Communications (which recently acquired MCI), or Verizon, BellSouth Corporation (which has agreed to be acquired by AT&T), or BellSouth, Qwest Communications, Level 3 Communications, Inc., and cable operators, as well as a host of smaller competitors, in the provision of wireline services. Some of these companies have built high-capacity, Internet protocol-based fiber-optic networks capable of supporting large amounts of voice and data traffic. These companies claim certain cost structure advantages which, among other factors, may allow them to maintain profitability while offering services at a price below that which we can offer profitably. Increased competition and the significant increase in capacity resulting from new technologies and networks may drive already low prices down further. Both AT&T and Verizon, as a result of their recent acquisitions, continue to be our two largest competitors in the domestic long distance communications market. We and other long distance carriers depend heavily on local access facilities obtained from incumbent local exchange carriers, or ILECs, to serve our long

distance customers, and payments to ILECs for these facilities is a significant cost of service for our long distance segment. The acquisition of AT&T by SBC and the proposed acquisition of BellSouth by AT&T, and the acquisition of MCI by Verizon, could give those carriers long distance operations cost and operational advantages with respect to these access facilities because those carriers serve significant geographic areas, including many large urban areas, as the incumbent local carrier.

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Failure to complete development, testing and deployment of new technology that supports new services could affect our ability to compete in the industry and the technology we use places us at a competitive disadvantage.

We develop, test and deploy various new technologies and support systems intended both to enhance our competitiveness by supporting new services and features and reducing the costs associated with providing those services. Successful development and implementation of technology upgrades depend, in part, on the willingness of third parties to develop new applications in a timely manner. We may not successfully complete the development and rollout of new technology and related features or services in a timely manner, and they may not be widely accepted by our customers or may not be profitable, in which case we could not recover our investment in the technology. Deployment of technology supporting new service offerings may also adversely affect the performance or reliability of our networks with respect to both the new and existing services. Any resulting customer dissatisfaction could affect our ability to retain customers and have an adverse effect on our results of operations and growth prospects.

Our wireless networks provide services utilizing CDMA and iDEN technologies. Wireless subscribers served by these two technologies represent a smaller portion of global wireless subscribers than the subscribers served by wireless networks that utilize global system for mobile communication, or GSM, technology. As a result, our costs with respect to both CDMA and iDEN network equipment and handsets are generally higher than the comparable costs incurred by our competitors who use GSM technology.

If we are unable to meet our future capital needs relating to investment in our networks and other obligations, it may be necessary for us to curtail, delay or abandon our business growth plans. If we incur significant additional indebtedness to fund our plans, it could cause a decline in our credit rating and could increase our borrowing costs or limit our ability to raise additional capital.

We have substantial indebtedness, and we will require capital to satisfy our debt service requirements and other obligations, such as the obligation to pay debt that we have assumed in connection with the acquisitions of Nextel Partners and the PCS Affiliates. We also will require additional capital to make the capital expenditures necessary to implement our business plans or support future growth of our wireless business. Continued declines in the ability of our long distance segment to generate cash from its operations requires us to increase cash generated from our wireless segment. A decrease in our ability to generate cash from operations, or to obtain funds from other sources, may require us to seek additional financing to expand our businesses and meet our other obligations or divert cash used for capital expenditures, which could detract from operations and limit our ability to increase, or cause a decline in, revenues and net income. In addition, any future acquisitions may be made with additional borrowings. We may not be able to arrange additional financing to fund our requirements on terms acceptable to us. Our ability to arrange additional financing will depend on, among other factors, our financial performance, general economic conditions and prevailing market conditions. Many of these factors are beyond our control. Failure to obtain suitable financing when needed could, among other things, result in the inability to continue to expand our businesses and meet competitive challenges. If we incur significant additional indebtedness, or if we do not continue to generate sufficient cash from our operations, our credit rating could be adversely affected. As a result, our future borrowing costs would likely increase and our access to capital could be adversely affected.

We have entered into outsourcing agreements related to certain business operations. Any difficulties experienced in these arrangements could result in additional expense, loss of customers and revenue, interruption of our services or a delay in the roll-out of new technology.

We have entered into outsourcing agreements for the development and maintenance of certain software systems necessary for the operation of our business. We have also entered into agreements with third parties to provide customer service and related support to our wireless subscribers and outsourced many aspects of our customer care and billing functions to third parties. We also have entered into an agreement whereby a third party has leased or

operates a significant number of our communications towers, and we sublease space on these towers. As a result, we must rely on third parties to perform certain of our operations and, in certain circumstances, interface with our customers. If these third parties are unable to perform to our requirements,

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we would have to pursue alternative strategies to provide these services and that could result in delays, interruptions, additional expenses and loss of customers.

The intellectual property rights utilized by us and our suppliers and service providers may infringe on intellectual property rights owned by others.

Some of our products and services use intellectual property that we own. We also purchase products from suppliers, including handset device suppliers, and outsource services to service providers, including billing and customer care functions, that incorporate or utilize intellectual property. We and some of our suppliers and service providers have received, or may receive in the future, assertions and claims from third parties that the products or software utilized by us or our suppliers and service providers infringe on the patents or other intellectual property rights of these third parties. These claims could require us or an infringing supplier or service provider to cease certain activities or to cease selling the relevant products and services. Such claims and assertions also could subject us to costly litigation and significant liabilities for damages or royalty payments.

If Motorola is unable or unwilling to provide us with equipment and handsets in support of our Nextel branded services, as well as anticipated handset and infrastructure improvements for those services, our iDEN operations will be adversely affected.

Motorola is our sole source for most of the equipment that supports the iDEN network and for all of the handsets we offer under the Nextel brand except BlackBerry® devices. Although our handset supply agreement with Motorola is structured to provide competitively priced handsets, the cost of iDEN handsets is generally higher than handsets that do not incorporate a similar multi-function capability. This difference may make it more difficult or costly for us to offer handsets at prices that are attractive to potential customers. In addition, the higher cost of iDEN handsets requires us to absorb a larger part of the cost of offering handsets to new and existing customers. These increased costs and handset subsidy expenses may reduce our growth and profitability. Also, we must rely on Motorola to develop handsets and equipment capable of supporting the features and services we plan to offer to subscribers of services on our iDEN network, including a dual-mode handset. A decision by Motorola to discontinue manufacturing, supporting or enhancing our iDEN-based infrastructure and handsets would have a material adverse effect on us. In addition, because iDEN technology is not as widely adopted and has fewer subscribers than other wireless technologies and because we expect that over time more of our customers will utilize service offered on our CDMA network, it is less likely that manufacturers other than Motorola will be willing to make the significant financial commitment required to license, develop and manufacture iDEN infrastructure equipment and handsets. Further, our ability to timely and efficiently implement the spectrum reconfiguration plan to eliminate interference with public safety operations in the 800 megahertz, or MHz, band, set forth in the Report and Order released by the Federal Communications Commission, or FCC, which provides for the exchange of a portion of the FCC licenses used in our iDEN network for other licenses, including 10 MHz of spectrum in the 1.9 gigahertz, or GHz, band, is dependent, in part, on Motorola.

The reconfiguration process contemplated by the FCC's Report and Order may adversely affect our business and operations, which could adversely affect our future growth and operating results.

In order to accomplish the reconfiguration of the 800 MHz spectrum band that is contemplated by the Report and Order, in most cases we will need to cease our use of a portion of the 800 MHz spectrum on our iDEN network in a particular market before we are able to commence use of replacement 800 MHz spectrum in that market. To mitigate the temporary loss of the use of this spectrum, in many markets we will need to construct additional transmitter and receiver sites or acquire additional spectrum in the 800 MHz or 900 MHz bands. This spectrum may not be available to us on acceptable terms. In markets where we are unable to construct additional sites or acquire additional spectrum as needed, the decrease in capacity may adversely affect the performance of our iDEN network, require us to curtail

subscriber additions in those markets until the capacity limitation can be corrected, or a combination of the two. Degradation in network performance in any market could result in higher subscriber churn in that market, the effect of which could be exacerbated if

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we are forced to curtail subscriber additions in that market. A resulting loss of a significant number of subscribers could adversely affect our results of operations. We expect that the reconfiguration process will have at least some adverse impact on the capacity and performance of our iDEN network, particularly in some of our more capacity constrained markets. In addition, the Report and Order gives the FCC the authority to suspend our use of the 1.9 GHz spectrum that we received under the Report and Order if we do not comply with our obligations under the Report and Order.

Government regulation could adversely affect our prospects and results of operations; the FCC and state regulatory commissions may adopt new regulations or take other actions that could adversely affect our business prospects or results of operations.

The FCC and other federal, state and local governmental authorities have jurisdiction over our business and could adopt regulations or take other actions that would adversely affect our business prospects or results of operations.

Wireless Operations. The licensing, construction, operation, sale and interconnection arrangements of wireless telecommunications systems are regulated by the FCC and, depending on the jurisdiction, state and local regulatory agencies. In particular, the FCC imposes significant regulation on licensees of wireless spectrum with respect to:

how radio spectrum is used by licensees;

the nature of the services that licensees may offer and how such services may be offered; and

resolution of issues of interference between spectrum bands.

The Communications Act of 1934, or Communications Act, preempts state and local regulation of market entry by, and the rates charged by, commercial mobile radio service, or CMRS, providers, except that states may exercise authority over such things as certain billing practices and consumer-related issues. The California PUC has imposed rules designed to impose consumer protections. Several other states are considering similar initiatives. These regulations could increase the costs of our wireless operations.

The FCC grants wireless licenses for terms of generally ten years that are subject to renewal and revocation. FCC rules require all wireless licensees to meet certain buildout requirements and substantially comply with applicable FCC rules and policies and the Communications Act in order to retain their licenses. Failure to comply with FCC requirements in a given license area could result in revocation of the PCS license for that license area. There is no guarantee that our licenses will be renewed.

The FCC has initiated a number of proceedings to evaluate its rules and policies regarding spectrum licensing and usage. For example, it is considering new concepts that might permit unlicensed users to share our licensed spectrum to the extent the FCC believes harmful interference will not occur. These new uses could adversely impact our utilization of our licensed spectrum and our operational costs.

CMRS providers must implement enhanced 911, or E911, capabilities in accordance with FCC rules. Failure to deploy E911 service consistent with FCC requirements could subject us to significant fines. We were unable to satisfy the requirement that 95% of our subscriber base have Assisted-GPS capable handsets by December 31, 2005. We have filed a request for a waiver with the FCC seeking an extension of the December 31, 2005 handset penetration deadline to December 31, 2007, on which the FCC has not yet ruled.

