UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended March 31, 2019
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File number 1-04721

SPRINT CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**46-1170005**
(State or other jurisdiction of incorporation or organization)	***(I.R.S. Employer Identification No.)***
6200 Sprint Parkway, Overland Park, Kansas	**66251**
(Address of principal executive offices)	***(Zip Code)***

Registrant's telephone number, including area code: (913) 794-1091

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, $0.01 par value	S	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Aggregate market value of voting and non-voting common stock equity held by non-affiliates of Sprint Corporation at September 30, 2018 was $4,088,584,646

COMMON STOCK OUTSTANDING AT MAY 28, 2019 : 4,090,807,600 shares

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Annual Report on Form 10-K incorporates by reference certain information from the registrant's definitive proxy statement with respect to any 2019 annual meeting of stockholders that is held.

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PART I

Item 1. Business

FORMATION

Sprint Corporation, incorporated in 2012 under the laws of Delaware is a holding company, with operations conducted by its subsidiaries. Our common stock trades on the New York Stock Exchange (NYSE) under the symbol "S."

On July 10, 2013, SoftBank Corp., which subsequently changed its name to SoftBank Group Corp., and certain of its wholly-owned subsidiaries (together, SoftBank) completed the merger (SoftBank Merger) with Sprint Nextel Corporation (Sprint Nextel) as contemplated by the Agreement and Plan of Merger, dated as of October 15, 2012 (as amended, the Merger Agreement) and the Bond Purchase Agreement, dated as of October 15, 2012. As a result of the SoftBank Merger, Starburst II, Inc. (Starburst II) became the parent company of Sprint Nextel. Immediately thereafter, Starburst II changed its name to Sprint Corporation and Sprint Nextel changed its name to Sprint Communications, Inc. (Sprint Communications). As a result of the completion of the SoftBank Merger, SoftBank acquired an approximate 78% interest in Sprint Corporation. Subsequently, open market stock purchases by SoftBank increased their ownership to nearly 85% of the outstanding common stock of Sprint Corporation as of March 31, 2019 .

OVERVIEW

Sprint Corporation, including its consolidated subsidiaries, is a communications company offering a comprehensive range of wireless and wireline communications products and services that are designed to meet the needs of individual consumers, businesses, government subscribers and resellers. Unless the context otherwise requires, references to "Sprint," "we," "us," "our" and the "Company" mean Sprint Corporation and its consolidated subsidiaries for all periods presented, and references to "Sprint Communications" are to Sprint Communications, Inc. and its consolidated subsidiaries. We are a large wireless communications company in the U.S., as well as a provider of wireline services. Our services are provided through our ownership of extensive wireless networks, an all-digital global wireline network and a Tier 1 Internet backbone.

We offer wireless and wireline services to subscribers in all 50 states, Puerto Rico, and the U.S. Virgin Islands under the Sprint corporate brand, which includes our retail brands of Sprint ® , Boost Mobile ® , Virgin Mobile ® , and Assurance Wireless ® on our wireless networks utilizing various technologies including third generation (3G) code division multiple access (CDMA), and fourth generation (4G) services utilizing Long Term Evolution (LTE). We utilize these networks to offer our wireless subscribers differentiated products and services through the use of a single network or a combination of these networks.

Business Combination Agreement

On April 29, 2018, we announced that we entered into a Business Combination Agreement with T-Mobile US, Inc. (T-Mobile) to merge in an all-stock transaction for a fixed exchange ratio of 0.10256 of T-Mobile shares for each Sprint share, or the equivalent of 9.75 Sprint shares for each T-Mobile share (Merger Transactions). Immediately following the Merger Transactions, Deutsche Telekom AG and SoftBank Group Corp. are expected to hold approximately 42% and 27% of fully-diluted shares of the combined company, respectively, with the remaining 31% of the fully-diluted shares of the combined company held by public stockholders. The board of directors will consist of 14 directors, of which nine will be nominated by Deutsche Telekom AG, four will be nominated by SoftBank Group Corp., and the final director will be the CEO of the combined company. The combined company will be named T-Mobile, and as a result of the Merger Transactions, is expected to be able to rapidly launch a nationwide 5G network, accelerate innovation and increase competition in the U.S. wireless, video and broadband industries. The Merger Transactions are subject to customary closing conditions, including certain state and federal regulatory approvals, and regulatory approval from the Federal Communications Commission (FCC) and the Department of Justice (DOJ) is expected in the first half of calendar year 2019. Sprint and T-Mobile completed the Hart-Scott-Rodino filing with the DOJ on May 24, 2018. On June 18, 2018, the parties filed with the FCC the merger applications, including the Public Interest Statement. On July 18, 2018, the FCC accepted the applications for filing and established a public comment period for the Merger Transactions. The formal comment period concluded on October 31, 2018. The Merger Transactions received clearance from the Committee on Foreign Investment (CFIUS) in the United States on December 17, 2018 and are awaiting further regulatory approvals. On April 27, 2019, the parties to the Business Combination Agreement extended the Outside Date (as defined in the Business Combination Agreement) to July 29, 2019.

Our Business Segments

We operate two reportable segments: Wireless and Wireline. For additional information regarding our business and segments, see "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and also refer to the Notes to the Consolidated Financial Statements.

Wireless

We offer wireless services on a postpaid and prepaid payment basis to retail subscribers and also on a wholesale basis, which includes the sale of wireless services that utilize the Sprint network but are sold under the wholesaler's brand. In addition, we offer certain non-Sprint branded prepaid subscribers the ability to purchase a device through an installment billing program.

Postpaid

In our postpaid portfolio, we offer several price plans for both consumer and business subscribers. Many of our price plans include unlimited talk, text and data or allow subscribers to purchase monthly data allowances. We also offer family plans that include multiple lines of service under one account.

Under the Sprint brand, we currently offer our devices through leasing and installment billing programs, and within limited plan offerings devices may be subsidized in exchange for a service contract. Our Sprint branded leasing and installment billing programs do not require a long-term service contract but offer devices tied to service plans at lower monthly rates when compared to subsidy plans. The installment billing program requires the subscriber to pay full or a discounted retail price based on promotional activities for the device over the installment period. The leasing program requires the subscriber to pay a rental fee over the lease term. In July 2017, we introduced the Sprint Flex program, which gives customers the opportunity to enjoy their phone before deciding what option (upgrade, continue leasing, return or buy) works best for their lifestyle. Depending on device type, certain leases carry an option to upgrade to a new device annually prior to expiration of the lease. The terms of our lease and installment billing contracts require that customers maintain service otherwise the balance of the remaining contractual obligation on the device is due upon termination of their service. The subsidy program, which has been de-emphasized, requires a long-term service contract and allows a subscriber to purchase a device generally at a discount. In our non-Sprint branded postpaid plan, we offer devices through an installment billing program while requiring service to be purchased on a prepaid basis. The majority of Sprint's current postpaid handset activations occur on our Sprint Flex leasing program. See "Item 1A. Risk Factors — Subscribers who purchase on a financing basis or lease a device are not required to sign a fixed-term service contract, which could result in higher churn and higher bad debt expense" and " — Our device leasing program exposes us to risks, including those related to the actual residual value realized on returned devices, higher churn and increased losses on devices ."

Prepaid

Our prepaid portfolio currently includes multiple brands, each designed to appeal to specific subscriber uses and demographics. Additionally, a subsidy program is available within certain prepaid plan offerings. In our indirect channel, customers who activate service under certain prepaid plan offerings are able to purchase devices at a discount. Boost Mobile primarily serves subscribers that are looking for value without data limits. Virgin Mobile primarily serves subscribers that are looking to optimize spend but need solutions that offer control, flexibility and connectivity through various plans with high speed data options. Virgin Mobile is also designated as a Lifeline-only Eligible Telecommunications Carrier. Under the Assurance Wireless brand, Virgin Mobile provides service to Lifeline eligible subscribers (for whom it seeks reimbursement from the federal Universal Service Fund) and subscribers who have lost their Lifeline eligibility and retain Assurance Wireless retail service. The Lifeline Program requires applicants to meet certain eligibility requirements and existing subscribers must recertify as to those requirements annually. While Sprint will continue to support our Lifeline subscribers through our Assurance Wireless prepaid brand, we have excluded these subscribers from our reported prepaid customer base for all periods presented due to regulatory changes resulting in tighter program restrictions. (See *"Subscriber Results"* in "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" for more information.)

Wholesale

We have focused our wholesale business on enabling our diverse network of customers to successfully grow their business by providing them with an array of network, product and device solutions. This allows our customers to customize this full suite of value-added solutions to meet the growing demands of their businesses. As part of these growing demands, some of our wholesale mobile virtual network operators (MVNO) are also selling prepaid services under the Lifeline program. While Sprint will continue to support our Lifeline subscribers through our wholesale MVNO's, we have excluded these subscribers from our reported wholesale customer base for all periods presented due to regulatory changes resulting in tighter program restrictions. (See *"Subscriber Results"* in "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" for more information.)

We continue to support the open development of applications, content, and devices on the Sprint network. In addition, we enable a variety of business and consumer third-party relationships through our portfolio of machine-to-machine solutions, which we offer on a retail postpaid and wholesale basis. Our machine-to-machine solutions portfolio provides a secure, real-time and reliable wireless two-way data connection across a broad range of connected devices.

Services and Products

Data & Voice Services

Wireless data communications services are provided throughout the U.S. and include mobile productivity applications, such as Internet access, messaging and email services; wireless photo and video offerings; location-based capabilities, including asset and fleet management, dispatch services and navigation tools; and mobile entertainment applications, including the ability to listen to satellite radio, download and listen to music, and play games. Wireless voice communications services provided throughout the U.S. include basic local and long-distance wireless voice services, as well as voicemail, call waiting, three-way calling, caller identification, and call forwarding. We also provide voice and data services in numerous countries outside of the U.S. through roaming arrangements. We offer customized design, development, implementation and support for wireless services provided to companies and government agencies.

Products

Our services are provided using a broad array of devices, applications and services that run on these devices to meet the growing needs of subscriber mobility. Our device portfolio includes many cutting edge handsets and tablets from various original equipment manufacturers as well as hotspots, which allow the connection of multiple Wi-Fi enabled devices to the Sprint platform. Prior to commencing our leasing and installment billing programs, we historically sold devices at prices below our cost in response to competition to attract new subscribers and as retention inducements for existing subscribers. Subscribers also have the option to lease eligible devices through our Sprint Flex leasing program, or to purchase eligible devices through our installment billing program through certain of our channels. Accessories, such as carrying cases, hands-free devices and other items are sold to subscribers through our affiliate Brightstar US, Inc. (Brightstar). In addition, we also sell devices to agents and other third-party distributors for resale.

Wireless Network Technologies

We deliver wireless services to subscribers primarily through our Sprint platform network. Our Sprint platform uses primarily 3G CDMA and 4G LTE wireless technologies. Our 3G CDMA wireless technology uses a digital spread-spectrum technique that allows a large number of users to access the band by assigning a code to all voice and data bits, sending a scrambled transmission of the encoded bits over the air and reassembling the voice and data into its original format. Our 4G LTE wireless data communications technology utilizes an all-internet protocol (IP) network to deliver high-speed data communications. We provide nationwide service through a combination of operating our own network in both major and smaller U.S. metropolitan areas and rural connecting routes, affiliations under commercial arrangements with third-party affiliates and roaming on other providers' networks.

Sales, Marketing and Customer Care

We focus the marketing and sales of wireless services on targeted groups of retail subscribers: individual consumers, businesses and government.

We use a variety of sales channels to attract new subscribers of wireless services, including:

- direct sales representatives whose efforts are focused on marketing and selling wireless services;
- retail outlets, owned and operated by us, that focus on sales to the small business and consumer markets;
- indirect sales agents and third-party retailers that primarily consist of local and national non-affiliated dealers and independent contractors that market and sell services to businesses and the consumer market, and are generally paid through commissions; and
- subscriber-convenient channels, including online sales and telesales.

We market our postpaid offerings under the Sprint brand as well as certain non-Sprint brands. We market our prepaid offerings under the Sprint, Boost Mobile, Virgin Mobile, and Assurance Wireless brands as a means to provide value-driven prepaid service plans. Our wholesale customers are resellers of our wireless services rather than end-use subscribers and market their products and services using their own brands.

Although we market our services using traditional print, digital and television advertising, we also provide exposure to our brand names and wireless services through various sponsorships. The goal of these marketing initiatives is to increase brand awareness and sales.

Our customer care organization works to improve our subscribers' experience, with the goal of retaining subscribers of our wireless services and growing their long-term relationships with Sprint. Customer service call centers receive and resolve inquiries from subscribers and proactively address subscriber needs.

Competition

We believe that the market for wireless services has been and will continue to be characterized by competition across a variety of factors, including the types of services and devices offered, quality of service, and price, among others. We compete with a number of national wireless carriers, including AT&T, Verizon Wireless and T-Mobile, and regional carriers such as U.S. Cellular and C-Spire. AT&T and Verizon are significantly larger than us, serve a significant percentage of all wireless subscribers, hold substantial spectrum and other resources, and enjoy scale advantages as compared to us. We also compete with smaller carriers and a large number of resellers that purchase wholesale wireless services from network operators and offer their own wireless brands and plans that include unlimited local calling. We also compete with cable and technology companies as wireless, broadband, and content-related services continue their pattern of convergence. In particular, we face current and future competition from new entry by cable companies that are currently offering or have announced the launch of competitive wireless services to complement their content distribution and broadband services, including Comcast's Xfinity Mobile, which launched in May 2017, and Charter, which launched its Spectrum Mobile wireless service in September 2018. Microsoft, Google, Apple and other technology companies also compete with wireless carriers by offering alternative means for making wireless voice calls that, in certain cases, can be used in lieu of the wireless provider’s voice or text services, as well as alternative means of accessing video content. Competition may intensify as a result of mergers and acquisitions, as new firms enter the market, and as a result of the introduction of new and other technologies, including 5G, the availability of additional commercial spectrum bands, such as the 600 megahertz (MHz) band, the AWS-3 band and the AWS-4 band, and the introduction of new services using unlicensed spectrum. Network performance is a critical driver of competition as wireless technologies evolve from current-generation 4G services to next-generation 5G services. Wholesale services and products also contribute to increased competition. In some instances, resellers that use our wireless network and offer similar services compete against our offerings.

Most markets in which we operate have high rates of penetration for wireless services, thereby limiting the growth of subscribers of wireless services. In addition to attracting new subscribers, particularly in less saturated growth markets such as those with non-traditional data demands, it has become increasingly important to retain existing subscribers as the wireless market has matured. Wireless carriers also try to appeal to subscribers by offering certain devices at prices lower than their acquisition cost, which we refer to as our traditional subsidy program. We may offer higher cost devices at greater discounts than our competitors, with the expectation that the loss incurred on the cost of the device will be offset by future service revenue. Wireless carriers now also offer plans that allow subscribers to purchase a device at or near full retail price or lease a device in exchange for lower monthly service fees, early upgrade options, or both. AT&T, Verizon Wireless and T-Mobile also offer programs that include an option to purchase a device using an installment billing program. We currently offer our devices through leasing and installment billing programs, and within limited plan offerings, devices may be subsidized in exchange for a service contract. Our Sprint branded leasing and installment billing programs do not require a service contract but offer devices tied to service plans at lower monthly rates when compared to subsidy plans. The installment billing program requires the subscriber to pay full or a discounted retail price based on promotional activities for the device over the installment period. Under the leasing program, qualified subscribers lease a device for a contractual period of time and pay a rental fee over the term of the lease. The subscriber has the option to return the device, continue leasing the device, or purchase the device at the end of the lease term. See "Item 1A. Risk Factors — If we are not able to retain and attract profitable wireless subscribers, our financial performance will be impaired" and " — Our device leasing program exposes us to risks including those related to the actual residual value realized on returned devices, higher churn and increased losses on devices " and " — Subscribers who purchase on a financing basis or lease a device are not required to sign a fixed-term service contract, which could result in higher churn, and higher bad debt expense."

Wireline

We provide a suite of wireline communication services to other communications companies and targeted business customers. In addition, our Wireline segment provides voice, data and IP communication services to our Wireless segment. We provide long distance services and operate all-digital global long distance and Tier 1 IP networks.

Services and Products

Our services and products include domestic and international data communications using various protocols such as multiprotocol label switching technologies (MPLS), IP, managed network services, Voice over Internet Protocol (VoIP), and Session Initiated Protocol (SIP). Our IP services can also be combined with wireless services. Such services enable a wireless handset to operate as part of a subscriber's wireline voice network, and our DataLink SM service, which uses our wireless networks to connect a subscriber location into their primarily wireline wide-area IP/MPLS data network, making it easier for businesses to adapt their network to changing business requirements. In addition to providing services to our business customers, we also provide data and IP communication services to our Wireless segment.

We continue to assess the portfolio of services provided by our Wireline business and are focusing our efforts on IP-based data services. Stand-alone voice services have been discontinued and we continue to de-emphasize and shutdown TDM-based data services. Our Wireline segment markets and sells its services primarily through direct sales representatives.

Competition

Our Wireline segment competes with AT&T, Verizon Communications, CenturyLink, other major local incumbent operating companies and cable operators, as well as a host of smaller competitors in the provision of wireline services. Over the past few years, our voice services have experienced an industry-wide trend of lower revenue from lower prices and increased competition from other wireline and wireless communications companies, as well as cable multiple system operators, Internet service providers, and other general contracting information technology companies.

Some competitors are targeting the high-end data market and are offering deeply discounted rates in exchange for high-volume traffic as they attempt to utilize excess capacity in their networks. In addition, we face increasing competition from other wireless and IP-based service providers. Many carriers, including cable companies, are competing in the residential and small business markets by offering bundled packages of both voice and data services. Competition in wireline services is based on price and pricing plans, the types of services offered, customer service and communications quality, reliability and availability. Our ability to compete successfully will depend on our ability to anticipate and respond to various competitive factors affecting the industry, including new services that may be introduced, changes in consumer preferences, demographic trends, economic conditions and pricing strategies. See "Item 1A. Risk Factors — Competition, industry consolidation, effectiveness of our cost optimization efforts, and technological changes in the market for wireless services could negatively affect our operations, resulting in adverse effects on our revenues, cash flows, growth, and profitability."

Legislative and Regulatory Developments

Overview

Communications services are subject to regulation at the federal level by the FCC and in certain states by public utilities commissions (PUCs). Since the SoftBank Merger, we have been subject to regulatory conditions imposed by CFIUS pursuant to a National Security Agreement (NSA) among SoftBank, Sprint, the DOJ, the Department of Homeland Security and the Department of Defense (the latter three collectively, the USG Parties). Other federal agencies, such as the Federal Trade Commission (FTC) and Consumer Financial Protection Bureau (CFPB), have also asserted jurisdiction over our business.

The following is a summary of the regulatory environment in which we operate and does not describe all present and proposed federal, state and local legislation and regulations affecting the communications industry. Some legislation and regulations are the subject of judicial proceedings, legislative hearings and administrative proceedings that could change the way our industry operates. We cannot predict the outcome of any of these matters or their potential impact on our business. See "Item 1A. Risk Factors — Government regulation could adversely affect our prospects and results of operations; federal and state regulatory commissions may adopt new regulations or take other actions that could adversely affect our business prospects, future growth or results of operations."

Regulation and Wireless Operations

The FCC regulates the licensing, construction, operation, acquisition and sale of our wireless operations and wireless spectrum holdings. FCC requirements impose operating and other restrictions on our wireless operations that increase our costs. The FCC does not currently regulate rates for services offered by commercial mobile radio service (CMRS) providers, and states are legally preempted from regulating such rates and entry into any market, although states may regulate other terms and conditions. The Communications Act of 1934 (Communications Act) and FCC rules also require the FCC's prior approval of the assignment or transfer of control of an FCC license, although the FCC's rules permit spectrum lease arrangements for a range of wireless radio service licenses, including our licenses, with FCC oversight. Approval from the FTC and the DOJ, as well as state or local regulatory authorities, also may be required if we sell or acquire spectrum interests. The FCC sets rules, regulations and policies to, among other things:

- grant and renew licenses in the 800 MHz, 1.9 gigahertz (GHz) and 2.5 GHz bands;
- rule on assignments and transfers of control of FCC licenses, and leases covering our use of FCC licenses held by other persons and organizations;
- govern the interconnection of our networks with other wireless and wireline carriers;
- establish access and universal service funding provisions;
- impose rules related to unauthorized use of and access to subscriber information;
- impose fines and forfeitures for violations of FCC rules;
- regulate the technical standards governing wireless services; and
- impose other obligations that it determines to be in the public interest.

We hold 800 MHz, 1.9 GHz and 2.5 GHz FCC licenses authorizing the use of radio frequency spectrum to deploy our wireless services. We also hold FCC point-to-point microwave licenses that enable us to provide backhaul for our wireless network.

800 MHz License Conditions

Spectrum in our 800 MHz band originally was licensed in small groups of channels, therefore, we hold thousands of these licenses, which together allow us to provide coverage across much of the continental U.S. Our 800 MHz licenses are subject to requirements that we meet population coverage benchmarks tied to the initial license grant dates. To date, we have met all of the construction requirements applicable to these licenses, except in the case of licenses that are not material to our business. Our 800 MHz licenses have ten-year terms, at the end of which each license is subject to renewal requirements that are similar to those for our 1.9 GHz licenses described below.

1.9 GHz PCS License Conditions

All PCS licenses are granted for ten-year terms. For purposes of issuing PCS licenses, the FCC utilizes major trading areas (MTAs) and basic trading areas (BTAs) with several BTAs making up each MTA. Each license is subject to build-out requirements, which we have met in all of our MTA and BTA markets.

If applicable build-out conditions are met, these licenses may be renewed for additional ten-year terms. Renewal applications are not subject to auctions. If a renewal application is challenged, the FCC grants a preference commonly referred to as a license renewal expectancy to the applicant if the applicant can demonstrate that it has provided "substantial service" during the past license term and has substantially complied with applicable FCC rules and policies and the Communications Act.

2.5 GHz License Conditions

We hold licenses for or lease spectrum located within the 2496 to 2690 MHz band, commonly referred to as the 2.5 GHz band, which is designated for the Broadband Radio Service (BRS) and the Educational Broadband Service (EBS). Most BRS and EBS licenses are allocated to specific, relatively small geographic service areas. Other BRS licenses provide for one of 493 separate BTAs. Under current FCC rules, we can access BRS spectrum either through outright ownership of a BRS license issued by the FCC or through a leasing arrangement with a BRS license holder. The FCC rules generally limit eligibility to hold EBS licenses to accredited educational institutions and certain governmental, religious and nonprofit entities, but permit those license holders to lease up to 95% of their capacity for non-educational purposes. Therefore, we primarily access EBS spectrum through long-term leasing arrangements with EBS license holders. Our EBS spectrum leases typically have an initial term equal to the remaining term of the EBS license, with an option to renew the lease for additional terms, for a total lease term of up to 30 years. Our leases are generally transferable, assuming we obtain required governmental approvals. Achieving optimal broadband network speeds, capacity and coverage using 2.5 GHz spectrum relies in significant part on operationalizing a complex mixture of BRS and EBS spectrum licenses and leases in the desired service areas, which is subject to the EBS licensing limitations described above and the technical limitations of the frequencies in the 2.5 GHz range.

Spectrum Reconfiguration Obligations

In 2004, the FCC adopted a Report and Order that included new rules regarding interference in the 800 MHz band and a comprehensive plan to reconfigure the 800 MHz band. The Report and Order provides for the exchange of a portion of our 800 MHz FCC spectrum licenses, and requires us to fund the cost incurred by public safety systems and other incumbent licensees to reconfigure the 800 MHz spectrum band. Also, in exchange, we received licenses for 10 MHz of nationwide spectrum in the 1.9 GHz band.

The minimum cash obligation was $2.8 billion under the Report and Order. We are, however, obligated to continue to pay the full amount of the costs relating to the reconfiguration plan, although those costs have exceeded $2.8 billion . As required under the terms of the Report and Order, a letter of credit has been secured to provide assurance that funds will be available to pay the relocation costs of the incumbent users of the 800 MHz spectrum. The letter of credit was initially $2.5 billion , but has been reduced during the course of the proceeding to $78 million as of March 31, 2019 . Since the inception of the program, we have incurred payments of approximately $3.6 billion directly attributable to our performance under the Report and Order, including $43 million during the year ended March 31, 2019. When incurred, substantially all costs are accounted for as additions to FCC licenses with the remainder as property, plant and equipment. Based on our expenses to date and on third-party administrator's audits, we have exceeded the $2.8 billion minimum cash obligation required by the FCC. On October 12, 2017, the FCC released a Declaratory Ruling that we have met the minimum cash obligation under the Report and Order and concluded that Sprint will not be required to make any payments to the U.S. Treasury.

We recently reported to the FCC that virtually all of the public safety reconfiguration is complete across the United States, including along the southern border markets, which had been delayed due to coordination efforts with Mexico. Accordingly, Sprint has received its full allotment of replacement spectrum in the 800 MHz band, and Sprint faces no impediments in deploying 3G CDMA and 4G LTE on this spectrum in combination with its spectrum in the 1.9 GHz and 2.5 GHz bands. A small number of non-public safety operators must still complete certain retuning work and complete administrative tasks in states along the southern border, however, these remaining activities do not impact Sprint’s operations.

