IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: HEARTLAND WIRELESS COMMUNICATIONS, INC., a Delaware corporation, Debtor.	: : : : : :	CHAPTER 11 Case No. 98-2692(JJF)

FIRST AND FINAL APPLICATION OF
WASSERSTEIN PERELLA & CO. FOR COMPENSATION
AND FOR REIMBURSEMENT OF EXPENSES

Name of Applicant: Wasserstein, Perella & Co. ("WP&Co.")

Authorized to Provide Professional Services to: Debtor and Debtor in Possession

Date of Retention: December 4, 1988

Period for which Compensation and Reimbursement is Sought: December 4, 1998 through April 1, 1999

Amount of Compensation Sought as Actual, Reasonable and Necessary: $1,500,000

Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary: $4,278.28

This is a(n): ____ interim _X_ final application

Since this is WP&Co.'s first and final fee application, the preparation of which occurred after the Application Period (as defined herein), this application does not include any time incurred in connection with preparing this or any other interim fee application.

WP&Co. has not made an interim application for compensation and reimbursement of expenses.

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In re: HEARTLAND WIRELESS COMMUNICATIONS, INC., a Delaware corporation, Debtor.	:	CHAPTER 11 Case No. 98-2692(JJF)

APPLICATION OF WASSERSTEIN PERELLA & CO., INC. FOR APPROVAL OF COMPENSATION AND REIMBURSEMENT OF EXPENSES PURSUANT TO SECTIONS 330(a) AND 1129(a)(4) OF THE BANKRUPTCY CODE

TO THE HONORABLE JOSEPH J. FARNAN, JR., UNITED STATES DISTRICT JUDGE:

By this Application for Approval of Compensation and Reimbursement of Expenses, Wasserstein Perella & Co., Inc. ("WP&Co."), financial advisor to the above-captioned reorganized debtor, Heartland Wireless Communications, Inc. ("Heartland"), seeks approval of compensation in the amount of $1,500,000 and reimbursement of actual and necessary out-of-pocket expenses of $4,278.28 for the period from the commencement of this chapter 11 case on December 4, 1998 (the "Petition Date") to April 1, 1999, the effective date of the Debtor's Plan of Reorganization Under Chapter 11 (the "Chapter 11 Plan"). In support thereof, WP&Co. respectfully represents:

I. BACKGROUND

1. Together with its petition for relief under chapter 11 of the Bankruptcy Code, Heartland filed a disclosure statement and a "pre-negotiated"

chapter 11 plan of reorganization.[1] The voting classes having overwhelmingly accepted the Chapter 11 Plan, the Court confirmed the Chapter 11 Plan less than three and a half months later. Heartland has now successfully emerged from chapter 11 (as Nucentrix Broadband Networks, Inc.), and its reorganization securities have substantially increased in value to the benefit of all of its constituents thanks in large measure to the speed and efficiency of its chapter 11 case.

2. Heartland's reorganization process started over a year before the Petition Date, however, and WP&Co. has been intensively involved in those efforts from the beginning, when it was retained to analyze all options available to finance Heartland's revised first quarter 1998 business plan and service its debt. Thus, although the Court approved WP&Co.'s retention under section 327(a) of the Bankruptcy Code on the Petition Date, Heartland retained WP&Co. over a year earlier, pursuant to an engagement letter dated January 30, 1998 (the "Engagement Letter").[2] A substantial portion of WP&Co.'s requested compensation constitutes a $1,140,000 restructuring fee under the terms of the Engagement Letter, which was contingent upon the successful completion of Heartland's reorganization. In real terms, therefore, most of the compensation sought by WP&Co. is attributable to work that WP&Co. performed over the course of the sixteen month restructuring, not just the three and half month chapter 11 case, although WP&Co. agreed to condition its payment upon the successful completion of the reorganization.

1/ WP&Co. assumes the Court's familiarity with Heartland's multifaceted wireless business.

2/ Copies of the Engagement Letter and the Order Authorizing WP&Co.'s retention are attached hereto as Exhibits A and B.

3. Heartland and WP&Co. negotiated the Engagement Letter on an arms-length basis, when Heartland was in a position to choose other financial advisors if it so wished. The Ad Hoc Committee also had the opportunity to review and object to the Engagement Letter and WP&Co.'s retention, but, consistent with the professional manner in which the reorganization was handled and reflecting the fairness of the Letter, supported WP&Co.'s retention. WP&Co. is informed that Heartland supports and the Official Creditors Committee does not object to this Application. As discussed in greater detail below, WP&Co.'s requested compensation for its services to Heartland is, in fact, at or below market, and WP&Co. believes that it has fully met the standards set forth in section 330(a) of the Bankruptcy Code and the authorities construing that section for approval of its requested compensation and reimbursement of expenses.

II. REQUEST FOR RELIEF

4. WP&Co. seeks approval of the unpaid fees and expenses provided in its Engagement letter.[3/]

5. All of the services for which WP&Co. seeks approval of compensation and reimbursement of expenses were rendered solely for and on behalf of Heartland and not on behalf of any other person or party in interest. WP&Co. has no agreement to share compensation or expenses with any person or party in interest.

[3/] WP&Co. has learned that it was paid $180,000 of fees, for the months of December, 1998 and January, 1999, as well as reimbursed its expenses of $1,457.69 and $639 for those months. WP&Co. nevertheless seeks approval in this Application of the payment of these fees and expenses.

A. **Reimbursement of Expenses**

6. As noted above, WP&Co. incurred or recorded charges of $4,278.28 after the Petition Date for actual and necessary out-of-pocket expenses incident to its services on behalf of Heartland. A summary of WP&Co.'s expenses, by category, is attached hereto as Exhibit C. A detailed analysis if WP&Co.'s expenses is attached hereto as Exhibit D.

7. The foregoing expenses were incurred pursuant to WP&Co.'s regular expense practices and guidelines. WP&Co. did not charge any "profit" component in connection with these expenses. Moreover, as is WP&Co.'s regular practice for bankruptcy and non-bankruptcy matters, WP&Co. separately billed expenses such as copying, word processing and similar office services to Heartland based on the actual use of such services pertaining to Heartland, rather than including a component across-the-board in its fees to all clients for such costs. This maximizes fairness to all of its clients, including Heartland.

B. **Award of Compensation**

8. In addition to providing for the reimbursement of its actual and necessary expenses, the Engagement Letter provides that WP&Co. will be compensated in two ways, subject to the jurisdiction and approval of the Court as required by the Bankruptcy Code.[4/] First, Heartland agreed to pay WP&Co. a monthly amount of $90,000. Second, conditional upon the consummation of a

[4/] The Engagement Letter also provides for the possibility of an additional "financing fee" in the event that WP&Co. assisted in the sale or placement of Heartland's equity or debt securities with investors or lenders. However, the restructuring recommended by WP&Co. and pursued by Heartland did not provide for such a financing, and WP&Co. is not seeking such a fee.

restructuring, Heartland agreed to pay WP&Co. an amount equal to 1% of the outstanding principal amount of Heartland's securities, other indebtedness and/or trade credit facilities so restructured (subject to adjustment depending upon whether Jupiter Partners L.P. is a consenting creditor) minus any monthly fees paid to WP&Co. After making the calculations contemplated by the Engagement Letter, including deducting the $90,000 monthly payments received by WP&Co. for February 1998 through November 1998, WP&Co. seeks approval of the payment of $360,000 of monthly fees for December 1998 through March 1999 and a restructuring fee of $1,140,000, for a total of $1,500,000.[5] Specifically, that amount is calculated as follows:

Total Principal Amount of Qualifying Restructured Obligations	$ 240,000,000
Success Fee Percentage	1%
Total Fee	$ 2,400,000
Less Monthly Fees Paid and Requested	$ 1,260,000
Success Fee Due	$ 1,140,000

9. WP&Co.'s restructuring fee is a "contingent fee" in two respects. First, it is payable only after the successful restructuring of Heartland's indebtedness. Second, because WP&Co.'s monthly fees are to be credited against the restructuring fee, the longer Heartland's restructuring took, the lower would be WP&Co.'s restructuring fee. That arrangement provided an obvious benefit to Heartland (and its creditors), because Heartland was able to obtain the full-time

[5] The requested restructuring fee reflects a deduction of $360,000 for WP&Co.'s four months of post-Petition Date services.

services of an investment banker with a national and international reputation in both restructurings and the wireless industry at a low monthly cost, with the back-end payment tied to speed and success in actually restructuring indebtedness.

10. The award of such fees under section 330(a) of the Bankruptcy Code is widely recognized. In re UDC Homes, Inc., 203 B.R. 218, 219-220 (Bankr. D. Del. 1996); In re Intelogic Trace, Inc., 188 B.R. 557, 560 (Bankr. W.D. Tex. 1995); In re Gillett Holdings, Inc., 136 B.R. 452, 459 (Bankr. D. Colo. 1991) ("success fee" is "entirely acceptable" upon proper evaluation by creditors and consideration by the court). As stated by the court in UDC Homes, the Engagement Letter's fee structure should not be viewed as a "monthly fee plus a bonus fee" but, rather, "based upon a restructuring fee concept . . . that certain financial advisors typically agree to in merger and acquisition or restructuring transactions work performed outside of bankruptcy. In such a restructuring, a financial advisor representing the company to be restructured may be compensated on the basis of a percentage of certain financial benchmarks relating to the resulting transaction." 203 B.R. at 222. See also In re Intelogic Trace, 188 B.R. at 560 ("[A] 'success' fee is less a bonus than it is an incentive, designed to induce maximum return, on the theory that, but for the fee, the professional would not even have bothered to take on the engagement."). To the extent, therefore, that a restructuring fee represents a fair bargain by the parties and market practice, it should be approved. See generally In re Busy Beaver Bldg. Centers, Inc., 19 F.3d 833, 849 (3d Cir. 1994); see also In re Intelogic Trace, 188 B.R. at 560 ("Though the original agreement made between the parties is not controlling, it is at least a relevant piece of information, especially if the

evidence also suggests arms'-length bargaining, relatively equal bargaining positions, and other indicia that the agreement falls withing the range that the market might generate in the absence of a bankruptcy.")

11. As noted above, the Engagement Letter resulted from a good faith arm's-length negotiation over a year before the Petition Date, and represents a compromise acceptable to both parties with regard to the appropriate compensation owed to WP&Co. for successfully completing its engagement. Heartland specifically acknowledged as much in its application to retain WP&Co. Perhaps more importantly, when it first engaged WP&Co. Heartland was fully capable of hiring any of several other financial advisors, while WP&Co., having been retained first to analyze all available options rather than to respond to a specific, identified problem, did not have a particularly strong bargaining position or assurance of a substantial recovery in respect of the restructuring fee. Further, the Ad Hoc Committee that negotiated the terms of the restructuring and representing most of Heartland's indebtedness did not seek to modify the Engagement Letter.