The FCC, together with the Federal Aviation Administration, also regulates tower marking and lighting. In addition, tower construction is affected by federal, state and local statutes addressing zoning, environmental protection and

historic preservation. The FCC adopted significant changes to its rules governing historic preservation review of projects, which makes it more difficult and expensive to deploy antenna facilities. The FCC is also considering changes to its rules regarding environmental protection as related to tower construction, which, if adopted, could make it more difficult to deploy facilities.

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Wireline Operations. The continued regulatory uncertainty regarding voice over IP, or VoIP, may adversely affect the competitive position of our long distance segment to the extent it makes less use of VoIP than our competitors.

Depending upon its outcome, the FCC's proceedings regarding regulation of special access rates could affect the rates paid by our long distance segment for special access services in the future.

Concerns about health risks associated with wireless equipment may reduce the demand for our services.

Portable communications devices have been alleged to pose health risks, including cancer, due to radio frequency emissions from these devices. Purported class actions and other lawsuits have been filed against numerous wireless carriers, including us, seeking not only damages but also remedies that could increase our cost of doing business. We cannot be sure of the outcome of those cases or that our business and financial condition will not be adversely affected by litigation of this nature or public perception about health risks. The actual or perceived risk of mobile communications devices could adversely affect us through a reduction in subscribers, reduced network usage per subscriber or reduced financing available to the mobile communications industry. Further research and studies are ongoing, and we cannot be sure that additional studies will not demonstrate a link between radio frequency emissions and health concerns.

Our forward-looking statements are subject to a variety of factors that could cause actual results to differ materially from current beliefs.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995. A number of the statements made in this prospectus are not historical or current facts, but deal with potential future circumstances and developments. They can be identified by the use of forward-looking words such as believes, expects, plans, intends, targets, may, will, would, could, should or anticipates or other comparable words, or by discussions of strategy that may involve risks and uncertainties. We caution you that these forward-looking statements are only predictions, which are subject to risks and uncertainties in addition to those outlined in the above Risk Factors section and elsewhere in this prospectus including, but not limited to:

the effects of vigorous competition, including the impact of competition on the price we are able to charge customers for services we provide and our ability to attract new customers and retain existing customers; the overall demand for our service offerings, including the impact of decisions of new subscribers between our post-paid and prepaid services offerings and between our two network platforms; and the impact of new, emerging and competing technologies on our business;

the impact of overall wireless market penetration on our ability to attract and retain customers with good credit standing and the intensified competition among wireless carriers for those customers;

the uncertainties related to the benefits of our merger with Nextel Communications, including anticipated synergies and cost savings and the timing thereof;

the potential impact of difficulties we may encounter in connection with the integration of the pre-merger Sprint and Nextel businesses, and the integration of the businesses and assets of certain of the PCS Affiliates and Nextel Partners, including the risk that these difficulties could prevent or delay our realization of the cost savings and other benefits we expect to achieve as a result of these integration efforts and the risk that we will be unable to continue to retain key employees;

the uncertainties related to the implementation of our business strategies, investments in our networks, our systems, and other businesses, including investments required in connection with our planned deployment of a

next generation broadband wireless network;

the costs and business risks associated with providing new services and entering new geographic markets, including with respect to our development of new services expected to be provided using the next generation broadband wireless network that we plan to deploy;

the impact of potential adverse changes in the ratings afforded our debt securities by ratings agencies;

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the ability of our wireless segment to continue to grow and improve profitability;

the ability of our long distance segment to achieve expected revenues;

the effects of mergers and consolidations in the communications industry and unexpected announcements or developments from others in the communications industry;

unexpected results of litigation filed against us;

the inability of third parties to perform to our requirements under agreements related to our business operations;

no significant adverse change in Motorola's ability or willingness to provide handsets and related equipment and software applications or to develop new technologies or features for our iDEN network;

the impact of adverse network performance, including, but not limited to, any performance issues resulting from reduced network capacity and other adverse impacts resulting from the reconfiguration of the 800 MHz band used to operate our iDEN network, as contemplated by the FCC's Report and Order;

the costs of compliance with regulatory mandates, particularly requirements related to the FCC's Report and Order, deployment of E911 services on the iDEN network and privacy-related matters;

equipment failure, natural disasters, terrorist acts, or other breaches of network or information technology security;

one or more of the markets in which we compete being impacted by changes in political or other factors such as monetary policy, legal and regulatory changes or other external factors over which we have no control; and

other risks referenced from time to time in our filings with the SEC.

RATIOS OF EARNINGS TO FIXED CHARGES

For purposes of calculating the ratio,

(i) earnings include:

income (loss) from continuing operations before income taxes, less the effect of equity in the net earnings (losses) of less-than-50% owned entities, and capitalized interest; and

(ii) fixed charges include:

interest on all debt of continuing operations;

amortization of debt premiums, discounts and issuance costs; and

the interest component of operating rents.

The ratio of earnings to fixed charges is calculated as follows:

(earnings + fixed charges)

(fixed charges)

	For the Six Months Ended June 30,		For the Years Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001
Sprint Nextel	1.57	2.16	1.63	(a)	(b)	(c)	(d)

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- (a) Earnings, as adjusted, were inadequate to cover fixed charges by \$3.3 billion in 2004.
- (b) Earnings, as adjusted, were inadequate to cover fixed charges by \$2.1 billion in 2003.
- (c) Earnings, as adjusted, were inadequate to cover fixed charges by \$1.1 billion in 2002.
- (d) Earnings, as adjusted, were inadequate to cover fixed charges by \$4.0 billion in 2001.

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of our guarantees.

THE CONSENT SOLICITATION

Introduction

We are seeking valid and unrevoked consents of registered holders of a majority in aggregate principal amount of each of the series of notes outstanding at the close of business on _____, 2006, the record date for determining the holders of the notes entitled to deliver consents in connection with this consent solicitation. As of the record date, the principal amount of the 2003 notes outstanding was \$450,000,000 and the principal amount of the 2004 notes outstanding was \$25,000,000.

If holders of a majority in aggregate principal amount of each of the series of notes consent to the proposed amendments, we will become a guarantor of the notes and will fully and unconditionally guarantee the due and punctual payment of the principal of, and any accrued but unpaid interest in respect of, the notes when and as the same shall become due and payable. Obligations under our guarantees with respect to the notes will be senior and unsecured, and will rank equal in right of payment with all of our existing and future senior, unsecured debt.

Description of the Proposed Amendments

We are soliciting the consents of the holders of the 2003 notes and 2004 notes to the proposed amendments to the 2003 indenture and the 2004 indenture, respectively. The proposed amendments would be set forth in a supplemental indenture to each of the indentures. If the proposed amendments become operative, each indenture, as amended by the applicable supplemental indenture, would apply to holders of the corresponding notes.

The proposed amendments are being presented as one proposal for the 2003 notes and 2004 notes and each related indenture. Consequently, the delivery of a consent by a holder of notes is the delivery of a consent to all of the proposed amendments to the applicable indenture, and a consent purporting to consent to only some of the proposed amendments will not be valid. Furthermore, we are requiring the consent of the holders of a majority in aggregate principal amount of each of the 2003 notes and 2004 notes for the proposed amendments to either indenture to become operative. We may waive this requirement, however, for either the 2003 notes or the 2004 notes, if we receive the required consents from the holders of only the 2003 notes or the 2004 notes. For example, if we receive consents to the proposed amendments from a majority in aggregate principal amount of the holders of the 2003 notes, but not the 2004 notes, we may choose to waive approval from holders of the 2004 notes and implement the proposed amendments in the 2003 indenture and issue our guarantee only with respect to the 2003 indenture and the 2003 notes. Alternatively, if we receive consents to the proposed amendments from a majority in aggregate principal amount of the holders of the 2004 notes, but not the 2003 notes, we may choose to waive approval from holders of the 2003 notes and implement the proposed amendments in the 2004 indenture and issue our guarantee only with respect to the

2004 indenture and the 2004 notes. In no event, however, will the proposed amendments become operative in the 2003 indenture without approval from a majority in aggregate principal amount of the holders of the 2003 notes, nor will the proposed amendments become operative in the 2004 indenture without approval from a majority in aggregate principal amount of the holders of the 2004 notes.

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The supplemental indentures to each of the indentures governing the notes will become effective upon execution by Nextel Partners and the applicable trustee. **If the supplemental indentures are executed and the proposed amendments become operative, holders of the notes will be bound by the supplemental indentures, even if they have not consented to the proposed amendments.** Until the proposed amendments become operative, however, each indenture, without giving effect to the proposed amendments, will remain in effect.

The following is a summary of the key provisions of the proposed amendments to the indentures. Please see Annex A to this prospectus for a complete description of the text of the proposed amendments to the indentures. The following summary is qualified by reference to the description of the terms of the notes, as amended by the proposed amendments to the indentures, in Description of the Amended Notes, and the full provisions of the indentures and the forms of supplemental indentures to the indentures, which have been filed as exhibits to the registration statement of which this prospectus forms a part. The following summary of the proposed amendments is presented in the order the relevant provisions appear in the indentures and not necessarily in the order of importance.

Amendment to Asset Sale Definition to Permit Certain Transfers of Assets to Us or Our Other Subsidiaries

Subject to certain exceptions, the indentures prohibit Nextel Partners and its restricted subsidiaries from selling or transferring assets unless they receive at least fair market value in return for such assets and at least 80% of the consideration received is in the form of cash or cash equivalents. In addition, the cash proceeds from each such asset sale are required, among other things, to be applied to repay certain indebtedness of Nextel Partners or to acquire assets that are used or useful in Nextel Partners' business. We would benefit from the flexibility to use Nextel Partners' assets in combination with our other assets where they can be most beneficial to our business as a whole. In order to create that flexibility, we are proposing amendments to each of the indentures that would revise the definition of Asset Sale to exclude specifically any transaction or series of related transactions involving the sale or other transfer of assets by Nextel Partners or its restricted subsidiaries to us or any of our other direct or indirect subsidiaries. Such sales or transfers would be subject to the proposed amended affiliate transactions covenant described below under Amendment to Transactions with Affiliates Covenant to Permit Certain Transactions with Us and Our Other Subsidiaries.