911 Services

Pursuant to FCC rules, CMRS providers, including us, are required to provide enhanced 911 (E911) services that deliver the location of the cell site from which a 911 call is being made or the location of the subscriber's handset using latitude and longitude, depending upon the capabilities of the requesting public safety answering point (PSAP). The FCC has also imposed enhanced location accuracy standards for the provision of wireless 911 services indoors and these requirements impose additional costs on Sprint. CMRS providers are also now required to provide text-to-911 services upon request by a capable PSAP.

Cybersecurity

Cybersecurity continues to receive attention at federal, state and local government levels. Congress has passed and continues to consider various forms of cybersecurity legislation to increase the security and resiliency of the nation's digital infrastructure and several federal agencies are examining cybersecurity matters. Legislation or regulation imposing new obligations related to cybersecurity may impose additional costs on Sprint. See "Item 1A. Risk Factors — Our reputation and business may be harmed and we may be subject to legal claims if there is a loss, disclosure, misappropriation of, unauthorized access to, or other security breach of our proprietary or sensitive information . Any disruption of our business operations due to cyber attack, even for a limited amount of time, may adversely affect our business and financial condition."

National Security Agreement

As a precondition to CFIUS approval of the SoftBank Merger, the USG Parties required that SoftBank and Sprint enter into the NSA, under which SoftBank and Sprint have agreed to implement certain measures to protect national security, certain of which may materially and adversely affect our operating results due to the increased cost of compliance with security measures, and limits over our control of certain U.S. facilities, contracts, personnel, vendor selection and operations. If we fail to comply with our obligations under the NSA, our ability to operate our business may be adversely affected. See "Item 1A. Risk Factors — Regulatory authorities have imposed measures to protect national security and classified projects as well as other conditions that could have an adverse effect on Sprint."

State and Local Regulation

While the Communications Act generally preempts state and local governments from regulating entry of, or the rates charged by, wireless carriers, certain state PUCs and local governments regulate infrastructure siting, customer billing, termination of service arrangements, advertising, certification of operation, use of handsets when driving, service quality, sales practices, management of customer call records and protected information and many other areas. Also, state attorneys general may bring lawsuits related to the sales practices and services of wireless carriers. Varying practices among the states may make it more difficult for us to implement national sales and marketing programs. States also may impose their own universal service support requirements on wireless and other communications carriers, similar to the contribution requirements that have been established by the FCC, and some states are requiring wireless carriers to help fund additional programs, including the implementation of E911 and the provision of intrastate relay services for consumers who are hearing impaired. We anticipate that these trends will continue to require us to devote legal and other resources to work with the states to respond to their concerns while attempting to minimize any new regulation and enforcement actions that could increase our costs of doing business.

Regulation and Wireline Operations

Competitive Local Service

The Telecommunications Act of 1996 (Telecom Act), which was the first comprehensive update of the Communications Act, was designed to promote competition, and it eliminated legal and regulatory barriers for entry into local and long distance communications markets. It also required incumbent local exchange carriers (ILECs) to allow resale of specified local services at wholesale rates, negotiate interconnection agreements, provide nondiscriminatory access to certain unbundled network elements and allow co-location of interconnection equipment by competitors. The rules implementing the Telecom Act continue to be interpreted by the courts, state PUCs and the FCC , and Congress is considering possible changes to the Telecom Act. Further restrictions on the pro-competition aspects of the Telecom Act could adversely affect Sprint’s operations.

International Regulation

The wireline services we provide outside the U.S. are subject to the regulatory jurisdiction of foreign governments and international bodies. In general, we are required to obtain licenses to provide wireline services and comply with certain government requirements.

Other Regulations

Network Neutrality

On February 26, 2015, the FCC adopted an order reclassifying broadband Internet access service as a telecommunications service subject to Title II of the Communications Act and promulgated new net neutrality rules applicable to both mobile and fixed service providers. The rules prohibited: (1) blocking of lawful content, applications, services and non-harmful devices; (2) impairing or degrading Internet traffic on the basis of content, application, or service, or use of a non-harmful device; and (3) prioritization or favoring of some network traffic over other traffic either in exchange for consideration (monetary or otherwise) from a third party, or to benefit an affiliated entity. The blocking and impairing prohibitions were subject to a "reasonable network management" exception. The rules also included a “transparency” rule that required us to disclose information about our commercial terms, performance characteristics, and network practices. In addition, the order established a future conduct rule, to be applied on a case by case basis, prohibiting broadband Internet access providers from unreasonably interfering with or disadvantaging end users’ ability to use the Internet to access lawful content, applications, service, or devices of their choice, or edge providers’ ability to make such content applications, services, or devices available to end users. On December 14, 2017, the FCC voted to return broadband Internet access service to its prior classification as an information service, and reinstate the private mobile service classification of mobile broadband Internet access service. The order also eliminated the FCC's Internet Conduct Standard, along with the bright-line rules and included expanded transparency requirements. The new rules were published in the federal register on February 22, 2018. The 2017 FCC order has been challenged by various groups, including certain state attorneys general, and has been appealed to the U.S. Court of Appeals for the District of Columbia Circuit. In addition, as a result of the 2017 FCC order, state legislators have introduced, and in some cases passed, state laws requiring different levels of adherence to net neutrality principles for broadband Internet access service providers active in the applicable states. In addition, several governors have issued executive orders similarly addressing net neutrality. Depending on the interpretation and application of these rules, including the outcome of the appeal of the 2017 FCC order, other legal challenges to the order and conflicts between federal and state laws and executive orders, we may incur additional costs or be limited in the services we can provide.

Privacy and Data Protection

Various federal, state and international governmental authorities have adopted or are considering laws or regulations related to privacy and data protection, such as the European Union’s General Data Protection Regulation that went into effect in May 2018 and the California Consumer Privacy Act of 2018, which takes effect in 2020. Enactment of new privacy laws or regulations could, among other things, result in additional costs of compliance or litigation. In addition, our failure to comply with these laws and regulations may subject us to significant penalties for non-compliance.

Truth in Billing and Consumer Protection

The FCC's Truth in Billing rules require both wireline and wireless telecommunications carriers, such as us, to provide full and fair disclosure of all charges on their bills, including brief, clear, and non-misleading plain language descriptions of the services provided. In addition, the FCC regularly opens proceedings or conducts investigations to address consumer protection issues (i.e., cramming). Depending upon FCC or individual state proceedings in these areas, our billing and customer service costs could increase.

Access Charges

ILECs and competitive local exchange carriers (CLECs) impose access charges for the origination and termination of calls upon wireless and long distance carriers, including our Wireless and Wireline segments. In addition, ILECs and CLECs charge other carriers special access charges for access to dedicated facilities that are paid by both our Wireless and Wireline segments. These fees and charges are a significant cost for our Wireless and Wireline segments and continue to be the subject of interpretation and litigation.

The FCC concluded a proceeding to consider whether special access pricing rules need to be changed, and whether the terms and conditions governing the provision of special access are just and reasonable. The resulting order largely deregulates the business data services or special access market, including both Ethernet and TDM services. These actions may increase Sprint's costs of providing service as they are implemented.

Universal Service

Communications carriers contribute to and receive support from various Universal Service Funds (USF) established by the FCC and many states. The federal USF program funds services provided in high-cost areas, reduced-rate services to low-income consumers, and discounted communications and Internet services for schools, libraries and rural health care facilities. Similarly, many states have established their own USFs to which we contribute. The FCC has considered changing its USF contribution methodology, which could impact the amount of our assessments.

The Lifeline program is included within the USFs. Virgin Mobile was designated as a Lifeline-only Eligible Telecom Carrier (ETC) in 42 jurisdictions as of March 31, 2019 , and provides service under our Assurance Wireless brand. As a Lifeline provider, Assurance Wireless receives support from the USF. The Lifeline program requires , including adoption of minimum service standards and the phase-out of Lifeline support for standalone voice service, and enforcement actions by the FCC and other regulatory/legislative bodies could negatively impact growth in the Assurance Wireless and wholesale subscriber base and/or the profitability of the Assurance Wireless and wholesale business over all. The decline in standalone voice support, which is expected to begin in December 2019 and will decline annually for all existing subscribers through December 2021, may be offset by the expansion of the Lifeline program to include support for broadband service.

Electronic Surveillance Obligations

The Communications Assistance for Law Enforcement Act (CALEA) requires telecommunications carriers in the United States, including us, to modify equipment, facilities and services to allow for authorized electronic surveillance based on either industry or FCC standards. Our CALEA obligations have been extended to data and VoIP networks, and we comply with these requirements. Certain laws and regulations require that we assist various government agencies with electronic surveillance of communications and provide records concerning those communications. We do not disclose customer information to the government or assist government agencies in electronic surveillance unless we have been provided a lawful request for such information. If our obligations under these laws and regulations were to change or were to become the focus of any inquiry or investigation, it could require us to incur additional costs and expenses, which could adversely affect our financial condition or results of operations. Certain non-U.S. laws and regulations also require that we comply with requirements to assist non-U.S. government agencies with electronic surveillance of communications and provide records concerning those communications.

Environmental Compliance

Our environmental compliance and remediation obligations relate primarily to the operation of standby power generators, batteries and fuel storage for our telecommunications equipment. These obligations require compliance with storage and related standards, obtaining of permits and occasional remediation. Although we cannot assess with certainty the impact of any future compliance and remediation obligations, we do not believe that any such expenditures will adversely affect our financial condition or results of operations.

Patents, Trademarks and Licenses

We own numerous patents, patent applications, service marks, trademarks and other intellectual property in the U.S. and other countries, including "Sprint ® ," "Boost Mobile ® ," and "Assurance Wireless ® ." Our services often use the intellectual property of others, such as licensed software, and we often license copyrights, patents and trademarks of others, like "Virgin Mobile." In total, these licenses and our copyrights, patents, trademarks and service marks are of material importance to each of our segments. Generally, our trademarks and service marks endure and are enforceable so long as they continue to be used. Our patents and licensed patents have remaining terms of up to 10 years. We occasionally license our intellectual property to others, including licenses to others to use the "Sprint" trademark.

We have received claims in the past, and may in the future receive claims, that we, or third parties from whom we license or purchase goods or services, have infringed on the intellectual property of others. These claims can be time-consuming and costly to defend, and divert management resources. If these claims are successful, we could be forced to pay significant damages or stop selling certain products or services or stop using certain trademarks. We, or third parties from whom we license or purchase goods or services, also could enter into licenses with unfavorable terms, including royalty payments, which could adversely affect our business. See "Item 1A. Risk Factors — We may not be able to protect the intellectual property rights upon which we rely, or the products and services utilized by us and our suppliers and service providers may infringe on intellectual property rights owned by others."

Access to Public Filings and Board Committee Charters

Important information is routinely posted on our website at *www.sprint.com* . Public access is provided to our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to these reports filed with or furnished to the Securities and Exchange Commission (SEC) under the Securities Exchange Act of 1934 (Exchange Act). These documents may be accessed free of charge on our website at the following address: *http://www.sprint.com/investors* . These documents are available as soon as reasonably practicable after filing with the SEC and may also be found at the SEC's website at *www.sec.gov* . Information contained on or accessible through our website or the SEC's website is not part of this Annual Report on Form 10-K.

Our Code of Ethics, the Sprint Code of Conduct, our Corporate Governance Guidelines and the charters of the following committees of our board of directors: the Audit Committee, the Compensation Committee, the Finance Committee, and the Nominating and Corporate Governance Committee may be accessed free of charge on our website at the following address: *www.sprint.com/governance* . Copies of any of these documents can be obtained free of charge by writing to: Sprint Shareholder Relations, 6200 Sprint Parkway, Mailstop KSOPHF0302-3B679, Overland Park, Kansas 66251 or by email at *shareholder.relations@sprint.com* . If a provision of the Code of Conduct required under the NYSE corporate governance standards is materially modified, or if a waiver of the Code of Conduct is granted to a director or executive officer, a notice of such action will be posted on our website at the following address: *www.sprint.com/governance* . Only the Audit Committee may consider a waiver of the Code of Conduct for an executive officer or director.

Employee Relations

As of March 31, 2019 , we had approximately 28,500 employees.

Information About Our Executive Officers

The following people were serving as our executive officers as of May 29, 2019 . These executive officers were elected to serve until their successors have been elected. There is no familial relationship between any of our executive officers and directors.

Name	Experience	Current Position Held Since	Age
Marcelo Claure	Executive Chairman. Mr. Claure was named our Executive Chairman, effective May 31, 2018, and has served on the Sprint board of directors since January 2014. Previously, Mr. Claure served as our President and Chief Executive Officer, serving as President from August 2014 until January 2018 and as Chief Executive Officer from August 2014 until May 2018. Mr. Claure currently serves as Chief Operating Officer of SoftBank Group Corp. and as Chief Executive Officer of SoftBank Group International. In addition, Mr. Claure has served as a director of SoftBank Group Corp. since June 2017 and currently serves as a director of Arm Limited, a subsidiary of SoftBank Group Corp. Prior to joining Sprint, he was Chief Executive Officer of Brightstar, a company he founded in 1997 and grew from a small Miami-based distributor of mobile device accessories into a global business with more than $10 billion in gross revenue for the year ended 2013.	2018	48
Michel Combes	President and Chief Executive Officer. Mr. Combes was named our Chief Executive Officer, effective May 31, 2018, and our President, effective January 6, 2018, and has served on the Sprint board of directors since January 2018. Previously, Mr. Combes served as our Chief Financial Officer from January 2018 until May 2018. Mr. Combes has more than 25 years of experience in the telecommunications industry. Prior to joining Sprint, Mr. Combes was CEO and a director of Altice N.V., where he was responsible for telecom, media, and content operations around the world from June 2016 until November 2017. Previously, Mr. Combes served as Chief Operating Officer of Altice N.V. from September 2015 until June 2016, and as CEO and Chairman of Altice SFR Group from September 2015 until November 2017. In addition, Mr. Combes served as a director of Altice USA, Inc. from June 2017 until November 2017. Before joining Altice N.V., Mr. Combes was CEO of Alcatel-Lucent from September 2013 until September 2015. Previously, he served as CEO of Vodafone Europe, Chairman and CEO of TDF Group, and Chief Financial Officer and Senior Executive Vice President of France Telecom. Mr. Combes serves on the board of directors of F5 Networks, Inc., a publicly traded application services provider, and CTIA -The Wireless Association.	2018	57
Andrew Davies	Chief Financial Officer. Mr. Davies was appointed Chief Financial Officer effective July 2, 2018. Mr. Davies is responsible for day-to-day financial strategy and operations, including accounting and reporting, financial planning and analysis, treasury, tax, investor relations, risk management, auditing and mergers and acquisitions. Mr. Davies was Group Chief Financial Officer of Veon Ltd. (formerly VimpelCom Ltd.), a NASDAQ and Euronext Amsterdam-listed international communications and technology company, where he was responsible for all external communications, procurement, accounting and financial aspects of the company from November 2013 until November 2017. Previously, Mr. Davies was the Chief Financial Officer of Verizon Wireless from October 2010 to October 2013. Prior to his appointment at Verizon Wireless, Mr. Davies held several senior financial roles within Vodafone Group Plc, including Chief Financial Officer of Vodafone India and Vodafone Turkey as well as positions in Vodafone UK and Vodafone Japan, from 2003 until 2010.	2018	53
Nestor Cano	Chief Operating Officer. Mr. Cano was appointed Chief Operating Officer effective February 2, 2017. Mr. Cano is responsible for delivering operational excellence, driving further expense reductions, and strengthening systems and processes across the business. Prior to joining Sprint, from June 2007 until January 2017, Mr. Cano served as President, Europe of Tech Data Corporation, one of the world's largest wholesale distributors of technology products. Mr. Cano also held other senior executive roles at Tech Data Corporation, where he helped fix management processes and controls to drive the best-ever profits in Tech Data Corporation's European operations.	2017	55

Name	Experience	Current Position Held Since	Age
Dow Draper	Chief Commercial Officer. Mr. Draper was appointed Chief Commercial Officer in November 2017. Previously, Mr. Draper served as President - Sprint Prepaid Group from October 2016 until November 2017, as CEO of Virgin Mobile USA from May 2016 until October 2016, and as President - Global Wholesale and Prepaid Services from September 2013 until May 2016. Mr. Draper is responsible for commercial strategy, including marketing and sales for the Sprint, Boost Mobile and Virgin Mobile brands. Prior to joining Sprint, he was Senior Vice President and General Manager of Retail for CLEAR, the retail brand of Clearwire, where he oversaw the brand's sales, marketing, customer care and product development. He served in various executive positions at Clearwire beginning in 2009.	2017	49
Jorge Gracia	Chief Legal Officer. Mr. Gracia was appointed to his position in January 2016. He oversees all strategic, transactional, dispute, and preventative legal and government affairs matters, provides advice to the board and senior management on various matters, and has responsibility for ethics training and legal compliance. Mr. Gracia has over 25 years of experience in international corporate law, most recently with Samsung Electronics America, Inc., where he served as Senior Vice President and General Counsel from October 2013 until December 2015. Mr. Gracia previously spent 17 years at Alcatel-Lucent, where he held a series of positions, each with increasing responsibility. Mr. Gracia last served as Deputy General Counsel - Global Commercial Law, a role in which he led an international team of approximately 200 professionals supporting all commercial matters, including serving as general counsel for global sales and marketing, the team responsible for worldwide revenue-generating activities.	2016	53
John Saw PhD	Chief Technology Officer. Dr. Saw was appointed Chief Technology Officer in August 2015. Previously, he served as Chief Network Officer from March 2014 until August 2015 and as Senior Vice President, Technology Architecture from July 2013 until March 2014. Dr. Saw is responsible for technology development, network planning, engineering, deployment and service assurance of the Sprint network. Before Sprint’s acquisition of Clearwire in July 2013, Dr. Saw was Chief Technology Officer of Clearwire. He joined Clearwire as its second employee in 2003 and was instrumental in scaling the company's technical expertise and organization. In 2009 and 2010, he led the Clearwire team that built the first 4G network in North America, covering more than 130 million people.	2015	57
Paul Schieber, Jr.	Vice President and Controller. Mr. Schieber was appointed Controller in December 2013. Mr. Schieber previously served in various positions at Sprint since 1991. Most recently, he served as Vice President, Access and Roaming Planning, where he was responsible for managing Sprint's roaming costs as well as its wireless and wireline access costs. Prior to that, Mr. Schieber held various leadership roles in Sprint's Finance organization including heading Sprint's internal audit function as well as serving in various Vice President - Finance roles. He was also a director in Sprint's Tax department and a director on its Mergers and Acquisitions team. Before joining Sprint, Mr. Schieber was a senior manager with the public accounting firm Ernst & Young, where he worked as an auditor and a tax consultant. In addition, he served as corporate controller for a small publicly held company.	2013	61

Item 1A. *Risk Factors*

In addition to the other information contained in this Annual Report on Form 10-K, the following risk factors should be considered carefully in evaluating us. Our business, financial condition, liquidity or results of operations could be materially adversely affected by any of these risks.

Risks Relating to the Merger Transactions

The closing of the Merger Transactions is subject to many conditions, including the receipt of approvals from various governmental entities, which may not approve the Merger Transactions, may delay the approvals for, or may impose conditions or restrictions on, jeopardize or delay completion of, or reduce the anticipated benefits of, the Merger Transactions, and if these conditions are not satisfied or waived, the Merger Transactions will not be completed.

The completion of the Merger Transactions is subject to a number of conditions, including, among others, obtaining certain governmental authorizations, consents, orders or other approvals and the absence of any injunction prohibiting the Merger Transactions or any legal requirements enacted by a court or other governmental entity preventing consummation of the Merger Transactions. While Sprint has received certain of such approvals, Sprint continues to seek to obtain various other required approvals. There is no assurance that these required authorizations, consents, orders or other approvals will be obtained or that they will be obtained in a timely manner, or whether they will be subject to required actions, conditions, limitations or restrictions on our, T-Mobile's or the combined company's business, operations or assets. If any such required actions, conditions, limitations or restrictions are imposed, they may jeopardize or delay completion of the Merger Transactions, reduce or delay the anticipated benefits of the Merger Transactions or allow the parties to terminate the Merger Transactions, which could result in a material adverse effect on our, T-Mobile's or the combined company's business, financial condition or operating results. In addition, the completion of the Merger Transactions is also subject to T-Mobile USA having specified minimum credit ratings on the closing date of the Merger Transactions (after giving effect to the Merger Transactions) from at least two of the three credit rating agencies, subject to certain qualifications.

Failure to complete the Merger Transactions, or a delay in completing the Merger Transactions, could negatively impact our stock price and the future business, assets, liabilities, prospects, outlook, financial condition and results of operations of us or the combined company.

If the Merger Transactions are not completed or are delayed, our common stock price and future business and financial results could be negatively affected, or our employees, suppliers, vendors, distributors, retailers, dealers or customers could lose focus on our business, cease doing business with us, or curtail their activities with us. In addition, the Business Combination Agreement may be terminated if, among other things, required regulatory approvals or consents are not obtained or either party breaches certain of its obligations under the Business Combination Agreement. Subject to certain extension rights, the Business Combination Agreement may be terminated by either Sprint or T-Mobile on July 29, 2019. If the Business Combination Agreement were terminated, it could have an adverse effect on our business, financial condition, operating results and stock price.

We and T-Mobile are subject to various uncertainties and contractual restrictions and requirements while the Merger Transactions are pending that could disrupt our, T-Mobile's or the combined company's business and adversely affect our or T-Mobile's business, assets, liabilities, prospects, outlook, financial condition and results of operations.

Uncertainty about the effect of the Merger Transactions on employees, customers, suppliers, vendors, distributors, dealers and retailers has had and may continue to have an adverse effect on us and T-Mobile. These uncertainties may impair our and T-Mobile's ability to attract, retain and motivate key personnel during the pendency of the Merger Transactions and, if the Merger Transactions are completed, for a period of time thereafter, as existing and prospective employees may experience uncertainty about their future roles with the combined company. If key employees depart because of issues related to the uncertainty and difficulty of integration or a desire not to remain with us or T-Mobile, our and T-Mobile's business following the Merger Transactions could be negatively impacted. Additionally, these uncertainties could cause customers, suppliers, distributors, dealers, retailers and others who deal with us or T-Mobile to seek to change or cancel existing business relationships with us or T-Mobile or fail to renew existing relationships with us or T-Mobile. Suppliers, distributors and content and application providers may also delay or cease developing for us or T-Mobile new products that are necessary for the operations of our or T-Mobile's business due to the uncertainty created by the Merger Transactions. Competitors may also target our or T-Mobile's existing customers by highlighting potential uncertainties and integration difficulties that may result from the Merger Transactions.

The Business Combination Agreement also restricts each of us and T-Mobile, without the other's consent, from taking certain actions outside of the ordinary course of business while the Merger Transactions are pending, including, among other things, certain acquisitions or dispositions of businesses and assets, entering into or amending certain contracts, repurchasing or issuing securities, making capital expenditures and incurring indebtedness, in each case subject to certain exceptions. These restrictions may have a significant negative impact on our and T-Mobile's business, results of operations and financial condition.

In addition, management and financial resources have been diverted and will continue to be diverted toward the completion of the Merger Transactions. We and T-Mobile have incurred, and expect to incur, significant costs, expenses and fees for professional services and other transaction costs in connection with the Merger Transactions. These costs could adversely affect our and T-Mobile's financial condition and results of operations prior to the consummation of the Merger Transactions.

The Business Combination Agreement contains provisions that restrict the ability of our board of directors to pursue alternatives to the Merger Transactions.

The Business Combination Agreement contains non-solicitation provisions that restrict our ability to solicit, initiate, knowingly encourage or knowingly take any other action designed to facilitate, any inquiries regarding, or the making of, any proposal the consummation of which would constitute an alternative transaction for purposes of the Business Combination Agreement.

Our directors and executive officers may have interests in the Merger Transactions that may be different from, or in addition to, those of other of our stockholders.

Our directors and executive officers may have interests in the Merger Transactions that may differ from, or that are in addition to, the interests of our other stockholders. These interests with respect to our directors and executive officers may include, among others, continued service as a director or an executive officer of the combined company, employment or consulting arrangements, arrangements that provide for severance benefits if certain executive officers' employment is terminated under certain circumstances following the completion of the Merger Transactions and rights to indemnification and directors' and officers' liability insurance following the completion of the Merger Transactions. Our board of directors was aware of these interests during the time that the Business Combination Agreement was being negotiated and at the time they approved the Merger Transactions. These interests may cause our directors and executive officers to view the Merger Transactions differently than another stockholder may view.

Although we expect that the Merger Transactions will result in synergies and other benefits to us and T-Mobile, those benefits may not be realized fully or at all or may not be realized within the expected time frame.

Our and T-Mobile's ability to realize the anticipated benefits of the Merger Transactions will depend, to a large extent, on the combined company's ability to integrate our and T-Mobile's businesses in a manner that facilitates growth opportunities and achieves the projected stand-alone cost savings and revenue growth trends identified by each company without adversely affecting current revenues and investments in future growth. In addition, some of the anticipated synergies are not expected to occur for a significant time period following the completion of the Merger Transactions and will require substantial capital expenditures in the near term to be fully realized. Even if the combined company is able to integrate the two companies successfully, the anticipated benefits of the Merger Transactions may not be realized fully or at all or may take longer to realize than expected.