12. Moreover, the fees owed to WP&Co. under the Engagement Letter are well within the range of fees paid to other investment banks in similar transactions such as exchange offers and prepackaged or pre-negotiated chapter 11 cases.

13. Significantly the $90,000 monthly fee is below the amount generally charged by WP&Co. when it serves as a debtor's financial advisor and apparently also is below the normal rate charged by other investment banks for such services. See, e.g., In re Drexel Burnham Lambert Group, Inc., 133 B.R. 13, 22

(Bankr. S.D.N.Y. 1991) (summarizing compensation arrangements of 22 financial advisors: all but two are in excess of WP&Co.'s monthly charges). See also the summary of monthly fees charged by debtors' financial advisors attached hereto as Exhibit E.

14. Moreover, the 1% (before reduction by prior payments)[6] transaction fee payable to WP&Co. under the Engagement Letter also is well within the range of fees paid to other investment banks in similar transactions. See In re UDC Homes, 203 B.R. at 222-23, in which the court analyzed comparative data directed toward the reasonableness of a restructuring fee for the debtor's financial advisor viewed as a percentage of two financial benchmarks: (1) 32 domestic transactions involving a fee to the financial advisor based on a percentage of transaction value, where the percentage ranged from .5% to 1.5%, and averaged .9%; and (2) 31 restructurings in which the average fee paid was approximately 1.09% of the amount of the securities involved. Because the financial advisor's fee fell in these ranges, the court authorized its compensation request for $2,710,000.

15. Other known fees for comparable services similarly support WP&Co.'s 1% fee (net of monthly payments). For example, in the SPI Holdings chapter 11 case, DLJ received a success fee of $4 million (less prior payments) for the restructuring of $296 million of debt. That fee represents a success fee percentage of 1.35%. In the prepackaged bankruptcy of Gaylord Container, BT Securities and First Boston together received a success fee as the debtor's financial

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[6] After deducting prior payments, WP&Co.'s restructuring fee equals .475% of qualifying restructured debt.

advisors of $6.4 million (less prior payments) with respect to the restructuring of $582.8 million of debt. That fee represents a success fee percentage of 1.01%. In addition to the transaction fees described in Exhibit E hereto, a chart showing other transaction fees paid to financial advisors in comparable transactions is attached hereto as Exhibit F. It, too, confirms that the fee requested by WP&Co. is consistent with market practice and is reasonable.

16. Moreover, WP&Co. respectfully submits that the fee for the services that it has rendered to Heartland is fully justified and reasonable based upon the factors listed in section 330(a)(3) of the Bankruptcy Code and relevant authorities, including (a) the time and labor spent on such services, (b) the rates charged for such services, including the contingent nature of the fee, (c) whether the services were necessary or beneficial to the completion of the chapter 11 case, (d) the novelty and difficulty of the issues presented, (e) the skill necessary to perform the services properly, (f) the preclusion of other employment, (g) the customary fees charged to other clients for similar services by WP&Co. and other investment banks, (h) awards in similar cases, (i) time constraints, (j) the amounts involved and the results obtained, (k) the experience, reputation and ability of the professionals rendering services, (l) the lack of a prior professional relationship between WP&Co. and Heartland, and (m) the indisputable success of this chapter 11 case.

17. As shown in the following description of WP&Co.'s responsibilities, services and resources dedicated to Heartland's restructuring, the foregoing factors all strongly support the award of WP&Co.'s requested compensation.

III. SUMMARY OF WP&CO.'S RESPONSIBILITIES AND SERVICES

A. Introduction and Overview

18. In the second quarter of 1997, in an effort to conserve capital resources, Heartland suspended new system launches and decreased marketing efforts, while it undertook a revision of its business plan. In January 1998, the Board of Directors directed management to explore alternatives that would enable Heartland to preserve enterprise value and implement a long-term business strategy. In the first quarter of 1998, the Company prepared a new business plan that projected moderate SFU subscriber growth through traditional analog subscription video service, a cooperative marketing alliance with DIRCTV for MDU growth, developing and testing high-speed Internet access service to small and mid-size business in several markets, launching several new markets, and pursuing financing or restructuring opportunities.

19. In connection with the Board's January 1998 directive to explore alternatives and implement a long-term business strategy that would enable the Company to preserve enterprise value, Heartland retained WP&Co. to analyze all options available to finance Heartland's business plan and service its debt.

20. WP&Co. created several analyses to assist the Board and management in the evaluation of Heartland's restructuring alternatives. These analyses included (i) a detailed valuation of Heartland's baseline, new markets, MDU and Internet businesses, (ii) detailed financial models projecting the income statement, balance sheet and cash flow statements by business unit quarterly for two years and then annually for five years under several operating and capital structure scenarios,

(iii) a detailed review of the business plan and its underlying assumptions, and (iv) a detailed review of comparable restructuring scenarios. WP&Co. used these analyses to demonstrate the viability and financial implications of continuing in the status quo (paying interest) versus various restructuring transactions. Transactions contemplated included a debt-for-equity exchange offer (implemented either out-of-court or through pre-packaged/arranged chapter 11), a traditional chapter 11 case, a new money restructuring, and a sale/merger of the company.

21. At the direction of the Board, WP&Co. pursued the development of a restructuring plan whereby Heartland would convert substantially all of its Senior Notes and Convertible Notes into common stock of the reorganized company. WP&Co. completed a comprehensive analysis of the operational and financial implications of various debt-for-equity exchanges for Heartland, as well as each party-in-interest. WP&Co. also began a dialogue with representatives of the Senior Notes and the Convertible Notes. After several sessions with the Board, management, the Senior Noteholders and their advisors, and the Convertible Noteholders, WP&Co. formulated a specific restructuring proposal. This proposal was presented to the Board in June 1998, which then authorized management to make the proposal to the Senior Noteholders and Convertible Noteholders. (Prior to receiving Heartland's proposal, holders of at least 66 2/3% in principal amount of the Senior Notes had formed the Ad Hoc Committee, which retained Jefferies & Company, Inc. as financial advisor and Andrews & Kurth L.L.P. as legal counsel.)

22. Heartland and its advisors (including WP&Co.), the Ad Hoc Committee and its advisors, and the holders of the Convertible Notes engaged in

continued negotiations from June through September 1998. WP&Co. participated in virtually all of these sessions, and created numerous analyses to demonstrate, substantiate and support Heartland's negotiating position. In October 1998 Heartland submitted a revised restructuring proposal to its Board, which then directed management and WP&Co. to seek creditor approval of that plan. Between October 6, 1998 and December 3, 1998 WP&Co. assisted Heartland in securing the agreement of the holders of more than two-thirds in principal amount of the Senior Notes to support the plan. During this same period Heartland and WP&Co. also gained the support of the Convertible holders for the restructuring plan.

23. In addition to participating in negotiations and communicating with various parties-in-interest, WP&Co. assisted Heartland in preparing and reviewing the Chapter 11 Plan and Disclosure Statement to be filed in connection with Heartland's proposed restructuring.

24. Throughout, WP&Co. devoted substantial time and resources to Heartland's restructuring, and played a leading role from the initial analysis, to the recommendation of a specific restructuring approach, to often delicate negotiations, to implementation of the finished product. This required complex analytical work as well as persistence, patience and hard work.

B. <u>Summary of WP&Co.'s Responsibilities</u>

25. WP&Co. provided a wide variety of investment banking and financial advisory services to Heartland. For convenience, these services are described below generally in chronological order, although some services obviously overlapped.

(i) Evaluation of Financial Restructuring Alternatives

26. The starting point of WP&Co.'s analysis of Heartland's, financial restructuring alternatives was a comprehensive valuation. These valuation indications were critical to Heartland in assessing the feasibility, as well as the likely financial implication of various transactions for each of the parties-in-interest. WP&Co. applied comparable public company, discounted cash flow ("DCF") and comparable acquisition analysis. Each of these methodologies required extensive research and data compilation with respect to the company, its competitors and its industry. Further, due to the diversity of Heartland's business operations, WP&Co. applied these methods to four distinct business operations. Each of the baseline SFU, MDU, New Markets and Internet businesses were valued using all appropriate methods. In arriving at Heartland's enterprise value, WP&Co. also had to value certain tax assets and Heartland's ownership interest in Wireless One and CS Wireless. Clearly, this valuation analysis was highly complex and required a substantial amount of time and resources to complete.

27. The next step in evaluating Heartland's financial restructuring alternatives was to create numerous detailed financial models to assess the viability and explicit financial implications of various transactions. WP&Co. created a base case model which projected income statement, balance sheet and cash flow statements by business unit quarterly for two years and then annually for five years. This model was based on Heartland's status quo business plan. WP&Co. then created two additional operational models: (i) a low case model which excluded the development of New Markets, MDU and Internet business lines, and (ii) a high case model which

assumed the closure of 13 lower profitability markets and excluded the build out of the New Markets. Each of the base case, low case, and high case models was then run under two scenarios: (i) assuming all interest payments were made, and (ii) assuming interest payments on the Senior Notes and Convertible Notes were terminated. These models were used primarily to assess the future liquidity situation of Heartland and to determine the valuation implication of each operational strategy. These financial models were highly detailed and complex, and required substantial WP&Co. time and resources to complete.

28. The above-described financial models were derived from the base case business plan prepared by Heartland. In addition to creating various scenarios based on this plan, WP&Co. completed extensive analysis on the assumptions underlying the base case business plan. This involved WP&Co.'s calculation of a variety of key operational and financial statistics and comparing those indications against similar measures for comparable companies and other industry data. The calculation of these measures and collection of comparable information for other companies and from general industry sources required substantial WP&Co. resources.

29. The next step in evaluating Heartland's restructuring alternatives involved an analysis of comparable restructuring transactions. This required WP&Co. to review a broad universe of restructuring transactions to determine which of those were applicable to Heartland's situation. The focus of this analysis was to determine how the parties-in-interest were treated in transactions involving senior secured debt, senior debt and subordinated debt and common stock. WP&Co. further focused on

situations where enterprise value was substantially lower than debt claims, and the debtor faced an impending liquidity shortfall. Once these transactions were identified, WP&Co. valued the recoveries of each party-in-interest and compared those recoveries to the rights and privileges of each of their securities. This analysis required extensive valuation work and documentation review for each precedent transaction evaluated.

30. WP&Co. used these analyses to demonstrate the viability and financial implications of continuing the status quo (paying interest) versus various restructuring transactions. Based on these comparisons, WP&Co. developed a specific restructuring proposal which led to the Chapter 11 Plan.