Amendment to Transactions with Affiliates Covenant to Permit Certain Transactions with Us and Our Other Subsidiaries

The Transactions with Affiliates covenants in the indentures generally prohibit Nextel Partners and its restricted subsidiaries from engaging in any transaction with any affiliate of Nextel Partners on terms that are less favorable to Nextel Partners or such restricted subsidiary, as the case may be, than those which might be obtained from a person that is not an affiliate:

In addition, such affiliate transactions:

involving an aggregate consideration of \$5 million or more must be approved in good faith by a majority of Nextel Partners' disinterested directors and evidenced by a board resolution delivered to the trustees, and

if there is no disinterested director at such time or such transaction involves aggregate consideration of \$25.0 million or more, by an opinion as to fairness to Nextel Partners or such restricted subsidiary from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

Certain specifically enumerated transactions are not subject to the requirements of the Transactions with Affiliates covenant, such as transactions between or among Nextel Partners and/or its restricted subsidiaries.

We want to integrate Nextel Partners' business with ours and have Nextel Partners and its restricted subsidiaries engage freely in transactions with us or any of our other subsidiaries, so long as such transactions are on terms that are no less favorable to Nextel Partners and its restricted subsidiaries than those that would

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have been obtained in comparable transactions by Nextel Partners and its restricted subsidiaries with an unrelated person, without the necessity of having Nextel Partners' board of directors or a majority of the board's disinterested directors approve such transactions and/or obtaining an independent fairness opinion if such transactions exceed the applicable dollar thresholds. In an effort to create that flexibility, we are proposing amendments to the indentures that would (i) remove the second bullet point above (the requirement of obtaining an independent fairness opinion if an affiliate transaction exceeds \$25.0 million or if there is no disinterested director) and (ii) with respect to the first bullet point above, increase the dollar threshold to \$10.0 million and modify the requirement of obtaining approval by a majority of the disinterested members of the board of directors of Nextel Partners to instead require approval by the board of directors of Nextel Partners.

As a result, Nextel Partners and its restricted subsidiaries would be permitted to engage in transactions with affiliates if such transactions are on terms not less favorable to Nextel Partners and its restricted subsidiaries than those that would have been obtained in a comparable transaction with an unrelated person, and, to the extent they involve aggregate consideration in excess of \$10.0 million, such transactions have been approved by Nextel Partners' board of directors, which need not include disinterested directors.

Amendment to the Provision of Financial Reports Covenant to Permit Our Financial Reports to Be Provided to the Holders in Lieu of Nextel Partners' Financial Reports

The Provision of Financial Reports covenant in each of the indentures requires Nextel Partners to provide to the holders of the notes and to file with the SEC all annual reports, quarterly reports and other documents that would be required to be filed with the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act if Nextel Partners were required to file such reports.

In an effort to eliminate the expense associated with continuing to produce and provide to holders of the notes separate financial reports for Nextel Partners and file such reports with the SEC, we are seeking consents to amend the indentures to permit Nextel Partners to provide the financial reports of a parent guarantor of such notes (without including any condensed consolidated financial information related to Nextel Partners), in lieu of separate reports relating only to Nextel Partners. As a result, if the proposed amendments become effective, following the execution and delivery of our guarantee of the notes to the trustees, we, as a parent guarantor of the notes, would be permitted to provide to the holders of the notes our financial reports filed with the SEC (without including the condensed consolidating footnote contemplated by Rule 3-10 of Regulation S-X) instead of the financial reports of Nextel Partners.

Addition of Defined Terms and Revision of Other Text

In connection with the proposed amendments described above, certain defined terms would be added to the indentures. Please see Annex A to this prospectus and the form of supplemental indentures for a more complete description of those amendments. In addition, we reserve the right to make certain technical changes to the indentures pursuant to the provisions thereof and to include such changes in the supplemental indentures. Any such technical changes will not affect the substantive rights of the holders of the notes, other than as described above.

The proposed amendments would also delete or amend or be deemed to have deleted or amended any provisions in the notes corresponding to the provisions in the indentures that are deleted or amended by virtue of the proposed amendments.

Expiration Date; Extension; Waiver; Amendment; Termination

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The consent solicitation will expire at 5:00 p.m., New York City time, on _____, _____, 2006, unless we extend the consent solicitation. If we extend the consent solicitation, the expiration date will be the latest time and date to which the consent solicitation is extended. We expressly reserve the right to extend the consent solicitation from time to time or for such period or periods as we may determine in our discretion by giving oral (to be confirmed in writing) or written notice of such extension to the consent agent and by making a public announcement by press release to the Dow Jones News Service at or prior to 9:00 a.m.,

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New York City time, on the next business day following the previously scheduled expiration date. During any extension of the consent solicitation, all consents validly executed and delivered to the consent agent will remain effective unless validly revoked prior to such extended expiration date. If, on the expiration date, holders of a majority in principal amount of only the 2003 notes or the 2004 notes have consented to the proposed amendments, we may waive the requirement of consent of a majority of both series of notes. In such event, we expressly reserve the right to accept consents for the series of notes, the holders of a majority of which have delivered consents, and extend the expiration date of the consent solicitation with respect to the remaining series of notes. In such event, expiration date will mean the date the consents are accepted in the case of the notes as to which the required consents have been obtained, and the date to which the consent solicitation is extended in the case of the remaining notes.

We expressly reserve the right, in our discretion, at any time to amend any of the terms of the consent solicitation. If the terms of the consent solicitation are amended prior to the expiration date in a manner that constitutes a material change, we will promptly give oral (to be confirmed in writing) or written notice of such amendment to the consent agent and disseminate a prospectus supplement in a manner reasonably designed to give holders of the notes notice of the change on a timely basis. We expressly reserve the right, in our discretion, to waive any condition of the consent solicitation.

We expressly reserve the right, in our discretion, to terminate the consent solicitation for any reason as to either or both series of the notes. Any such termination will be followed promptly by public announcement thereof. In the event we terminate the consent solicitation, we will give prompt notice thereof to the consent agent and the consents previously executed and delivered pursuant to the consent solicitation will in respect of either series of the notes, to the extent not accepted prior to the termination date, be of no further force and effect. See Revocation of Consents.

Procedures for Delivering Consents

In order to consent to the proposed amendments to the indentures, a holder of notes must execute and deliver to the consent agent a copy of the accompanying letter of consent, or cause the letter of consent to be delivered to the consent agent on the holder's behalf, before the expiration date in accordance with the procedures described below.

In accordance with the indentures governing the notes, only registered holders of the notes as of 5:00 p.m., New York City time, on the record date may execute and deliver to the consent agent the letter of consent. We expect that The Depository Trust Company, or DTC, will authorize its participants, which include banks, brokers and other financial institutions, to execute letters of consent with respect to the notes they hold through DTC as if the participants were the registered holders of those notes. Accordingly, for purposes of the consent solicitation, when we use the term registered holders, we include banks, brokers and other financial institutions that are participants of DTC.

If you are a beneficial owner of notes held through a bank, broker or other financial institution, in order to consent to the proposed amendments, you must arrange for the bank, broker or other financial institution that is the registered holder to either (1) execute the letter of consent and deliver it either to the consent agent on your behalf or to you for forwarding to the consent agent before the expiration date or (2) forward a duly executed proxy from the registered holder authorizing you to execute and deliver the letter of consent with respect to the notes on behalf of the registered holder. In the case of clause (2) of the preceding sentence, you must deliver the executed letter of consent, together with the proxy, to the consent agent before the expiration date. Beneficial owners of notes are urged to contact the bank, broker or other financial institution through which they hold their notes to obtain a valid proxy or to direct that a letter of consent be executed and delivered in respect of their notes.

Giving a consent by submitting a letter of consent will not affect a holder's right to sell or transfer its notes. All consents received from the holder of record on the record date and not revoked by that holder before the expiration date will be effective notwithstanding any transfer of those notes after the record date.

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Registered holders of notes as of the record date who wish to consent should mail, hand deliver or send by overnight courier or facsimile a properly completed and executed letter of consent to the consent agent at the address or facsimile number set forth under Solicitation, Consent and Information Agents, in accordance with the instructions set forth in this prospectus and the letter of consent. Letters of consent should be delivered to the consent agent, not to us or Nextel Partners. However, we reserve the right to accept any letter of consent received by us or Nextel Partners.

All letters of consent that are properly completed, executed and delivered to the consent agent, and not revoked before the expiration date, will be given effect in accordance with the terms of those letters of consent. Registered holders who desire to consent to the proposed amendments should complete, sign and date the letter of consent and mail, deliver or send by overnight courier or facsimile (confirmed by the expiration date by physical delivery) the signed letter of consent to the consent agent at the address or facsimile number set forth under Solicitation, Consent and Information Agents, all in accordance with the instructions contained in this prospectus and the letter of consent.

Letters of consent delivered by the registered holders of notes as of the record date must be executed in exactly the same manner as those registered holders' names appear on the certificates representing the notes or on the position listings of DTC, as applicable. If notes to which a letter of consent relate are registered in the names of two or more holders, all of those holders must sign the letter of consent. If a letter of consent is signed by a trustee, partner, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, that person must so indicate when signing, and proper evidence of that person's authority to so act must be submitted with the letter of consent. In addition, if a letter of consent relates to less than the total principal amount of notes registered in the name of a holder, or relates to only one series of the notes, the registered holder must list the certificate numbers and principal amount of notes registered in the name of that holder and the series of notes to which the letter of consent relates. If no series or aggregate principal amount of notes as to which a consent is delivered is specified, the holder will be deemed to have consented with respect to all notes of such holder. If notes are registered in different names, separate letters of consent must be signed and delivered with respect to each registered note. If a letter of consent is executed by a person other than the registered holder, it must be accompanied by a proxy executed by the registered holder.

In connection with the consent solicitation, we will pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of the prospectus, the letter of consent and related documents to the beneficial owners of the notes and in handling or forwarding deliveries of consents by their customers.

All questions as to the form of all documents and the validity (including time of receipt) regarding the consent procedures will be determined by us, in our discretion, which determination will be final and binding. We also reserve the right to waive any defects or irregularities as to deliveries of consents.

Revocation of Consents

A consent may be revoked at any time prior to the expiration date. Any holder who has delivered a consent, or who succeeds to ownership of notes in respect of which a consent has previously been delivered, may validly revoke such consent prior to the expiration date by delivering a written notice of revocation in accordance with the following procedures. All properly completed and executed letters of consent that are received by the consent agent will be counted as consents with respect to the proposed amendments, unless the consent agent receives a written notice of revocation prior to the expiration date.