Our business and T-Mobile's business may not be integrated successfully or such integration may be more difficult, time consuming or costly than expected. Operating costs, customer loss and business disruption, including difficulties in maintaining relationships with employees, customers, suppliers or vendors, may be greater than expected following the Merger Transactions. Revenues following the Merger Transactions may be lower than expected.

The combination of two independent businesses is complex, costly and time-consuming and may divert significant management attention and resources to combining our and T-Mobile's business practices and operations. This process may disrupt our and T-Mobile's businesses. The failure to meet the challenges involved in combining the two businesses and to realize the anticipated benefits of the Merger Transactions could cause an interruption of, or a loss of momentum in, the activities of the combined company and could adversely affect the results of operations of the combined company. The overall combination of our and T-Mobile's businesses may also result in material unanticipated problems, expenses, liabilities, competitive responses and loss of customer and other business relationships. The difficulties of combining the operations of the companies include, among others:

- difficulties in integrating the companies' operations and systems, including intellectual property and communications systems, administrative and information technology infrastructure and financial reporting and internal control systems, including compliance by the combined company with Section 404 of the Sarbanes-Oxley Act of 2002 and the rules promulgated by the SEC;
- challenges in conforming standards, controls, procedures, accounting and other policies, business cultures, and compensation structures between the two companies;
- difficulties in assimilating employees and in attracting and retaining key personnel;
- challenges in keeping existing customers and obtaining new customers;
- difficulties in achieving anticipated synergies, business opportunities, and growth prospects from the combination;
- difficulties in managing the expanded operations of a significantly larger and more complex company;
- the transition of management to the combined company executive management team;
- determining whether and how to address possible differences in corporate cultures and management philosophies;
- the impact of the additional debt financing expected to be incurred in connection with the Merger Transactions;
- contingent liabilities that are larger than expected; and
- potential unknown liabilities, adverse consequences, and unforeseen increased expenses associated with the Merger Transactions.

Many of these factors are outside of our and T-Mobile's control and/or will be outside the control of the combined company, and any one of them could result in increased costs, decreased expected revenues and diversion of management's time and energy, which could materially impact the business, financial condition and results of operations of the combined company. In addition, even if the operations of our business and T-Mobile's business are combined successfully, the full benefits of the Merger Transactions may not be realized, including the synergies or sales or growth opportunities that are expected. These benefits may not be achieved within the anticipated time frame, or at all. Further, additional unanticipated costs may be incurred in combining our business and T-Mobile's business. All of these factors could cause dilution to the earnings per share of the combined company, decrease or delay the expected accretive effect of the Merger Transactions and negatively impact the price of our and T-Mobile's common stock. As a result, it cannot be assured that the combination of our business and T-Mobile's business will result in the realization of the full benefits anticipated from the Merger Transactions within the anticipated time frames or at all.

Failure to consummate the Merger Transactions could materially and adversely affect our future business and financial results.

If the Merger Transactions are not completed for any reason, our ongoing businesses may be materially and adversely affected and, without realizing any of the benefits of having completed the Merger Transactions, we will be subject to numerous risks, including the following:

- having to pay substantial costs relating to the Merger Transactions, such as financing fees and costs and advisor, filing and other fees that will have already been incurred;
- experiencing negative reactions from the financial markets, including negative impacts on our stock price or the trading price of our notes, on our ability to access the capital markets to raise capital on acceptable terms or at all or from our customers, regulators and employees;
- focusing on the Merger Transactions instead of on pursuing other opportunities that could be beneficial, without realizing any of the benefits of having the Merger Transactions consummated; and
- reputational harm due to the adverse perception of any failure to successfully consummate the Merger Transactions.

There can be no assurance that these risks will not materialize and will not materially affect our business, results of operation and financial condition if the Merger Transactions are not consummated.

Litigation relating to the Merger Transactions may be filed against us or our board of directors and/or T-Mobile or the board of directors of T‑Mobile that could prevent or delay the consummation of the Merger Transactions, result in the payment of damages following consummation of the Merger Transactions and/or have an adverse effect on the trading prices of our securities.

In connection with the Merger Transactions, Sprint and/or T-Mobile have, and may in the future, become subject to litigation, including putative class action lawsuits filed by stockholders against the boards of directors of Sprint and/or T-Mobile. Among other remedies, these legal actions could seek damages and/or to enjoin the Merger Transactions. The outcome of any litigation is uncertain and any such potential lawsuits could prevent or delay consummation of the Merger Transactions and/or result in substantial costs to us and/or T-Mobile. Any such actions may create uncertainty relating to the Merger Transactions and may be costly and distracting to management. Further, the defense or settlement of any lawsuit or claim that remains unresolved at the time the Merger Transactions are consummated may adversely affect the combined company's business, financial condition, results of operations, and cash flows. Potential litigation relating to the Merger Transactions or the threat thereof may have an adverse effect on the trading prices of our securities.

The agreements governing the combined company's indebtedness will include restrictive covenants that limit the combined company's operating flexibility.

The agreements governing the combined company's indebtedness will impose material operating and financial restrictions on the combined company. These restrictions, subject in certain cases to customary baskets, exceptions and incurrence-based ratio tests, may limit the combined company's ability to engage in some transactions, including the following:

- incurring additional indebtedness and issuing preferred stock;
- paying dividends, redeeming capital stock or making other restricted payments or investments;
- selling or buying assets, properties or licenses;
- developing assets, properties or licenses which the combined company has or in the future may procure;
- creating liens on assets;
- participating in future FCC auctions of spectrum or private sales of spectrum;
- engaging in mergers, acquisitions, business combinations, or other transactions;
- entering into transactions with affiliates; and
- placing restrictions on the ability of subsidiaries to pay dividends or make other payments.

These restrictions could limit the combined company's ability to obtain debt financing, repurchase stock, refinance or pay principal on its outstanding indebtedness, complete acquisitions for cash or indebtedness or react to changes in its operating environment or the economy. Any future indebtedness that the combined company incurs may contain similar or more restrictive covenants. Any failure to comply with the restrictions of the combined company's debt agreements may result in an event of default under these agreements, which in turn may result in defaults or acceleration of obligations under these agreements and other agreements, giving the combined company's lenders the right to terminate any commitments they had made to provide it with further funds and to require the combined company to repay all amounts then outstanding.

Financing of the Merger Transactions is not assured.

Although T-Mobile USA has received debt financing commitments from lenders to provide various bridge and other credit facilities to finance the Merger Transactions, the obligation of the lenders to provide these facilities is subject to a number of conditions. It is also expected that T-Mobile will enter into other financing arrangements in connection with the Merger Transactions for which it does not presently have commitments. Furthermore, T-Mobile USA may seek to modify its existing financing arrangements in connection with the Merger Transactions. Accordingly, financing of the Merger Transactions is not assured. Even if T-Mobile USA is able to obtain financing or modify its existing financing arrangements, the terms of such new or modified financing arrangements may not be available to T-Mobile USA on favorable terms, and T-Mobile USA may incur significant costs in connection with entering into such financing. Furthermore, if T-Mobile is unable to obtain financing for the Merger Transactions on terms it finds acceptable or at all, it may have to exercise some or all of the commitments under its bridge financing facilities, in which event the costs of financing for the Merger Transactions may be higher than expected.

Downgrades of our and/or T-Mobile's credit ratings could adversely affect our, T-Mobile's and/or the combined company's respective businesses, cash flows, financial condition and operating results.

Our credit ratings impact the cost and availability of future borrowings, and, as a result, our cost of capital. Our ratings reflect each rating organization's opinion of our financial strength, operating performance and ability to meet our debt obligations or, following completion of the Merger Transactions, obligations to the combined company's creditors. Each of the rating organizations reviews our ratings and T-Mobile's ratings periodically, and there can be no assurance that our or T-Mobile's current ratings will be maintained in the future. Downgrades in our financial health or ratings and/or T-Mobile's ratings could adversely affect our, T-Mobile's and/or the combined company's businesses, cash flows, financial condition and operating results. The Business Combination Agreement also contains certain conditions relating to a minimum credit rating of T-Mobile USA on the closing date of the Merger Transactions.

The combined company's indebtedness following the completion of the Merger Transactions will be substantially greater than our indebtedness on a stand-alone basis and greater than the combined indebtedness of us and T-Mobile prior to the announcement of the Merger Transactions. This increased level of indebtedness could adversely affect the combined company's business flexibility, and increase its borrowing costs.

In connection with the Merger Transactions, we expect T-Mobile to incur merger-related debt financing, which we expect will be used in part to prepay a portion of our existing indebtedness and a portion of T-Mobile's existing indebtedness and to fund liquidity needs. As a result, after giving effect to the Merger Transactions and the related transactions contemplated by the Business Combination Agreement, including the incurrence of the merger-related debt financing, we anticipate that the combined company will have substantially higher consolidated indebtedness.

The combined company's substantially increased indebtedness following completion of the Merger Transactions in comparison to our indebtedness prior to the Merger Transactions will have the effect, among other things, of reducing its flexibility to respond to changing business and economic conditions. In addition, the amount of cash required to pay interest on the combined company's increased indebtedness levels will increase following the completion of the Merger Transactions, and thus the demands on cash resources will be greater than prior to the Merger Transactions. The increased levels of indebtedness following completion of the Merger Transactions may reduce funds available to fund the combined company's efforts to combine our business with T-Mobile's business and realize the expected benefits of the Merger Transactions and/or may also reduce funds available for capital expenditures, share repurchases, and other activities and may create competitive disadvantages for the combined company relative to other companies with lower debt levels.

Further, it may be necessary to incur substantial additional indebtedness in the future after the Merger Transactions subject to the restrictions contained in the combined company's debt instruments. If new indebtedness is added after the closing of the Merger Transactions, the related risks could intensify.

Because of the combined company's substantial indebtedness following the completion of the Merger Transactions, it may not be able to service its debt obligations in accordance with their terms after the Merger Transactions.

The combined company's ability to service its substantial debt obligations following the completion of the Merger Transactions will depend on its future performance, which will be affected by financial, business, economic and other factors, including its ability to achieve the expected benefits and cost savings from the Merger Transactions. There is no guarantee that the combined company will be able to generate sufficient cash flow to pay its debt service obligations when due. If the combined company is unable to meet its debt service obligations after the Merger Transactions or it fails to comply with its financial and other restrictive covenants contained in the agreements governing its indebtedness, the combined company may be required to refinance all or part of its debt, sell important strategic assets at unfavorable prices or borrow more money. The combined company may not be able to, at any given time, refinance its debt, sell assets or borrow more money on acceptable terms or at all. The combined company's inability to refinance its debt could have a material adverse effect on its business, financial condition and results of operations.

Our stockholders will have a reduced ownership and voting interest in the combined company after the Merger Transactions and will exercise less influence over management.

Upon completion of the Merger Transactions, each of our stockholders who receives shares of T-Mobile common stock will become a stockholder of T-Mobile with a percentage ownership of T-Mobile that is smaller than their current percentage ownership of us. As a result, even if all of our former stockholders voted together on all matters presented to T-Mobile stockholders from time to time, our former stockholders would exercise significantly less influence over the combined company after the completion of the Merger Transactions relative to their influence over us now, and thus would have a less significant impact on the election of the combined company's board and on the approval or rejection of future proposals submitted to a stockholder vote of the combined company's stockholders.

Business Risks

If we are not able to retain and attract profitable wireless subscribers, our financial performance will be impaired.

Our success is based on our ability to retain current subscribers and attract new subscribers. If we are unable to attract and retain profitable wireless subscribers, our financial performance will be impaired, and we could fail to meet our financial obligations. We have experienced difficulty in attracting and retaining profitable wireless customers. For example, our postpaid churn rate has increased nearly twenty basis points since the beginning of fiscal year 2018; this churn rate is the highest among major carriers and almost double that of AT&T, Verizon and T-Mobile. Furthermore, from January 1, 2008 through March 31, 2019 , we have experienced an aggregate net decrease of approximately 9.9 million subscribers in our total retail postpaid subscriber base.

Our ability to retain our existing subscribers, to compete successfully for new subscribers, and reduce our churn rate depends on, among other things:

- our ability to anticipate and respond to various competitive factors, including our successful execution of marketing, customer retention and sales strategies; the acceptance of our value proposition; service delivery and customer care activities, including new account set up and billing; and execution under credit and collection policies;
- actual or perceived quality and coverage of our network, including delivering a positive and consistent experience nationwide;
- public perception about our brands and the Merger Transactions;
- our ability to anticipate, develop, and deploy new or enhanced technologies, products and services that are attractive to existing or potential subscribers on a timely basis or at all, including 5G technologies;
- our ability to continue to access spectrum and acquire additional spectrum capacity, including certain low-band and millimeter wave frequencies;
- our ability to grow revenues and stabilize our financial metrics; and
- our ability to have the scale necessary to successfully compete.

A competitive nationwide wireless network requires significant fixed costs and continual investment. Many of our competitors have significant size and scale advantages that enable them to spread these fixed costs over significantly larger subscriber bases. If we are unable to maintain a sufficiently large subscriber base necessary to support the needs of a competitive nationwide wireless network and the associated high costs, our business, financial condition and results of operations may be adversely affected. Increased churn would further exacerbate this risk in the 5G era as we continue to make significant investments in our existing network for 5G.

Our ability to retain subscribers may be negatively affected by industry trends related to subscriber contracts. We continue to see aggressive customer acquisition efforts by our competitors. For example, most service providers, including us, are offering wireless service plans without any long-term commitment and wireless service plans or devices with promotional pricing terms, such as buy one device, get one free and discounted lines for new qualifying customers. Furthermore, some service providers are reimbursing contract termination fees, including paying off the outstanding balance on devices, incurred by new customers in connection with such customers terminating service with their current wireless service providers. Aggressive promotional activities such as those described above could continue to negatively affect our ability to retain subscribers and could lead to a further increase in our churn rates if we are not successful in providing an attractive product, price and service mix, which could adversely affect our operating results. In addition, the loss of customers upon expiration of their promotional pricing plans could adversely affect our operating results.

We expect to continue to incur expenses such as the reimbursement of subscriber termination fees and other subscriber acquisition and retention expenses to attract and retain subscribers, but there can be no assurance that our efforts will generate new subscribers or result in a lower churn rate. Subscriber losses and a high churn rate could adversely affect our business, financial condition, and results of operations because they result in lost revenues and cash flow.

Moreover, we and our competitors continue to gain a greater proportion of new subscribers from each other’s existing subscriber bases rather than from first-time purchasers. To the extent we cannot compete effectively for new subscribers or if we attract more subscribers that are not creditworthy, our revenues and results of operations could be adversely affected.

The success of our network improvements and 5G deployment will depend on the timing, extent and cost of implementation; availability of financial resources; access to additional spectrum, including low-band frequencies; the performance of third-parties; upgrade requirements; and the availability and reliability of the various technologies required to provide such modernization.

We must continually invest in our wireless network, including expanding our network capacity and coverage through macro sites and small cells, in order to improve our wireless services and remain competitive by providing 5G capabilities. The development and deployment of new technologies and services requires us to anticipate the changing demands of our customers and to respond accordingly, which we may not be able to do in a timely or efficient manner.

Improvements in our service depend on many factors, including our ability to predict and adapt to future changes in technologies, changes in consumer demands, changes in pricing and service offerings by our competitors and continued access to and deployment of adequate spectrum, including any leased spectrum. If we are unable to access or acquire additional spectrum to increase capacity or to deploy the services subscribers desire on a timely basis or at acceptable costs while maintaining network quality levels, our ability to attract and retain subscribers could be adversely affected, which would negatively impact our operating results. If the Merger Transactions are not completed, our ability to provide a nationwide 5G network capable of competing effectively with other competitors in the wireless industry will depend on our access to, and deployment of, adequate low-band spectrum that we do not currently have and that we may not be able to obtain in the future on a timely basis given the lack of low-band spectrum available for purchase, or at acceptable costs. Accordingly, we likely will be unable to access sufficient low-band spectrum as a standalone company, which would limit the scope of our 5G services to certain geographic areas only and which likely would cause our 5G services to suffer from inconsistent network performance.

If we fail to provide a competitive network, which includes delivering a positive and consistent network experience nationwide, our ability to provide wireless services to our subscribers, to attract and retain subscribers, and to maintain and grow our subscriber revenues could be adversely affected. For instance, we will need to acquire additional spectrum to remain competitive and grow our subscriber base, meet increasing customer demands, and deploy a nationwide 5G network.

Using new and sophisticated technologies on a very large scale entails risks. For example, deployment of new technologies, such as 5G, from time to time has adversely affected, and in the future may adversely affect, the performance of existing services on our network and result in increased churn or failure to attract wireless subscribers. Should implementation of our network upgrades, including 5G, fail, be delayed or result in incurring costs in excess of expected amounts, our margins could be adversely affected and such effects could be material. Should the delivery of services expected to be deployed on our network be delayed due to technological constraints or changes, performance of third-party suppliers, regulatory restrictions, including zoning and leasing restrictions, or permit issues, subscriber dissatisfaction, or other reasons, the cost of providing such services could become higher than expected, ultimately increasing our cost to subscribers and resulting in decreases in net subscribers or our margins, or both, which would adversely affect our revenues, profitability, and cash flow from operations.

In addition, as a standalone company, we may lack the financial resources necessary to provide a robust, nationwide 5G network capable of competing effectively with other competitors in the wireless industry and other companies that have more recently begun providing wireless services, many of which have greater financial resources than we do. Accordingly, if the Merger Transactions are not completed, it is expected that we will not be able to deploy a nationwide 5G network on the same scale and on the same timeline as the combined company or on a scale and timeline that will allow us to compete effectively with our competitors, and therefore will continue to be limited in our ability to compete effectively in the 5G era. Further, it is expected that if the Merger Transactions are not completed, we will continue to lack the network, scale and financial resources of other competitors in, and other companies that have more recently begun providing, wireless services.

Our high debt levels and restrictive debt covenants could negatively impact our ability to access future financing at attractive rates or at all, which could limit our operating flexibility and ability to repay our outstanding debt as it matures.

As of March 31, 2019 , our consolidated principal amount of indebtedness was $40.3 billion . Our high debt levels and debt service requirements are significant in relation to our declining revenues and negative free cash flow, which may reduce our ability to respond to competition and economic trends in our industry or in the economy generally. Our high debt levels, including aggregate debt maturities of almost $28 billion over the next five fiscal years, may have an adverse effect on our business by reducing cash available for operations and further place us at a competitive disadvantage compared to our competitors. Our high debt levels and debt service requirements may also limit our financing options, including as a result of market sentiment and the restrictions placed on certain of our assets in our financing transactions. In addition, certain agreements governing our indebtedness impose operating restrictions on us, subject to exceptions, including our ability to:

- incur additional indebtedness;
- create liens on our assets;
- pay dividends or make certain investments;
- receive dividend or other payments from certain of our subsidiaries;
- enter into transactions with affiliates; and
- engage in certain asset sale or business combination transactions.

Our secured revolving bank credit facility and other financing facilities also require that we maintain certain financial ratios, including a leverage ratio, which could limit our ability to incur additional debt. Our failure to comply with our debt covenants would trigger defaults under those obligations, which could result in the maturities of those debt obligations being accelerated and could in turn result in cross defaults with other debt obligations. If we are forced to refinance our debt obligations prior to maturity on terms that are less favorable or if we were to experience difficulty in refinancing the debt prior to maturity, our results of operations or financial condition could be materially harmed. In addition, our asset-backed financings could subject us to an increased risk of loss of assets secured under those facilities. We continue to expect to rely on asset-backed financings as a source of funds, however, there can be no assurance that we will be able to continue to do so. For instance, although we have leveraged certain of our spectrum assets as collateral in asset-backed financing transactions, certain limitations such as our leasing arrangements on 2.5 GHz spectrum may significantly reduce our ability to further leverage our spectrum. In addition, the Business Combination Agreement restricts us, without T-Mobile's consent, from taking certain actions outside the ordinary course of business while the Merger Transactions are pending, including incurring certain indebtedness, which such restriction could put us at a disadvantage should the Merger Transactions not be consummated. Limitations on our ability to obtain suitable financing when needed could result in an inability to continue to expand our business, timely execute network plans, and meet competitive challenges.

Subscribers who purchase on a financing basis or lease a device are not required to sign a fixed-term service contract, which could result in higher churn and higher bad debt expense.

Our service plans allow certain subscribers to purchase or finance the use of an eligible device under an installment contract payable generally over a period of 24 months or to lease an eligible device for 18 months, as opposed to a traditional subsidy plan. Subscribers who take advantage of these plans are not required to sign a fixed-term service contract to obtain postpaid service; rather, their service is provided on a month-to-month basis with no early termination fee. These service plans may not meet our subscribers' or potential subscribers' needs, expectations, or demands. In addition, subscribers on these plans can discontinue their service at any time without penalty, other than the obligation of any residual commitment they may have for unpaid service, for amounts due under the installment contract or remaining lease payments for the device. We could experience a higher churn rate than we expect due to the ability of subscribers to more easily change service providers, which could adversely affect our results of operations. Our operational and financial performance may be adversely affected if we are unable to grow our customer base and achieve the customer penetration levels that we anticipate with this business model.

Because our lease and installment billing contracts permit customers to use or pay for devices over time, we maintain a certain level of debt to support our investment in these contracts. We fund our customer device financing activities through a combination of cash on hand and proceeds from monetizing customer receivables. If a customer discontinues their service, we are unable to support our investment in the associated device through debt, which will therefore require more cash on hand.

In addition, subscribers who have financed their devices through installment billing plans have the option to pay for their devices in installments generally over a period of up to 24 months. This program subjects us to increased risks relating to consumer credit issues, which could result in increased costs, including increases to our bad debt expense and write-offs of installment billing receivables. These arrangements may be particularly sensitive to changes in general economic conditions, and any declines in the credit quality of our subscriber base could have a material adverse effect on our financial position and results of operations.

Our device leasing program exposes us to risks, including those related to the actual residual value realized on returned devices, higher churn and increased losses on devices.

We lease devices to certain of our subscribers. Our financial condition and results of operations depend, in part, on our ability to appropriately assess the credit risk of our lease subscribers and the ability of our lease subscribers to perform under our device leases. In addition to monthly lease payments, we expect to realize economic benefit from the estimated residual value of a leased device, which is the estimated value of a leased device at the time of the expiration of the lease term. Changes in residual value assumptions made at lease inception affect the amount of depreciation expense and the net amount of equipment under operating leases. If estimated residual values, in the aggregate, significantly decline due to economic factors, obsolescence, or other circumstances, we may not realize such residual value, which could have a material adverse effect on our financial position and results of operations. We have suffered and may continue to suffer negative consequences including increased costs and increased losses on devices as a result of a lease subscriber default, the related termination of a lease, and the attempted repossession of the device, including failure of a lease subscriber to return a leased device. Sustained failure of subscribers to return leased devices could also negatively impact our ability to obtain financing based on leased devices in the future. In addition, subscribers who lease a device are not required to sign a fixed-term service contract, which could result in higher churn, and increased losses on devices.

Adverse economic conditions may negatively impact our business and financial performance, as well as our access to financing on acceptable terms or at all.

Our business and financial performance are sensitive to changes in macro-economic conditions, including changes in interest rates, consumer credit conditions, consumer debt levels, consumer confidence, inflation rates (or concerns about deflation), unemployment rates, energy costs, and other factors. Concerns about these and other factors, including the impact of the Merger Transactions on our business, may contribute to market volatility and economic uncertainty.

Market turbulence and weak economic conditions may materially adversely affect our business and financial performance in a number of ways. Our services and device financing plans are available to a broad customer base, a significant portion of which may be more vulnerable to weak economic conditions, particularly our subprime customers. We may have greater difficulty in gaining new subscribers within this segment and existing subscribers may be more likely to terminate or select a lower cost service and default on device financing plans due to an inability to pay.

We will need to maintain lower costs and raise additional capital in the future to provide us with sufficient capital resources and liquidity to meet our commitments and execute our business strategy. Our ability to raise additional capital will depend on, among other things, conditions in the capital markets at that time, which are outside of our control, and our financial performance. Instability in the global financial markets has resulted in periodic volatility in the credit, equity, and fixed income markets. This volatility could limit our access to the credit markets, leading to higher borrowing costs or, in some cases, the inability to obtain financing on terms that are acceptable to us, or at all.

Weak economic conditions and credit conditions may also adversely impact various third parties on which we rely, some of which have filed for or may be considering bankruptcy, experiencing cash flow or liquidity problems, or are unable to obtain credit such that they may no longer be able to operate. Any of these could adversely impact our ability to distribute, market, or sell our products and services.

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

The FCC, FTC, CFPB, and other federal, state and local, as well as international, governmental authorities assert jurisdiction over our business and could adopt regulations or policies or take other actions that would adversely affect our business prospects or results of operations.

The licensing, construction, operation, sale and interconnection arrangements of wireless telecommunications systems are regulated by the FCC and, depending on the jurisdiction, international, 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 the services may be offered, and resolution of issues of interference between spectrum bands. The FCC grants wireless licenses for terms of generally ten years that are subject to renewal and revocation. There is no guarantee that our licenses will be renewed. Failure to comply with the FCC requirements applicable to a given license could result in revocation of that license and, depending on the nature of the non-compliance, other Sprint licenses.