(ii) Development of Restructuring Plan

31. In developing a restructuring plan for Heartland, WP&Co. considered all of the above data and analyses as they related to several potential restructuring transactions. The specific transactions contemplated included a status quo scenario, a debt-for-equity exchange offer (implemented either out-of-court or through a pre-packaged/pre-arranged chapter 11 case), a traditional chapter 11 case, a new money restructuring, and a sale/merger of Heartland.

32. An early critical decision that Heartland faced with respect to its restructuring was whether to continue paying interest on its Senior Notes. In April 1998, WP&Co. presented various analyses to the Board addressing the pros and cons of Heartland continuing to pay interest on its Senior Notes. Having considered all factors, Heartland announced on April 15, 1999 that it would discontinue interest payments on the Senior Notes (other than amounts held in escrow for that purpose).

33. In June 1998 WP&Co. made a detailed presentation to the Board with respect to Heartland's long-term restructuring alternatives. This analysis summarized the timing, advantages and disadvantages of a debt-to-equity conversion, a traditional chapter 11 case, a new money restructuring, and a sale/merger. In preparing these analyses WP&Co. had to formulate what the likely outcome and implementation would be for each alternative.

34. In evaluating the debt-for-equity conversion alternatives, WP&Co. had to analyze many factors. The principal factors being (i) how much of the debt should be converted, (ii) what the ownership implications would be for the existing equity and each class of creditors under various scenarios, and (iii) whether to implement the exchange through a registered exchange offer, a privately negotiated exchange offer, or a pre-packaged/pre-arranged chapter 11 case. This analysis required WP&Co. to evaluate several qualitative and quantitative issues, each of which was highly time consuming.

35. In evaluating the traditional chapter 11 alternative, WP&Co. again had to consider a multitude of issues. The most important being (i) likely recoveries of each class of creditors and the existing equity, (ii) the impact on the business operations of a chapter 11 filing, and (iii) the contractual and other advantages to Heartland of an in-court process.

36. In evaluating the new money restructuring alternatives, WP&Co. had to consider the foregoing plus the implications of raising new money as part of a long-term restructuring solution. This required a careful review of potential investors. Further, a detailed document summarizing Heartland's business operations,

financial condition and financing needs was prepared. WP&Co. then arranged meetings with a short list of potential investors to understand the terms upon which new money could be made available to Heartland. Based on this feedback and the other restructuring issues previously analyzed, WP&Co. was able to present the financial implications of a new money restructuring. In addition to its core restructuring team, WP&Co. employed resources from its telecommunications industry group, as well as its private placements group, in assessing this alternative.

37. The final alternative WP&Co. reviewed was a sale or merger of Heartland. This required (i) an extensive review of all industry players, which included their financial condition, management strength, geographic coverage, product offerings, and overall business strategy, and (ii) a review of what a financial buyer would likely pay for Heartland. Once an understanding of the potential transactions was developed, specific assumptions regarding a potential transaction had to be created demonstrating the resulting recovery implications for each party-in-interest. Again, WP&Co. used personnel from its telecommunications M&A group to assist in the evaluation of this alternative.

38. In its June 1998 Board presentation, WP&Co. synthesized the above analyses into a potential initial proposal for a restructuring. In late June 1998, after receiving additional materials from WP&Co., the Board authorized management to submit an initial financial restructuring proposal to the Ad Hoc Committee. While some exploratory discussions with the Ad Hoc Committee and its advisors had occurred, the negotiation stage of WP&Co.'s engagement began in earnest upon making the initial proposal.

(iii) Negotiation of Reorganization Plan

39. WP&Co. assisted Heartland's management in all negotiations with the Ad Hoc Committee and the holders of the Convertible Notes from the end of June through early October 1998, when an agreement was reached among Heartland, the Ad Hoc Committee, and the holders of the Convertible Notes regarding the restructuring. While certain sessions had principal-to-principal side meetings, WP&Co. participated in virtually all negotiating sessions in person. Additionally, WP&Co. had numerous meetings and telephone conferences with the management team during that time. Further, WP&Co. created multiple analyses demonstrating the financial implications of proposals and counter proposals exchanged between the parties, and looked at many alternatives which were never proposed. WP&Co. presented analyses to the Board at interim update meetings.

40. Once the terms of the financial restructuring were agreed to in principle, WP&Co. assisted Heartland in securing the required approvals from Heartland's creditors. This consisted primarily in participating in meetings with and following up with the Ad Hoc Committee and its advisors.

(iv) Preparation of Chapter 11 Plan Documentation

41. WP&Co. also assisted Heartland in documenting the proposed financial restructuring transaction. This involved preparing relevant sections of Heartland's Disclosure Statement, reviewing the remaining sections of the Disclosure Statement and the Chapter 11 Plan, reviewing lock up agreements with certain creditors, and speaking with Heartland's accountants as they prepared the "fresh start" balance sheet. WP&Co. also assisted Heartland in valuing the warrants to be

issued as part of the transactions for financial reporting purposes. WP&Co. participated in multiple meetings and teleconferences with Heartland and its other professionals as part of the Chapter 11 Plan documentation process. By the Petition Date, with the help of WP&Co., Heartland had obtained lock up agreements in support of the restructuring from at least 66½% of the Senior Noteholders.

(v) Implementation of the Plan

42. WP&Co. attended Heartland's confirmation hearing on March 15, 1999, and worked with Heartland to prepare for its April 1, 1999 emergence from chapter 11. WP&Co.'s restructuring group personnel also worked with WP&Co.'s debt and equity capital markets personnel to make sure they adequately understood the publicly available information on Heartland to answer investors' questions with respect to the Heartland restructuring. WP&Co. also made a market in the newly issued common stock of the restructured company.

(vi) Summary

43. WP&Co. fulfilled its role as advisor to Heartland in a manner which facilitated an efficient financial restructuring, successfully recapitalizing Heartland and positioning it to maximize the value of its assets. WP&Co.'s thorough analysis of the alternatives available to Heartland helped the Board and management understand Heartland's financial position and the implications of various restructuring transactions. WP&Co. applied a wide array of resources in advising Heartland, drawing on the restructuring, mergers and acquisitions, capital markets and telecommunications industry expertise of its professionals involved in this case.

IV. WP&CO. RESOURCES DEDICATED TO HEARTLAND RESTRUCTURING

44. WP&Co. had three core teams who contributed to the restructuring of Heartland: (i) restructuring group personnel, (ii) telecommunications industry group personnel, and (iii) capital markets group personnel. The restructuring group handled the day-to-day processing of the assignment. The telecommunications industry group reviewed and provided back-up information for the valuation analyses, provided insights on the status of the wireless cable industry, and helped identify and contact potential investors and merger partners. The capital markets group also helped identify investors, but also provided market information with respect to trading levels for the debt and equity securities of other wireless cable sector players. This group was also instrumental in the actual, successful implementation of the Chapter 11 Plan, and were the initial market makers common stock issued in connection with the Plan.

45. Below is a summary of WP&Co.'s personnel and their role in the Heartland restructuring. The summaries are not all-inclusive, but rather provide the nature of each person's role in the assignment.

Individual	**Summary of Role**
Restructuring Group	
Kenneth Buckfire, Managing Director	Head of deal team and oversaw all aspects of the assignment; participated in all critical meetings, presentations and negotiations; and reviewed all presentation materials
Alexander Greene, Director	Principally involved in communicating with the bondholders of Heartland, and tactical considerations of those discussions

Individual	Summary of Role
John McKenna, Vice President	Oversaw all valuation and restructuring alternative analyses, oversaw preparation of presentation materials; and attended all critical meetings, presentations and negotiations occurring after March 1998
Craig Reiser, Associate	Participated in initial due diligence meetings with the Company, created detailed financial models and valuation analyses; reviewed valuation and industry data used in valuation process, and prepared presentation materials, and attended meetings with Company management
Stuart Erickson, Associate	Took over role of Craig Reiser in July of 1998, continued to update valuation information, and prepare presentation materials
Jonas Gerber, Financial Analyst	Participated in initial due diligence meetings with the Company, assisted in building detailed financial models, compiled and reviewed valuation and industry data, and processed all presentation materials
Telecommunications Group	
Joseph Yurcik, Managing Director	Reviewed valuation work, helped identify potential investors and merger partners, and provided access to telecommunications industry participants
Richard Smithline, Managing Director	Helped identify potential investors in the Company, and participated in preparation of materials for solicitation of private financing

Individual	Summary of Role
Capital Markets Group	
Joseph Stein, Managing Director	Assisted in evaluating the Company's public equity market financing alternatives, and provided information on how proposed securities received in exchange for the Senior Notes would likely trade
Various Traders	Provided quotations on trades in the Senior Notes of the Company, as well as for the bonds/notes of other wireless cable providers; price levels for all publicly traded debt of each sector participant were updated on a regular basis for valuation analyses which were updated several times throughout the engagement

V. CONCLUSION

46. Based upon the foregoing and the success of Heartland's chapter 11 case, WP&Co.'s compensation is reasonable and appropriate. Therefore, for the foregoing reasons and such other reasons as WP&Co. may set forth in support of its Application, WP&Co. respectfully requests that the Court enter an order (i) approving compensation to be paid to WP&Co. in the amount of $1,500,000 (inclusive of $180,000 of fees previously paid to WP&Co. since the Petition Date), (ii) approving reimbursement of WP&Co.'s expenses of $4,278.28 (inclusive of $2096.69 of expenses previously reimbursed to WP&Co. since the Petition Date), and (iii) granting such other and further relief as is just.

Dated: New York, New York
May 13, 1999

WASSERSTEIN PERELLA & CO., INC.

By Kenneth A. Buckfire

Kenneth A. Buckfire
Managing Director
31 West 52nd Street
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Kenneth A. Buck
Managing Director

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January 30, 1998

Heartland Wireless Communications, Inc.
200 Chisholm Place, Suite 200
Plano, TX 75075

Attention: Carroll D. McHenry, Chairman & CEO

Dear Mr. McHenry:

This letter confirms our understanding that Heartland Wireless Communications, Inc. (the "Company" or the "Debtor") has engaged Wasserstein Perella & Co., Inc. ("WP&Co.") on an exclusive basis as financial advisor to the Company, to assist the Company in its analysis and consideration of one or more possible transactions that may be available to it (each a "Transaction" and, collectively, the "Transactions"), including (i) a restructuring of the Company's securities, other indebtedness, and/or trade credit facilities (a "Restructuring") and/or (ii) a sale or placement of the Company's equity or debt securities with a lender or lenders or an investor or investors, in connection with a Restructuring (such lender or lenders, a "Lender", such investor or investors, an "Investor" and such placement, a "Financing"). If appropriate in connection with performing its services for the Company hereunder, WP&Co. may utilize the services of one or more of its affiliates, including Wasserstein Perella Securities, Inc., in which case references herein to WP&Co. shall include such affiliates. WP&Co.'s retention hereunder for services in the event of the commencement of a case (the "Case") of the Company under the Bankruptcy Code shall be subject to and effective upon a final order of the United States Bankruptcy Court (the "Bankruptcy Court") approving, under Sections 327 and 328 of the Bankruptcy Code, this agreement and any exhibits or attachments hereto and WP&Co.'s retention hereunder by the Company. The Company shall seek such order, in cooperation with WP&Co., promptly after the commencement of the Case.