In order to be valid, a notice of revocation of consent must contain the name of the person who delivered the consent and the description of the notes to which it relates, the certificate numbers of such notes and the aggregate principal

amount represented by such notes. The revocation of consent must be signed by the holder thereof in the same manner as the original signature on the letter of consent (including any required signature guarantees) or be accompanied by evidence satisfactory to us and the consent agent that the person revoking the consent has the legal authority to revoke such consent on behalf of the holder. If the letter of consent was executed by a person other than the registered holder of the notes, the notice of revocation of consent must be

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accompanied by a valid proxy signed by such registered holder and authorizing the revocation of the registered holder's consent. To be effective, a revocation of consent must be received prior to the expiration date by the consent agent, at the address set forth below. A purported notice of revocation that lacks any of the required information or is sent to an improper address will not validly revoke a consent previously given.

Solicitation, Consent and Information Agents

We have retained Bear, Stearns & Co. Inc. to act as the solicitation agent for the consent solicitation. We have agreed to pay the solicitation agent customary fees and reimburse it for its reasonable out-of-pocket expenses. Questions may be directed to the solicitation agent at the following address and telephone numbers:

Global Liability Management Group
383 Madison Avenue, 8th Floor
New York, New York 10179
(877) 696-BEAR (toll-free)
(877) 696-2327

We have retained The Bank of New York to act as the consent agent. We have agreed to pay the consent agent customary fees and reimburse it for its reasonable out-of-pocket expenses. All executed letters of consent and notices of revocation should, and questions relating to the procedures for consenting to the proposed amendments and requests for assistance may, be directed to the consent agent at the following address and telephone and facsimile numbers:

The Bank of New York
Corporate Trust Operations
Reorganization Unit
101 Barclay Street 7 East
New York, New York 10286
(212) 815-3738
By Facsimile: (212) 298-1915

We have appointed Georgeson, Inc. to act as the information agent with respect to the consent solicitation. We will pay the information agent customary fees for its services and reimburse it for its reasonable out-of-pocket expenses. We have also agreed to indemnify the information agent for certain liabilities. Requests for additional copies of this prospectus or the letter of consent may be directed to the information agent at the following address and telephone numbers:

17 State Street
New York, New York 10004
(866) 277-8239 (Toll Free)
(212) 440-9800 (Banks/Brokers)

Fees and Expenses

The total amount of funds required to pay all fees and expenses in connection with the consent solicitation is expected to be approximately \$540,000. We expect to obtain these funds from available cash.

DESCRIPTION OF OUR GUARANTEES

The following is a summary of our proposed guarantees of the notes. The following summary is qualified by reference to the full provisions of the forms of the guarantees, which have been filed as exhibits to the registration statement of which this prospectus forms a part.

If the proposed amendments to the indentures are approved, contemporaneously with the execution of the supplemental indentures, we will issue guarantees of the full and punctual payment when due, whether at

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maturity, by acceleration, redemption or otherwise, of the principal of and interest on the notes, and all other monetary obligations of Nextel Partners under the amended indentures, insofar as such monetary obligations relate to the notes. We will execute a guarantee in favor of the holders of each series of the notes. It will not be necessary for new certificates to be issued evidencing the notes to reflect the benefit of the guarantees, and no separate certificates will be issued to evidence the guarantees.

Our guarantees with respect to the notes will be:

senior, unsecured obligations, equal in right of payment with all of our existing and future senior, unsecured debt;

effectively junior to our obligations secured by liens, to the extent of the value of the assets securing those obligations; and

senior in right of payment to our subordinated debt, if any.

Our guarantees will not make us or any of our subsidiaries subject to the covenants contained in the indentures and will not otherwise contain any restrictions on our operations.

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general discussion of the material U.S. federal income tax consequences of the consent solicitation to holders of notes who are U.S. Holders (as defined below) and, subject to the limitations described below, constitutes the opinion of Jones Day. It is not a complete analysis of all the potential tax considerations relating to the consent solicitation. This summary is based upon the provisions of the Code, Treasury regulations promulgated under the Code, and currently effective administrative rulings and judicial decisions, all relating to the U.S. federal income tax treatment. These authorities may be changed, perhaps with retroactive effect, so as to result in U.S. federal income tax consequences different from those described below. No ruling from the IRS has been sought with respect to the statements made herein, and there can be no assurance that the IRS will not take a position contrary to such statements or that such contrary position taken by the IRS would not be sustained by a reviewing court.

This summary is applicable to initial purchasers of the notes who purchased the notes on original issuance at their initial offering price. It assumes that the notes are held as capital assets. This summary does not address the tax considerations arising under the laws of any foreign, state or local jurisdiction. In addition, this discussion does not address all tax considerations that may be applicable to the holders particular circumstances or to holders that may be subject to special tax rules, such as, for example:

holders subject to the alternative minimum tax;

banks, insurance companies, or other financial institutions;

tax-exempt organizations;

dealers in securities or commodities;

expatriates;

traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;

holders whose functional currency is not the U.S. dollar;

holders who are not U.S. Holders;

persons that hold notes as part of a hedge, straddle, or conversion transaction;

persons deemed to sell notes under the constructive sale provisions of the Code; or

partnerships or other pass-through entities.

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If a partnership holds notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A partner of a partnership holding notes is urged to consult his or her tax advisor regarding the tax consequences of the consent solicitation.

For purposes of this discussion, a holder is a U.S. Holder if such holder is the beneficial owner of a note and is:

a citizen or resident of the United States,

a corporation (or other entity taxable as a corporation) created or organized under the laws of the United States or of any state thereof (including the District of Columbia),

an estate, the income of which is subject to U.S. federal income tax regardless of its source, or

a trust if a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust (and certain other trusts that have elected to continue to be treated as U.S. trusts).

General

Although the issue is not free from doubt, a holder of notes should not recognize any income, gain or loss as a result of the implementation of the proposed amendments to the indentures governing the notes and the provision of our guarantees, and such holder should continue to have the same tax basis and holding period with respect to the notes as it had before the consent solicitation.

Tax Consequences of the Proposed Amendments and Our Guarantees of the Notes

Generally. The modification of the terms of a debt instrument is treated, for federal income tax purposes, as a deemed exchange of an old debt instrument for a new debt instrument if such modification is significant as specially determined for federal income tax purposes. For these purposes, a modification of the terms of a debt instrument is significant if, based on all the facts and circumstances, the legal rights or obligations that are altered and the degree to which they are altered are economically significant. Although the matter is not free from doubt, the adoption of the proposed amendments, in and of itself, should not constitute a significant modification of the terms of the notes for federal income tax purposes. Upon adoption of the proposed amendments, we will also guarantee Nextel Partners payment obligations with respect to the notes. The Treasury regulations provide that the addition of a co-obligor on a debt instrument is a significant modification if the addition of the co-obligor results in a change in payment expectations. The Treasury regulations further provide that a change in payment expectations occurs if, as a result of a transaction, there is substantial enhancement of the obligor's capacity to meet the payment obligations under a debt instrument and that capacity was primarily speculative prior to the modification and is adequate after the modification. If our guarantees of Nextel Partners payment obligations with respect to the notes do not result in a significant modification, there would be no deemed exchange of the notes for U.S. federal income tax purposes and holders would not recognize any gain or loss. In addition, holders would continue to have the same tax basis and holding period with respect to the notes as they had before the consent solicitation.

Recapitalization Treatment. If the proposed amendments or our guarantees are treated as a significant modification of the notes for U.S. federal income tax purposes, a holder will be treated as having exchanged its old notes for new notes for U.S. federal income tax purposes. Even so, the exchange will not be taxable if the notes, as originally issued and as amended, constitute securities for U.S. federal income tax purposes. In such event, the deemed exchange would be treated as a tax-free recapitalization for U.S. federal income tax purposes. There is no precise definition of what

constitutes a security under U.S. federal income tax law. The determination of whether a debt instrument is a security for U.S. federal income tax purposes requires an overall evaluation of the nature of the debt instrument, with the term of the debt instrument regarded as one of the more important factors. A debt instrument with a term to maturity of five years or less generally does not qualify as a security, and a debt instrument with a term to maturity of ten years or more generally does qualify as a security. Whether a debt instrument with a term to maturity of between five and ten years qualifies as a security is unclear. The notes have original maturities of eight years (with respect to

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the 2003 notes) and seven years (with respect to the 2004 notes). Although the matter is not free from doubt, given the maturities and the other terms of the notes, the notes should constitute securities for U.S. federal income tax purposes. In such event, a holder of a note would not recognize any income, gain or loss as a result of the proposed amendments or our guarantees. The holder would take a tax basis in the new note equal to its tax basis in the old note immediately prior to the deemed exchange and the holder's holding period for the new note would include the period during which the old note was held.

Treatment if Recapitalization Does Not Apply. If, on the other hand, the proposed amendments or our guarantees were treated as constituting a significant modification of the notes resulting in a deemed exchange, but the deemed exchange was not treated as a recapitalization for U.S. federal income tax purposes (e.g., because the notes were not deemed securities for U.S. federal income tax purposes), a holder would recognize gain or loss at the time of such deemed exchange. The amount of such gain or loss would be equal to the difference, if any, between the amount realized by the holder in the deemed exchange and the holder's adjusted tax basis in the notes deemed to be exchanged. In addition, the holder's holding period in the new notes that are deemed to be received would begin on the day after the deemed exchange and the holder's tax basis in the new notes would be equal to the amount realized by such holder in the deemed exchange.

Original Issue Discount. If there is a deemed exchange of old notes for new notes as a result of the proposed amendments or our guarantees, regardless of whether or not the exchange qualifies as a recapitalization, the new notes will be treated as issued with original issue discount, or OID, in an amount equal to the excess, if any (to the extent that it exceeds a statutorily defined de minimis amount), of the stated redemption prices at maturity of the new notes over their respective issue prices. If either the old notes or the new notes are considered to be publicly traded for purposes of the applicable provisions of the Code, the new notes will have an issue price equal to the fair market value of the old notes or new notes, as applicable. If neither the old notes nor the new notes are publicly traded, the issue price of the new notes would generally either be the new notes' stated principal amount or an imputed principal amount. A holder that is deemed to hold new notes with OID generally will be required to include OID in gross income under a constant yield method in advance of the receipt of cash attributable to that income regardless of the holder's method of tax accounting. The amount of OID required to be included in gross income with respect to the new notes may differ from the amount of OID (if any) required to be included in gross income with respect to the old notes.