The FCC uses its transactional "spectrum screen" to identify prospective wireless transactions that may require additional competitive scrutiny. If a proposed transaction would exceed the spectrum screen threshold, the FCC undertakes a more detailed analysis of relevant market conditions in the impacted geographic areas to determine whether the transaction would reduce competition without offsetting public benefits. The screen includes substantial portions of the 2.5 GHz band previously excluded from the screen and that are licensed or leased to Sprint in numerous markets. As a result, future Sprint spectrum acquisitions may exceed the spectrum screen trigger for additional FCC review. Such additional review could extend the duration of the regulatory review process and there can be no assurance that such transactions will ultimately be completed in whole or in part.

Over the past several years, the FCC and other federal and state agencies have engaged in increased regulatory and enforcement activity as well as investigations of the industry generally. Enforcement activities or investigations could make it more difficult and expensive to operate our business, and could increase the costs of our wireless operations. In addition, we may offer products that include highly regulated financial services, which subject us to additional state and federal regulations. The costs to comply with such regulations and failure to remain compliant with such regulations could adversely affect our results of operations.

Degradation in network performance caused by compliance with government regulation, loss of spectrum, or additional rules associated with the use of spectrum in any market could result in an inability to attract new subscribers or higher subscriber churn in that market, which could adversely affect our revenues and results of operations. Furthermore, additional costs or fees imposed by governmental regulation could adversely affect our revenues, future growth, and results of operations.

On December 14, 2017, the FCC voted to return broadband Internet access service to its prior classification as an information service, and reinstate the private mobile service classification of mobile broadband Internet access service. The order also eliminated the FCC's Internet Conduct Standard, along with the bright-line rules and included expanded transparency requirements. The new rules were published in the federal register on February 22, 2018. The 2017 FCC order has been challenged by various groups, including certain state attorneys general, and has been appealed to the U.S. Court of Appeals for the District of Columbia Circuit. In addition, as a result of the 2017 FCC order, state legislators have introduced, and in some cases passed, state laws requiring different levels of adherence to net neutrality principles for broadband Internet access service providers active in the applicable states. In addition, several governors have issued executive orders similarly addressing net neutrality. Depending on the interpretation and application of these rules, including the outcome of the appeal of the 2017 FCC order, other legal challenges to the order and conflicts between federal and state laws and executive orders, we may incur additional costs or be limited in the services we can provide which could have a material adverse effect on our business, results of operations and financial condition.

The financing of devices through leasing and installment billing has increased our regulatory exposure, including with respect to consumer complaints and potential examinations or enforcement actions by federal and state regulatory agencies, including the CFPB, state attorneys general, the FCC and the FTC. We may also be subject to potential regulatory fines, penalties, enforcement actions, and litigation. Failure to comply with applicable regulations could have a material adverse effect on our business, results of operations and our financial condition.

Various federal, state and international governmental authorities have adopted or are considering laws or regulations related to privacy and data protection, such as the European Union’s General Data Protection Regulation that went into effect in May 2018 and the California Consumer Privacy Act of 2018, which takes effect in 2020. Enactment of new privacy laws or regulations could, among other things, result in additional costs of compliance or litigation. In addition, our failure to comply with these laws and regulations may subject us to significant penalties for non-compliance and could have a material adverse effect on our business, results of operations and financial condition.

We recruit professionals, including senior management, on a global basis to work in the U.S. and, therefore, must comply with the U.S. immigration and work permit/visa laws and regulations. An inability to obtain sufficient work permits/visas due to the impact of these regulations, including any changes to immigration and work permit/visa regulations in the U.S., could have a material adverse effect on our business, results of operations and financial condition.

In connection with the products and services we sell, we calculate, collect, and remit various federal, state, and local taxes and fees to the respective governmental authorities. Tax laws are subject to change and interpretation. In the event that we are found to have incorrectly calculated, assessed, or remitted amounts that were due to governmental authorities, we could be subject to additional taxes, fines, penalties, or other adverse actions, which could materially impact our business, results of operations and our financial condition. For risks related to governmental regulation in connection with the Merger Transactions, see "— Risks Relating to the Merger Transactions."

Competition, industry consolidation, effectiveness of our cost optimization efforts, and technological changes in the market for wireless services could negatively affect our operations, resulting in adverse effects on our revenues, cash flows, growth, and profitability.

We compete with a number of other wireless service providers, many of which have greater financial resources than we do. Competition is expected to continue to increase as additional spectrum is made available for commercial wireless services and as additional communications, cable, and technology companies begin providing wireless services. In addition, we have experienced and expect to continue to experience an increased customer demand for data usage on our network. Competition in pricing, service, and product offerings may adversely impact subscriber retention and our ability to attract new subscribers. A decline in the average revenue per subscriber coupled with a decline in the number of subscribers would negatively impact our revenues, cash flows, and profitability.

In addition, consolidation by our competitors and roaming partners could lead to fewer companies controlling access to network infrastructure, enabling our competitors to control usage and rates, which could negatively affect our revenues and profitability. The two largest national wireless communication providers serve a significant percentage of all wireless subscribers and hold substantial spectrum and other resources. Our largest competitors may be able to enter into exclusive handset, device, or content arrangements, as well as execute widespread advertising and marketing campaigns. In addition, refusal of our largest competitors to provide access to critical resources, such as roaming services on reasonable terms, could improve our largest competitors' position within the industry.

The wireless industry also faces competition from other communications, cable, and technology companies seeking to increase their brand recognition and capture customer revenue with respect to the provision of wireless products and services, in addition to non-traditional offerings in mobile data. Further, some of our current competitors now provide content services in addition to voice and broadband services, and consumers are increasingly accessing video content from alternative sources via Internet-based providers and applications, all of which create increased competition in this area. For instance, AT&T recently completed its acquisition of Time Warner, Inc. after it acquired DirecTV. In addition, Verizon has acquired AOL, Inc. and Yahoo! Inc.

The wireless communications industry continues to experience significant technological change, including improvements in the capacity, quality, security and types of technology. These developments cause uncertainty about future subscriber demand for our wireless services and the prices that we will be able to charge for these services. As services, technology, and devices evolve, we also expect continued pressure on voice, text, data and other service revenues. Rapid changes in technology may lead to the development of wireless communications technologies, products, or alternative services that are superior to our technologies, products, or services, or that consumers prefer over ours. In addition, technological advances have caused long distance, local, wireless, video, and Internet services to become more integrated, which has contributed to increased competition, new competitors, new products, and the expansion of services offered by our competitors in each of these markets. 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 subscribers to our competitors.

We believe that the ability to provide nationwide 5G services will be a critical driver of competition as wireless technologies evolve from current-generation 4G services to next-generation 5G services, and significant competitive advantages are expected to result from being "first-to-market" with nationwide 5G services. The failure to develop and launch a successful nationwide 5G network could hinder the growth of our business and any delay in the development or launch of a 5G network could result in us not being among the "first-to-market," which could further compromise our competitive position and adversely affect our business, results of operations, and financial condition.

Over the past several years, we have implemented various initiatives to reduce operating costs across all functions of the Company. As a result of these cost-cutting initiatives, we have a more limited ability to further reduce costs should such measures become necessary. In addition, any further reductions may have a materially negative impact on our business, results of operations and financial condition.

The trading price of our common stock has been, and may continue to be, volatile and may not reflect our actual operations and performance.

Market and industry factors may impact the market price of our common stock, regardless of our actual operations and performance. Stock price volatility and sustained decreases in our share price could subject our stockholders to losses and may adversely impact our ability to issue equity. The trading price of our common stock has been, and may continue to be, subject to fluctuations in response to various factors, some of which are beyond our control, including, but not limited to:

- uncertainties related to our proposed merger with T-Mobile;
- information about the Merger Transactions;
- our actual or anticipated financial results;
- market and pricing risks due to concentrated ownership of our stock;
- the ability to raise additional capital through the issuance of additional debt or equity or otherwise, including the cost and availability or perceived availability of additional capital;

- announcements by us or our competitors or market speculation of acquisitions, spectrum acquisitions, new products, technologies, significant contracts, commercial relationships, or capital commitments;
- the performance of SoftBank and SoftBank's ordinary shares or speculation about the possibility of future actions SoftBank may take;
- disruption to our operations or those of other companies critical to our network operations;
- our ability to develop and market new and enhanced technologies, products and services on a timely and cost-effective basis, including any network improvement efforts and the deployment of 5G;
- recommendations by securities analysts or changes in their estimates concerning us;
- changes in the ratings of our debt by rating agencies;
- litigation;
- changes in governmental actions, regulations, or approvals; and
- perceptions of general market conditions in the technology and communications industries, the U.S. economy, and global market conditions.

We have entered into, or may enter into, agreements with various parties for certain business operations. Any difficulties experienced by us in these arrangements could result in additional expense, loss of subscribers and revenue, interruption of our services, or a failure or delay in the roll-out of new technology.

We have entered into, and may in the future enter into, agreements with various third parties for the day-to-day execution of services, provisioning, maintenance, and upgrading of our wireless and wireline networks, including the permitting, building, and installation of network upgrades; leases and subleases for space on communications towers; the development and maintenance of certain systems necessary for the operation of our business; customer service, related support to our wireless subscribers, outsourcing aspects of our wireline network and back office functions; and to provide network equipment, handsets, devices, and other equipment. For example, we depend heavily on local access facilities obtained from ILECs to serve our data and voice subscribers, and payments to ILECs for these facilities are a significant cost of service for both our Wireless and Wireline segments. We also expect our dependence on key suppliers to continue as more advanced technologies are developed, which may lead to additional significant costs. If our key vendors fail to meet their contractual obligations or experience financial difficulty, or if we fail to adequately diversify our reliance among vendors, we may experience disruptions to our business operations or incur significant costs implementing alternative arrangements.

We may not be able to protect the intellectual property rights upon which we rely, or the products and services utilized by us and our suppliers and service providers may infringe on intellectual property rights owned by others.

We rely on various patent, service mark, trademark, and trade secret laws and contractual restrictions to establish and protect our proprietary rights. Despite these actions, they only offer limited protection and may not prevent the misappropriation of our rights. Also, we may not be able to discover or determine the extent of or protect against any unauthorized use of our proprietary rights, which may increase the cost of protecting these rights or reduce our revenues. Any of these factors could have a material adverse effect on our business, financial condition, and operating results. We also purchase products from suppliers, including 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, and 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. These claims can be time-consuming and costly to defend and divert management resources. If these claims are successful, we could be forced to pay significant damages or stop selling certain products or services or stop using certain trademarks, which could adversely affect our results of operations.

Negative outcomes of legal proceedings may adversely affect our business and financial condition.

We are regularly involved in a number of legal proceedings before various state and federal courts, the FCC, the FTC, the CFPB, and other federal, state, and local regulatory agencies. These proceedings may be complicated, costly, and disruptive to our business operations. We may incur significant expenses in defending these matters and may be required to pay significant fines, awards, or settlements. In addition, litigation or other proceedings could result in restrictions on our current or future manner of doing business. Any of these potential outcomes, such as judgments, awards, settlements, or orders could have a material adverse effect on our business, financial condition, operating results, or ability to do business.

For a discussion of litigation risks related to the Merger Transactions, see "— Risks Relating to the Merger Transactions."

Our reputation and business may be harmed and we may be subject to legal claims if there is a loss, disclosure, misappropriation of, unauthorized access to, or other security breach of our proprietary or sensitive information. Any disruption of our business operations due to a cyber attack, even for a limited amount of time, may adversely affect our business and financial condition.

Our information technology and other systems—including those of our third-party service providers—that maintain and transmit our proprietary information, the confidential information of our business partners and our employees, and our subscribers' information, including credit card information, location data, or other personal information, may be compromised by a malicious third-party penetration of our network security, including by state-sponsored parties, or company employees or external actors, and impacted by advertent or inadvertent actions or inactions by our employees and agents. As a result, our proprietary or confidential information or the proprietary or confidential information of our business partners, employees and subscribers may be lost, disclosed, accessed, used, corrupted, destroyed, or taken without consent. Cyber attacks, such as the use of malware, computer viruses, dedicated denial of service attacks, or other means for disruption or unauthorized access, and data breaches have increased in frequency, scope, and potential harm in recent years. Cyber attacks may occur in conjunction with physical attacks on our network infrastructure. We also purchase equipment and software from third parties that could contain software defects, Trojan horses, malware, or other means by which third parties could access our network or the information stored or transmitted on such network or equipment.

While to date we are not aware of any cyber attacks or other cyber incidents that, individually or in the aggregate, have been material to our operations or financial condition, the preventive actions we take to reduce the risk of cyber incidents and protect our information technology and networks may be insufficient to repel a cyber attack in the future. In addition, the costs of such preventative actions, including insurance coverage that we maintain relating to cybersecurity incidents, may be significant, which may adversely affect our results of operations. Any disruption of the information technology systems that are necessary to conducting normal business operations due to a cyber attack, even for a limited amount of time, may prevent us from conducting normal business operations and adversely affect our financial condition. Any major compromise of our data or network security or that of our third-party service suppliers, failure to prevent or mitigate a loss of our services or network, our proprietary information, or our subscribers' information, and delays in detecting any such compromise or loss, even for a limited amount of time, could disrupt our operations, impact our reputation and subscribers' willingness to purchase our service, and subject us to significant additional expenses. Such expenses could include incentives offered to existing subscribers and other business relationships in order to retain their business, increased expenditures on cyber security measures and the use of alternate resources, lost revenues from business interruption, significant penalties under privacy laws, and litigation, which could be material. Furthermore, the potential costs associated with any such cyber attacks could be greater than the insurance coverage we maintain.

Equipment failure, natural disasters or terrorist acts may affect our infrastructure and result in significant disruption to our business.

Major equipment failures, natural disasters, including severe weather, terrorist acts or other disruptions that affect our wireline and wireless networks, including transport facilities, communications switches, routers, microwave links, cell sites, or other equipment or third-party owned local and long-distance networks on which we rely, could disrupt our operations, require significant resources to remedy, result in a loss of subscribers or impair our ability to attract new subscribers, which in turn could have a material adverse effect on our business, results of operations and financial condition.

If we are unable to improve our results of operations and as we continue to upgrade our networks, we may be required to recognize an impairment of our long-lived assets, goodwill, or other indefinite-lived intangible assets, which could have a material adverse effect on our financial position and results of operations.

As a result of the SoftBank Merger, Sprint recognized goodwill at its acquisition-date estimate of fair value of approximately $6.6 billion, which has been entirely allocated to the wireless segment. Since goodwill was reflected at its estimate of fair value, there was no excess fair value over book value as of the date of the close of the SoftBank Merger. Additionally, we recorded $14.6 billion and $41.7 billion of long-lived assets and indefinite-lived intangible assets, respectively, as of the close of the SoftBank Merger. We evaluate the carrying value of our indefinite-lived assets, including goodwill, at least annually or more frequently whenever events or changes in circumstances indicate that the asset may be impaired, or in the case of goodwill, that the fair value of the reporting unit is below its carrying amount. As a result of our evaluation, we recorded a non-cash impairment charge of $2.0 billion related to goodwill in our wireless reporting unit during the year ended March 31, 2019. Continued, sustained declines in the Company's operating results, the number of wireless subscribers, future forecasted cash flows, growth rates and other assumptions, as well as significant, sustained declines in the Company’s stock price and related market capitalization could impact the underlying key assumptions and our estimated fair values, potentially leading to a future material impairment of long-lived assets, goodwill, or other indefinite-lived assets, which could adversely affect our financial position and results of operations. In addition, as we continue to refine our network strategy, management may conclude, in future periods, that certain equipment assets in use will not be utilized as long as originally intended, which could result in an acceleration of depreciation expense. Moreover, certain equipment assets may never be deployed or redeployed, in which case cash and/or non-cash charges that could be material to our consolidated financial statements would be recognized.

Any acquisitions, strategic investments, or mergers may subject us to significant risks, any of which may harm our business.

Although we are focused on taking the steps necessary to close the Merger Transactions, we may still, from time to time, evaluate potential acquisitions, strategic investments, and mergers, and we may engage in discussions with potential counterparties. Some of these potential transactions could be significant relative to the size of our business and operations. Any such acquisitions would involve a number of risks and present financial, managerial and operational challenges.

As a result, our pursuit of an acquisition, investment, or merger may cause our actual results to differ materially from those anticipated. For more information on the Merger Transactions, see "— Risks Relating to the Merger Transactions."

Controlled Company Risks

As long as SoftBank controls us, other holders of our common stock will have limited ability to influence matters requiring stockholder approval and SoftBank’s interest may conflict with ours and our other stockholders.

As of March 31, 2019 , SoftBank beneficially owned nearly 85% of the outstanding common stock of Sprint. As a result, until such time as SoftBank and its controlled affiliates hold shares representing less than a majority of the votes entitled to be cast by the holders of our outstanding common stock at a stockholder meeting, SoftBank generally will have the ability to control the outcome of any matter submitted for the vote of our stockholders, except in certain circumstances set forth in our certificate of incorporation or bylaws. For example, SoftBank was able to approve the Merger Transactions.

So long as SoftBank and its controlled affiliates hold shares of our common stock representing at least a majority of the votes entitled to be cast by the holders of our common stock at a stockholder meeting, SoftBank will be able to freely nominate and elect all the members of our board of directors, subject only to a requirement that a certain number of directors qualify as "Independent Directors," as such term is defined in the NYSE listing rules and applicable laws. The directors elected by SoftBank will have the authority to make decisions affecting the capital structure of the Company, including the issuance of additional equity, the incurrence of additional indebtedness, the implementation of stock repurchase programs, and the declaration of dividends.

The interests of SoftBank may not coincide with the interests of our other stockholders or with holders of our indebtedness. SoftBank’s ability, subject to the limitations in our certificate of incorporation and bylaws, to control all matters submitted to our stockholders for approval limits the ability of other stockholders to influence corporate matters and, as a result, we may take actions that our stockholders or holders of our indebtedness do not view as beneficial. As a result, the market price of our common stock or terms upon which we issue indebtedness could be adversely affected. In addition, the existence of a controlling stockholder may have the effect of making it more difficult for a third-party to acquire, or discouraging a third-party from seeking to acquire, the Company. For example, T-Mobile was required to negotiate the Merger Transactions with SoftBank. The interests of SoftBank with respect to such transactions may be different from the interests of our other stockholders or with holders of our indebtedness. See "— Risks Relating to the Merger Transactions" for more information. In addition, the performance of SoftBank and SoftBank’s ordinary shares or speculation about the possibility of future actions SoftBank may take may adversely affect our share price or the trading price of our debt securities.

Subject to limitations in our certificate of incorporation that limit SoftBank’s ability to engage in certain competing businesses in the U.S. or take advantage of certain corporate opportunities, SoftBank is not restricted from competing with us or otherwise taking for itself or its other affiliates certain corporate opportunities that may be attractive to the Company.

SoftBank’s ability to control our board of directors may make it difficult for us to recruit independent directors.

For so long as SoftBank and its controlled affiliates hold shares of our common stock representing at least a majority of the votes entitled to be cast by the holders of our common stock at a stockholders’ meeting, SoftBank will be able to elect all of the members of our board of directors. Under these circumstances, persons who might otherwise accept an invitation to join our board of directors may decline.

Any inability to resolve favorably any disputes that may arise between the Company and SoftBank or its affiliates may adversely affect our business.

Disputes may arise between SoftBank or its affiliates and the Company in a number of areas, including:

- business combinations involving the Company, including with respect to the Merger Transactions;
- sales or dispositions by SoftBank of all or any portion of its ownership interest in us;
- the nature, quality and pricing of services SoftBank or its affiliates may agree to provide to the Company;
- arrangements with third parties that are exclusionary to SoftBank or its affiliates or the Company; and
- business opportunities that may be attractive to both SoftBank or its affiliates and the Company.

We may not be able to resolve any potential conflicts, and even if we do, the resolution may be less favorable than if we were dealing with an unaffiliated party.

We are a " controlled company " within the meaning of the NYSE rules and, as a result, rely on exemptions from certain corporate governance requirements that provide protection to stockholders of companies that are not "controlled companies."

SoftBank owns more than 50% of the total voting power of our common shares and, accordingly, we have elected to be treated as a "controlled company" under the NYSE corporate governance standards. As a controlled company, we are exempt under the NYSE standards from the obligation to comply with certain NYSE corporate governance requirements, including the requirements that:

- a majority of our board of directors consists of independent directors;
- we have a corporate governance and nominating committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities;
- we have a Compensation Committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities; and
- an annual performance evaluation of the nominating and governance committee and Compensation Committee be performed.

As a result of our use of the " controlled company" exemptions, holders of our common stock and debt securities may not have the same protection afforded to stockholders of companies that are subject to all of the NYSE corporate governance requirements.

Regulatory authorities have imposed measures to protect national security and classified projects as well as other conditions that could have an adverse effect on Sprint.

As a precondition to approval of the SoftBank Merger, certain U.S. government agencies required that SoftBank and Sprint enter into certain agreements, including the NSA, under which SoftBank and Sprint have agreed to implement certain measures to protect national security, certain of which may materially and adversely affect our operating results due to increasing the cost of compliance with security measures, and limiting our control over certain U.S. facilities, contracts, personnel, vendor selection, and operations. If we fail to comply with our obligations under the NSA or other agreements, our ability to operate our business may be adversely affected.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our corporate headquarters are located in Overland Park, Kansas. Our gross property, plant and equipment at March 31, 2019 totaled $41.7 billion , as follows:

		March 31, 2019
		(in billions)
Wireless	$	38.0
Wireline		1.4
Corporate and other		2.3
Total	$	41.7

Properties utilized by our Wireless segment generally consist of either leased or owned assets in the following categories: switching equipment, radio frequency equipment, cell site towers and related leasehold improvements, site development costs, network software, devices leased to customers, internal-use software, retail fixtures and retail leasehold improvements.

Properties utilized by our Wireline segment generally consist of either leased or owned assets in the following categories: digital fiber optic cable, transport facilities, transmission-related equipment and network buildings.

Item 3. Legal Proceedings

On April 22, 2019, a complaint was filed in federal court in New York against the Company and two of our executive officers in their capacities as such. The lawsuit, entitled Meneses, et al. v. Sprint Corporation, et al., and purportedly brought on behalf of a class of Sprint shareholders, alleges that between January 2019 and April 2019 the defendants violated federal securities laws and rules by failing to properly disclose that certain postpaid net subscriber additions were driven by free lines and included less valuable tablet and other non-phone devices, as well as prepaid to postpaid migrations. The plaintiff seeks damages and reasonable costs and attorneys' fees. The Company believes the lawsuit is without merit.

On April 19, 2012, the New York Attorney General filed a complaint alleging that Sprint Communications had fraudulently failed to collect and pay more than $100 million in New York sales taxes on receipts from its sale of wireless telephone services since July 2005. The complaint also sought recovery of triple damages under the State False Claims Act, as well as penalties and interest. Sprint Communications moved to dismiss the complaint on June 14, 2012. On July 1, 2013, the court entered an order denying the motion to dismiss in large part, although it did dismiss certain counts or parts of certain counts. Sprint Communications appealed that order and the intermediate appellate court affirmed the order of the trial court. On October 20, 2015, the Court of Appeals of New York affirmed the decision of the appellate court that the tax statute required us to collect and remit the disputed taxes. Our petition for certiorari to the U.S. Supreme Court on grounds of federal preemption was denied. We previously paid the principal amount of tax at issue, under protest, while the suit was pending. On December 21, 2018, Sprint Communications and the State of New York settled the dispute, as well as an unrelated tax matter. As a result, the Company recognized an additional $50 million of litigation expense during the year ended March 31, 2019 .

Various other suits, inquiries, proceedings and claims, either asserted or unasserted, including purported class actions typical for a large business enterprise and intellectual property matters, are possible or pending against us or our subsidiaries. If our interpretation of certain laws or regulations, including those related to various federal or state matters such as sales, use or property taxes, or other charges were found to be mistaken, it could result in payments by us. While it is not possible to determine the ultimate disposition of each of these proceedings and whether they will be resolved consistent with our beliefs, we expect that the outcome of such proceedings, individually or in the aggregate, will not have a material adverse effect on our financial position or results of operations. Except as otherwise noted, during the year ended March 31, 2019 , there were no material developments in the status of these legal proceedings.

Item 4. Mine Safety Disclosures

None.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Common Share Data

The common stock of Sprint Corporation is traded under the stock symbol "S" on the NYSE. We currently have no non-voting common stock outstanding.