1. WP&Co., in its capacity as exclusive financial advisor to the Company, will perform the following financial advisory services:

(A) WP&Co. will meet with the Company's management and familiarize itself to the extent it reasonably deems necessary, appropriate and feasible with the business, operations, properties, financial condition and prospects of the Company in order to, among other things, analyze the potential contributions of such business, operations and properties to the Company's future operating results;

(B) WP&Co. will advise with respect to and prepare valuation analyses of the Company, its affiliates and its assets as WP&Co. deems to be appropriate;

(C) WP&Co. will advise and assist the Company in identifying and/or evaluating the Transactions, and, if the Company believes one or more such Transactions to be desirable, in developing a general strategy for accomplishing such Transaction(s);

(D) In connection with any Restructuring, WP&Co. will advise and assist the Company in the development and implementation of a plan of reorganization (the "Plan"), including recommendations as to the debt capacity and capital structure for the Company on a reorganized basis, including the related assumptions and rationale, along with other information, as appropriate, to be included in any disclosure statement. In respect thereof, WP&Co. will, as appropriate and if requested by the Company, assist the Company in negotiations with relevant constituencies including lessors, vendors, creditors and common shareholders;

(E) WP&Co. will participate in hearings in connection with the foregoing, if any, including with respect to any disclosure statement for and confirmation of the Plan, and provide expert testimony in connection with any hearings before the Bankruptcy Court;

(F) In connection with any Financing, WP&Co. will advise and assist the Company in identifying potential Lender(s) and/or Investor(s), as the case may be, and will, on behalf of the Company, contact such potential Lender(s) and/or Investor(s) as the Company may designate;

(G) In connection with any Financing, WP&Co. will, at the Company's request, assist the Company in preparing a memorandum, for distribution to potential Lender(s) and/or Investor(s), as the case may be, describing the Company and its business operations, properties, financial condition and prospects, it being acknowledged and agreed that (i) such memorandum (including any amendments or supplements thereto) shall be based entirely upon information supplied by the Company; (ii) the Company is and shall be solely responsible for the accuracy and completeness of such memorandum (including any amendments or supplements thereto), and (iii) other than as contemplated by this paragraph, such memorandum (including any amendments or supplements thereto) shall not be used, reproduced, disseminated, quoted or referred to at any time, in any manner or for any purpose, except with WP&Co.'s and the Company's prior written consent;

(H) In connection with any Financing, WP&Co. will advise and assist the Company in the course of its negotiation of any such Transaction(s), and, if requested by the Company, will participate directly in such negotiations; and

(I) WP&Co. will render such other financial advisory and investment banking services (including merger and acquisition services) as may from time to time be agreed upon by WP&Co. and the Company.

In rendering its services to the Company hereunder, WP&Co. is not assuming any responsibility for the Company's underlying business decision to pursue any business strategy or to effect any Transaction. WP&Co. shall not have any obligation or responsibility to provide "crisis management" services for the Company.

The Company shall make available to WP&Co. all information concerning the business, assets, operations, financial condition and prospects of the Company that WP&Co. reasonably requests in connection with the services to be performed for the Company hereunder, and shall provide WP&Co. with reasonable access to the Company's officers, directors, employees, independent accountants and other advisors and agents as WP&Co. shall deem appropriate. The Company represents that all information furnished by it or on its behalf to WP&Co. (including information contained in the memorandum referred to in subparagraph 1(G) above) will be accurate and complete in all material respects.

2. WP&Co.'s compensation for services rendered under this engagement will include the following cash fees:

(A) A monthly advisory fee of $90,000 which shall be due and paid upon the execution of this agreement and thereafter on each monthly anniversary. In the event of a commencement of a Case such fees shall be payable in accordance with Bankruptcy Court and/or U.S. Trustee Guidelines, and shall be paid on a retroactive basis to the extent, following commencement of a Case, Bankruptcy Court approval shall not have been received upon the due date for payment of such fees. This amount will be credited against any transaction fee payable to WP&Co. pursuant to subparagraphs 2(B), 2(C) and 2(D) below;

(B) In connection with a Restructuring in which Jupiter Partners L.P. ("Jupiter") is a consenting creditor, a transaction fee, contingent upon the consummation of such a Restructuring and payable at the closing thereof, equal to 1% of the outstanding principal amount of the Company's securities, other indebtedness, and/or trade credit facilities restructured pursuant to a Restructuring <u>less</u> the amount of the Company's securities, indebtedness, lease obligations and/or trade credit facilities held by Jupiter and involved in a Restructuring;

(C) In connection with a Restructuring in which Jupiter is not a consenting creditor, a transaction fee, contingent upon the consummation of such a Restructcering and payable at the closing thereof, equal to 1% of the gross principal amount of the Company's securities, other indebtedness, and/or trade credit facilities restructured pursuant to a Restructuring provided, however, in calculating such transaction fee, the amount of the Company's subordinated unsecured convertible debt securities held by Jupiter will be limited to a maximum of $40,000,000; and

(D) In connection with any Financing, other than a conversion, exchange or modification of existing debt or equity securities, underwriting or placement fees, contingent upon the consummation of such Financing, equal to (i) 3.0% of the gross proceeds of any such Financing which takes the form of below investment grade debt securities, (ii) 1.5% of the gross proceeds of any such Financing which takes the form of investment grade debt securities, and (iii) 5.0% of the gross proceeds of any such Financing which takes the form of an issuance of equity securities. In connection with any such Financing undertaken by the Company during the term of this engagement, WP&Co shall be offered the right, but shall not be obligated, to act as: (i) sole or lead manager with respect to a public offering of the Company's equity securities, (ii) sole or lead agent of any private placement of the Company's equity securities, and (iii) sole or lead-manager or sole or lead agent of any public offering or private placement of the Company's debt securities (which may, at WP&Co.'s request, include such equity as shall be necessary in WP&Co.'s opinion, and, as applicable, approved by the Bankruptcy Court, to consummate the sale of such debt securities).

KB CBM

The parties agree that the transaction fee payable under subparagraphs 2(B) and 2(C) above shall not apply to the issuance of new equity or debt securities to existing holders of the Company's equity or debt securities in exchange for securities restructured pursuant to a Restructuring.

The Company and WP&Co. acknowledge and agree that the hours worked, the results achieved and the ultimate benefit to the Company of the work performed, in each case, in connection with this engagement, may be variable, and that the Company and WP&Co. have taken this into account in setting the fees hereunder.

3. In addition to any fees payable by the Company to WP&Co. hereunder, the Company shall, whether or not any Transaction shall be proposed or consummated, reimburse WP&Co. on a monthly basis for its travel and other reasonable out-of-pocket expenses (including all fees, disbursements and other charges of counsel to be retained by WP&Co., and of other consultants and advisors retained by WP&Co. with the Company's consent) incurred in connection with, or arising out of WP&Co.'s activities under or contemplated by this engagement. The Company shall also reimburse WP&Co., at such times as WP&Co. shall request, for any sales, use or similar taxes (including additions to such taxes, if any) arising in connection with any matter referred to or contemplated by, this engagement. Such reimbursements shall be made promptly upon submission by WP&Co. of statements for such expenses.

4. The Company recognizes and confirms that, in advising the Company and in completing its engagement hereunder, WP&Co. will be using and relying on publicly available information and on data, material, and other information furnished to WP&Co. by the Company and other parties. It is understood that in performing under this engagement WP&Co. may assume and rely upon the accuracy and completeness of, and is not assuming any responsibility for independent verification of, such publicly available information and the other information so furnished.

5. The Company and WP&Co. have entered into a letter agreement, dated the date hereof and attached hereto, providing for the indemnification by the Company of WP&Co. and certain related persons. Such indemnification agreement is an integral and essential part of this agreement and the terms thereof are incorporated by reference herein. As stated therein, such indemnification agreement shall survive any termination or completion of WP&Co.'s engagement hereunder.

6. Except as expressly stated herein, this agreement automatically terminates on the effective date of a Plan confirmed by the Bankruptcy Court in the Case. This agreement and WP&Co.'s engagement hereunder may be terminated by either the Company or WP&Co. at any time after six months following the date of this agreement upon thirty days' prior written notice thereof to the other party; provided, however, that (a) termination of WP&Co.'s engagement hereunder shall not affect the Company's continuing obligation to indemnify WP&Co. and certain related persons as provided in the separate letter agreement referred to above, and its continuing obligations and agreements under paragraph 7 hereof; (b) notwithstanding any such termination, WP&Co. shall be entitled to (i) the full monthly advisory fees paid (and then due and payable) to it as provided for in subparagraph 2(A) hereof and (ii) the full transaction and/or financing fees provided for pursuant to subparagraphs 2(B), 2(C) and/or 2(D) hereof in the event that at any time prior to the expiration of twelve months following such termination, any Restructuring and/or Financing, as the case may be, is consummated; and (c) termination of WP&Co.'s engagement hereunder shall not affect the Company's obligation to reimburse the expenses accruing prior to such termination to the extent provided for herein.

7. WP&Co. has been retained under this agreement as an independent contractor with no fiduciary or agency relationship to the Company or to any other party. The advice (oral or written) rendered by WP&Co. pursuant to this agreement is intended solely for the benefit and use of the

Board of Directors of the Company in considering and/or implementing the matters to which this agreement relates, and the Company agrees that such advice may not be relied upon by any other person, used for any other purpose or reproduced, disseminated, quoted or referred to at any time, in any manner or for any purpose, nor shall any public references to WP&Co. be made by the Company without the prior written consent of WP&Co.

8. The Company agrees that WP&Co. shall have the right to place advertisements in financial and other newspapers and journals at its own expense describing its services to the Company hereunder, provided that WP&Co. will submit a copy of any such advertisement to the Company for its approval, which approval shall not be unreasonably withheld or delayed.

9. WP&Co. understands that, to the extent the Company is a debtor in the Case, this agreement and all fees and expenses to be paid or reimbursed hereunder after commencement of the Case are subject to the jurisdiction and approval of the Bankruptcy Court as provided for by Sections 328, 330 and 331 of the Bankruptcy Code, and WP&Co. agrees to comply with all final orders of the Bankruptcy Court and all provisions of the Bankruptcy Code governing compensation of professional persons in connection with the services to be provided hereunder following commencement of the Case.