ALL HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE SPECIFIC FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE CONSENT SOLICITATION TO THEIR PARTICULAR CIRCUMSTANCES.

DESCRIPTION OF THE AMENDED NOTES

Nextel Partners has issued the following notes pursuant to the following indentures:

the 2003 Notes, pursuant to the Indenture, dated as of June 23, 2003 (the *2003 Indenture*), between Nextel Partners and The Bank of New York, as trustee (the *2003 Trustee*); and

the 2004 Notes, pursuant to the Indenture dated as of May 19, 2004 (the *2004 Indenture*), between Nextel Partners and BNY Western Trust Company, as trustee (the *2004 Trustee*).

The following description is a summary of the relevant provisions of the Indentures, as amended by the proposed amendments pursuant to the applicable supplemental indentures. References to the *Notes* refer to the 2003 Notes or the 2004 Notes, as applicable; references to the *Indentures* refer to the 2003 Indenture or the 2004 Indenture, as applicable; references to the *Trustees* refer to the 2003 Trustee or the 2004 Trustee, as applicable. Except as described

in this description, the Indentures contain substantively similar terms and conditions. This description does not restate the Indentures in their entirety, and this description is qualified in its entirety by reference to all of the provisions of the Notes and Indentures. We urge you to read the Indentures, because they, and not this description, define the rights of holders of the Notes.

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You can find the definitions of certain terms used in this description under the caption *Certain Definitions*. Other terms used in this description but not defined under the caption *Certain Definitions* have the meanings assigned to them in the applicable Indenture. In this description, *we* refers only to Sprint Nextel Corporation. Nextel Partners refers to Nextel Partners, Inc. and not to any of its subsidiaries. When we refer to *holders*, we are referring to those persons who are registered holders of the Notes on the books of the registrar appointed under the applicable Indenture. Only registered holders have any rights under the Indentures.

The Notes are governed by the Trust Indenture Act of 1939, as amended (the *Trust Indenture Act*). The terms of the Notes include those stated in the applicable Indenture, including those terms made a part of such Indenture by reference to the Trust Indenture Act. Each of the Indentures was qualified as an indenture under the Trust Indenture Act.

Ranking

The Notes:

are senior unsecured obligations of Nextel Partners;

rank equally in right of payment to all existing and future senior unsecured obligations of Nextel Partners, including Nextel Partners convertible senior notes;

rank senior in right of payment to all existing and future subordinated obligations of Nextel Partners; and

rank effectively junior to all of Nextel Partners Subsidiaries obligations (including secured and unsecured obligations) and effectively junior to Nextel Partners secured obligations, to the extent of the assets securing such obligations.

Nextel Partners principal operations are conducted through its Subsidiaries, and Nextel Partners is therefore dependent upon the cash flow of its Subsidiaries to meet its obligations. Nextel Partners Subsidiaries have no obligation to guarantee or otherwise pay amounts due under the Notes.

Parent Guarantee

Upon the execution of the supplemental indentures, we will guarantee the Notes pursuant to the applicable Parent Guarantee. See the section entitled *Description of Our Guarantees* in this prospectus for a description and ranking of the Parent Guarantees.

Principal, Maturity and Interest

Nextel Partners issued approximately \$450.0 million in aggregate principal amount of the 2003 Notes. Nextel Partners cannot issue additional notes under the 2003 Indenture.

Nextel Partners issued approximately \$25.0 million in aggregate principal amount of the 2004 Notes. Nextel Partners may issue additional notes under the 2004 Indenture from time to time. Any issuance of additional notes under the 2004 Indenture will be subject to all of the covenants in the 2004 Indenture, including the covenant described below under the caption *Covenants Limitation on Consolidated Debt*. The 2004 Notes and any additional notes issued under the 2004 Indenture will be treated as a single class for all purposes under the 2004 Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase.

The Notes will mature on July 1, 2011, and the Notes bear interest at the rate of 8 1/8% per annum. Interest is paid semi-annually on January 1 and July 1 of each year, to the registered holders at the close of business on the preceding December 15 or June 15. Interest on the Notes accrues from the date it was most recently paid, and interest is computed on the basis of a 360-day year comprised of twelve 30-day months.

Table of Contents**Methods of Receiving Payments on the Notes**

Nextel Partners pays interest, principal and any other money due on the Notes at the corporate trust office of the Trustees in New York City. Each trustee's office is currently located at 101 Barclay Street, New York, New York 10286. You must make arrangements to have your payments picked up at or wired from that office. Nextel Partners may also choose to pay interest by mailing checks.

The Notes were issued without coupons, in denominations of \$1,000 and any integral multiple of \$1,000. You will not be required to pay a service charge to transfer Notes, but you may be required to pay for any tax or other governmental charge associated with the transfer.

Optional Redemption

Nextel Partners may redeem the Notes, in whole or in part, at any time on or after July 1, 2007, upon not less than 30 nor more than 60 days' prior written notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus an amount in cash equal to all accrued and unpaid interest to the redemption date, if redeemed during the twelve-month period beginning on July 1 of each of the years set forth below.

Year	Percentage
2007	104.063%
2008	102.031%
2009 and thereafter	100.000%

Mandatory Redemption; Sinking Fund

Except as described under *Covenants Limitation on Asset Sales* and *Covenants Change of Control* below, Nextel Partners is not required to purchase or make mandatory redemption payments or sinking fund payments with respect to the Notes.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the applicable Trustee will select Notes for redemption as follows:

if the Notes are listed on any national securities exchange, in compliance with the requirements of the principal national securities exchange on which the Notes are listed; or

if the Notes are not listed on any national securities exchange, on a *pro rata* basis, by lot or by such method as the applicable Trustee shall deem fair and appropriate.

No Notes of \$1,000 or less will be redeemed in part. Notices of redemption will be mailed by first class mail at least 30 but not more than 45 days before the redemption date to each holder of Notes to be redeemed at its registered address. Notices of redemption may not be conditional.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new note in principal amount equal to the unredeemed portion of that Note will be issued in the name of the holder thereof upon cancellation of that Note. Notes called for

redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on the applicable Notes or portions of them called for redemption.

Covenants

Each of the Indentures contains the following covenants, which place limitations on the ability of Nextel Partners to engage in certain activities and transactions, as described below.

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Limitation on Consolidated Debt

Nextel Partners will not, and will not permit any Restricted Subsidiary to, Incur any Debt (including Acquired Debt), other than Permitted Debt, unless immediately after giving effect to the Incurrence of such Debt and the receipt and application of the net proceeds therefrom (including, without limitation, the application or use of the net proceeds therefrom to repay Debt or make any Restricted Payment), the Consolidated Debt to Annualized Operating Cash Flow Ratio would be less than 7.0 to 1.0.

Limitation on Restricted Payments

Nextel Partners will not, directly or indirectly:

(1) declare or pay any dividend on, or make any distribution to the holders of, any shares of its Capital Stock, excluding any dividends or distributions payable solely in its shares of Capital Stock (other than Redeemable Stock) or in options, warrants or other rights to purchase any such Capital Stock (other than Redeemable Stock);

(2) purchase, redeem or otherwise acquire or retire for value, or permit any Restricted Subsidiary to, directly or indirectly, purchase, redeem or otherwise acquire or retire for value (other than value consisting solely of Capital Stock of Nextel Partners that is not Redeemable Stock or options, warrants or other rights to acquire such Capital Stock that is not Redeemable Stock), any Capital Stock of Nextel Partners (including options, warrants or other rights to acquire such Capital Stock);

(3) redeem, repurchase, defease or otherwise acquire or retire for value, or permit any Restricted Subsidiary to, directly or indirectly, redeem, repurchase, defease or otherwise acquire or retire for value (other than value consisting solely of Capital Stock of Nextel Partners that is not Redeemable Stock or options, warrants or other rights to acquire such Capital Stock that is not Redeemable Stock), prior to any scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Debt that is subordinate (whether pursuant to its terms or by operation of law) in right of payment to the Notes; or

(4) make, or permit any Restricted Subsidiary to, directly or indirectly, make any Investment, except for Permitted Investments, in any Person, other than in a Restricted Subsidiary or a Person that becomes a Restricted Subsidiary as a result of such Investment

(each of the actions set forth in clauses (1) through (4), other than any such action that is a Permitted Investment or a Permitted Distribution, being referred to as a *Restricted Payment*) unless, at the time of and after giving effect to such Restricted Payment:

(a) no Default or Event of Default has occurred and is continuing;

(b) Nextel Partners would, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the applicable period, have been permitted to incur at least \$1.00 of additional Debt pursuant to the terms of the Indentures described in clause (1) under the caption *Limitation on Consolidated Debt* above; and

(c) after giving effect to such Restricted Payment on a *pro forma* basis, the aggregate amount of all Restricted Payments made from the applicable Closing Date does not exceed:

(A) the amount of the Operating Cash Flow of Nextel Partners after December 31, 2002 through the end of the latest full fiscal quarter for which consolidated financial statements of Nextel Partners are available preceding the date of

such Restricted Payment (treated as a single accounting period) less 150% of the cumulative Consolidated Interest Expense of Nextel Partners after December 31, 2002 through the end of the latest full fiscal quarter for which consolidated financial statements of Nextel Partners are available preceding the date of such Restricted Payment (treated as a single accounting period), plus

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(B) the aggregate net proceeds (other than proceeds from a Committed Capital Contribution), including the fair market value of property other than cash, as determined:

(x) in the case of any property other than cash with a value less than \$25.0 million, by Nextel Partners Board of Directors, whose good faith determination will be conclusive and as evidenced by a Board Resolution, or

(y) in the case of any property other than cash with a value equal to or greater than \$25.0 million, by an accounting, appraisal or investment banking firm of national standing and evidenced by a written opinion of such firm, received by Nextel Partners from the issuance and sale (other than to a Restricted Subsidiary) after February 24, 2000 of shares of its Capital Stock (other than Redeemable Stock), or any options, warrants or other rights to purchase such Capital Stock (other than Redeemable Stock), other than shares of Capital Stock or options, warrants or other rights to purchase Capital Stock (or shares issuable upon exercise thereof), the proceeds of the issuance of which is used to make a Directed Investment, unless such designation has been revoked by Nextel Partners Board of Directors and Nextel Partners is able to make such Investment pursuant to this covenant (other than as a Directed Investment), plus

(C) the aggregate net proceeds, including the fair market value of property other than cash, as determined:

(x) in the case of any property other than cash with a value less than \$25.0 million, by Nextel Partners Board of Directors, whose good faith determination will be conclusive and as evidenced by a Board Resolution, or

(y) in the case of any property other than cash with a value equal to or greater than \$25.0 million, by an accounting, appraisal or investment banking firm of national standing and evidenced by a written opinion of such firm, received by Nextel Partners from the issuance or sale (other than to a Restricted Subsidiary) after February 24, 2000 of any Capital Stock of Nextel Partners (other than Redeemable Stock), or any options, warrants or other rights to purchase such Capital Stock (other than Redeemable Stock), upon the conversion of, or exchange for, Debt of Nextel Partners or a Restricted Subsidiary.