Number of Stockholders of Record

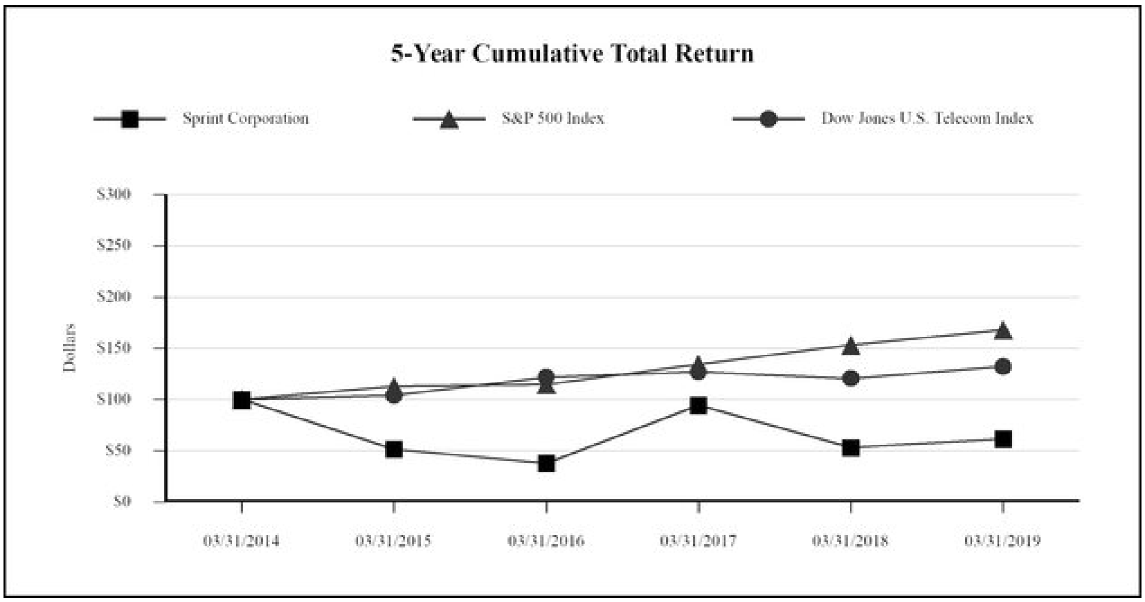
As of May 28, 2019 , we had approximately 25,000 common stock record holders.

Issuer Purchases of Equity Securities

None.

Performance Graph

The graph below compares the cumulative total shareholder return for the Company's common stock with the S&P ® 500 Stock Index and the Dow Jones U.S. Telecommunications Index for the five-year period from March 31, 2014 to March 31, 2019. The graph assumes an initial investment of $100 on March 31, 2014.



Value of $100 Invested on March 31, 2014

	3/31/2014	3/31/2015	3/31/2016	3/31/2017	3/31/2018	3/31/2019
Sprint Corporation	$ 100.00	$ 51.58	$ 37.87	$ 94.45	$ 53.10	$ 61.48
S&P 500 Index	$ 100.00	$ 112.73	$ 114.74	$ 134.45	$ 153.26	$ 167.81
Dow Jones U.S. Telecom Index	$ 100.00	$ 104.08	$ 121.90	$ 126.81	$ 120.50	$ 132.33

Item 6. Selected Financial Data

The following selected financial data is derived from our consolidated financial statements. The data below should be read together with "Part I, Item 1A. Risk Factors", "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the Tax Act). The Tax Act included changes in tax laws that had a material impact on our financial statements. During the year ended March 31, 2018, we recorded a $7.1 billion non-cash tax benefit through net income (loss) to re-measure the carrying values of our deferred tax assets and liabilities. The re-measurement of deferred taxes had no impact on cash flows. See *Note 11. Income Taxes* in Notes to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for additional information.

On April 1, 2018 the Company adopted authoritative guidance regarding *Revenue from* C *ontracts with Customers* . The Company adopted this standard using the modified retrospective method, which requires that the cumulative effect of initially applying the standard be recognized at the date of application beginning April 1, 2018. We recorded a pre-tax cumulative effect of $1.7 billion ($1.3 billion, net of tax) as a reduction to the April 1, 2018 opening balance of accumulated deficit. See *Note 8. Revenues from Contracts with Customers* in Notes to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for additional information related to the adoption of this standard.

The selected financial data presented below is not comparable for all periods presented primarily as a result of the Tax Act and the adoption of the above accounting standard.

	Year Ended March 31,				
	2019	2018	2017	2016	2015
	(in millions, except per share amounts)				
Results of Operations					
Service revenue	$ 22,857	$ 23,834	$ 25,368	$ 27,174	$ 29,542
Equipment sales	5,606	4,524	4,684	3,168	4,826
Equipment rentals	5,137	4,048	3,295	1,838	164
Net operating revenues	33,600	32,406	33,347	32,180	34,532
Depreciation - network and other	4,245	3,976	3,982	4,013	3,591
Depreciation - equipment rentals	4,538	3,792	3,116	1,781	206
Amortization	608	812	1,052	1,294	1,552
Goodwill impairment (1)	2,000	—	—	—	—
Operating income (loss)	398	2,727	1,764	310	(1,895)
Net (loss) income	(1,943)	7,377	(1,206)	(1,995)	(3,345)
Net (loss) income attributable to Sprint Corporation	(1,943)	7,389	(1,206)	(1,995)	(3,345)
(Loss) Earnings per Share					
Basic net (loss) income per common share	$ (0.48)	$ 1.85	$ (0.30)	$ (0.50)	$ (0.85)
Diluted net (loss) income per common share	(0.48)	1.81	(0.30)	(0.50)	(0.85)
Financial Position					
Total assets	$ 84,601	$ 85,459	$ 85,123	$ 78,975	$ 82,841
Property, plant and equipment, net	21,201	19,925	19,209	20,297	19,721
Intangible assets, net	47,832	50,360	50,484	51,117	52,455
Total debt, capital lease and financing obligations	39,923	40,892	40,914	33,958	33,642
Total stockholders' equity	26,072	26,356	18,808	$ 19,783	21,710
Noncontrolling interests	55	63	—	—	—
Cash Flow Data					
Net cash provided by (used in) operating activities	$ 10,429	$ 10,062	$ (3,290)	$ (423)	$ 3,749
Capital expenditures - network and other	4,963	3,319	1,950	4,680	5,422
Capital expenditures - leased devices	7,441	7,461	4,976	5,898	1,885

(1) During the year ended March 31, 2019, the Company completed its annual impairment testing for goodwill assigned to the Wireless reporting unit and as a result, recorded a non-cash impairment charge of $2.0 billion. See Note 6. Intangible Assets in Notes to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

OVERVIEW

Business Overview

Sprint is a communications company offering a comprehensive range of wireless and wireline communications products and services that are designed to meet the needs of individual consumers, businesses, government subscribers, and resellers. Unless the context otherwise requires, references to "Sprint," "we," "us," "our" and the "Company" mean Sprint Corporation and its consolidated subsidiaries for all periods presented, and references to "Sprint Communications" are to Sprint Communications, Inc. and its consolidated subsidiaries.

Wireless segment earnings represented almost all of our total consolidated segment earnings for the year ended March 31, 2019 . Within the Wireless segment, postpaid wireless service revenue represents the most significant contributor to earnings, and is driven by the number of postpaid subscribers to our services, as well as the average revenue per user (ARPU).

Business Combination Agreement

On April 29, 2018, we announced that we entered into a Business Combination Agreement with T-Mobile US, Inc. to merge in an all-stock transaction for a fixed exchange ratio of 0.10256 of T-Mobile shares for each Sprint share, or the equivalent of 9.75 Sprint shares for each T-Mobile share (Merger Transactions) . Immediately following the Merger Transactions, Deutsche Telekom AG and SoftBank Group Corp. are expected to hold approximately 42% and 27% of fully-diluted shares of the combined company, respectively, with the remaining 31% of the fully-diluted shares of the combined company held by public stockholders. The board of directors will consist of 14 directors, of which nine will be nominated by Deutsche Telekom AG, four will be nominated by SoftBank Group Corp., and the final director will be the CEO of the combined company. The combined company will be named T-Mobile, and as a result of the Merger Transactions, is expected to be able to rapidly launch a nationwide 5G network, accelerate innovation and increase competition in the U.S. wireless, video and broadband industries. The Merger Transactions are subject to customary closing conditions, including certain state and federal regulatory approvals, and regulatory approval from the Federal Communications Commission (FCC) and the Department of Justice (DOJ) is expected in the first half of calendar year 2019. Sprint and T-Mobile completed the Hart-Scott-Rodino filing with the DOJ on May 24, 2018. On June 18, 2018, the parties filed with the FCC the merger applications, including the Public Interest Statement. On July 18, 2018, the FCC accepted the applications for filing and established a public comment period for the Merger Transactions. The formal comment period concluded on October 31, 2018. The Merger Transactions received clearance from the Committee on Foreign Investment in the United States on December 17, 2018 and are awaiting further regulatory approvals. On April 27, 2019, the parties to the Business Combination Agreement extended the Outside Date (as defined in the Business Combination Agreement) to July 29, 2019.

Revenue Recognition

The Company adopted *Revenue from Contracts with Customers* (Topic 606) beginning on April 1, 2018 using the modified retrospective method. See *Note 8. Revenues from Contracts with Customers* in Notes to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for additional information related to revenues and contract costs, including qualitative and quantitative disclosures required under Topic 606. The impact to our consolidated financial statements of adopting Topic 606 is presented in *Note 2. Summary of Significant Accounting Policies and Other Information* in Notes to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

Business Strategies and Key Priorities

Our business strategy is to be responsive to changing customer mobility demands of existing and potential customers, and to expand our business into new areas of customer value and economic opportunity through innovation and differentiation. To help lay the foundation for these future growth opportunities, our strategy revolves around targeted investment in the following key priority areas:

- Sprint's Next-Gen network plan will deliver competitive coverage, faster speeds and more capacity;
- Create a compelling unlimited value proposition;
- Provide the best digital customer experience; and
- Engage our partners by making Sprint a great place to work.

While we plan to continue to invest in our network during the next few years and target the launch of 5G in select cities in the first half of 2019, many of the underlying service quality, scale, and financial challenges remain. We aim to use our spectrum to build our 5G network on 2.5 GHz spectrum. See *Network* below for more information regarding our network plans and potential challenges to our rollout of 5G.

We aim to create a compelling unlimited value proposition by leveraging our spectrum holdings while remaining the price leader on Unlimited plan offerings and taking our brand to the next level.

We plan to continue to invest in digital capabilities and artificial intelligence to improve the customer experience. We are focused on finding the right balance between physical and digital retail to serve customers wherever and whenever they want.

We have recruited leaders in our industry from around the globe and employ an organizational focus to ensure Sprint has a work environment employees recommend.

Network

We continue to increase coverage and capacity by densifying and evolving our existing network toward 5G. Densification, which includes increasing the number of small cells and antennas, is intended to enhance coverage and capacity across the network. We are also deploying new technologies, such as Massive MIMO and carrier aggregation, which allows us to move more data at faster speeds over the same spectrum and eventually migrate customers to an all IP network, supporting both Voice over LTE and data. Additionally, our introduction of tri-band devices, including those with 5G capabilities, allows us to manage and operate our network more efficiently and at a lower cost. We have continued to see positive results from these infrastructure upgrades in key U.S. markets. While Sprint will build 5G in a number of cities throughout the country, its current 5G build plans will result in coverage that is limited to major cities and the surrounding areas rather than coverage that blankets the entire geography of the United States. Sprint’s ability to expand this 5G network build plan may be limited by its financial resources, lack of scale and access to low-band spectrum. Moreover, Sprint plans to focus on creating a 5G ecosystem for smartphones and other mobile devices rather than stationary devices.

The 2.5 GHz spectrum band carries the highest percentage of Sprint's LTE data traffic. We have significant additional capacity to grow the use of our 2.5 GHz spectrum holdings into the future. Sprint believes it is well-positioned with spectrum holdings of more than 160 MHz of 2.5 GHz spectrum in the top 100 markets in the U.S. Sprint's spectrum holdings allow us to introduce 5G in parallel with 4G service over the same 2.5 GHz spectrum band, supporting the early introduction of 5G devices without disrupting the capacity needed to support our 4G users.

Overall, our densification and introduction of 5G technologies are expected to continue to enhance the customer experience by adding data capacity, increasing the wireless data speeds available to our customers, and improving network performance for both voice and data services, especially in the geographic areas where 5G will be provided. In the event the Merger Transactions are not completed, our ability to provide a nationwide network capable of competing effectively with other competitors in the wireless industry will depend on our access to, and deployment of, adequate low-band spectrum. As part of the evolution of our existing network toward 5G, we plan to modify our existing backhaul architecture to enable increased capacity to our network at a lower cost by either negotiating lower vendor pricing for existing Ethernet technology or replacing Ethernet with fiber. We expect to incur termination costs associated with Ethernet contractual commitments with third-party vendors ranging between approximately $130 million to $150 million, of which the majority are expected to be incurred by December 31, 2020.

Sprint has plans to launch 5G service beginning in 2019 in nine major cities. Once 5G-compatible equipment is in place and activated, customers in those cities will have access to Sprint's 5G network if they are in range of a cell site that has been equipped with a 5G radio supported by available 2.5 GHz spectrum and have a 5G-capable device. As more and more sites are 5G-enabled, customers in those areas will be able to have an increasing percentage of their mobile experiences on 5G rather than on LTE or 3G.

If the Merger Transactions with T-Mobile are not completed, it is expected that Sprint will not be able to deploy a nationwide 5G network on the same scale and on the same timeline as the combined company. For example, Sprint’s standalone 5G network would be geographically limited due to both Sprint’s limited current network footprint on which to build 5G sites and the cost of utilizing 2.5 GHz spectrum for 5G. See “Item 1A Risk Factors— The success of our network improvements and 5G deployment will depend on the timing, extent and cost of implementation; availability of financial resources; access to additional spectrum, including low-band frequencies; the performance of third-parties; upgrade requirements; and the availability and reliability of the various technologies required to provide such modernization.”

PRWireless HoldCo, LLC Transaction

During the quarter ended December 31, 2017, Sprint and PRWireless PR, Inc. completed a transaction to combine their operations in Puerto Rico and the U.S. Virgin Islands into a new entity. The companies contributed employees, subscribers, network assets and spectrum to the transaction. Sprint and PRWireless PR, Inc. have an approximate 68% and a 32% preferred economic interest, as well as a 55% and 45% common voting interest in the new entity, respectively.

Shentel Transaction

On August 10, 2015, Shenandoah Telecommunications Company (Shentel) entered into a definitive agreement to acquire one of our wholesale partners, NTELOS Holdings Corp (nTelos). In connection with this definitive agreement, we entered into a series of agreements with Shentel to, among other things, acquire certain assets such as spectrum, terminate our existing wholesale arrangement with nTelos, and amend our existing affiliate agreement with Shentel to primarily include the subscribers formerly under the wholesale arrangement with nTelos. The agreements also expanded the area in which Shentel provides wireless service to Sprint customers and provided for more favorable economic terms. In April 2016, we received regulatory approval and the transaction closed in May 2016. The total consideration for this transaction included $181 million, on a net present value basis, of notes payable to Shentel. Sprint satisfies its obligations under the notes payable over an expected term of five to six years. FCC licenses acquired from Shentel had a total value of $85 million. $96 million of the total purchase was recorded in “Other, net” in the consolidated statements of operations as a contract termination in the quarter ended June 30, 2016, which related to the termination of our pre-existing wholesale arrangement with nTelos.

RESULTS OF OPERATIONS

Consolidated Results of Operations

The following table provides an overview of the consolidated results of operations.

	Year Ended March 31,		
	2019	2018	2017
		(in millions)	
Wireless segment earnings	$ 12,836	$ 11,205	$ 9,814
Wireline segment (loss) earnings	(69)	(118)	119
Corporate, other and eliminations	6	(18)	1
Consolidated segment earnings	12,773	11,069	9,934
Depreciation - network and other	(4,245)	(3,976)	(3,982)
Depreciation - equipment rentals	(4,538)	(3,792)	(3,116)
Amortization	(608)	(812)	(1,052)
Goodwill impairment	(2,000)	—	—
Other, net	(984)	238	(20)
Operating income	398	2,727	1,764
Interest expense	(2,563)	(2,365)	(2,495)
Other income (expense), net	187	(59)	(40)
Income tax benefit (expense)	35	7,074	(435)
Net (loss) income	$ (1,943)	$ 7,377	$ (1,206)

Depreciation Expense - Network and Other

Depreciation expense - network and other increased $269 million , or 7% , for the year ended March 31, 2019 compared to the same period in 2018 , primarily due to increased depreciation on new asset additions, partially offset by decreases associated with fully depreciated or retired assets. Depreciation expense - network and other remained relatively flat, decreasing $6 million for the year ended March 31, 2018 compared to the same period in 2017 .

Depreciation Expense - Equipment Rentals

Depreciation expense - equipment rentals increased $746 million , or 20% , for the year ended March 31, 2019 compared to the same period in 2018 and increased $676 million , or 22% , for the year ended March 31, 2018 compared to the same period in 2017 , primarily due to increased depreciation on new leased devices as a result of the continued growth of the device leasing program. This increase was partially offset by decreased depreciation for fully depreciated or retired leased devices combined with favorable changes to leased device residual values.

Amortization Expense

Amortization expense decreased $204 million , or 25% , for the year ended March 31, 2019 compared to the same period in 2018 and decreased $240 million , or 23% , for the year ended March 31, 2018 compared to the same period in 2017 , primarily due to customer relationship intangible assets that are amortized using the sum-of-the-months'-digits method, which results in higher amortization rates in early periods that decline over time.

Goodwill Impairment

During the year ended March 31, 2019, the Company completed its annual impairment testing for goodwill assigned to the Wireless reporting unit and as a result, recorded a non-cash impairment charge of $2.0 billion. See *Critical Accounting Policies and Estimates* below and *Note 6. Intangible Assets* in Notes to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K .

Other, net

The following table provides additional information regarding items included in "Other, net."

	Year Ended March 31,		
	2019	2018	2017
		(in millions)	
Severance and exit costs	$ (85)	$ (80)	$ (66)
Litigation (costs) benefit and other contingencies	(74)	305	(140)
Loss on disposal of property, plant and equipment, net	(492)	(364)	(28)
Contract termination (costs) benefits	(34)	5	(140)
Gains from asset dispositions and exchanges	15	479	354
Merger costs	(346)	—	—
Hurricane-related reimbursements (costs)	32	(107)	—
Total expense	$ (984)	$ 238	$ (20)

Other, net was an expense of $984 million for the year ended March 31, 2019 . We recognized severance and exit costs of $85 million primarily due to access termination charges, lease exit costs and reductions in work force. We recognized $74 million of litigation expense and a $15 million gain from the sale of certain assets. We recorded $492 million of loss on disposal of property, plant and equipment primarily related to cell site construction costs and network equipment that are no longer recoverable as a result of changes in our network plans. We recognized $34 million associated with the purchase of certain leased spectrum assets, which upon termination of the related spectrum leases resulted in the accelerated recognition of the unamortized favorable lease balances. We also incurred merger-related costs of $346 million , which were recorded as selling, general and administrative expenses in the consolidated statements of operations. We expect to recognize merger-related costs until the Merger Transactions are completed. We also recorded $32 million of reimbursements related to the hurricanes occurring in the prior fiscal year, which were recorded as revenue in net operating revenues, cost of services, selling, general and administrative expenses, and other, net in the consolidated statements of operations.

Other, net was a benefit of $238 million for the year ended March 31, 2018 . We recognized severance and exit costs of $80 million primarily due to reductions in work force. We incurred hurricane-related costs of $107 million , which were recorded as contra-revenue, cost of services, selling, general and administrative expenses, and loss on disposal of property, plant and equipment in the consolidated statements of operations. We had a net benefit in litigation and other contingencies of $305 million . We recorded a $479 million non-cash gain as a result of spectrum license exchanges with other carriers and a $5 million benefit in contract terminations. Additionally, we recognized a $364 million net loss on disposal of property, plant and equipment, which consisted of a $370 million loss related to cell site construction costs that are no longer recoverable as a result of changes in our network plans, slightly offset by a $6 million gain.

Other, net was an expense of $20 million for the year ended March 31, 2017 . We recognized severance and exit costs of $66 million . In addition, we recognized a $140 million charge for a state tax matter combined with legal reserves related to other pending legal suits and proceedings, a $354 million non-cash gain as a result of spectrum license exchanges with other carriers, and a $28 million loss on disposal of property, plant and equipment primarily related to cell site construction costs that are no longer recoverable as a result of changes in our network plans. We also recognized $140 million of contract terminations that were primarily related to the termination of our pre-existing wholesale arrangement with nTelos as a result of the Shentel transaction combined with the costs related to the termination of our relationship with General Wireless Operations Inc. (RadioShack).

Interest Expense

Interest expense increased $198 million , or 8% , for the year ended March 31, 2019 compared to the same period in 2018 primarily due to higher interest rates. Interest expense decreased $130 million , or 5% , for the year ended March 31, 2018 compared to the same period in 2017 primarily due to the replacement of higher interest debt with lower interest financings. The effective interest rate, which includes capitalized interest, on the weighted average long-term debt balance of $39.7 billion , $38.5 billion and $37.9 billion was 6.5% , 6.3% and 6.7% for the years ended March 31, 2019 , 2018 and 2017 , respectively. See “Liquidity and Capital Resources” for more information on the Company's financing activities.

Other Income (Expense), Net

"Other income (expense), net" was income of $187 million for the year ended March 31, 2019 and expense of $59 million and $40 million for the years ended March 31, 2018 and 2017 , respectively. The income for the year ended March 31, 2019 was primarily due to $169 million of interest income. In addition, we recognized other income of $24 million as a result of a legal settlement. The expense for the year ended March 31, 2018 was primarily due to $73 million of equity in losses of unconsolidated investments, net, of which $50 million relates to an impairment of an equity method investment. Additionally, there was a $65 million loss on early extinguishment of debt related to the retirement of portions of the Sprint Communications 8.375% Notes due 2017 and Sprint Communications 9.000% Guaranteed Notes due 2018. These expenses were partially offset by $85 million of interest income. The expense for the year ended March 31, 2017 was primarily due to recognizing the remaining debt finance costs of $74 million associated with the terminated unsecured financing facility, partially offset by interest income of $59 million which was primarily related to increased short-term investments.

Income Tax Expense

The U.S. federal statutory tax rates for the years ended March 31, 2019, 2018 and 2017 were 21% , 31.5% and 35% , respectively. The Tax Cuts and Jobs Act (the Tax Act) enacted in December 2017 reduced the corporate income tax rate effective January 1, 2018.

Income tax benefit of $35 million for the year ended March 31, 2019 was primarily attributable to the impact of state law changes enacted during the period, partially offset by expense attributable to organizational restructuring. These adjustments were primarily driven by the change in carrying value of our deferred tax assets and liabilities on temporary differences. In addition, the effective tax rate was impacted by non-deductible penalties related to litigation with the State of New York that was settled during the period and $1.9 billion of the $2.0 billion non-cash impairment charge related to goodwill as substantially all of the charge is not separately deductible for tax purposes. Income tax benefit of $7.1 billion for the year ended March 31, 2018 was primarily attributable to the impact of the Tax Act. Income tax expense of $435 million for the year ended March 31, 2017 was primarily attributable to taxable temporary differences from the tax amortization of FCC licenses and tax expense of $136 million on pre-tax gains from spectrum license exchanges, which increased our deferred tax liability on FCC licenses temporary differences. In addition, income tax expense included an expense of $89 million to increase our state income tax valuation allowance as a result of a shift in operations among wholly-owned subsidiaries and an organizational restructuring that occurred during the year.

As of March 31, 2019 and 2018, we maintained valuation allowance on deferred tax assets primarily related to net operating loss carryforwards. As of each reporting date, we consider new evidence, both positive and negative, that could affect our view of the future realization of deferred tax assets. Provisions included in federal and state tax laws, in particular alternative cost recovery methods for fixed assets applicable in future periods, can significantly impact the timing of deductions for tax purposes that may result in projected taxable income during the net operating loss carryforward periods. This projected taxable income would be a positive source of evidence. We believe that there is a reasonable possibility that within the next 12 months sufficient positive evidence may become available to allow us to reach a conclusion that a portion of the valuation allowance on deferred tax assets related to certain net operating losses will no longer be needed. Release of the valuation allowance would result in the recognition of the deferred tax assets and a non-cash tax benefit for the period the release is recorded. The exact timing and amount of the valuation allowance release are subject to change depending on the results of operations and the timing of future taxable income.

Segment Earnings - Wireless

Wireless segment earnings are a function of wireless net operating revenues inclusive of wireless service revenue, the sale of wireless devices (handsets, tablets and wearables), broadband devices, connected devices, leasing wireless devices, and commissions on the device insurance and accessory programs. Combined with wireless net operating revenues, Wireless segment earnings are also a function of costs of equipment sales and rentals, costs to acquire subscribers, and network and interconnection costs to serve those subscribers, as well as other Wireless segment operating expenses. The cost of equipment sales and equipment rentals primarily includes equipment costs associated with our installment billing and subsidy programs, and loss on disposal of property, plant and equipment, net of recoveries, resulting from the write-off of leased devices where customers did not return the devices to us. The costs to acquire our subscribers also includes marketing and sales costs incurred to attract those subscribers. Network costs primarily represent switch and cell site costs, backhaul costs, and interconnection costs, which generally consist of per-minute usage fees and roaming fees paid to other carriers. The remaining costs associated with operating the Wireless segment include the costs to operate our customer care organization and administrative support. Wireless service revenue, costs to acquire subscribers, and variable network and interconnection costs fluctuate with the changes in our subscriber base and their related usage, but some cost elements do not fluctuate in the short-term with these changes.

As shown by the table above under "Consolidated Results of Operations," Wireless segment earnings represented almost all of our total consolidated segment earnings for the years ended March 31, 2019 , 2018 , and 2017 . Within the Wireless segment, postpaid wireless services represent the most significant contributor to earnings and is driven by the number of postpaid subscribers utilizing our services, as well as ARPU. The wireless industry is subject to competition to retain and acquire subscribers of wireless services. All markets in which we operate have high rates of penetration for wireless services, and we expect this competition and market penetration to continue to pressure our share of gross additions and rates of churn.