10. This agreement shall be deemed made in New York. This agreement and all controversies arising from or relating to performance under this agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to such state's rules concerning conflicts of laws. The Company hereby irrevocably consents to personal jurisdiction in any court of the State of New York or any Federal court sitting in the Southern District of New York for the purposes of any suit, action or other proceeding arising out of this agreement or any of the agreements or transactions contemplated hereby, which is brought by or against the Company, hereby waives any objection to venue with respect thereto, and hereby agrees that all claims in respect of any such suit, action or proceeding may be heard and determined in any such court. The Company hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the Company at its address set forth above, such service to become effective ten (10) days after such mailing. ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY CLAIM OR ACTION ARISING OUT OF THIS AGREEMENT OR CONDUCT IN CONNECTION WITH THIS ENGAGEMENT IS HEREBY WAIVED.

11. This agreement may be executed in counterparts, each of which together shall be considered a single document. This agreement shall be binding upon WP&Co. and the Company and their respective successors and assigns. This agreement is not intended to confer any rights upon any shareholder, owner or partner of the Company, or any other person not a party hereto other than the indemnified persons referenced in the indemnification agreement referred to above.

12. It is understood and agreed that WP&Co. and its affiliates may from time to time on an unsolicited basis buy and sell or otherwise effect transactions for customer accounts in the securities and/or liabilities of the Company and other entities which are or may be the subject of the engagement contemplated by this agreement and that WP&Co. and its affiliates may provide investment banking services to other parties in interest in the Case, provided that such services are not related to the Case.

We are pleased to accept this engagement and look forward to acting as financial and strategic advisor to the Company. Please confirm that the foregoing is in accordance with your understanding by signing and returning to us the enclosed duplicate of this letter.

Very truly yours,

WASSERSTEIN PERELLA & CO., INC.

By: Kenneth A. Buckfire
Kenneth A. Buckfire
Managing Director

ACCEPTED AND AGREED TO:

HEARTLAND WIRELESS COMMUNICATIONS, INC.

By C.D. McHenry
Carroll D. McHenry
Chairman & CEO

January 30, 1998

Wasserstein Perella & Co., Inc.
31 West 52nd Street
New York, NY 10019

Gentlemen:

In connection with your engagement as our financial advisor pursuant to a separate agreement between you and us, we hereby agree to indemnify and hold harmless Wasserstein Perella & Co., Inc. ("WP&Co.") and its affiliates, their respective directors, officers, agents, employees and controlling persons, and each of their respective successors and assigns (collectively, the "indemnified persons"), to the full extent lawful, from and against all losses, claims, damages, liabilities and expenses incurred by them which (A) are related to or arise out of (i) actions or alleged actions taken or omitted to be taken (including any untrue statements made or any statements omitted to be made) by us or (ii) actions or alleged actions taken or omitted to be taken by an indemnified person with our consent or in conformity with our actions or omissions or (B) are otherwise related to or arise out of WP&Co.'s activities under WP&Co.'s engagement. We will not be responsible, however, for any losses, claims, damages, liabilities or expenses pursuant to clause A (ii) or B of the preceding sentence which are finally judicially determined to have resulted primarily from the gross negligence, bad faith, fraud or willful misconduct of the person seeking indemnification hereunder. We also agree that no indemnified person shall have any liability to us for or in connection with such engagement or any transactions or conduct in connection therewith except for losses, claims, damages, liabilities or expenses incurred by us which are finally judicially determined to have resulted primarily from the gross negligence, bad faith, fraud or willful misconduct of such indemnified person.

After receipt by an indemnified person of notice of any complaint or the commencement of any action or proceeding with respect to which indemnification is being sought hereunder, such person will notify us in writing of such complaint or of the commencement of such action or proceeding, but failure so to notify us will relieve us from any liability which we may have hereunder only if, and to the extent that such failure results in the forfeiture by us of substantial rights and defenses, and will not in any event relieve us from any other obligation or liability that we may have to any indemnified person otherwise than under this letter agreement. If we so elect or are requested by such indemnified person, we will assume the defense of such action or proceeding, including the employment of counsel reasonably satisfactory to WP&Co. and the payment of the fees and disbursements of such counsel. In the event, however, such indemnified person reasonably determines in its judgment that having common counsel would present such counsel with a conflict of interest or if the defendants in, or targets of, any such action or proceeding include both an indemnified person and us, and such indemnified person reasonably concludes that there may be legal defenses available to it or other indemnified persons that are different from or in addition to those available to us, or if we fail to assume the defense of the action or proceeding or to employ counsel reasonably satisfactory to such indemnified person, in either case in a timely manner, then such indemnified person may employ separate counsel to represent or defend it in any such action or proceeding and we will pay the fees and disbursements of such counsel; provided, however, that we will not be required to pay the fees and disbursements of more than one separate counsel (in addition to local counsel) for all indemnified persons in any jurisdiction in any single action or proceeding. In any action or proceeding the defense of which we assume, the indemnified person will have the right to participate in such litigation and to retain its own counsel at such indemnified person's own expense. We further agree that we will not, without the prior written consent of WP&Co., settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not WP&Co. or any other indemnified person is an actual or potential party to such claim, action, suit or proceeding) unless such settlement, compromise or consent includes an unconditional release of WP&Co. and each other indemnified person hereunder from all liability arising out of such claim, action, suit or proceeding.

We agree that if any indemnification sought by an indemnified person pursuant to this letter agreement is held by a court to be unavailable for any reason other than as specified in the second sentence of the first paragraph of this letter agreement, then (whether or not WP&Co. is the indemnified person), we and WP&Co. will contribute to the losses, claims, damages, liabilities and expenses for which such indemnification is held unavailable (i) in such proportion as is appropriate to reflect the relative benefits to us, on the one hand, and WP&Co., on the other hand, in connection with WP&Co.'s engagement referred to above, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i), but also the relative fault of us, on the one hand, and WP&Co., on the other hand, as well as any other relevant equitable considerations; provided however, that in any event the aggregate contribution of all indemnified persons, including WP&Co., to all losses, claims, damages, liabilities and expenses with respect to which contribution is available hereunder will not exceed the amount of fees actually received by WP&Co. from us pursuant to WP&Co.'s engagement referred to above. It is hereby agreed that for purposes of this paragraph, the relative benefits to us, on the one hand, and WP&Co., on the other hand, with respect to WP&Co.'s engagement shall be deemed to be in the same proportion as (i) the total value paid or proposed to be paid or received by us or our stockholders, as the case may be, pursuant to the transaction, whether or not consummated, for which WP&Co. is engaged to render financial advisory services, bears to (ii) the fee paid or proposed to be paid to WP&Co. in connection with such engagement. It is agreed that it would not be just and equitable if contribution pursuant to this paragraph were determined by pro rata allocation or by any other method which does not take into account the considerations referred to in this paragraph.

We further agree that we will promptly reimburse WP&Co. and any other indemnified person hereunder for all expenses (including fees and disbursements of counsel) as they are incurred by WP&Co. or such other indemnified person in connection with investigating, preparing for or defending, or providing evidence in, any pending or threatened action, claim, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not WP&Co. or any other indemnified person is a party) and in enforcing this agreement; provided, however, that if it is finally judicially determined that WP&Co. or such indemnified person engaged in gross negligence, bad faith, fraud or willful misconduct, WP&Co. or such indemnified person shall reimburse us for any payments made by us under this paragraph.

Our indemnity, contribution, reimbursement and other obligations under this letter agreement shall be in addition to any liability that we may otherwise have, at common law or otherwise, and shall be binding on our successors and assigns.

Solely for purposes of enforcing this letter agreement, we hereby consent to personal jurisdiction, service and venue in any court in which any claim or proceeding which is subject to, or which may give rise to a claim for indemnification or contribution under, this letter agreement is brought against WP&Co. or any other indemnified person.

This letter agreement shall be deemed made in New York. This letter agreement and all controversies arising from or relating to performance under this letter agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to such state's rules concerning conflicts of laws. ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY CLAIM OR ACTION ARISING OUT OF THIS LETTER AGREEMENT OR ANY ENGAGEMENT OF WP&CO. IS HEREBY WAIVED.

The provisions of this letter agreement shall apply to the above-mentioned engagement, activities relating to the engagement occurring prior to the date hereof, and any subsequent modification of or amendment to such engagement, and shall remain in full force and effect following the completion or termination of WP&Co.'s engagement.

Very truly yours,

HEARTLAND WIRELESS
COMMUNICATIONS, INC.

By: C D McHenry
Carroll D. McHenry
Chairman & CEO

Accepted:

WASSERSTEIN PERELLA & CO., INC.

By: Kenneth A. Buckfire
Kenneth A. Buckfire
Managing Director

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	
HEARTLAND WIRELESS COMMUNICATIONS, INC., a Delaware Corporation,	CHAPTER 11
	Case No. 98- 2692
Debtor.	

ORDER PURSUANT TO SECTION 327(a) OF THE BANKRUPTCY CODE AUTHORIZING THE EMPLOYMENT OF WASSERSTEIN PERELLA & CO., INC. AS FINANCIAL ADVISORS FOR HEARTLAND WIRELESS COMMUNICATIONS, INC.

Upon the annexed application (the "Application")[1] of Heartland Wireless Communications, Inc. ("Heartland"), as debtor in possession, seeking an order pursuant to section 327(a) of the Bankruptcy Code authorizing and approving the employment and retention of Wasserstein Perella & Co., Inc. ("WP&Co.") as its financial advisors, effective as of the commencement of this case; and upon the annexed affidavit of Kenneth A. Buckfire of WP&Co., sworn to on December 2, 1998; and the Court being satisfied that WP&Co. represents no interest adverse to Heartland's estate with respect to the matters upon which it is to be engaged and is disinterested as that term is defined under section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and that the employment of WP&Co. is necessary and would be in the best interests of Heartland and its estate; and it appearing that notice of the Application has been given to the Office of the United States Trustee and the Ad Hoc Committee and that no other or further notice need be given and sufficient cause appearing therefor, it is

1. Unless otherwise defined, capitalized terms used herein shall have the meaning ascribed to them in the Application.

ORDERED that, in accordance with section 327(a) of the Bankruptcy Code, Heartland, as debtor in possession, be, and it hereby is, authorized to employ and retain WP&Co. as its financial advisor upon the terms and conditions set forth in the Application, effective as of the commencement of this case; and it is further

ORDERED that WP&Co. shall be compensated in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code and such Bankruptcy Rules as may then be applicable from time to time, and such procedures as may be fixed by order of this Court.