Nothing contained in this section limits or restricts Nextel Partners from making any Permitted Distribution, Permitted Investment or Directed Investment, and neither a Permitted Distribution nor a Permitted Investment will be counted as a Restricted Payment for purposes of clause (c) above.

In addition, the foregoing limitations do not prevent Nextel Partners from:

(1) paying any dividend on its Capital Stock within 60 days after the declaration thereof if, on the date when the dividend was declared, Nextel Partners could have paid such dividend in accordance with the provisions of the Indentures,

(2) repurchasing its Capital Stock (including options, warrants or other rights to acquire such Capital Stock) from former employees or directors of Nextel Partners or any Subsidiary thereof for consideration not to exceed:

(a) in the case of all such employees or directors (other than Itemized Executives), \$3.0 million in the aggregate in any fiscal year, with amounts not used in any given fiscal year being carried over into subsequent fiscal years, and

(b) in the case of any Itemized Executive, \$2.0 million per Itemized Executive (plus the amount of any proceeds of any key man life insurance received by Nextel Partners in respect to such Itemized Executive) in any fiscal year, with the aggregate amount of such repurchases under this clause (2)(b) not to exceed \$5.0 million in any fiscal year;

provided that the aggregate amount of all such repurchases made pursuant to this paragraph (2) does not exceed \$17.0 million in the aggregate (not including the amount of any proceeds of key man life insurance received by Nextel

Partners in respect to any Itemized Executive),

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(3) the repurchase, redemption or other acquisition for value of Capital Stock of Nextel Partners to the extent necessary to prevent the loss or secure the renewal or reinstatement of any license or franchise held by Nextel Partners or any of its Subsidiaries from any governmental agency,

(4) making a loan in the aggregate principal amount of approximately \$2.2 million to a certain officer of Nextel Partners (with Restricted Payments pursuant to this clause not being counted as Restricted Payments for purposes of clause (c) above),

(5) the redemption, repurchase, defeasance or other acquisition or retirement for value of Indebtedness that is subordinated in right of payment to the Notes, including premium, if any, and accrued and unpaid interest, with the proceeds of, or in exchange for:

(a) the proceeds of a capital contribution or a substantially concurrent offering of shares of Capital Stock of Nextel Partners (other than Redeemable Stock) or options, warrants or other rights to acquire such Capital Stock, the proceeds of which are not designated as a Directed Investment, or

(b) Debt that is at least as subordinated in right of payment to the Notes, including premium, if any, and accrued and unpaid interest, as the Debt being purchased (with Restricted Payments pursuant to this paragraph not being counted as Restricted Payments for purposes of clause (c) above),

(6) the repurchase, redemption or other acquisition of Capital Stock of Nextel Partners, or options, warrants or other rights to acquire such Capital Stock, in exchange for, or out of the proceeds of a capital contribution or a substantially concurrent offering of, shares of Common Stock of Nextel Partners (other than Redeemable Stock), or options, warrants or other rights to acquire such Capital Stock, the proceeds of which are not designated as a Directed Investment, or

(7) other Restricted Payments not to exceed \$5.0 million in the aggregate at any time outstanding (with Restricted Payments pursuant to this paragraph not being counted as Restricted Payments for purposes of clause (c) above).

Notwithstanding the foregoing, no Investment in a Person that immediately thereafter would be a Restricted Subsidiary will be a Restricted Payment. In addition, if any Person in which an Investment is made, which Investment constitutes a Restricted Payment when made, thereafter becomes a Restricted Subsidiary, all such Investments previously made in such Person will no longer be counted as Restricted Payments for purposes of calculating the aggregate amount of Restricted Payments pursuant to clause (c) above or the aggregate amount of Investments pursuant to paragraph (5)(a) above, in each case to the extent such Investments would otherwise be so counted.

For purposes of clause (c)(C) above, the net proceeds received by Nextel Partners from the issuance or sale of its Capital Stock either upon the conversion of, or exchange for, Debt of Nextel Partners or any Restricted Subsidiary will be deemed to be an amount equal to:

(a) the sum of (i) the principal amount or accreted value (whichever is less) of such Debt on the date of such conversion or exchange and (ii) the additional cash consideration, if any, received by Nextel Partners upon such conversion or exchange, less any payment on account of fractional shares, minus

(b) all expenses incurred in connection with such issuance or sale.

In addition, for purposes of clause (c)(C) above, the net proceeds received by Nextel Partners from the issuance or sale of its Capital Stock upon the exercise of any options or warrants of Nextel Partners or any Restricted Subsidiary will be deemed to be an amount equal to the additional cash consideration, if any, received by Nextel Partners upon such

exercise, minus all expenses incurred in connection with such issuance or sale.

For purposes of this *Limitation on Restricted Payments* covenant, if a particular Restricted Payment involves a non-cash payment, including a distribution of assets, then such Restricted Payment will be deemed to be an amount equal to the cash portion of such Restricted Payment, if any, plus an amount equal to the fair

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market value of the non-cash portion of such Restricted Payment, as determined by Nextel Partners Board of Directors (whose good faith determination will be conclusive and evidenced by a Board Resolution).

The amount of any Investment outstanding at any time will be deemed to be equal to the amount of such Investment on the date made, less the return of capital, repayment of loans and return on capital (including interest and dividends), in each case, received in cash, up to the amount of such Investment on the date made.

Restricted Subsidiaries

Subject to compliance with the *Limitation on Restricted Payments* covenant, Nextel Partners Board of Directors may designate any Restricted Subsidiary as an Unrestricted Subsidiary.

The designation by the Board of Directors of a Restricted Subsidiary as an Unrestricted Subsidiary will, for all purposes of the *Limitation on Restricted Payments* covenant (including clause (b) thereof), be deemed to be a Restricted Payment of an amount equal to the fair market value of Nextel Partners ownership interest in such Subsidiary (including, without duplication, such indirect ownership interest in all Subsidiaries of such Subsidiary), as determined by Nextel Partners Board of Directors in good faith and evidenced by a Board Resolution.

Notwithstanding the foregoing provisions of this *Restricted Subsidiaries* covenant, the Board of Directors may not designate a Subsidiary of Nextel Partners to be an Unrestricted Subsidiary if, after such designation:

(a) Nextel Partners or any of its other Restricted Subsidiaries:

(i) provides credit support for, or a Guarantee of, any Debt of such Subsidiary (including any undertaking, agreement or instrument evidencing such Debt), or

(ii) is directly or indirectly liable for any Debt of such Subsidiary,

(b) a default with respect to any Debt of such Subsidiary (including any right which the holders thereof may have to take enforcement action against such Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Debt of Nextel Partners or any Restricted Subsidiary to declare a default on such other Debt or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity, or

(c) such Subsidiary owns any Capital Stock of, or owns or holds any Lien on any property of, any Restricted Subsidiary which is not a Subsidiary of the Subsidiary to be so designated.

Nextel Partners Board of Directors, from time to time, may designate any Person that is about to become a Subsidiary of Nextel Partners as an Unrestricted Subsidiary, and may designate any newly-created Subsidiary as an Unrestricted Subsidiary, if at the time such Subsidiary is created it contains no assets (other than such *de minimis* amount of assets then required by law for the formation of corporations) and no Debt. Subsidiaries of Nextel Partners that are not designated by Nextel Partners Board of Directors as Restricted or Unrestricted Subsidiaries shall be deemed to be Restricted Subsidiaries. Notwithstanding any provisions of this *Restricted Subsidiaries* covenant, all Subsidiaries of an Unrestricted Subsidiary shall be Unrestricted Subsidiaries.

Transactions with Affiliates

Nextel Partners will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) or series of related transactions with any Affiliate of Nextel Partners on terms that are less favorable to Nextel Partners or such

Restricted Subsidiary, as the case may be, than those which might be obtained at the time of such transaction from a Person that is not such an Affiliate. However, this *Transactions with Affiliates* covenant will not limit, or be applicable to:

any transaction between Unrestricted Subsidiaries not involving Nextel Partners or any Restricted Subsidiary,

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any transaction between Nextel Partners and any Restricted Subsidiary or between Restricted Subsidiaries, or any Permitted Transactions.

In addition, Nextel Partners will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into any transaction or series of related transactions, other than Permitted Transactions, between Nextel Partners or any Restricted Subsidiary and any Affiliate of Nextel Partners (other than a Restricted Subsidiary) involving an aggregate consideration in excess of \$10.0 million unless Nextel Partners delivers to the Trustees a determination by the Board of Directors set forth in an Officers' Certificate certifying that such transaction or series of related transactions is on terms as favorable as those that might be obtained at the time of such transaction (or series of transactions) from a Person that is not such an Affiliate.

For purposes of this *Transactions with Affiliates* covenant, if Nextel Partners delivers such an Officers' Certificate to the Trustees, any transaction or series of related transactions between Nextel Partners or any Restricted Subsidiary and an Affiliate of Nextel Partners will be deemed to be on terms as favorable as those that might be obtained at the time of such transaction (or series of transactions) from a Person that is not such an Affiliate and thus will be permitted under this *Transactions with Affiliates* covenant.

Limitation on the Activities of Nextel Partners and its Restricted Subsidiaries

Nextel Partners will not, and will not permit any Restricted Subsidiary to, engage in any business other than the telecommunications business and related activities and services, including such businesses, activities and services as Nextel Partners and the Restricted Subsidiaries were engaged in on the Closing Date.