Device Financing Programs

We offer a leasing program whereby qualified subscribers can lease a device for a contractual period of time, and an installment billing program that allows subscribers to purchase a device by paying monthly installments, generally over 24 months. In July 2017, we introduced the Sprint Flex program, which gives customers the opportunity to enjoy their phone before deciding what option (upgrade, continue leasing, return or buy) works best for their lifestyle. Depending on device type, certain leases carry an option to upgrade to a new device annually prior to expiration of the lease. At the end of the lease term, the subscriber has the option to return the device, continue leasing the device, or purchase the device.

As of March 31, 2019 , substantially all of our device leases were classified as operating leases and predominantly all of our subscribers choose to lease devices from us under the Sprint Flex program. As a result, the leased devices are classified as property, plant and equipment when leased to subscribers through Sprint's direct channels. For leases in the indirect channel, we purchase the devices at lease inception from the dealer, which are then capitalized to property, plant and equipment. Lease revenue is recorded monthly over the term of the lease and the cost of the device is depreciated to its estimated residual value, generally over the lease term. As these devices are classified as property, plant and equipment, the cost of the device is not recorded as cost of equipment sales compared to when sold under the installment billing or traditional subsidy program but rather is recorded as depreciation expense, which results in a significant positive impact to Wireless segment earnings. Depreciation expense incurred on leased devices for the years ended March 31, 2019 , 2018 and 2017 , was $4.5 billion , $3.8 billion and $3.1 billion , respectively. If the mix of leased devices within our subscriber base continues to increase, we expect this positive impact on the financial results of Wireless segment earnings to continue and depreciation expense to increase.

Under the installment billing program, we recognize a majority of the revenue associated with future expected installment payments at the time of sale of the device to Sprint branded customers. As compared to our traditional subsidy program, this results in better alignment of the revenue with the cost of the device. The impact to Wireless earnings from the sale of devices under our installment billing program is neutral except for the impact from promotional offers.

Our device leasing and installment billing programs require a greater use of cash flow in the early part of the device contracts as our subscribers will generally pay less upfront than through our traditional subsidy program. The accounts receivable facility discussed in "Liquidity and Capital Resources" partially mitigates the significant use of cash from purchasing devices from original equipment manufacturers (OEMs) to fulfill our leasing and installment billing programs.

Wireless Segment Earnings Trends

Sprint offers lower monthly service fees without a traditional contract as an incentive to attract subscribers to certain of our service plans. These lower rates for service are available whether the subscriber brings their own device, pays the full or discounted retail price for the device, leases their device through our Sprint Flex leasing program, or purchases the device under our installment billing program. We expect our postpaid ARPU to decline in fiscal year 2019 due to the mix of devices resulting from higher data device sales, which generally have a lower ARPU than handsets, and continued promotional activities. Since inception, the combination of lower-priced plans and our leasing and installment billing programs have been accretive to Wireless segment earnings. We expect that trend to continue so long as we are able to attract subscribers, particularly postpaid handset subscribers. Additionally, we expect prepaid service revenue to decline in fiscal year 2019 due to the continued amortization of contract balances as a result of the adoption of Topic 606.

We began to experience net losses of postpaid handset subscribers in mid-2013. Since the release of our price plans associated with device financing options, results have shown improvement in trends of handset subscribers starting with the quarter ended September 30, 2015. While postpaid handset subscribers generally have stabilized, we experienced a decline in subscribers from fiscal year 2017 to fiscal year 2018. We continue to take initiatives to provide the best value in wireless service while continuing to enhance our network performance, coverage and capacity in order to attract and retain valuable handset subscribers. In addition, we continue to evaluate our cost model to operationalize the most effective cost structure but expect any improvements in 2019 to be fully offset by incremental costs associated with the network and customer experience initiatives.

The following table provides an overview of the results of operations of our Wireless segment.

	Year Ended March 31,		
Wireless Segment Earnings	**2019**	**2018**	**2017**
		(in millions)	
Postpaid [1]	$ 16,907	$ 17,421	$ 18,677
Prepaid [1][2]	3,746	3,979	4,078
Retail service revenue	20,653	21,400	22,755
Wholesale, affiliate and other [2]	1,160	1,198	1,053
Total service revenue	21,813	22,598	23,808
Equipment sales	5,606	4,524	4,684
Equipment rentals	5,137	4,048	3,295
Total net operating revenues	32,556	31,170	31,787
Cost of services (exclusive of depreciation and amortization)	(5,802)	(5,602)	(6,674)
Cost of equipment sales	(6,082)	(6,109)	(6,583)
Cost of equipment rentals (exclusive of depreciation)	(643)	(493)	(975)
Selling, general and administrative expense	(7,193)	(7,761)	(7,741)
Total net operating expenses	(19,720)	(19,965)	(21,973)
Wireless segment earnings	$ 12,836	$ 11,205	$ 9,814

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(1) *The year ended March 31, 2019 excludes hurricane-related reimbursements of $3 million of postpaid service revenue, $6 million of cost of services, and $1 million of selling, general and administrative expenses. The year ended March 31, 2018 excludes $25 million of hurricane-related postpaid service contra-revenue, $8 million of hurricane-related prepaid service contra-revenue, $48 million of cost of services, and $21 million of selling, general and administrative expenses. In addition, the year ended March 31, 2018 excludes a $51 million charge from costs of services related to a regulatory fee matter.*

(2) *Sprint is no longer reporting Lifeline subscribers due to regulatory changes resulting in tighter program restrictions. We have excluded these subscribers from our subscriber base for all periods presented, including our Assurance Wireless prepaid brand and subscribers through our wholesale Lifeline mobile virtual network operators (MVNO). The above table reflects the reclassification of the related Assurance Wireless prepaid revenue from Prepaid service revenue to Wholesale, affiliate and other revenue of $360 million for the year ended March 31, 2017. Revenue associated with subscribers through our wholesale Lifeline MVNOs remains in Wholesale, affiliate and other revenue following this change.*

Service Revenue

Our Wireless segment generates service revenue from the sale of wireless services and the sale of wholesale and other services. Service revenue consists of fixed monthly recurring charges, variable usage charges and miscellaneous fees such as activation fees, international long distance and roaming, commissions on the device insurance program, late payment and administrative fees, and certain regulatory-related fees, net of service credits.

The ability of our Wireless segment to generate service revenue is primarily a function of:

- revenue generated from each subscriber, which in turn is a function of the types and amount of services utilized by each subscriber and the rates charged for those services; and
- the number of subscribers that we serve, which in turn is a function of our ability to retain existing subscribers and acquire new subscribers.

Retail comprises those subscribers to whom Sprint directly provides wireless services, whether those services are provided on a postpaid or a prepaid basis. We also categorize our retail subscribers as prime and subprime based on subscriber credit profiles. We use proprietary scoring systems that measure the credit quality of our subscribers using several factors, such as credit bureau information, subscriber credit risk scores and service plan characteristics. Payment history is subsequently monitored to further evaluate subscriber credit profiles. Wholesale and affiliates are those subscribers who are served through MVNO and affiliate relationships and other arrangements. Under the MVNO relationships, wireless services are sold by Sprint to other companies that resell those services to subscribers.

Effective January 1, 2017, we entered into a Master Services Agreement with a vendor to provide post-sale device support services (including device insurance) to subscribers. Under the agreement, the vendor bears the risk of loss with regards to claims and related costs, which Sprint no longer incurs. Sprint remits premiums to the vendor who pays Sprint a monthly recurring commission per subscriber for the duration of the agreement. Additionally, under the terms of the agreement, the vendor is the primary obligor in the agreement with the subscriber and, as such, revenue is accounted for and presented on a net basis, whereas historically the amounts were presented on a gross basis.

During the quarter ended September 30, 2017, we entered into an arrangement with Brightstar US, Inc. (Brightstar) whereby accessories previously procured by us and sold to customers in our direct channels are procured and consigned to us from Brightstar (Brightstar Accessory Arrangement). Amounts billed from the sale of accessory inventory are remitted to Brightstar. In exchange for our efforts to sell accessory inventory owned by Brightstar, we received a fixed fee from Brightstar for each device activated in our direct channels. In August 2018, the arrangement was amended and we receive a share of the profits associated with the sale of accessory inventory owned by Brightstar.

Year Ended March 31, 2019 compared to Year Ended March 31, 2018

Retail service revenue decreased $747 million , or 3% , for the year ended March 31, 2019 compared to the year ended March 31, 2018 primarily due to a lower amount of revenue allocated to service revenue following the adoption of Topic 606, combined with lower average revenue per postpaid and prepaid subscribers driven by an increase in subscribers on lower price plans and promotional activities. These decreases were partially offset by an increase in average postpaid and prepaid subscribers. See *Note 2. Summary of Significant Accounting Policies and Other Information* in Notes to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for the impact to our consolidated financial statements of adopting Topic 606.

Wholesale, affiliate and other revenues decreased $38 million , or 3% , for the year ended March 31, 2019 compared to the year ended March 31, 2018 primarily due to lower imputed interest associated with installment billing on devices due to the growth of our leasing program and impacts following the adoption of Topic 606. These decreases were partially offset by an increase in lifeline subscribers and fees earned under an accessories arrangement with Brightstar, which commenced during the quarter ending September 30, 2017. Approximately 81% of our total wholesale and affiliate subscribers represent connected devices. These devices generate revenue which varies based on usage.

Year Ended March 31, 2018 compared to Year Ended March 31, 2017

Retail service revenue decreased $1.4 billion , or 6% , for the year ended March 31, 2018 compared to the year ended March 31, 2017 primarily due to a lower average revenue per postpaid subscriber driven by an increase in subscribers on lower price plans and lower insurance revenues resulting from changes in our device insurance program under the Master Services Agreement, combined with a decrease in average prepaid subscribers due to competitive pressures. The decrease was partially offset by an increase in average postpaid subscribers.

Wholesale, affiliate and other revenues increased $145 million , or 14% , for the year ended March 31, 2018 compared to the year ended March 31, 2017 primarily due to fees earned under the Brightstar Accessory Arrangement, which commenced during the quarter ending September 30, 2017, combined with an increase in imputed interest associated with installment billing on devices. These increases were partially offset by reduced revenue associated with postpaid and prepaid resellers due to competitive pressures. Approximately 83% of our total wholesale and affiliate subscribers represent connected devices. These devices generate revenue which varies based on usage.

Average Monthly Service Revenue per Subscriber and Subscriber Trends

The table below summarizes average number of retail subscribers. Additional information about the number of subscribers, net additions (losses) to subscribers, and average rates of monthly postpaid and prepaid subscriber churn for each quarter since the quarter ended March 31, 2016 may be found in the tables on the following pages.

	Year Ended March 31,		
	2019	**2018**	**2017**
	(subscribers in thousands)		
Average postpaid subscribers	32,318	31,720	31,272
Average prepaid subscribers	8,924	8,785	9,863
Average retail subscribers	41,242	40,505	41,135

The table below summarizes ARPU. Additional information about ARPU for each quarter since the quarter ended March 31, 2016 may be found in the tables on the following pages.

	Year Ended March 31,		
	2019	2018	2017
ARPU [(1)]:			
Postpaid	$ 43.60	$ 45.70	$ 49.77
Prepaid	$ 34.98	$ 37.67	$ 34.46
Average retail	$ 41.73	$ 44.03	$ 46.10

(1) ARPU is calculated by dividing service revenue by the sum of the monthly average number of subscribers in the applicable service category. Changes in average monthly service revenue reflect subscribers for either the postpaid or prepaid service category who change rate plans, the level of voice and data usage, the amount of service credits which are offered to subscribers, plus the net effect of average monthly revenue generated by new subscribers and deactivating subscribers.

Year Ended March 31, 2019 compared to Year Ended March 31, 2018

Postpaid ARPU for the year ended March 31, 2019 decreased compared to the year ended March 31, 2018 primarily due to lower revenue allocated to service revenue following the adoption of Topic 606, lower service revenue resulting from subscriber migrations to lower price plans, increased promotional activities, and higher data device sales, which generally have a lower ARPU than handsets. Prepaid ARPU for the year ended March 31, 2019 decreased compared to the year ended March 31, 2018 primarily due to lower revenue allocated to service revenue following the adoption of Topic 606 and lower service revenue resulting from promotional activities (See *"Subscriber Results"* below for more information). See *Note 2. Summary of Significant Accounting Policies and Other Information* in Notes to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for the impact to our consolidated financial statements of adopting Topic 606.

Year Ended March 31, 2018 compared to Year Ended March 31, 2017

Postpaid ARPU for the year ended March 31, 2018 decreased compared to the year ended March 31, 2017 primarily due to lower service fees resulting from promotional activities, subscriber migrations to our service plans associated with device financing options, and lower device insurance program revenues as a result of entering into a Master Services Agreement with a vendor to provide post-sale device support services to subscribers. Prepaid ARPU for the year ended March 31, 2018 increased compared to the year ended March 31, 2017 primarily due to the removal of approximately 1.2 million low-engagement prepaid customers from our base as a result of aligning our churn and retention rules across all our prepaid brands, excluding Assurance Wireless, in the three-month period ended December 31, 2016 (See *"Subscriber Results"* below for more information).

The following table shows (a) net additions (losses) of wireless subscribers, (b) our total subscribers, and (c) end of period connected device subscribers as of the end of each quarterly period beginning with the quarter ended June 30, 2016.

	June 30, 2016	Sept 30, 2016	Dec 31, 2016	March 31, 2017	June 30, 2017	Sept 30, 2017	Dec 31, 2017	March 31, 2018	June 30, 2018	Sept 30, 2018	Dec 31, 2018	March 31, 2019
Net additions (losses) (in thousands) (1)												
Postpaid	180	344	405	(118)	(39)	168	256	39	123	109	309	169
Prepaid	(306)	(449)	(460)	195	35	95	63	170	3	(14)	(173)	(30)
Wholesale and affiliates	728	704	619	291	65	115	66	(165)	(69)	(115)	(88)	(147)
Total Wireless	602	599	564	368	61	378	385	44	57	(20)	48	(8)
End of period subscribers (in thousands) (1)												
Postpaid (2)(3)(5)(6)	30,945	31,289	31,694	31,576	31,518	31,686	31,942	32,119	32,187	32,296	32,605	32,774
Prepaid (3)(4)(5)(7)(8)(9)	10,636	10,187	8,493	8,688	8,719	8,765	8,997	8,989	9,033	9,019	8,846	8,816
Wholesale and affiliates (2)(4)(5)(7)(10)(11)	11,782	12,486	13,084	13,375	13,461	13,576	13,642	13,517	13,347	13,232	13,044	12,897
Total Wireless	53,363	53,962	53,271	53,639	53,698	54,027	54,581	54,625	54,567	54,547	54,495	54,487
Supplemental data - connected devices												
End of period subscribers (in thousands) (2)												
Retail postpaid	1,822	1,874	1,960	2,001	2,091	2,158	2,259	2,335	2,429	2,585	2,821	3,121
Wholesale and affiliates	9,244	9,951	10,594	10,880	11,100	11,221	11,272	11,162	10,963	10,838	10,563	10,384
Total	11,066	11,825	12,554	12,881	13,191	13,379	13,531	13,497	13,392	13,423	13,384	13,505

(1) *A subscriber is defined as an individual line of service associated with each device activated by a customer. Subscribers that transfer from their original service category classification to another service category are reflected as a net loss to the original service category and a net addition to their new service category. There is no net effect for such subscriber changes to the total wireless net additions (losses) or end of period subscribers.*

(2) *End of period connected devices are included in retail postpaid or wholesale and affiliates end of period subscriber totals for all periods presented.*

(3) *During the three-month period ended March 31, 2018, 167,000 non-Sprint branded prepaid subscribers on installment billing were transferred from prepaid to postpaid end of period subscriber totals. During the three-month period ended June 30, 2018, we ceased selling devices in our installment billing program under one of our brands and as a result,45,000 subscribers were migrated back to prepaid. See "Subscriber Results" below for more information.*

(4) *Sprint is no longer reporting Lifeline subscribers due to regulatory changes resulting in tighter program restrictions. We have excluded these subscribers from our subscriber base for all periods presented, including our Assurance Wireless prepaid brand and subscribers through our wholesale Lifeline MVNOs.*

(5) *As part of the Shentel transaction, 186,000 and 92,000 subscribers were transferred from postpaid and prepaid, respectively, to affiliates, of which 18,000 prepaid subscribers were subsequently excluded from our subscriber base as the result of the regulatory changes in the Lifeline program as noted in (4) above. An additional 270,000 of nTelos' subscribers are now part of our affiliate relationship with Shentel and are being reported in wholesale and affiliate subscribers during the three-month period ended June 30, 2016. In addition, during the three-month period ended June 30, 2017, 17,000 and 4,000 subscribers were transferred from postpaid and prepaid, respectively, to affiliates. During the three-month period ended March 31, 2018, 29,000 and 11,000 subscribers were transferred from postpaid and prepaid, respectively, to affiliates. During the three-month period ended June 30, 2018, 10,000 and 4,000 subscribers were transferred from postpaid and prepaid, respectively, to affiliates.*

(6) *During the three-month period ended June 30, 2017, 2,000 Wi-Fi connections were adjusted from the postpaid subscriber base.*

(7) *During the three-month period ended December 31, 2016, the Company aligned all prepaid brands, excluding Assurance Wireless but including prepaid affiliate subscribers, under one churn and retention program. As a result of this change, end of period prepaid and affiliate subscribers as of December 31, 2016 were reduced by 1,234,000 and 21,000, respectively. See "Subscriber Results" below for more information.*

(8) *During the three-month period ended September 30, 2017, the Prepaid Data Share platform It's On was decommissioned as the Company continues to focus on higher value contribution offerings resulting in a 49,000 reduction to prepaid end of period subscribers.*

(9) *During the three-month period ended December 31, 2017, prepaid end of period subscribers increased by 169,000 in conjunction with the PRWireless transaction.*

(10) *Subscribers through some of our MVNO relationships have inactivity either in voice usage or primarily as a result of the nature of the device, where activity only occurs when data retrieval is initiated by the end-user and may occur infrequently. Although we continue to provide these subscribers access to our network through our MVNO relationships, approximately 3,009,000 subscribers at March 31, 2019 through these MVNO relationships have been inactive for at least six months, with no associated revenue during the six-month period ended March 31, 2019 .*

(11) *On April 1, 2018, 115,000 wholesale subscribers were removed from the subscriber base with no impact to revenue. During the three-month period ended December 31, 2018, an additional 100,000 wholesale subscribers were removed from the subscriber base with no impact to revenue.*

The following table shows our average rates of monthly postpaid and prepaid subscriber churn as of the end of each quarterly period beginning with the quarter ended June 30, 2016.

	June 30, 2016	Sept 30, 2016	Dec 31, 2016	March 31, 2017	June 30, 2017 (2)	Sept 30, 2017	Dec 31, 2017	March 31, 2018	June 30, 2018	Sept 30, 2018	Dec 31, 2018	March 31, 2019
Monthly subscriber churn rate (1)												
Postpaid	1.56%	1.52%	1.67%	1.75%	1.65%	1.72%	1.80%	1.78%	1.63%	1.78%	1.85%	1.81%
Prepaid	5.39%	5.59%	5.74%	4.69%	4.57%	4.83%	4.63%	4.30%	4.17%	4.74%	4.83%	4.37%

(1) Churn is calculated by dividing net subscriber deactivations for the quarter by the sum of the average number of subscribers for each month in the quarter. For postpaid accounts comprising multiple subscribers, such as family plans and enterprise accounts, net deactivations are defined as deactivations in excess of subscriber activations in a particular account within 30 days. Postpaid and Prepaid churn consist of both voluntary churn, where the subscriber makes his or her own determination to cease being a subscriber, and involuntary churn, where the subscriber's service is terminated due to a lack of payment or other reasons.

(2) In the quarter ended June 30, 2017, the Company enhanced subscriber reporting to better align certain early-life gross activations and deactivations associated with customers who have not paid us after the initial subscriber transaction. This enhancement had no impact to net additions but did result in reporting lower gross additions and lower deactivations in the quarter. Without this enhancement, total postpaid churn in the quarter would have been 1.73% versus 1.65%.

The following table shows our postpaid and prepaid ARPU as of the end of each quarterly period beginning with the quarter ended June 30, 2016.

	June 30, 2016	Sept 30, 2016	Dec 31, 2016	March 31, 2017	June 30, 2017	Sept 30, 2017	Dec 31, 2017	March 31, 2018	June 30, 2018	Sept 30, 2018	Dec 31, 2018	March 31, 2019
ARPU												
Postpaid	$ 51.54	$ 50.54	$ 49.70	$ 47.34	$ 47.30	$46.00	$45.13	$ 44.40	$ 43.55	$43.99	$43.64	$ 43.25
Prepaid	$ 33.00	$ 33.15	$ 33.97	$ 38.48	$ 38.24	$37.83	$37.46	$ 37.15	$ 36.27	$35.40	$34.53	$ 33.67

Subscriber Results

Sprint Platform Subscribers

Retail Postpaid — During the year ended March 31, 2019 , net postpaid subscriber additions were 710,000 compared to 424,000 and 811,000 in the years ended March 31, 2018 and 2017 , respectively. Net subscriber results include tablet net losses of 46,000 , 515,000 , and 281,000 for the years ended March 31, 2019, 2018 and 2017, respectively, offset by additions in other data devices of 918,000 , 333,000 , and 162,000 , respectively, both of which generally have a significantly lower ARPU as compared to handset subscribers. The net postpaid subscriber additions for the year ended March 31, 2019 were primarily driven by net subscriber additions of other data devices and non-Sprint branded retail postpaid phones. During the year ended March 31, 2019, net postpaid subscriber additions under the non-Sprint branded postpaid plan offering were 388,000 and are included in total retail postpaid subscribers above. The increase in net postpaid subscriber additions for the fiscal year ended March 31, 2019 compared to March 31, 2018 is primarily due to an increase in additions of other data devices and non-Sprint branded retail postpaid phones, partially offset by an increase in postpaid phone churn driven by subscribers exiting multi-line introductory promotional offers, competitive pressures and network-related churn. Marketing efforts by other wireless carriers, including price reductions, to incent subscribers to switch carriers also negatively impact churn, which has a negative effect on earnings. The primary driver for the net postpaid subscriber additions in the years ended March 31, 2018 and 2017 was our promotional plan offerings launched during the year.

During fiscal year 2017, we introduced a non-Sprint branded postpaid offering allowing prepaid customers to purchase a device under our installment billing program. This program provides prepaid customers with access to this offer under their respective brands. Qualified customers on this non-Sprint branded postpaid offering receive an extension of credit to purchase their device. The subscriber will remain classified as postpaid at the conclusion of their installment billing payments. As a result of the extension of credit, approximately 167,000 prepaid subscribers were reclassified from the prepaid subscriber base into the postpaid subscriber base under their respective prepaid brand as a January 1, 2018 subscriber base adjustment. Subsequently during the quarter ended March 31, 2018, net subscriber additions under the non-Sprint branded postpaid plan offering were 44,000, which represents the associated net retail postpaid additions for the quarter and are included in total retail postpaid subscribers above.

Retail Prepaid — During the year ended March 31, 2019 , net prepaid subscriber losses were 214,000 compared to net additions of 363,000 and net losses of 1,020,000 in the years ended March 31, 2018 and 2017 , respectively. The net prepaid subscriber losses in the year ended March 31, 2019 were primarily due to the loss of prepaid customers qualifying for the non-Sprint branded postpaid offering as discussed above, combined with subscriber losses in the Virgin Mobile prepaid brand due to continued competitive pressures in the market. The net prepaid subscriber additions in the year ended March 31, 2018 were primarily due to growth in subscribers in the Boost Mobile prepaid brand, partially offset by subscriber losses in the Virgin Mobile prepaid brand due to continued competitive pressures in the market. The net prepaid subscriber losses in the year ended March 31, 2017 include subscriber losses across all prepaid brands due to continued competitive pressures in the market.

Historically, prepaid subscribers were generally deactivated between 60 and 150 days from the later of the date of initial activation or replenishment; however, prior to account deactivation, targeted retention programs were offered to qualifying subscribers to maintain ongoing service by providing up to an additional 150 days to make a replenishment. At September 30, 2016, each of our prepaid brands had different churn rules and retention programs. As a part of our ongoing efforts to simplify and drive consistency across our prepaid business, as well as tighten the customer engagement criteria, we aligned all prepaid brands, excluding Assurance Wireless, under one churn and retention program as of December 31, 2016. Therefore, all prepaid and prepaid affiliate subscribers, excluding Assurance Wireless, are now deactivated 60 days from the later of the date of initial activation or the most recent replenishment date. As a result of these changes, we had approximately 1.2 million fewer prepaid subscribers and 21,000 fewer prepaid affiliate subscribers in the base as of December 31, 2016. However, because we have deactivated customers with no engagement, we do not expect a material impact to future prepaid revenue. If these changes had been implemented for our prepaid subscriber base at the beginning of the December 31, 2016 quarter rather than the end, and thus been in effect for the entire three-month period, we estimate churn would have been 5.84% versus 5.80% and ARPU would have been $30.11 versus $27.61.