DATED: December 4, 1998
Wilmington, Delaware

Joseph J. Farnan, Jr.
UNITED STATES DISTRICT/~~BANKRUPTCY~~ JUDGE

HEARTLAND WIRELESS
BREAKDOWN OF OUT OF POCKET EXPENSES

TRANSPORTATION	**$543.00**
WORD PROCESSING/GRAPHICS	**3,136.36**
RESEARCH	**468.02**
MESSENGER/COURIER	**36.10**
COPIES	**94.80**
TOTAL	**$4,278.28**

HEARTLAND WIRELESS C0060201	DEC 1998	JAN 1999	FEB 1999	APR 1999	TOTAL
TRANSPORTATION					
AIR	0.00	0.00	0.00	147.00	147.00
TAXI	207.00	39.00	0.00	150.00	396.00
TOTAL TRANSPORTATION	**207.00**	**39.00**	**0.00**	**297.00**	**543.00**
WORD PROCESSING/GRAPHICS					
TIME CHARGES	0.00	0.00	490.00	17.50	507.50
OVERTIME MEALS	19.21	44.92	0.00	48.44	112.57
TEMP STAFF-GRAPHICS	393.00	354.63	0.00	804.25	1,551.88
TEMP STAFF	791.91	172.50	0.00	0.00	964.41
TOTAL WORD PROCESSING/GRAPHICS	**1,204.12**	**572.05**	**490.00**	**870.19**	**3,136.36**
MESSENGER/COURIER					
MESSENGER/COURIER	0.00	7.25	0.00	0.00	7.25
OVERNIGHT DELIVERY	16.55	12.30	0.00	0.00	28.85
TOTAL MESSENGER/COURIER	**16.55**	**19.55**	**0.00**	**0.00**	**36.10**
RESEARCH					
DATABASE	30.02	0.00	0.00	0.00	30.02
LASERDISCLOSURE	0.00	0.00	0.00	438.00	438.00
TOTAL RESEARCH	**30.02**	**0.00**	**0.00**	**438.00**	**468.02**
COPIES					
COLOR COPIES	0.00	0.00	0.00	86.40	86.40
PHOTOCOPIES	0.00	8.40	0.00	0.00	8.40
TOTAL COPIES	**0.00**	**8.40**	**0.00**	**86.40**	**94.80**
TOTAL OUT OF POCKET EXPENSES	**$1,457.69**	**$639.00**	**$490.00**	**$1,691.59**	**$4,278.28**

HEARTLAND WIRELESS
BREAKDOWN OF OUT OF POCKET EXPENSES

TRANSPORTATION	$207.00
WORD PROCESSING/GRAPHICS	1,204.12
RESEARCH	30.02
MESSENGER/COURIER	16.55
TOTAL	$1,457.69

HEARTLAND WIRELESS C0060201	WP CO AR31	TOTAL
TRANSPORTATION		
TAXI	207.00	207.00
TOTAL TRANSPORTATION	**207.00**	**207.00**
WORD PROCESSING/GRAPHICS		
TEMP STAFF	791.91	791.91
OVERTIME MEALS	19.21	19.21
TEMP STAFF-GRAPHICS	393.00	393.00
TOTAL WORD PROCESSING/GRAPHICS	**1,204.12**	**1,204.12**
RESEARCH		
DATABASE	30.02	30.02
TOTAL RESEARCH	**30.02**	**30.02**
MESSENGER / COURIER		
OVERNIGHT DELIVERY	16.55	16.55
TOTAL MESSENGER / COURIER	**16.55**	**16.55**
TOTAL OUT OF POCKET EXPENSES	**$1,457.69**	**$1,457.69**

OFFICER :Buckfire, Kenneth

COMPANY: WASSERSTEIN PERELLA & CO., INC.

Client Code C0060201
Client Name HEARTLAND WIRELESS
Officer: Buckfire, Kenneth

Date	Document	Description		Employee / Approval	Vendor	Invoice #	Amount	
BILLED								
08/03/98	GJ1 0012949	EXPENSES HEARTLAND WIRELESS					9599.61	
		Total BILLED						9599.61
TRANSPORTATION - TAXI/LIMO								
10/26/98	IN 0093954	ERICKSON, S.	CAR SERVICE	DIBENEDETTO,CHARGE & RIDE INC.		152115	15.00	
10/05/98	IN 0092857	HUDGINS, C.	CAR SERVICE	DIBENEDETTO,CHARGE & RIDE INC.		146782	35.50	
10/05/98	IN 0092857	ERICKSON, S.	CAR SERVICE	DIBENEDETTO,CHARGE & RIDE INC.		146782	18.00	
10/05/98	IN 0092857	ERICKSON, S.	CAR SERVICE	DIBENEDETTO,CHARGE & RIDE INC.		146782	16.00	
10/05/98	IN 0092857	LIZ	CAR SERVICE	DIBENEDETTO,CHARGE & RIDE INC.		146782	16.00	
10/05/98	IN 0092857	WILLIE	CAR SERVICE	DIBENEDETTO,CHARGE & RIDE INC.		146782	29.00	
10/05/98	IN 0092857	YUHAS, S.	CAR SERVICE	DIBENEDETTO,CHARGE & RIDE INC.		146782	51.00	
10/19/98	IN 0093922	ARTHURTON, T.	CAR SERVICE	DIBENEDETTO,CHARGE & RIDE INC.		150386	26.50	
		Total TRANSPORTATION - TAXI/LIMO						207.00
OVERTIME MEALS								
10/23/98	EXW 0041613	Brian (Erickson)		Cikalo,O	AMERICAN EXPRESS	3041	19.21	
		Total OVERTIME MEALS						19.21
RESEARCH DATABASE EXPENSES								
10/16/98	DATA 0000830	DJ998		ED VAZQUEZ	DOW JONES INFO SER	86799370	3.00	
10/16/98	DATA 0000830	DJ998		ED VAZQUEZ	DOW JONES INFO SER	86799370	3.00	
10/16/98	DATA 0000830	DJ998		ED VAZQUEZ	DOW JONES INFO SER	86799370	1.50	
10/16/98	DATA 0000830	DJ998		ED VAZQUEZ	DOW JONES INFO SER	86799370	10.51	
10/16/98	DATA 0000830	DJ998		ED VAZQUEZ	DOW JONES INFO SER	86799370	12.01	
		Total RESEARCH DATABASE EXPENSES						30.02

OVERNIGHT DELIVERY

11/04/98	IN	0093752 FEDEX DELIVERY	FORREST,A	FEDERAL EXPRESS CO	69088275	16.55	

		Total OVERNIGHT DELIVERY					16.55
							============
TEMPORARY STAFF							
09/13/98	IN	0093757 CORDON,LUC W/E 091398	SMITH,C	TIGER INFORMATION	268418	234.00	
09/13/98	IN	0093759 JAMES,RHONDA L. W/E 091398	SMITH,C	TIGER INFORMATION	268423	78.00	
09/13/98	IN	0093762 HOUSE-COULSON,LORI W/E 091398	SMITH,C	TIGER INFORMATION	268437	111.00	
09/13/98	IN	0093788 HIMMELHEBER,MONICA W/E 091398	SMITH,C	TIGER INFORMATION	268435	41.25	
09/13/98	IN	0093803 RAMSARAN,BRIAN V. W/E 091398	SMITH,C	TIGER INFORMATION	268431	27.50	
09/13/98	IN	0093803 RAMSARAN,BRIAN V. W/E 091398	SMITH,C	TIGER INFORMATION	268431	76.16	
09/13/98	IN	0093817 VITARIUS,ARANKA W/E 091398	SMITH,C	TIGER INFORMATION	268422	18.50	
09/13/98	IN	0093821 GUM,LINDEL W/E 091398	SMITH,C	TIGER INFORMATION	268416	39.00	
09/27/98	IN	0094048 HIMMELHEBER,M W/E 092798	SMITH,C	TIGER INFORMATION	269285	21.00	
09/27/98	IN	0094052 HIMMELHEBER,M W/E 092798	SMITH,C	TIGER INFORMATION	269288	27.50	

09/27/98	IN	0094059 GUM,L W/E 092798	SMITH,C	TIGER INFORMATION	269268	35.50	
10/04/98	IN	0094416 ERICKERSON, S. W/E 10/04/98	CIKALO, O.	TIGER INFORMATION	269628	82.50	

		Total TEMPORARY STAFF					791.91
							============
TEMPORARY STAFF - GRAPHICS							
09/20/98	IN	0093737 DINWIDDLE,J W/E 092098	SMITH,C	CTI PROFESSIONALS	363022	13.25	
09/13/98	IN	0093744 BIVENS,B W/E 091398	SMITH,C	CUSTOM WORD PROCES	175522	152.00	
09/24/98	IN	0093833 WOLPIN,JOANNE W/E 092098	SMITH,C	HEADWAY CORPORATE	160057	76.00	
09/27/98	IN	0093842 PANESSIDI,DORIS W/E 092798	SMITH,C	CTI PROFESSIONALS	363589	15.25	
09/17/98	IN	0093898 GONZALEZ,ABEL W/E 091398	SMITH,C	HEADWAY CORPORATE	159010	51.25	
10/04/98	IN	0094325 CIKALO, O. W/E 09/27/98	CIKALO, O.	CUSTOM WORD PROCES	176947	70.00	
10/04/98	IN	0094330 CIKALO, O. W/E 10/04/98	CIKALO, O.	CTI PROFESSIONALS	364126	15.25	

		Total TEMPORARY STAFF - GRAPHICS					393.00
							============
							============
		Total HEARTLAND WIRELESS					11057.30(1)
							============

(1) $11057.30 - $9599.61 = $1457.69

HEARTLAND WIRELESS
BREAKDOWN OF OUT OF POCKET EXPENSES

TRANSPORTATION	$39.00
WORD PROCESSING/GRAPHICS	572.05
COPIES	8.40
MESSENGER/COURIER	19.55
TOTAL	$639.00

HEARTLAND WIRELESS C0060201	TOTAL
TRANSPORTATION	
TAXI	39.00
TOTAL TRANSPORTATION	39.00
WORD PROCESSING/GRAPHICS	
TIME CHARGES	35.00
TEMP STAFF	172.50
OVERTIME MEALS	44.92
TEMP STAFF-GRAPHICS	354.63
TOTAL WORD PROCESSING/GRAPHICS	572.05
COPIES	
PHOTOCOPIES	8.40
TOTAL COPIES	8.40
MESSENGER / COURIER	
OVERNIGHT DELIVERY	12.30
MESSENGER / COURIER	7.25
TOTAL MESSENGER / COURIER	19.55
TOTAL OUT OF POCKET EXPENSES	$639.00

OFFICER :Buckfire, Kenneth

COMPANY: WASSERSTEIN PERELLA & CO., INC.