Limitation on Liens

Nextel Partners will not, and will not permit any of its Restricted Subsidiaries to, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind (other than Permitted Liens) upon any of their property or assets, now owned or hereafter acquired, unless all payments due under the applicable Indenture and Notes are secured on an equal and ratable basis with the obligations so secured until such time as such obligations are no longer secured by a Lien.

Limitation on Dividend and Other-Payment Restrictions Affecting Subsidiaries

Nextel Partners will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions to Nextel Partners or any of its Restricted Subsidiaries with respect to its Capital Stock or any other interest or participation in, or measured by, its profits, or pay any indebtedness owed to Nextel Partners or any of its Restricted Subsidiaries,

(2) make loans or advances to Nextel Partners or any of its Restricted Subsidiaries, or

(3) transfer any of its properties or assets to Nextel Partners or any of its Restricted Subsidiaries.

However, the foregoing restrictions will not apply to encumbrances or restrictions existing under or by reason of:

existing Debt as in effect on the date of the applicable Indenture,

any Credit Facility as in effect as of the date of the applicable Indenture (or in the case of the New Credit Facility, as initially executed by the parties thereto), and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof, *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are no more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in such Credit Facility as in effect on the

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date of the applicable Indenture (as conclusively determined in good faith by Nextel Partners Board of Directors and set forth in a Board Resolution),

the applicable Indenture and Notes,

applicable law,

any instrument governing Debt, and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof, *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacement or refinancings are no more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in such Debt as in effect on the date of its incurrence by Nextel Partners or any Restricted Subsidiary (as conclusively determined in good faith by an executive officer of Nextel Partners), or Capital Stock of a Person acquired by Nextel Partners or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Debt was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired, *provided* that, in the case of Debt, such Debt was permitted to be incurred by the terms of the applicable Indenture,

customary non-assignment provisions in leases entered into in the ordinary course of business,

purchase money obligations for property acquired in the ordinary course of business that impose restrictions of the nature described in clause (3) above on the property so acquired,

any agreement for the sale or other disposition of a Restricted Subsidiary that restricts distributions by that Subsidiary pending its sale or other disposition,

Liens securing Debt otherwise permitted to be incurred pursuant to the provisions of the covenant described above under the caption *Limitation on Liens* that limit the right of Nextel Partners or any of its Restricted Subsidiaries to dispose of the assets subject to such Lien,

provisions with respect to the disposition or distribution of assets or property in joint venture agreements and other similar agreements entered into in the ordinary course of business, and

restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business.

Limitation on Issuances and Sales of Equity Interests in Wholly Owned Subsidiaries

Nextel Partners will not and will not permit any of its Restricted Subsidiaries to:

(a) transfer, convey, sell or otherwise dispose of any Capital Stock in any Wholly Owned Restricted Subsidiary of Nextel Partners to any Person (other than Nextel Partners or any Wholly Owned Restricted Subsidiary of Nextel Partners) unless: such transfer is of all the Capital Stock in such Wholly Owned Restricted Subsidiary and the cash Net Proceeds from such transfer are applied in accordance with the covenant described under the caption *Limitation on Asset Sales*, and

(b) will not permit any Wholly Owned Restricted Subsidiary of Nextel Partners to issue any of its Capital Stock (other than, if necessary, shares of its Capital Stock constituting directors qualifying shares) to any Person other than to

Nextel Partners or a Wholly Owned Restricted Subsidiary of Nextel Partners.

The foregoing restrictions will not apply to:

the creation of Permitted Joint Ventures,

any transfer required by applicable law or regulation,

the issuance of Redeemable Stock that is otherwise permitted to be issued pursuant to the terms of the applicable Indenture, and

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transfers in which Nextel Partners or a Restricted Subsidiary acquires at the same time not less than its proportionate share in such issuance of Capital Stock.

Limitation on Asset Sales

Nextel Partners will not, and will not permit any Restricted Subsidiary to, make any Asset Sale unless:

Nextel Partners or the Restricted Subsidiary, as the case may be, receives consideration for such Asset Sale at least equal to the fair market value of the assets or Capital Stock issued or sold or otherwise disposed of as determined by Nextel Partners Board of Directors in good faith and evidenced by a Board Resolution set forth in an Officers Certificate delivered to the applicable Trustee, which determination shall be conclusive, and

at least 80% of the consideration for such disposition consists of cash;

provided that the amount of:

any liabilities (as shown on Nextel Partners or such Restricted Subsidiary's most recent balance sheet) of Nextel Partners or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any guarantee thereof) that are assumed by the transferee of any such assets, and

any securities, notes or other obligations received by Nextel Partners or any such Restricted Subsidiary from such transferee that are contemporaneously (subject to ordinary settlement periods) converted by Nextel Partners or such Subsidiary into cash (to the extent of the cash received),

shall be deemed to be cash for purposes of this provision.

Within 360 days after receipt of any Net Proceeds from an Asset Sale, Nextel Partners may apply those Net Proceeds at its option:

to repay Debt under a Credit Facility or any Vendor Financing Debt,

to make a capital expenditure in the same or similar line of business as Nextel Partners is engaged in on the date of the applicable Indenture or in a business reasonably related thereto, or

to acquire Capital Stock of an entity that is or becomes a Restricted Subsidiary or other long-term assets that are used or useful in the same or similar line of business as Nextel Partners or such Restricted Subsidiaries were engaged in on the date of the applicable Indenture or in businesses reasonably related thereto.

Pending the final application of any Net Proceeds, Nextel Partners may temporarily reduce revolving credit borrowings or otherwise invest Net Proceeds in any manner that is not prohibited by the Indentures.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the first sentence of this paragraph will be deemed to constitute *Excess Proceeds*. When the aggregate amount of Excess Proceeds exceeds \$10.0 million, Nextel Partners will be required to make an offer (an *Asset Sale Offer*) to all holders of Notes, and all holders of other Debt that is *pari passu* with the Notes containing provisions similar to those set forth in the Indentures with respect to offers to purchase or redeem with the proceeds of sales of assets, to purchase the maximum principal amount at maturity of Notes and such other *pari passu* Debt that may be purchased out of the Excess Proceeds. The offer price for such Asset Sale Offer shall be an amount in cash equal to 100% of the principal amount thereof plus accrued and

unpaid interest thereon, if any, to the date of purchase, in accordance with the procedures set forth in the Indentures and the instrument or instruments governing such other *pari passu* Debt, respectively.

To the extent that any Excess Proceeds remain after consummation of an Asset Sale Offer, Nextel Partners may use such Excess Proceeds for any purpose not otherwise prohibited by the Indentures. If the aggregate principal amount of Notes tendered into such Asset Sale Offer surrendered by holders thereof exceeds the amount of Excess Proceeds, the applicable Trustee shall select the applicable Notes to be

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purchased on a *pro rata* basis. Upon completion of such offer to purchase, the amount of Excess Proceeds shall be reset at zero.

Change of Control

Within 30 days of the occurrence of a Change of Control, Nextel Partners will be required to make an Offer to Purchase all outstanding Notes at a cash purchase price equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest to the date of repurchase.

In the event that Nextel Partners makes an Offer to Purchase the Notes, Nextel Partners intends to comply with any applicable securities laws and regulations, including any applicable requirements of Section 14(e) of, and Rule 14e-1 under, the Exchange Act.

Provision of Financial Information

Whether or not Nextel Partners is subject to Section 13(a) or 15(d) of the Exchange Act, or any successor provision thereto, the Indentures obligate Nextel Partners to file with the SEC copies of the annual and quarterly reports and other documents that Nextel Partners would have been required to file with the SEC pursuant to such Section 13(a) or 15(d) or any successor provision thereto if Nextel Partners were subject thereto on or prior to the respective dates (the *Required Filing Dates*) by which Nextel Partners would have been required to file such document. Nextel Partners is also required, within 15 days of each Required Filing Date, to transmit by mail to all holders without cost to such holders and file with the Trustees, copies of the required filings. If under the Exchange Act Nextel Partners is not permitted to file such documents with the SEC, promptly upon written request of any prospective holder, Nextel Partners will supply copies of these documents.

In addition, Nextel Partners has agreed that, for so long as any Notes remain outstanding, it will furnish to the holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A under the Securities Act.

Notwithstanding the foregoing, if the Parent executes and delivers to the Trustees a Parent Guarantee, the reports and other information described above may instead be those filed with the SEC by the Parent and furnished with respect to the Parent without including the condensed consolidating footnote contemplated by Rule 3-10 of Regulation S-X promulgated under the Securities Act.

Merger, Sale of Assets, Etc.

Nextel Partners shall not, in any transaction or series of related transactions:

merge or consolidate with or into, or sell, assign, convey, transfer or otherwise dispose of its properties and assets substantially as an entirety to, any Person; and

permit any of its Restricted Subsidiaries to enter into any such transaction or series of transactions if such transaction or series of transactions, in the aggregate, would result in a sale, assignment, conveyance, transfer or other disposition of the properties and assets of Nextel Partners and its Restricted Subsidiaries, taken as a whole, substantially as an entirety to any Person, unless:

(a) either:

(A) if the transaction or series of transactions is a consolidation of Nextel Partners with or a merger of Nextel Partners with or into any other Person, Nextel Partners shall be the surviving Person of such merger or consolidation, or

(B) the Person formed by any consolidation with or merger with or into Nextel Partners, or to which the properties and assets of Nextel Partners or Nextel Partners and its Restricted Subsidiaries, taken as a whole, as the case may be, substantially as an entirety are sold, assigned, conveyed or otherwise transferred shall be a corporation, partnership, limited liability company or trust organized and existing under the laws of the United States of America, any state thereof or the District of

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Columbia and shall expressly assume by a supplemental indenture executed and delivered to the applicable Trustee, in form satisfactory to such Trustee, all the obligations of Nextel Partners under the applicable Notes and the applicable Indentures and, in each case, the applicable Indentures, as so supplemented, shall remain in full force and effect, and

(b) immediately before and immediately after giving effect to such transaction or series of transactions on a *pro forma* basis (including any Debt Incurred or anticipated to be Incurred in connection with or in respect of such transaction or series of transactions), no Default or Event of Default shall have occurred and be continuing, and

(c) Nextel Partners or the successor entity to Nextel Partners will, at the time of such transaction and after giving *pro forma* effect thereto as if such transaction had occurred at the beginning of the applicable period:

(A) have Consolidated Net Worth immediately after the transaction equal to or greater than the Consolidated Net Worth of Nextel Partners immediately preceding the transaction and

(B) be permitted to Incur at least \$1.00 of additional Debt pursuant to clause (1) of the covenant described above under *Limitation on Consolidated Debt*.