Wholesale and Affiliate Subscribers — Wholesale and affiliate subscribers represent customers that are served on our networks through companies that resell our wireless services to their subscribers, customers residing in affiliate territories and connected devices that utilize our network. Of the 12.9 million subscribers included in wholesale and affiliates, approximately 81% represent connected devices. Wholesale and affiliate net subscriber losses were 419,000 during the year ended March 31, 2019 , compared to net subscriber additions of 81,000 and 2,342,000 during the years ended March 31, 2018 and 2017 , respectively. Net subscriber results include connected device net losses of 565,000 for the year ended March 31, 2019, compared to net additions of 282,000 and 2,305,000 for the years ended March 31, 2018 and 2017, respectively. The driver for net losses in the year ended March 31, 2019 is primarily due to net losses in connected devices, partially offset by an increase in subscribers through prepaid and postpaid resellers. The decline in wholesale and affiliate net subscriber additions for the fiscal year ended March 31, 2018 compared to March 31, 2017 is primarily due to an MVNO arrangement to activate medical tracking devices on our network, which concluded towards the end of fiscal year 2016. The driver for net additions in the years ended March 31, 2018 and 2017 is primarily attributable to growth in connected devices.

Cost of Services

Cost of services consists primarily of:

- costs to operate and maintain our networks, including direct switch and cell site costs, such as rent, utilities, maintenance, labor costs associated with network employees, and spectrum frequency leasing costs;
- fixed and variable interconnection costs, the fixed component of which consists of monthly flat-rate fees for facilities leased from local exchange carriers and other providers based on the number of cell sites and switches in service in a particular period and the related equipment installed at each site, and the variable component generally consists of per-minute use fees charged by wireline providers for calls terminating on their networks and fluctuates in relation to the level and duration of those terminating calls;
- long distance costs paid to other carriers, and the Wireline segment through fiscal year 2017;
- regulatory fees;
- roaming fees paid to other carriers; and
- fixed and variable costs relating to payments to third parties for the subscriber use of their proprietary data applications, such as messaging, music and cloud services and connected vehicle fees.

Year Ended March 31, 2019 compared to Year Ended March 31, 2018

Cost of services increased $200 million , or 4% , for the year ended March 31, 2019 compared to the year ended March 31, 2018 primarily due to higher network costs including rent and backhaul. These increases were partially offset by a decrease in long distance due to the migration off of the Wireline network and lower service and repair costs.

Year Ended March 31, 2018 compared to Year Ended March 31, 2017

Cost of services decreased $1.1 billion , or 16% , for the year ended March 31, 2018 compared to the year ended March 31, 2017 primarily due to the impact of changes to our device insurance program, now administered by a vendor who provides post-sale device support to subscribers and bears the risk of loss on claims and related costs in exchange for a monthly recurring commission per subscriber, which the Company records as service revenue. In addition, network costs such as labor and backhaul were lower as a result of our transformation initiatives and network improvements, combined with a decrease in long distance primarily due to lower volume and rates.

Equipment Sales and Cost of Equipment Sales

Our devices are sold to customers through installment billing and subsidy programs. We recognize equipment sales and corresponding costs of equipment sales when title and risk of loss passes to the indirect dealer or end-use subscriber, assuming all other revenue recognition criteria are met. Under the installment billing program, the device is generally sold at full or a discounted retail price and we recognize most of the future expected installment payments at the time of sale of the device. Under the subsidy program, which has been de-emphasized, we offer certain incentives, such as new devices at heavily discounted prices, to retain and acquire subscribers. The cost of these incentives is recorded as a reduction to the total transaction price and allocated to performance obligations.

Cost of equipment sales includes equipment costs (primarily devices and accessories), order fulfillment related expenses, and write-downs of inventory related to shrinkage and obsolescence. Additionally, cost of equipment sales is reduced by any rebates that are earned from the equipment manufacturers. Cost of equipment sales in excess of the net revenue generated from equipment sales is referred to in the industry as equipment net subsidy. As postpaid subscribers migrate from acquiring devices through our subsidy program to our leasing or installment billing programs, equipment net subsidy continues to decline. We also make incentive payments to certain indirect dealers who purchase devices directly from OEMs or other device distributors. Under Topic 606, these incentive payments are included as a reduction of the total transaction price of customer contracts, resulting in a contract asset that is amortized to service revenue over the term of the contract.

The net impact to equipment sales revenue and cost of equipment sales from the sale of devices under our installment billing program is relatively neutral except for the impact from promotional offers.

Year Ended March 31, 2019 compared to Year Ended March 31, 2018

Equipment sales increased $1.1 billion , or 24% , for the year ended March 31, 2019 compared to the year ended March 31, 2018 primarily due to a higher amount of revenue allocated to equipment sales following the adoption of Topic 606 and higher average sales price per postpaid and prepaid devices sold. These increases were partially offset by a decrease in the volume of used postpaid devices sold to third parties, lower accessory revenue due to an accessory arrangement with Brightstar, and a decline in the number of postpaid and prepaid devices sold. The fees earned under the arrangement with Brightstar are recorded as other revenue and included in wholesale, affiliate and other revenues. See *Note 2. Summary of Significant Accounting Policies and Other Information* in Notes to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for the impact to our consolidated financial statements of adopting Topic 606. Cost of equipment sales remained relatively flat, decreasing $27 million for the year ended March 31, 2019 compared to the year ended March 31, 2018 primarily due to a decrease in volume of used postpaid devices sold to third parties, a decline in postpaid and prepaid devices sold as a result of the higher mix of postpaid subscribers choosing to lease their devices and lower accessory costs due to our Brightstar Accessories Arrangement. These decreases were partially offset by a higher average cost per postpaid and prepaid devices sold.

Year Ended March 31, 2018 compared to Year Ended March 31, 2017

Equipment sales decreased $160 million , or 3% , for the year ended March 31, 2018 compared to the year ended March 31, 2017 primarily due to a decrease in the number of postpaid devices sold as a result of the higher mix of subscribers choosing to lease a device as opposed to purchasing a device and lower accessory revenue due to the Brightstar Accessory Arrangement. The fees earned under this arrangement are recorded as other revenue and included in wholesale, affiliate and other revenues. These decreases were partially offset by an increase in the volume of used postpaid devices sold to third parties and higher average sales price per postpaid and prepaid devices sold. Cost of equipment sales decreased $474 million , or 7% , for the year ended March 31, 2018 compared to the year ended March 31, 2017 primarily due to a decrease in devices sold as a result of the higher mix of postpaid subscribers choosing to lease their devices and lower accessory costs due to the Brightstar Accessory Arrangement, partially offset by an increase in the volume of used devices sold to third parties and higher average cost per postpaid and prepaid devices sold.

Equipment Rentals and Cost of Equipment Rentals

Under our leasing program, we recognize revenue from equipment rentals over the term of the operating lease. Cost of equipment rentals includes losses on disposal of property, plant and equipment, net of recoveries, resulting from the write-off of leased devices and rent expense associated with the handset sale-leaseback tranche 1 transaction (Tranche 1) until it was terminated in conjunction with the repurchase of devices in December 2016. The losses on disposal of property, plant and equipment, net of recoveries, result from the write-off of leased devices associated with lease cancellations prior to the scheduled customer lease terms where customers did not return the devices to us. We expect to incur losses in future periods as a result of customers who do not return devices under our leasing program.

We expect that the revenues derived from leasing our devices to customers will be less than the costs of the devices as the life of the device exceeds the contractual lease period. We offer the Sprint Flex program to customers as an additional option to purchase services utilizing our wireless network. While revenue derived from providing devices to customers contributes to our consolidated earnings, wireless service is the major contributor. Therefore, we believe the evaluation of the Company's central operations, which is to provide wireless service to customers, are best viewed at the consolidated level. Accordingly, we believe consolidated level metrics such as operating income and cash flows from operations are the best indicators of our overall ability to generate cash.

Year Ended March 31, 2019 compared to Year Ended March 31, 2018

Equipment rentals increased $1.1 billion , or 27% , for the year ended March 31, 2019 compared to the year ended March 31, 2018 primarily due to higher revenue from the leasing program as more subscribers are choosing to lease their device and the mix of devices leased. Cost of equipment rentals increased $150 million , or 30% , for the year ended March 31, 2019 compared to the year ended March 31, 2018 primarily due to an increase in loss on disposal of property, plant and equipment, net of recoveries associated with non-returned leased devices.

Year Ended March 31, 2018 compared to Year Ended March 31, 2017

Equipment rentals increased $753 million , or 23% , for the year ended March 31, 2018 compared to the year ended March 31, 2017 primarily due to higher revenue from the leasing program as more subscribers chose to lease their device. Cost of equipment rentals decreased $482 million , or 49% , for the year ended March 31, 2018 compared to the year ended March 31, 2017 primarily due to the decrease in rental payments under the Tranche 1 transaction prior to its termination in December 2016.

Selling, General and Administrative Expense

Sales and marketing costs primarily consist of subscriber acquisition costs, including commissions paid to our indirect dealers, third-party distributors and retail sales force for new device activations and upgrades, residual payments to our indirect dealers, commission payments made to OEMs or other device distributors for direct source handsets, payroll and facilities costs associated with our retail sales force, marketing employees, advertising, media programs and sponsorships, including costs related to branding. Upon the adoption of Topic 606, commission costs determined to be incremental, recoverable and directly associated with subscriber contracts are deferred and amortized to sales and marketing expense. General and administrative expenses primarily consist of costs for billing, customer care and information technology operations, bad debt expense and administrative support activities, including collections, legal, finance, human resources, corporate communications, and strategic planning.

Year Ended March 31, 2019 and Year Ended March 31, 2018

Sales and marketing expense decreased $625 million , or 12% , for the year ended March 31, 2019 compared to the year ended March 31, 2018 primarily due to lower commission costs as a result of the adoption of Topic 606 combined with lower marketing costs. See *Note 2. Summary of Significant Accounting Policies and Other Information* in Notes to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for the impact to our consolidated financial statements of adopting Topic 606.

General and administrative costs increased $57 million , or 2% , for the year ended March 31, 2019 compared to the year ended March 31, 2018 primarily due to higher customer care costs and bad debt expense, partially offset by a decline in other general and administrative costs. Bad debt expense increased $50 million , or 15% , for the year ended March 31, 2019 compared to the year ended March 31, 2018 primarily related to higher reserves associated with recently launched iconic devices, partially offset by lower installment billing reserves due to fewer subscribers entering into installment billing contracts and a decline in service revenue bad debt. We reassess our allowance for doubtful accounts quarterly.

Year Ended March 31, 2018 and Year Ended March 31, 2017

Sales and marketing expense increased $161 million , or 3% , for the year ended March 31, 2018 compared to the year ended March 31, 2017 primarily due to an increase in marketing costs as a result of higher media spending due to prepaid brand investment in the Boost Mobile and Virgin Mobile brands, combined with higher postpaid national media spending.

General and administrative costs decreased $141 million , or 5% , for the year ended March 31, 2018 compared to the year ended March 31, 2017 primarily due to lower bad debt expense, partially offset by an increase in other general and administrative costs. Bad debt expense decreased $210 million , or 38% , for the year ended March 31, 2018 compared to the year ended March 31, 2017 primarily related to a decrease in installment billing accounts, partially offset by an increase in service revenue bad debt resulting from higher reserve rates and an increase in accounts written off due to higher churn. We reassess our allowance for doubtful accounts quarterly.

Segment Earnings - Wireline

We provide a suite of wireline communications services to other communications companies and targeted business customers. In addition, we provide data and IP communication services to our Wireless segment. We provide long distance services and operate all-digital global long distance and Tier 1 IP networks. Our services and products include domestic and international data communications using various protocols such as multiprotocol label switching technologies (MPLS), IP, managed network services, Voice over Internet Protocol (VoIP), and Session Initiated Protocol (SIP). Our IP services can also be combined with wireless services. Such services include our Sprint Mobile Integration service, which enables a wireless handset to operate as part of a subscriber's wireline voice network, and our DataLink SM service, which uses our wireless networks to connect a subscriber location into their primarily wireline wide-area IP/MPLS data network, making it easy for businesses to adapt their network to changing business requirements.

We continue to assess the portfolio of services provided by our Wireline business and are focusing our efforts on IP-based data services. Standalone voice services have been discontinued and we continue to de-emphasize and shutdown non-IP-based data services. Our Wireline segment markets and sells its services primarily through direct sales representatives.

Wireline segment earnings are primarily a function of wireline service revenue, network and interconnection costs, and other Wireline segment operating expenses. Network costs primarily represent special access costs and interconnection costs, which generally consist of domestic and international per-minute usage fees paid to other carriers. The remaining costs associated with operating the Wireline segment include the costs to operate our customer care and billing organizations in addition to administrative support. Wireline service revenue and variable network and interconnection costs fluctuate with the changes in our customer base and their related usage, but some cost elements do not fluctuate in the short-term with the changes in our customer usage. Our wireline services provided to our Wireless segment are generally accounted for based on market rates, which we believe approximate fair value. The Company generally re-establishes these rates at the beginning of each fiscal year. The impact of intercompany pricing rate changes to our Wireline segment earnings does not affect our consolidated results of operations as our Wireless segment has an equivalent offsetting impact in cost of services.

The following table provides an overview of the results of operations of our Wireline segment.

	Year Ended March 31,		
Wireline Segment (Loss) Earnings	2019	2018	2017
		(in millions)	
Total net service revenues	$ 1,296	$ 1,579	$ 2,043
Cost of services	(1,141)	(1,427)	(1,686)
Selling, general and administrative expense	(224)	(270)	(238)
Total net operating expenses	(1,365)	(1,697)	(1,924)
Wireline segment (loss) earnings	$ (69)	$ (118)	$ 119

Service Revenues

Year Ended March 31, 2019 compared to Year Ended March 31, 2018

Service revenues for the year ended March 31, 2019 decreased $283 million , or 18% , compared to the year ended March 31, 2018 . The decrease was driven by lower voice volumes as the Company has discontinued standalone voice services combined with fewer customers using IP-based data services.

Year Ended March 31, 2018 compared to Year Ended March 31, 2017

Service revenues for the year ended March 31, 2018 decreased $464 million , or 23% , compared to the year ended March 31, 2017 . The decrease was primarily driven by lower voice volumes and rate declines as the Company de-emphasized voice services, combined with fewer customers using IP-based data services and the decline in prices for the sale of services to our Wireless segment.

Costs of Services

Costs of services include access costs paid to local phone companies, other domestic service providers and foreign phone companies to complete calls made by our domestic subscribers, costs to operate and maintain our networks, and costs of customer premise equipment.

Year Ended March 31, 2019 compared to Year Ended March 31, 2018

Costs of services decreased $286 million , or 20% , for the year ended March 31, 2019 compared to the year ended March 31, 2018 primarily due to lower access expense as the result of savings initiatives and discontinuing standalone voice services. Service gross margin percentage increased from 10% in the year ended March 31, 2018 to 12% in the year ended March 31, 2019 .

Year Ended March 31, 2018 compared to Year Ended March 31, 2017

Costs of services decreased $259 million , or 15% , for the year ended March 31, 2018 compared to the year ended March 31, 2017 primarily due to lower access expense as the result of savings initiatives, the de-emphasis of voice services, and lower network labor costs combined with lower international voice rates and volume. Service gross margin percentage decreased from 17% in the year ended March 31, 2017 to 10% in the year ended March 31, 2018 .

Selling, General and Administrative Expense

Year Ended March 31, 2019 compared to Year Ended March 31, 2018

Selling, general and administrative expense decreased $46 million , or 17% , for the year ended March 31, 2019 compared to the year ended March 31, 2018 primarily due to lower shared administrative and employee-related costs required to support the Wireline segment as a result of the decline in revenue. Total selling, general and administrative expense as a percentage of net service revenues was 17% for the years ended March 31, 2019 and 2018 , respectively.

Year Ended March 31, 2018 compared to Year Ended March 31, 2017

Selling, general and administrative expense increased $32 million , or 13% , for the year ended March 31, 2018 compared to the year ended March 31, 2017 primarily due to higher sales and marketing expense, combined with an increase in shared administrative and employee-related costs. Total selling, general and administrative expense as a percentage of net service revenues was 17% in the year ended March 31, 2018 compared to 12% in the year ended March 31, 2017 .

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LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

	Year Ended March 31,		
	2019	2018	2017
	(in millions)		
Net cash provided by (used in) operating activities	$ 10,429	$ 10,062	$ (3,290)
Net cash used in investing activities	$ (9,542)	$ (6,135)	$ (1,695)
Net cash (used in) provided by financing activities	$ (483)	$ (210)	$ 5,286

Operating Activities

Net cash provided by operating activities of $10.4 billion for the year ended March 31, 2019 increased $367 million compared to the same period in 2018 . The change was primarily due to increased cash received from customers of $1.4 billion, of which $917 million is related to an increase in installment billing receivables collected due to an amendment to our Accounts Receivable Facility (Receivables Facility) in February 2017. All cash collected on the underlying receivables generated before the amendment was reflected in investing activities, including repurchased receivables. All cash collected on receivables generated after the amendment is reflected in operating activities as described below in *Accounts Receivable Facility* . The increased cash received from customers was partially offset by higher vendor- and labor-related payments of $978 million primarily due to unfavorable changes in working capital.

Net cash provided by operating activities of $10.1 billion for the year ended March 31, 2018 improved $13.4 billion from the same period in 2017 . This was primarily due to an increase of $9.4 billion due to an amendment to our Receivables Facility in February 2017. All cash collected on the underlying receivables generated before the amendment was reflected in investing activities, including repurchased receivables. All cash collected on receivables generated after the amendment is reflected in operating activities as described below in *Accounts Receivable Facility* . In addition, vendor- and labor-related payments decreased by $3.2 billion due to a decline in cost of equipment sales primarily due to lower device sales under our installment billing and subsidy programs as a result of a higher mix of postpaid subscribers choosing to lease their devices, lower accessory costs due to the Brightstar Accessory Arrangement, lower cost of equipment rentals primarily due to the reduction in rental payments under the Tranche 1 transaction prior to its termination in December 2016, and favorable changes in working capital. The decline in vendor- and labor-related payments was partially offset by higher average cost per postpaid and prepaid devices sold. Also, during the year ended March 31, 2018 , interest payments decreased $193 million primarily due to repayment of higher interest debt offset by the issuance of lower interest debt.

Net cash used in operating activities of $3.3 billion for the year ended March 31, 2017 increased $2.9 billion from the same period in 2016 . This change was primarily due to an increase in receivables sold through our Receivables Facility during the year ended March 31, 2017 , resulting in an increase of $2.6 billion in cash collected on the deferred purchase price (DPP) from the sale of the underlying receivables, which is now reflected in investing activities under the new authoritative guidance adopted on January 1, 2018. Also, during the year ended March 31, 2017 , we had increased interest payments of $254 million primarily due to the network equipment sale-leaseback, the unsecured financing facility, the Receivables Facility, and the first spectrum financing transaction (2016 Spectrum Transaction) in October 2016. This was partially offset by lower vendor- and labor-related payments of $526 million, which were primarily due to reduced operating costs resulting from the Company's ongoing cost reduction initiatives.

Investing Activities

Net cash used in investing activities for the year ended March 31, 2019 increased by $3.4 billion compared to the same period in 2018 , primarily due to increased network and other capital expenditures of $1.6 billion to enhance coverage and capacity across the network and in support of the 5G network build. We also had decreased net proceeds from short-term investments of $1.1 billion. In addition, we had a decrease of $917 million due to an amendment to our Receivables Facility in February 2017. All cash collected on the underlying receivables generated after the amendment is reflected in operating activities as described below in *Accounts Receivable Facility* . These activities were partially offset by $110 million borrowed against the cash surrender value of corporate owned life insurance policies.

Net cash used in investing activities for the year ended March 31, 2018 increased by $4.4 billion compared to the same period in 2017 primarily due to a decrease of $9.4 billion due to an amendment to our Receivables Facility in February 2017. All cash collected on the underlying receivables generated after the amendment is reflected in operating activities, as described below in *Accounts Receivable Facility* . In addition, we had increased purchases of $2.5 billion of leased devices and increased network and other capital expenditures of $1.4 billion. These changes were partially offset by increased net proceeds of short-term investments of $8.5 billion.

Net cash used in investing activities for the year ended March 31, 2017 increased by $280 million compared to the same period in 2016 primarily due to increased net purchases of short-term investments of $5.6 billion. This increase was offset by decreased network and other capital expenditures of $2.7 billion and decreased purchases of leased devices of $922 million. The decreased purchases of leased devices were partially offset by $477 million of repurchased devices due to the termination of Tranche 1. In addition, due to an increase in receivables sold through our Receivables Facility during the year ended March 31, 2017 , we had an increase of $2.6 billion in cash collected on the DPP from the sale of the underlying receivables, which is now reflected in investing activities under the new authoritative guidance adopted on January 1, 2018. Also, we had $1.1 billion of proceeds from the Tranche 1 transaction during the year ended March 31, 2016 .

Financing Activities

Net cash used in financing activities was $483 million for the year ended March 31, 2019 . Total principal repayments include $6.7 billion , $1.8 billion , $875 million and $197 million for the Receivables Facility, Sprint Communications 9.000% Guaranteed Notes due 2018, the 2016 spectrum financing transaction and the secured equipment credit facilities, respectively. Additionally, we paid $321 million in debt financing costs primarily due to fees related to the consent solicitations as a result of the Business Combination Agreement with T-Mobile. These payments were partially offset by Receivables Facility proceeds of $6.9 billion , proceeds from incremental secured term loans (Incremental Term Loan) of $2.0 billion , proceeds from secured equipment credit facilities of $331 million and proceeds from issuance of common stock, net of $291 million primarily related to SoftBank exercising its warrant in full to purchase 55 million shares of Sprint common stock in July 2018.

Net cash used in financing activities was $210 million for the year ended March 31, 2018 , which consisted of the retirement of $1.3 billion principal amount of outstanding Sprint Communications 8.375% Notes due 2017 and $1.2 billion principal amount of outstanding Sprint Communications 9.000% Guaranteed Notes due 2018. In addition, we had principal repayments of $342 million, $214 million, $2.2 billion, $1.9 billion, $629 million and $438 million for the handset sale-leaseback tranche 2 transaction (Tranche 2), secured equipment credit facilities, Receivables Facility, network equipment sale-leaseback transaction, Clearwire Communications LLC 8.25% exchangeable notes and the 2016 Spectrum Transaction, respectively. These retirements and principal repayments were offset by debt issuances of $3.9 billion in senior secured notes under the second spectrum financing transaction (2018 Spectrum Transaction) and $1.5 billion of Sprint Corporation 7.625% senior notes. We also had Receivables Facility and secured equipment credit facilities draws of $2.7 billion and $310 million, respectively. Also, during the year ended March 31, 2018 , we paid $131 million due to the early retirement of Sprint Communications 8.375% Notes due 2017 and 9.000% Guaranteed Notes due 2018.

Net cash provided by financing activities was $5.3 billion for the year ended March 31, 2017 , which was primarily due to cash receipts of $2.2 billion, $1.1 billion, $3.5 billion and $4.0 billion from the network equipment sale-leaseback, Tranche 2 transaction, 2016 Spectrum Transaction and the secured term loan, respectively. These receipts were partially offset by repayments of $654 million, $375 million, $300 million and $416 million for the Tranche 2 transaction, secured equipment credit facilities, network equipment sale-leaseback and Receivables Facility, respectively. We also retired $2.0 billion in principal amount of Sprint Communications 6% senior notes due 2016, $1.0 billion in principal amount of Sprint Communications 9.125% senior notes due 2017, $300 million principal amount of Clearwire Communications LLC 14.75% secured notes due 2016 and repaid $250 million of the EDC credit facility. In addition, we paid a total of $358 million in debt finance costs for the unsecured financing facility, network equipment sale-leaseback, 2016 Spectrum Transaction, the secured term loan and secured revolving bank credit facility.

Working Capital

We had working capital of $776 million and $3.5 billion as of March 31, 2019 and 2018 , respectively. The change in working capital was primarily due to a decline in short-term investments driven by the increase in network expenditures as described above and increases in the current portion of long-term debt, financing and capital lease obligations. The increases in the current portion of long-term debt, financing and capital lease obligations primarily consisted of $1.7 billion of Sprint Capital Corporation 6.900% Notes due 2019 and $1.0 billion of Sprint Communications Guaranteed Notes due 2020. These were partially offset by principal repayments of $1.8 billion of Sprint Communications 9.000% Guaranteed Notes due 2018. The remaining balance was due to changes to other working capital items.

Long-Term Debt and Other Funding Sources

Our device leasing and installment billing programs require a greater use of operating cash flow in the early part of the device contracts as our subscribers will generally pay less upfront than through our traditional subsidy program. The

Receivables Facility described below was designed to help mitigate the significant use of cash from purchasing devices from OEMs to fulfill our installment billing and leasing programs.