Client Code C0060201
Client Name HEARTLAND WIRELESS
Officer: Buckfire, Kenneth

Date	Document		Description	Employee / Approval	Vendor	Invoice #	Amount	Total
TRANSPORTATION - TAXI/LIMO								
11/02/98	IN	0094652	CHARGE & RIDE -LEWIS, J.	DIBENEDETTO,	CHARGE & RIDE INC.	153968	21.00	
11/30/98	IN	0094707	ERICKSON CHARGE & RIDE	DIBENEDETTO,	CHARGE & RIDE INC.	160952	18.00	
			Total TRANSPORTATION - TAXI/LIMO					39.00
OVERTIME MEALS								
04/25/98	EXW	0046194	Elizabeth, Lia, Donna (Reisser	Lemon,S	AMERICAN EXPRESS	3444	27.00	
11/11/98	EXW	0047455	Dinner at UNCLE NICK'S	Erickson,S	AMERICAN EXPRESS	3551	17.92	
			Total OVERTIME MEALS					44.92
OVERNIGHT DELIVERY								
12/02/98	IN	0094635	FEDEX DELIVERY	FOREST,A	FEDERAL EXPRESS CO	25740628	12.30	
			Total OVERNIGHT DELIVERY					12.30
MESSENGER/COURIER								
12/13/98	IN	0095616	MESSENGER SERVICE	FORREST,A	TAURUS COURIERS IN	006446	7.25	
			Total MESSENGER/COURIER					7.25
TEMPORARY STAFF								
12/15/98	IN	0095517	LINDEL GUM	CIKALO,O	TIGER INFORMATION	270885	106.50	
10/19/98	IN	0095523	BRIAN DUSSEAU 10/23/98	CIKALO,O	TIGER INFORMATION	270897	66.00	
			Total TEMPORARY STAFF					172.50
TEMPORARY STAFF - GRAPHICS								
10/11/98	IN	0094904	WHITE, C. Jr. W/E 10/11/98	CIKALO, O.	THE DESKTOP GROUP	1N391	71.00	
10/11/98	IN	0094904	WHITE, C. Jr. W/E 10/11/98	CIKALO, O.	THE DESKTOP GROUP	1N391	142.00	
10/11/98	IN	0094928	DINWIDDIE, J. W/E 10/11/98	CIKALO, O.	CTI PROFESSIONALS	364664	19.88	

06/14/98	IN	0094974 LIBURD, R. W/E 06/14/98	CIKALO, O.	THE DESKTOP GROUP	1K135	106.50	
10/25/98	IN	0095259 PANESSIDI, D. W/E 10/25/98	CIKALO, O.	CTI PROFESSIONALS	365779	15.25	

	Total	TEMPORARY STAFF - GRAPHICS					354.63
							============
USE CHARGES - PHOTOCOPIES							
12/31/98	RTCC	0000341 PHOTOCOPIES DECEMBER 1998	COPY MACHINE	OFFICE SERVICES PI		8.40	

	Total	USE CHARGES - PHOTOCOPIES					8.40
							============
							============
	Total	HEARTLAND WIRELESS					639.00
							============

HEARTLAND WIRELESS
BREAKDOWN OF OUT OF POCKET EXPENSES

WORD PROCESSING/GRAPHICS	490.00
TOTAL	$490.00

31 WASSERSTEIN PERELLA 02/02/99
S - ACCOUNT ACCOUNTS RECEIVABLE ACTIVITY -DETAIL 12:29 PM
SHARON MCCOLLUM

FICER :Buckfire, Kenneth

OMPANY: WASSERSTEIN PERELLA & CO., INC.

Client Code C0060201
Client Name HEARTLAND WIRELESS
Officer: Buckfire, Kenneth

Date	Document	Description	Employee / Approval	Vendor	Invoice #	Amount	
BILLED							
08/03/98	GJ1 0012949	EXPENSES HEARTLAND WIRELESS				9599.61	
01/19/99	GJ1 0013948	HEARTLAND WIRELESS JAN EXP.				639.00	
	Total BILLED						10238.61
FEE INCOME							
01/20/99	FEE 0002045	HEARTLAND WIRELESS JAN FEE	HEARTLAND WI	HEARTLAND WIRELESS		90000.00	
02/01/99	FEE 0002048	HEARTLAND WIRLESS FEB FEE	HEARTLAND WI	HEARTLAND WIRELESS		90000.00	
	Total FEE INCOME						180000.00
TIME CHARGES							
01/08/99	RTCG 0001613	1.0 HOUR(S) CINNAMON	GRAPHICS CHG	PRODUCTION CENTER	LEWIS,A	35.00	
01/08/99	RTCG 0001615	1.0 HOUR(S) DWIGHT	GRAPHICS CHG	PRODUCTION CENTER	LEWIS,A	35.00	
01/15/99	RTCG 0001619	3.0 HOUR(S) KOSTOPOULOS	GRAPHICS CHG	PRODUCTION CENTER	LEWIS,A	105.00	
01/15/99	RTCG 0001619	9.0 HOUR(S) SHERRARD	GRAPHICS CHG	PRODUCTION CENTER	LEWIS,A	315.00	
	Total TIME CHARGES						490.00
	Total HEARTLAND WIRELESS						190728.61

HEARTLAND WIRELESS
BREAKDOWN OF OUT OF POCKET EXPENSES

TRANSPORTATION	$297.00
RESEARCH	438.00
WORD PROCESSING/GRAPHICS	870.19
COPIES	86.40
TOTAL	$1,691.59

HEARTLAND WIRELESS C0060201	WP CO AR31	TOTAL
TRANSPORTATION		
TAXI	147.00	147.00
TAXI	150.00	150.00
TOTAL TRANSPORTATION	**297.00**	**297.00**
WORD PROCESSING/GRAPHICS		
TIME CHARGES	17.50	17.50
OVERTIME MEALS	48.44	48.44
TEMP STAFF-GRAPHICS	804.25	804.25
TOTAL WORD PROCESSING/GRAPHICS	**870.19**	**870.19**
RESEARCH		
LASERDISCLOSURE	438.00	438.00
TOTAL RESEARCH	**438.00**	**438.00**
COPIES		
COLOR COPIES	86.40	86.40
TOTAL COPIES	**86.40**	**86.40**
TOTAL OUT OF POCKET EXPENSES	**$1,691.59**	**$1,691.59**

)FFICER :Buckfire, Kenneth

:OMPANY: WASSERSTEIN PERELLA & CO., INC.

Client Code C0060201
Client Name HEARTLAND WIRELESS
Officer: Buckfire, Kenneth

Date	Document		Description		Employee / Approval	Vendor	Invoice #	Amount	Total
TRANSPORTATION - TAXI/LIMO									
01/18/99	IN	0096536	YOUNG, S.	CAR SERVICE	DIBENEDETTO,	CHARGE & RIDE INC.	172264	28.00	
01/11/99	IN	0096868	SUZANNE	CAR SERVICE	DIBENEDETTO,	CHARGE & RIDE INC.	170756	80.00	
02/03/99	DIAL	0001025	31 W52JERSEY CITY NJ/Kenney		DIBENEDETTO,	DIAL CAR INC.	821022	39.00	
			Total TRANSPORTATION - TAXI/LIMO						147.00
TRANSPORTATION - OTHER									
03/15/99	EXW	0063197	Amtrak to Delaware - Bankruptc		McKenna,J	AMERICAN EXPRESS	4830	150.00	
			Total TRANSPORTATION - OTHER						150.00
OVERTIME MEALS									
01/06/99	EXW	0059666	Lorien (Kenney)		Cikalo,O	AMERICAN EXPRESS	4541	18.44	
04/07/99	EXW	0065141	S. Erickson		Mariwalla,K	AMERICAN EXPRESS	5014	30.00	
			Total OVERTIME MEALS						48.44
TEMPORARY STAFF - GRAPHICS									
01/10/99	IN	0097779	DINWIDDIE,J W/E 011099		CIKALO,O	CTI PROFESSIONALS	371488	13.25	
04/05/98	IN	0098612	JAMES,R W/E 040598		LEMON,S	TIGER INFORMATION	275166	53.25	
04/05/98	IN	0098612	JAMES,R W/E 040598		LEMON,S	TIGER INFORMATION	275166	19.50	
04/05/98	IN	0098612	JAMES,R W/E 040598		LEMON,S	TIGER INFORMATION	275166	88.75	
04/05/98	IN	0098612	JAMES,R W/E 040598		LEMON,S	TIGER INFORMATION	275166	97.50	
05/24/98	IN	0098615	CORDON,L W/E 052498		LEMON,S	TIGER INFORMATION	260787	156.00	
05/17/98	IN	0098616	CORDON,L W/E 051798		LEMON,S	TIGER INFORMATION	260331	117.00	
01/10/99	IN	0098781	LINDSEY,M W/E 011099		CIKALO,O	TIGER INFORMATION	275650	112.00	
01/10/99	IN	0098814	WANG,R W/E 011099		CIKALO,O	TIGER INFORMATION	275648	56.00	
09/20/98	IN	0098958	WARD,J W/E 092098		CIKALO,O	TIGER INFORMATION	268779	63.00	
09/20/98	IN	0098961	WANG,R W/E 092098		CIKALO,O	TIGER INFORMATION	268787	28.00	
			Total TEMPORARY STAFF - GRAPHICS						804.25

						============
TIME CHARGES						
04/09/99	RTCG 0001646 0.5 HOUR(S) BATDORF	GRAPHICS CHGPRODUCTION CENTER	LEWIS,A	17.50		

	Total TIME CHARGES					17.50
						============
USE CHARGES - COLOR COPIES						
04/19/99	RTC1 0000910 ERICKSON COLOR COPIES 4/99	COLOR COPIESPRODUCTION CENTER	CIKALO	86.40		

	Total USE CHARGES - COLOR COPIES					86.40
						============
USE CHARGES - LASERDISCLOSURE REPORTS						
02/05/99	RTCL 0001128 CAI WIRELESS SYSTEMS/10-K	Laser DiscloLIBRARY LASER DISC	LASERDIS	39.00		
02/05/99	RTCL 0001128 PEOPLE S CHOICE TV C/10-K	Laser DiscloLIBRARY LASER DISC	LASERDIS	39.00		
02/05/99	RTCL 0001128 CAI WIRELESS SYSTEMS/10-Q	Laser DiscloLIBRARY LASER DISC	LASERDIS	21.00		