The foregoing requirements shall not apply to any transaction or series of transactions involving the sale, assignment, conveyance, transfer or other disposition of the properties and assets by any Restricted Subsidiary to any other Restricted Subsidiary, or the merger or consolidation of any Restricted Subsidiary with or into any other Restricted Subsidiary. The Indentures also provide that Nextel Partners may not, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person.

In connection with any consolidation, merger, sale, assignment, conveyance, transfer or other disposition contemplated by the foregoing provisions, Nextel Partners shall deliver, or cause to be delivered, to each Trustee, in form and substance reasonably satisfactory to the applicable Trustee, an Officers Certificate stating that such consolidation, merger, sale, assignment, conveyance, transfer, or other disposition and the applicable supplemental indenture in respect thereof (required under clause (a)(B) of the preceding paragraph) comply with the requirements of the applicable Indenture and an opinion of counsel. Each such Officers Certificate shall set forth the manner of determination of Nextel Partners compliance with clause (c) of the preceding paragraph.

For all purposes of the Indentures and the Notes (including the provisions described in the two immediately preceding paragraphs and the *Limitation on Consolidated Debt* and *Restricted Subsidiaries* covenants), Subsidiaries of any successor entity will, upon such transaction or series of transactions, become Restricted Subsidiaries or Unrestricted Subsidiaries as provided pursuant to the *Restricted Subsidiaries* covenant and all Debt of the successor entity and its Subsidiaries that was not Debt of Nextel Partners and its Subsidiaries immediately prior to such transaction or series of transactions shall be deemed to have been Incurred upon such transaction or series of transactions.

The successor entity shall succeed to, and be substituted for, and may exercise every right and power of Nextel Partners under, the Indentures, and the predecessor company shall be released from all its obligations and covenants under the Indentures and the Notes.

Certain Definitions

Set forth below is a summary of some of the definitions used in the Indentures. Reference is made to the applicable Indenture for the definition of all such terms, as well as any other term used herein for which no definition is provided.

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Acquired Debt means Debt of a Person:

existing at the time such Person becomes a Restricted Subsidiary or assumed by Nextel Partners or a Restricted Subsidiary in connection with the acquisition of assets from such Person, and

secured by a Lien encumbering any asset of such specified Person.

Affiliate of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person. For purposes of the covenant described under *Covenants Transactions with Affiliates* only, affiliate shall be deemed to include any Person owning, directly or indirectly, (i) 10% or more of the outstanding Common Stock of Nextel Partners or (ii) securities having 10% or more of the total voting power of the Voting Stock of Nextel Partners. For the purposes of this definition, *control* when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms *controlling* and *controlled* have meanings correlative to the foregoing. No individual shall be deemed to be controlled by or under common control with any specified Person solely by virtue of his or her status as an employee or officer of such specified Person or of any other Person controlled by or under common control with such specified Person.

Annualized Operating Cash Flow means, for any fiscal quarter, the Operating Cash Flow for such fiscal quarter multiplied by four.

Asset Sale means:

the sale, lease, conveyance or other disposition of any assets or rights (including, without limitation, by way of a sale and leaseback) other than sales of inventory and obsolete equipment in the ordinary course of business (provided that the sale, conveyance or other disposition of all or substantially all of the assets of Nextel Partners and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indentures described above under the caption *Covenants Change of Control* and/or the provisions described above under the caption *Covenants Merger, Sale of Assets, Etc.* and not by the provisions described above under the caption *Covenants Limitation on Asset Sales*), and

the issue or sale by Nextel Partners or its Restricted Subsidiaries of Capital Stock of any of Nextel Partners Subsidiaries;

provided in each case, the transaction or a series of related transactions has a fair market value in excess of \$5.0 million or net proceeds in excess of \$5.0 million.

The following items shall not be deemed to be Asset Sales:

a transfer of assets by Nextel Partners to a Wholly Owned Restricted Subsidiary or by a Wholly Owned Restricted Subsidiary to Nextel Partners or to another Wholly Owned Restricted Subsidiary,

an issuance of Capital Stock by a Wholly Owned Restricted Subsidiary to Nextel Partners or to another Wholly Owned Restricted Subsidiary,

a Restricted Payment that is permitted by the covenant described under *Covenants Limitation on Restricted Payments*,

Permitted Joint Ventures,

any License Exchange, and

any transfer of assets to any Parent or any direct or indirect Subsidiary of the Parent.

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Average Life means, at any date of determination with respect to any Debt, the quotient obtained by dividing:

the sum of the products of the number of years from such date of determination to the dates of each successive scheduled principal payment of such Debt and the amount of such principal payment by

the sum of all such principal payments.

Beneficial Owner means a beneficial owner as defined in Rules 13d-3 and 13d-5 under the Exchange Act (or any successor rules), including the provision of such Rules that a person shall be deemed to have beneficial ownership of all securities that such person has a right to acquire within 60 days, *provided* that a person shall not be deemed a beneficial owner of, or to own beneficially, any securities if such beneficial ownership arises solely as a result of a revocable proxy delivered in response to a proxy or consent solicitation made pursuant to, and in accordance with, the Exchange Act and the applicable rules and regulations thereunder and is not also then reportable on Schedule 13D (or any successor schedule) under the Exchange Act.

Board Resolution means a copy of a resolution certified by the Secretary or an Assistant Secretary of Nextel Partners to have been duly adopted by its Board of Directors (unless the context specifically requires that such resolution be adopted by a majority of the Disinterested Directors, in which case by a majority of such directors) and to be in full force and effect on the date of such certification and delivered to the applicable Trustee.

Capital Lease Obligations of any Person means the obligations to pay rent or other amounts under leases of (or other Debt arrangements conveying the right to use) real or personal property of such Person which are required to be classified and accounted for as a capital lease or a liability on the face of a balance sheet of such Person determined in accordance with generally accepted accounting principles and the amount of such obligations shall be the capitalized amount thereof in accordance with generally accepted accounting principles and the stated maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

Capital Stock of any Person means any and all shares, interests, participations or other equivalents (however designated) of stock of, or other ownership interests in, such Person.

Change of Control means the occurrence of any of the following events:

(1) any person or group of persons (as such term is used in Section 13(d)(3) of the Exchange Act and the regulations thereunder) other than a Permitted Holder is or becomes the Beneficial Owner, directly or indirectly, of more than 50% of the total Voting Stock or Total Common Equity of Nextel Partners; *provided* that no Change of Control shall be deemed to occur pursuant to this clause (1) if the person is a corporation with outstanding debt securities having a maturity at original issuance of at least one year and if such debt securities are rated Investment Grade by S&P or Moody's for a period of at least 90 consecutive days, beginning on the date of such event (which period will be extended up to 90 additional days for as long as the rating of such debt securities is under publicly announced consideration for possible downgrading by the applicable rating agency); or

(2) Nextel Partners consolidates with, or merges with or into, another Person other than a Permitted Holder or sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its assets to any Person other than a Permitted Holder or any Person other than a Permitted Holder consolidates with, or merges with or into, Nextel Partners, in any such event pursuant to a transaction in which the outstanding Voting Stock of Nextel Partners is converted into or exchanged for cash, securities or other property, other than any such transaction where:

(a) the outstanding Voting Stock of Nextel Partners is converted into or exchanged for:

(A) Voting Stock (other than Redeemable Stock) of the surviving or transferee Person, or

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(B) cash, securities and other property in an amount which could be paid by Nextel Partners as a Restricted Payment under the Indentures, and

(b) immediately after such transaction no person or group of persons (as such term is used in Section 13(d)(3) of the Exchange Act and the regulations thereunder) is the Beneficial Owner, directly or indirectly, of more than 50% of the total Voting Stock or Total Common Equity of the surviving or transferee Person;

provided that no Change of Control shall be deemed to occur pursuant to this clause (2) if the surviving or transferee Person or the person referred to in clause (2)(b) is a corporation with outstanding debt securities having a maturity at original issuance of at least one year and if such debt securities are rated Investment Grade by S&P or Moody's for a period of at least 90 consecutive days, beginning on the date of such event (which period will be extended up to 90 additional days for as long as the rating of such debt securities is under publicly announced consideration for possible downgrading by the applicable rating agency); or

(3) during any consecutive two-year period, individuals who at the beginning of such period constituted the Board of Directors, together with:

(a) any directors who are members of the Board of Directors on the Closing Date,

(b) any new directors whose election by such Board of Directors or whose nomination for election by the stockholders of Nextel Partners was approved by a vote of 66²/₃% of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved, and

(c) any new directors appointed or selected by a Permitted Holder, whether pursuant to a transaction of a type described in either of the preceding paragraphs (a) and (b), pursuant to a contractual right or pursuant to a right granted under Nextel Partners' certificate of incorporation or by-laws,

cease for any reason to constitute a majority of the Board of Directors then in office; or

(4) the adoption of a plan relating to the liquidation or dissolution of Nextel Partners.

Any event that would constitute a Change of Control pursuant to clause (1) or (2) above but for the exceptions thereto shall not be deemed to be a Change of Control until such time (if any) as the conditions described in such exceptions cease to have been met.

Closing Date means, for purposes of the 2003 Indenture, June 23, 2003, the date on which the 2003 Notes were first issued under the 2003 Indenture, and, for purposes of the 2004 Indenture, May 19, 2004, the date on which the 2004 Notes were first issued under the 2004 Indenture.

Closing Price on any Trading Day with respect to the per share price of any shares of Capital Stock means the last reported sale price regular way or, in case no such reported sale takes place on such day, the average of the reported closing bid and asked prices regular way, in either case on the New York Stock Exchange or, if such shares of Capital Stock are not listed or admitted to trading on such exchange, on the principal national securities exchange on which such shares are listed or admitted to trading or, if not listed or admitted to trading on any national securities exchange, on the Nasdaq Stock Market or, if such shares are not listed or admitted to trading on any national securities exchange or quoted on the Nasdaq Stock Market but the issuer is a Foreign Issuer (as defined in Rule 3b-4(b) under the Exchange Act) and the principal securities exchange on which such shares are listed or admitted to trading is a Designated Offshore Securities Market (as defined in Rule 902(a) under the Securities Act), the average of the reported closing bid and asked prices regular way on such principal exchange, or, if such shares are not listed or

admitted to trading on any national securities exchange