02/05/99	RTCL 0001128 WIRELESS ONE INC/10-K	Laser DiscloLIBRARY LASER DISC	LASERDIS	39.00	
02/05/99	RTCL 0001128 AMERICAN TELECASTING/10-K	Laser DiscloLIBRARY LASER DISC	LASERDIS	39.00	
02/05/99	RTCL 0001128 CS WIRELESS SYSTEMS /10-Q	Laser DiscloLIBRARY LASER DISC	LASERDIS	21.00	
02/05/99	RTCL 0001128 AMERICAN TELECASTING/10-Q	Laser DiscloLIBRARY LASER DISC	LASERDIS	21.00	
02/05/99	RTCL 0001128 HEARTLAND WIRELESS C/10-K	Laser DiscloLIBRARY LASER DISC	LASERDIS	39.00	
02/05/99	RTCL 0001128 WIRELESS ONE INC/10-Q	Laser DiscloLIBRARY LASER DISC	LASERDIS	21.00	
02/05/99	RTCL 0001128 HEARTLAND WIRELESS C/10-K	Laser DiscloLIBRARY LASER DISC	LASERDIS	39.00	
02/05/99	RTCL 0001128 WIRELESS ONE INC/10-K	Laser DiscloLIBRARY LASER DISC	LASERDIS	39.00	
02/05/99	RTCL 0001128 HEARTLAND WIRELESS C/10-Q	Laser DiscloLIBRARY LASER DISC	LASERDIS	21.00	
02/05/99	RTCL 0001128 CS WIRELESS SYSTEMS /10-K	Laser DiscloLIBRARY LASER DISC	LASERDIS	39.00	
02/05/99	RTCL 0001128 PEOPLE S CHOICE TV C/10-Q	Laser DiscloLIBRARY LASER DISC	LASERDIS	21.00	

	Total USE CHARGES - LASERDISCLOSURE REPORTS				438.00
					============
					============
	Total HEARTLAND WIRELESS				1691.59
					============

Investment Banking Fees in Restructurings

Date Announced	State	Debtor / Liabilities Upon Filing	Engaged By	Banker	Monthly Fee	Expense Reimb.	Success Fee	Notes
3/14/99	DE	Edison Brothers	Debtor	Houlihan Lokey	$100,000	NA	Contingent fee = sum of (a) 2% of first $10MM of aggregate gross consideration, (b) 1% of aggregate gross consideration thereafter	Minimum fees: $350,000 if any sale is consummated, $400,000 if any sale involves 3-4 acquirors, $450,000 if any sale involves 5-6 acquirors and $500,000 if any sale involves 6 or more acquirors If Houlihan Lokey earns contingent fees pursuant to sale transacions, such fees will be credited in aggregate by an amount equal to 50% of the aggregate monthly retainer fees
3/10/99	DE	Brazos Sportswear	Debtor	BT Alex.Brown Inc.	$100,000	Y	$600,000 upon the completion of a restructuring (all monthly fees go towards this fee)	
2/25/99	AZ	Boston Chicken / $1608MM	Debtor	BT Alex.Brown Inc.	$150,000	Y	Incremental success fee based on the following deal considerations: up to $100MM: 1.25% between $100MM and $200MM: 0.75% over $200MM: 0.25%	BT is seeking approval to retain BT Alex. Retroactively to feb. 1 - they have approval for the hire on an interim basis
9/23/98	DE	Hayes Corp. / $84MM	Debtor	Volpe Brown Whelan & Co.	$75,000	Y	(1) Sliding fee based on the value of any sale or acquisition as follows: Up to $10MM: 5% + for amounts $10MM-$20MM: 3% + for amounts $20MM-$30MM: 2% + for amounts over $30MM: 1% (2) 7% of the value of cash, stock, or other consideration from any equity offering (3) 1% of the value received in any exchange offer	$300,000 for any fairness opinion Retained to help raise capital, sell Hayes if new capital funding is not obtained, and to negotiate a settlement with holders of the 6% convertible preferred stock.
9/17/98	DE	Westbridge Capital Corp.	Debtor	Houlihan Lokey Howard & Zukin	$100,000	Y	1.25% of the face amount or liquidation preference of any debt or preferred stock restructured, modified, converted or forgiven in the Ch.11 case.	Westbridge paid Houlihan Lokey about $1.2MM prior to the petition date for services rendered under the letter agreement.

Investment Banking Fees in Restructurings

Date Announced	State	Debtor / Liabilities Upon Filing	Engaged By	Banker	Monthly Fee	Expense Reimb.	Success Fee	Notes
8/28/98	PA	Allegheny Health	Debtor	Houlihan Lokey Howard & Zukin	$125,000 for the first two months; $90,000 per month thereafter	Y	na	
7/22/98	DE	APS Holding / $468MM	Debtor	Blackstone	$125,000	Y	1.35% on the first $50M, 0.90% on amounts between $50M and $100M, and 0.68% on amounts over 100M.	Blackstone developed the business plan and reorganization plan for APS, and advise the marketing and sale of the company by finding potential buyers and investors, and negotiating the transaction.
6/23/98	DE	Long John Silver's	Debtor	DLJ	$100,000	N/A	3.25% of the gross proceeds from issuing public or private debt securities (other than bank debt) in connection with reorganization. LJ Silver's was entitled to seek court approval to pay DLJ additional amounts to compensate for company's success.	Retained to examine potential financing alternatives, including high-yield offering or sale of the Company.
2/19/98	GA	Paragon Trade Brands / $371MM	Debtor	Blackstone	$125,000	Y	Upon confirmation of a reorganization plan, Blackstone had the right to apply to the court for an additional fee of 1% of total reorganization value.	
10/27/97	GA	RDM Sports Group / $73MM	Debtor	DLJ	$50,000	N/A	Transaction fee equal to 2% of the total consideration received by RDM, shareholders, and creditors, plus the amount of any liabilities assumed in connection with transaction, less the retainer fee.	Retained for the sale, merger, consolidation or combination of the businesses, securities, assets of retail divisions of its sporting goods subsidiary.
9/16/97	DE	Levitz / $1336MM	Debtor	Blackstone	$125,000	Y	Under confirmation of a reorganization plan, Blackstone had the right to apply to the court for an additional fee of $1M for its contribution.	
8/8/97	NY	Maidenform / $654MM	Debtor	Bear Stearns	$50,000	Y	Cash fee of 1.25% paid by acquiror for Debtor's assets or operations, issuance or sale of Debtor's securities, or the assumption of Debtor's outstanding indebtedness.	Retained for the potential sale of the Debtor, its assets or stock.

Investment Banking Fees in Restructurings

Date Announced	State	Debtor / Liabilities Upon Filing	Engaged By	Banker	Monthly Fee	Expense Reimb.	Success Fee	Notes
7/9/97	NY	County Seat / $568MM	Debtor	Jeffries	None	Y	3.5% of total gross proceeds from sale of up to $75MM in senior discounted notes. Right to be lead manager or co-manager for offering of the notes and receive at least 50% of the total gross spread of the offering.	Retained as placement agent for public or private issuance and sale of up to $75M in senior discounted notes or other securities. If Jeffries resigned, it was entitled to up to $200,000 in expense reimb. If County Seat ended Jeffries' service without fair cause, Jeffries would have received a $1M termination fee.
7/7/97	DE	Alphastar Television Network / $105MM	Debtor	Brown, Gibbons, Lang & Co	None	N/A	For a sale completed during the term of the agreement or within 12 months after, cash fee of $350,000 and 1% of total consideration in excess of $10M of the sale	
6/4/97	DE	MobileMedia / $1,343MM	Debtor	Blackstone	$125,000	N/A	0.6% of the total value of an M&A transaction.	Creditors' committee argued that a graduated fee structure would provide an incentive for Blackstone to seek more money for the company.
5/13/97	DE	Marvel Entertainment Group / $693MM	Debtor	Blackstone	$115,000	N/A	None	Retained to find potential bidders and conduct auction. Originally, monthly fee for Bstone fee was agreed as $125,000.
5/5/97	CA	Home Express	Debtor	Heartland Financial	$15,000	Y	6.5% of the proceeds received from a prospect introduced by Heartland or received by creditors or shareholders for the sale of its Home Express assets or shares.	Retained for the potential sale of assets or restructuring.
1/1/97	DE	Barney's	Debtor	Blackstone	$125,000	Y		

EXHIBIT B. SUCCESS FEES IN EXCHANGE OFFERS AND RESTRUCTURINGS

Debtor Transaction Type	Financial Advisor	Total Debt Restructured	Total Success Fee	Success Fee as %age of Debt
Western Union Exchange Offer	Merrill Lynch Capital Markets	$529.74 mil.	$5.298 mil.	1%
INTERCO Exchange Offer	Morgan Guaranty Trust	$1027.979 mil.	$10 mil.	.97%
Southland Corp. Prepackaged bankruptcy	Merrill Lynch Capital Markets Donaldson, Lufkin & Jenrette	$2198.32 mil.	$19.5 mil.	.89%
Gaylord Container Prepackaged bankruptcy	BT Securities First Boston Donaldson Lufkin & Jenrette	$582.80 mil.	$8.9 mil.	1.53%
Charter Medical Exchange Offer	Alvarez & Marsal Kidder, Peabody	$949.80 mil.	$8 mil.	.84%
SPI Holdings Prepackaged bankruptcy	Donaldson, Lufkin & Jenrette	$296.3 mil.	$4.0 mil.	1.35%
TW Services Exchange Offer	Morgan Stanley Donaldson, Lufkin & Jenrette Wasserstein, Perella	$912.124 mil.	$14 mil.	1.53%
Calfed Exchange Offer	Houlihan, Lokey	$125.0 mil.	$.937 mil.	.75%
Tucson Electric Power Co. Exchange Offer	Merrill Lynch	$205.7 mil.	$1.8 mil.	.875%
USG Prepackaged bankruptcy	Lazard Freres & Co. Salomon Brothers	$1177 .0 mil.	$5 mil.	.42%
Restaurant Enterprises Group Exchange Offer	Nomura Securities Donaldson, Lufkin & Jenrette	$443.92 mil.	$2.0 mil.	.45%
Telemundo Group Chapter 11 Restructuring	The Blackstone Group	$300 mil.	$2.0 mil.	.66%
TWA Prepackaged bankruptcy	Salomon Brothers	$1700 mil.	$8.5 mil.	.5%

AFFIDAVIT OF SERVICE

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

Joseph L. Monzione, bing duly sworn, deposes and says:

1. I am not a party to this action, am over 18 years of age, and am employed by Paul Weiss Rifkind Wharton & Garrison, 1285 Avenue of the Americas, New York, New York 10019.

2. On May 13, 1999, I caused to be served copies of the First and Final Application of Wasserstein Perella & Co. for Compensation and for Reimbursement of Expenses (together with accompanying exhibits) on the persons set forth on the attached service list.

3. I made such service by personally enclosing true copies of the aforementioned document in properly addressed wrappers and sent them by Federal Express, Priority Overnight.

Joseph L. Monzione

Joseph L. Monzione

Sworn to before me this
13th day of May, 1999

Carolyn Dolan

Notary Public

CAROLYN DOLAN
Notary Public, State of New York
No. 41-461370
Qualified in Queens County
Certificate Filed in New York County
Commission Expires Nov. 30, 1999

Doc#:DS5:312258.1

SERVICE LIST

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Philadelphia, PA 19106

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