Accounts Receivable Facility

Our Receivables Facility provides us the opportunity to sell certain wireless service receivables, installment receivables, and future amounts due from customers who lease certain devices from us to unaffiliated third parties (the Purchasers). The maximum funding limit under the Receivables Facility is $4.5 billion . In February 2017, the Receivables Facility was amended and Sprint regained effective control over the receivables transferred to the Purchasers by obtaining the right, under certain circumstances, to repurchase them. Subsequent to the February 2017 amendment, all proceeds received from the Purchasers in exchange for the transfer of our wireless service and installment receivables are recorded as borrowings. Repayments and borrowings under the Receivables Facility are reported as financing activities in the consolidated statements of cash flows. All cash collected on repurchased receivables subsequent to the February 2017 amendment was recognized in investing activities in the consolidated statements of cash flows. In June 2018, the Receivables Facility was again amended to, among other things, extend the maturity date to June 2020, increase the maximum funding limit by $200 million , reduce financing costs and add month-to-month lease receivables as eligible receivables for leases that extend past their original lease term. While we have the right to decide how much cash to receive from each sale, the maximum amount of cash available to us varies based on a number of factors and, as of March 31, 2019 , represents approximately 50% of the total amount of the eligible receivables sold to the Purchasers. As of March 31, 2019 , the total amount outstanding under our Receivables Facility was $2.6 billion and the total amount available to be drawn was $867 million . However, subsequent to March 31, 2019 , Sprint repaid $800 million under the Receivables Facility reducing amounts outstanding to $1.8 billion . During the year ended March 31, 2019 , we drew $6.9 billion and repaid $6.7 billion to the Purchasers, which were reflected as financing activities in the consolidated statements of cash flows. Sprint contributes certain wireless service, installment and future lease receivables, as well as the associated leased devices, to Sprint's wholly-owned consolidated bankruptcy-remote special purpose entities (SPEs). At Sprint's direction, the SPEs have sold, and will continue to sell, wireless service, installment and future lease receivables to the Purchasers or to a bank agent on behalf of the Purchasers. Leased devices will remain with the SPEs, once sales are initiated, and continue to be depreciated over their estimated useful life. As of March 31, 2019 , wireless service, installment and lease receivables contributed to the SPEs and included in "Accounts and notes receivable, net" in the consolidated balance sheets were $2.5 billion and the long-term portion of installment receivables included in "Other assets" in the consolidated balance sheets was $231 million . As of March 31, 2019 , the net book value of devices contributed to the SPEs was $6.6 billion .

Spectrum Financings

In October 2016, certain subsidiaries of Sprint Communications, which were not "Restricted Subsidiaries" under Sprint Capital Corporation's indentures, transferred certain directly held and third-party leased spectrum licenses (collectively, Spectrum Portfolio) to wholly-owned bankruptcy-remote special purpose entities (collectively, Spectrum Financing SPEs). The Spectrum Portfolio, which represented approximately 14% of Sprint's total spectrum holdings on a MHz-pops basis, was used as collateral to raise an initial $3.5 billion in senior secured notes (2016 Spectrum-Backed Notes) bearing interest at 3.36% per annum under a $7.0 billion securitization program. The 2016 Spectrum-Backed Notes are repayable over a five -year term, with interest-only payments over the first four quarters and amortizing quarterly principal payments thereafter commencing in December 2017 through September 2021. During the year ended March 31, 2019 , we made scheduled principal repayments of $875 million , resulting in a total principal amount outstanding related to the 2016 Spectrum-Backed Notes of $2.2 billion as of March 31, 2019 , of which $875 million was classified as "Current portion of long-term debt, financing and capital lease obligations" in the consolidated balance sheets.

In March 2018, we amended the transaction documents governing the securitization program to allow for the issuance of more than $7.0 billion of notes outstanding pursuant to the securitization program subject to certain conditions, which, among other things, may require the contribution of additional spectrum. Also, in March 2018, we issued approximately $3.9 billion in aggregate principal amount of senior secured notes under the existing $7.0 billion securitization program, consisting of two series of senior secured notes. The first series of notes totaled $2.1 billion in aggregate principal amount, bears interest at 4.738% per annum, have quarterly interest-only payments until June 2021, and amortizing quarterly principal amounts thereafter commencing in June 2021 through March 2025. The second series of notes totaled approximately $1.8 billion in aggregate principal amount, bears interest at 5.152% per annum, have quarterly interest-only payments until June 2023, and amortizing quarterly principal amounts thereafter commencing in June 2023 through March 2028. The Spectrum Portfolio, which also serves as collateral for the 2016 Spectrum-Backed Notes, remains substantially identical to the original portfolio from October 2016.

Simultaneously with the October 2016 offering, Sprint Communications entered into a long-term lease with the Spectrum Financing SPEs for the ongoing use of the Spectrum Portfolio. The spectrum lease is an executory contract, which for accounting purposes is treated in a similar manner to an operating lease. Sprint Communications is required to make monthly lease payments to the Spectrum Financing SPEs at a market rate. The lease payments, which are guaranteed by Sprint Corporation and certain subsidiaries (none of which are "Restricted Subsidiaries" under Sprint Capital Corporation's indentures) of Sprint Communications (and are secured together with the obligations under another transaction document by substantially all of the assets of such entities on a pari passu basis up to an aggregate cap of $3.5 billion with the grant of security under the secured term loan and revolving bank credit facility and EDC (as defined below) agreement), are sufficient to service all outstanding series of the senior secured notes and the lease also constitutes collateral for the senior secured notes. Because the Spectrum Financing SPEs are wholly-owned Sprint subsidiaries, these entities are consolidated and all intercompany activity has been eliminated.

Each Spectrum Financing SPE is a separate legal entity with its own separate creditors who will be entitled, prior to and upon the liquidation of the Spectrum Financing SPEs, to be satisfied out of the Spectrum Financing SPEs' assets prior to any assets of the Spectrum Financing SPEs becoming available to Sprint. Accordingly, the assets of the Spectrum Financing SPEs are not available to satisfy the debts and other obligations owed to other creditors of Sprint until the obligations of the Spectrum Financing SPEs under the spectrum-backed senior secured notes are paid in full.

In June 2018, we obtained the consent of the control party under the spectrum-backed senior secured notes indenture to amend the indenture such that the proposed merger transaction with T-Mobile, if consummated, will not constitute a change of control as defined in the indenture.

Long-Term Debt

In November 2018, Sprint Communications retired $1.8 billion aggregate principal amount upon maturity of its outstanding 9.000% Guaranteed Notes.

Credit Facilities

Secured Term Loan and Revolving Bank Credit Facility

On February 3, 2017, we entered into a $6.0 billion credit agreement, consisting of a $4.0 billion , seven -year secured term loan (Initial Term Loan) that matures in February 2024 and a $2.0 billion secured revolving bank credit facility that expires in February 2021. The bank credit facility requires a ratio (Leverage Ratio) of total indebtedness to trailing four quarters earnings before interest, taxes, depreciation and amortization and other non-recurring items, as defined by the bank credit facility (adjusted EBITDA), not to exceed 3.75 to 1.0 through the fiscal quarter ending December 31, 2019. The Leverage Ratio must not exceed 3.5 to 1.0 for the fiscal quarter ended March 31, 2020 and each fiscal quarter ending thereafter through expiration of the facility. The Initial Term Loan has an interest rate equal to LIBOR plus 250 basis points and the secured revolving bank credit facility has an interest rate equal to LIBOR plus a spread that varies depending on the Leverage Ratio. During the year ended March 31, 2019 , we made principal repayments on the Initial Term Loan totaling $40 million , resulting in a total principal amount outstanding for the Initial Term Loan of $3.9 billion as of March 31, 2019 .

On November 26, 2018, the credit agreement was amended to, among other things, authorize Incremental Term Loans totaling $2.0 billion , of which $1.1 billion was borrowed. On February 26, 2019, the remaining $900 million was borrowed. The Incremental Term Loans mature in February 2024, have interest rates equal to LIBOR plus 300 basis points and increased the total credit facility to $8.0 billion .

PRWireless Term Loan

During the three-month period ended December 31, 2017, Sprint and PRWireless PR, Inc. completed a transaction to combine their operations in Puerto Rico and the U.S. Virgin Islands into a new entity. Prior to the formation of the new entity, PRWireless PR, Inc. had incurred debt under a secured term loan, which became debt of the new entity upon the transaction close. The secured term loan bears interest at 5.25% plus LIBOR and expires in June 2020. Any amounts repaid early may not be drawn again. During the year ended March 31, 2019 , the joint venture borrowed $18 million and made principal repayments totaling $2 million , resulting in a total principal amount outstanding of $198 million as of March 31, 2019 , with an additional $2 million remaining available. Sprint has provided an unsecured guarantee of repayment of the secured term loan obligations. The secured portion of the facility is limited to assets of the joint venture as the borrower.

Export Development Canada (EDC) Agreement

As of March 31, 2019 , the EDC agreement provided for security and covenant terms similar to our secured term loan and revolving bank credit facility. However, under the terms of the EDC agreement, repayments of outstanding amounts cannot be redrawn. As of March 31, 2019 , the total principal amount outstanding under the EDC facility was $300 million .

Secured equipment credit facilities

Finnvera plc (Finnvera)

The Finnvera secured equipment credit facility provided for the ability to finance network equipment-related purchases from Nokia Solutions and Networks US LLC, USA. During the year ended March 31, 2019 , we made principal repayments totaling $82 million on the facility, resulting in a total principal amount of $92 million outstanding as of March 31, 2019 .

K-sure

The K-sure secured equipment credit facility provides for the ability to finance network equipment-related purchases from Samsung Telecommunications America, LLC. In October 2018, we amended the secured equipment credit facility to extend the borrowing availability through September 2019. Such borrowings are contingent upon the amount and timing of network equipment-related purchases made by Sprint. During the year ended March 31, 2019 , we drew $331 million and made principal repayments totaling $75 million on the facility, resulting in a total principal amount of $450 million outstanding at March 31, 2019 .

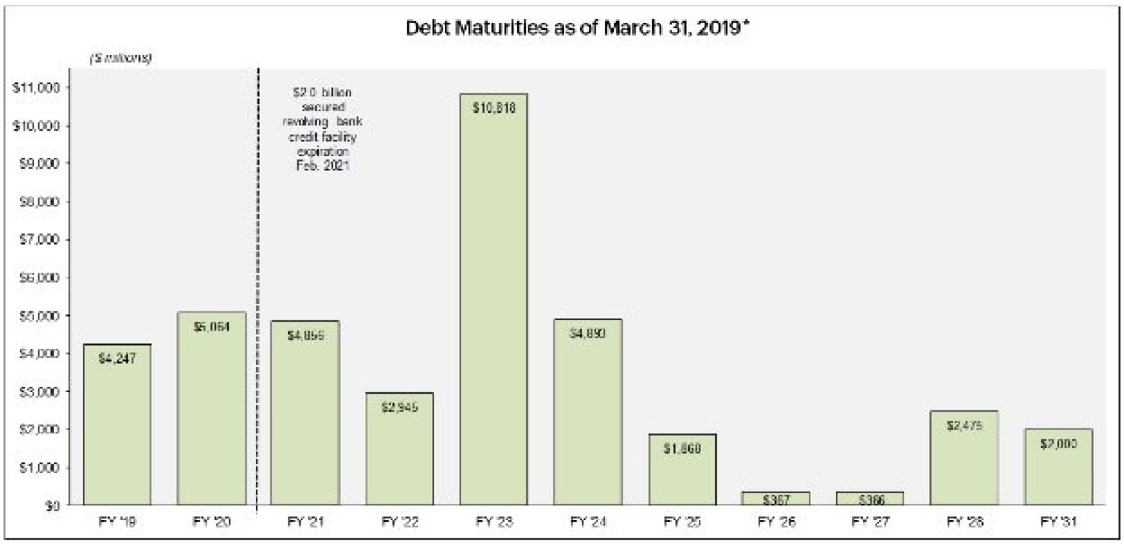
Delcredere | Ducroire (D/D)

The D/D secured equipment credit facility provided for the ability to finance network equipment-related purchases from Alcatel-Lucent USA Inc. In September 2017, we amended the secured equipment credit facility to restore previously expired commitments of $150 million . During the year ended March 31, 2019 , we made principal repayments totaling $40 million on the facility, resulting in a total principal amount of $119 million outstanding as of March 31, 2019 .

Borrowings under the Finnvera, K-sure and D/D secured equipment credit facilities are each secured by liens on the respective network equipment purchased. In addition, repayments of outstanding amounts borrowed under the secured equipment credit facilities cannot be redrawn. Each of these facilities is fully and unconditionally guaranteed by both Sprint Communications and Sprint Corporation. As of March 31, 2019 , the K-sure facility had $96 million of available borrowing capacity, and the Finnvera and D/D facilities had no available borrowing capacity.

As of March 31, 2019 , our Leverage Ratio, as defined by our secured revolving bank credit facility, was 3.0 to 1.0 . Because our Leverage Ratio exceeded 2.5 to 1.0 at period end, we were restricted from paying cash dividends.

The following graph depicts our future fiscal year principal maturities of debt as of March 31, 2019 :



*Excludes (i) our $2.0 billion secured revolving bank credit facility, which will expire in 2021 and has no outstanding balance, (ii) $118 million in letters of credit outstanding under the secured revolving bank credit facility, (iii) $429 million of capital leases and other obligations, and (iv) net premiums and debt financing costs.

Liquidity and Capital Resources

As of March 31, 2019 , our liquidity, including cash and cash equivalents, short-term investments, available borrowing capacity under our secured revolving bank credit facility and availability under our Receivables Facility, was $9.8 billion . Our cash, cash equivalents and short-term investments totaled $7.0 billion as of March 31, 2019 compared to $9.0 billion as of March 31, 2018 . As of March 31, 2019 , we had availability of $1.9 billion under the secured revolving bank credit facility. Amounts available under our Receivables Facility as of March 31, 2019 totaled $867 million .

In addition, as of March 31, 2019 , we had available borrowing capacity of $96 million under our K-sure secured equipment credit facility. However, utilization of this facility is dependent upon the amount and timing of network equipment-related purchases from the applicable supplier and the associated availability under the facility.

As of March 31, 2019 , we offered two device financing programs that allow subscribers to forgo traditional service contracts and pay less upfront for devices in exchange for lower monthly service fees, early upgrade options, or both. While a majority of the revenue associated with the installment billing program is recognized at the time of sale along with the related cost of equipment sales, lease revenue associated with our leasing program is recorded monthly over the term of the lease and the cost of the device is depreciated to its estimated residual value generally over the lease term, which creates a positive impact to Wireless segment earnings. If the mix of leased devices continues to increase, we expect this positive impact on the financial results of Wireless segment earnings to continue and depreciation expense to increase. The leasing and installment billing programs will continue to require a greater use of cash flows in the earlier part of the contracts as the subscriber will generally pay less upfront than through our traditional subsidy program because they are financing the device. The Receivables Facility was established to help mitigate the use of cash from purchasing devices from OEMs to fulfill our leasing and installment billing programs.

To meet our liquidity requirements, we look to a variety of sources. In addition to our existing cash and cash equivalents, short-term investments, and cash generated from operating activities, we raise funds as necessary from external sources. We rely on our ability to issue debt and equity securities, the ability to access other forms of financing, including debt financing, some of which is secured by our assets, proceeds from the sale of certain accounts receivable and future lease receivables, proceeds from future financing transactions, such as spectrum, and the borrowing capacity available under our credit facilities to support our short- and long-term liquidity requirements. We believe our existing available liquidity and cash flows from operations will be sufficient to meet our funding requirements over the next twelve months, including debt service requirements and other significant future contractual obligations.

To maintain an adequate amount of available liquidity and execute our current business plan, which includes, among other things, network deployment and maintenance, subscriber growth, data usage capacity needs and the expected achievement of a cost structure intended to improve profitability and to meet our long-term debt service requirements and other significant future contractual obligations, we will need to continue to raise additional funds from external sources. If we are unable to obtain external funding, continue to operationalize the most effective cost structure, or are not successful in attracting valuable subscribers such as postpaid handset subscribers, our operations could be adversely affected, which may lead to defaults under certain of our borrowings.

Depending on the amount of any difference in actual results versus what we currently expect, it may make it difficult for us to generate sufficient earnings before interest, taxes, depreciation and amortization and other non-recurring items (adjusted EBITDA) to remain in compliance with our financial covenants or be able to meet our debt service obligations, which could result in acceleration of our indebtedness, or adversely impact our ability to raise additional funding through the sources described above, or both. If such events occur, we may engage with our lenders to obtain appropriate waivers or amendments of our credit facilities or refinance borrowings, or seek funding from other external sources, although there is no assurance we would be successful in any of these actions.

A default under certain of our borrowings could trigger defaults under certain of our other financing obligations, which in turn could result in the maturities being accelerated. Certain indentures and other agreements governing our financing obligations require compliance with various covenants, including covenants that limit the Company's ability to sell certain of its assets, limit the Company and its subsidiaries' ability to incur indebtedness and liens, and require that we maintain certain financial ratios, each as defined by the terms of the indentures, related supplemental indentures and other agreements. Our ability to obtain additional financing, including monetizing certain of our assets or to modify the terms of our existing financing, on terms acceptable to us, or at all, may require T-Mobile’s consent under the contractual restrictions contained in the Business Combination Agreement.

In determining our expectation of future funding needs in the next twelve months and beyond, we have made several assumptions regarding:

- projected revenues and expenses relating to our operations, including those related to our installment billing and leasing programs;
- anticipated levels and timing of capital expenditures, including assumptions regarding lower unit costs, network capacity additions and upgrades, and the deployment of new technologies in our networks, FCC license acquisitions, and purchases of leased devices;
- scheduled principal payments on debt, credit facilities and financing obligations, including $27.9 billion coming due over the next five fiscal years;
- cash needs related to our installment billing and device leasing programs;
- availability under the Receivables Facility, which terminates in June 2020;
- availability of our $2.0 billion secured revolving bank credit facility, which expires in February 2021, less outstanding letters of credit;
- remaining availability of $96 million of our secured equipment credit facility for eligible capital expenditures, and any corresponding principal, interest, and fee payments;
- raising additional funds from external sources;
- the expected use of cash and cash equivalents in the near-term;
- any additional contributions we may make to our pension plan;
- estimated residual values of devices related to our device leasing program; and
- other future contractual obligations and general corporate expenditures.

Our ability to fund our needs from external sources is ultimately affected by the overall capacity and availability in the banking and securities markets, and the availability of other financing alternatives, as well as our performance and our credit ratings. Given our recent financial performance as well as the volatility in these markets, we continue to monitor them closely but may be limited in our ability to maintain financial flexibility at a reasonable cost of capital or at all.

The outlooks and credit ratings from Moody's Investor Service, Standard & Poor's Ratings Services, and Fitch Ratings for certain of Sprint Corporation's outstanding obligations were:

	Rating					
Rating Agency	**Issuer Rating**	**Unsecured Notes**	**Guaranteed Notes**	**Secured Bank Credit Facility**	**Spectrum Notes**	**Outlook**
Moody's	B2	B3	B1	Ba2	Baa2	Watch Positive
Standard and Poor's	B	B	B+	BB-	N/A	Watch Developing
Fitch	B+	B+	BB	BB+	BBB	Watch Positive

FUTURE CONTRACTUAL OBLIGATIONS

The following table sets forth our current estimates as to the amounts and timing of contractual payments as of March 31, 2019 . Future events, including additional issuances of our debt securities and refinancing of those debt securities, could cause actual payments to differ significantly from these amounts. See "Item 1A. Risk Factors."

Future Contractual Obligations	Total	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024 and thereafter
				(in millions)			
Notes and credit facilities [(1)]	$ 52,156	$ 6,678	$ 7,160	$ 6,746	$ 4,627	$ 12,116	$ 14,829
Capital leases and financing obligations [(2)]	560	262	150	92	44	12	—
Operating leases [(3)]	11,767	2,277	2,199	1,793	1,358	1,039	3,101
Spectrum leases and service credits [(4)]	6,728	280	255	273	267	273	5,380
Purchase orders and other commitments [(5)]	10,664	7,236	1,004	531	310	247	1,336
Total	$ 81,875	$ 16,733	$ 10,768	$ 9,435	$ 6,606	$ 13,687	$ 24,646

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(1) Includes outstanding principal and estimated interest payments. Interest payments are based on management's expectations for future interest rates in the case of any variable rate debt.
(2) Represents payments, including estimated interest, on financing obligations related to the sale-leaseback of multiple tower sites, capital leases and other debt obligations.
(3) Includes future lease payments related to cell and switch sites, real estate, network equipment and office space.
(4) Includes future spectrum lease payments as well as service credits related to commitments to provide services to certain lessors and reimburse lessors for certain capital equipment and third-party service expenditures over the term of the lease.
(5) Includes service, spectrum, network equipment, devices, asset retirement obligations and other executory contracts. Excludes blanket purchase orders in the amount of $54 million . See below for further discussion.

"Purchase orders and other commitments" include minimum purchases we commit to purchase from suppliers over time and/or the unconditional purchase obligations where we guarantee to make a minimum payment to suppliers for goods and services regardless of whether we take delivery. These amounts do not represent our entire anticipated purchases in the future, but generally represent only our estimate of those items for which we are committed. Our estimates are based on assumptions about the variable components of the contracts such as hours contracted, number of subscribers, pricing, and other factors. In addition, we are party to various arrangements that are conditional in nature and create an obligation to make payments only upon the occurrence of certain events, such as the delivery of functioning software or products. Because it is not possible to predict the timing or amounts that may be due under these conditional arrangements, no such amounts have been included in the table above. The table above also excludes approximately $54 million of blanket purchase order amounts since their agreement terms are not specified. No time frame is set for these purchase orders and they are not legally binding. As a result, they are not firm commitments. Our liability for uncertain tax positions was $242 million as of March 31, 2019 . Due to the inherent uncertainty of the timing of the resolution of the underlying tax positions, it is not practicable to assign this liability to any particular year(s) in the table. The table above also excludes any amounts due under our derivative agreements.

OFF-BALANCE SHEET FINANCING

As of March 31, 2019 , we did not participate in, or secure, financings for any unconsolidated special purpose entities.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Sprint applies those accounting policies that management believes best reflect the underlying business and economic events, consistent with U.S. GAAP. Sprint's more critical accounting policies include estimated economic lives and residual values of property, plant and equipment, valuation and recoverability of long-lived assets and evaluation of goodwill and indefinite-lived assets for impairment. Inherent in such policies are certain key assumptions and estimates made by management. Management regularly updates its estimates used in the preparation of the consolidated financial statements based on its latest assessment of the current and projected business and general economic environment. Sprint's significant accounting policies and estimates are summarized in *Note 2. Summary of Significant Accounting Policies and Other Information* in Notes to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

Revenue Recognition

The accounting estimates and judgments related to the recognition of revenue require us to make assumptions about numerous factors such as future billing adjustments, future returns, and the total contract consideration (e.g., for contracts which include customer incentives or consideration payable to the customer).

We use output methods to recognize revenue for performance obligations satisfied over time (i.e., service performance obligations). Output methods measure progress toward satisfying a performance obligation on the basis of direct measurements of the goods or services transferred to date, relative to the remaining goods or services promised under a contract. Management asserts that this method most reasonably represents the transfer of goods or services to the customer. For prepaid contracts which provide the customer with the ability to redeem fixed prepayments for future goods or services, we utilize the proportional amount of redemptions from the customer in comparison to the total expected amount of redemptions as an estimate of our progress toward satisfaction of our performance obligations. For postpaid contracts with unlimited amounts of monthly service and for Wireline contracts, we utilize the time elapsed in relation to the total contract duration as an estimate of our progress toward satisfaction of our performance obligations.

In determining the amounts of revenue to recognize, we use the following methods, inputs, and assumptions:

- Determination of transaction price - we include any fixed and determinable charges per our contracts as part of the total transaction price. To the extent that variable consideration is not constrained, we include a probability-weighted estimate of the variable amount within the total transaction price and update our assumptions over the duration of the contract. We do not accept non-cash consideration from our customers as direct payment for the purchase of equipment at contract inception or for the purchase of ongoing services. Subject to certain restrictions, we may purchase used equipment from customers entering into a new subscriber contract. Our payment for the purchase of this used equipment may not equal its market value. In those circumstances, the expected difference between the purchase price and the market value of the used equipment is treated as an adjustment to the total transaction price of the customer's contract at contract inception.
- Assessment of estimates of variable consideration - our Wireless contracts generally do not involve variable consideration which must be allocated amongst performance obligations at contract inception, other than expected adjustments to the total transaction price related to (a) customer equipment rebates; (b) customer retention credits; and (c) product returns and service refunds, all of which we are able to reasonably estimate at contract inception based upon historical experience with similar or identical contracts and similar or identical customers. Our Wireline contracts are generally not subject to significant amounts of variable consideration. We do not consider any of our variable consideration to be constrained for the purpose of estimating the total transaction price to be allocated to our performance obligations.
- Allocation of transaction price - we allocate the total transaction price in our contracts amongst performance obligations based upon the relative standalone selling prices of those performance obligations. We use observable external pricing of performance obligations when sold on a standalone basis as evidence of standalone selling prices. Discounts and premiums built into our transaction prices are typically allocated proportionately to all performance obligations within the contracts, exclusive of performance obligations for the delivery of accessories, which are consistently sold at a standalone selling price regardless of bundling, and with the exception of estimated Wireless customer retention credits, which are treated as a reduction in the portion of the total transaction price allocated to service revenue.
- Measurement of returns, refunds, and other similar obligations are estimated separately for separate product and service types based upon historical experience with similar contracts and similar types of customers. The total transaction price is reduced by the amount estimated as a return, refund, or other similar obligation in relation to the sale. This amount is recorded as a current liability, unless and until our estimates have changed or the relevant obligation has been satisfied.

Depreciation

Our property, plant and equipment balance represents a significant component of our consolidated assets. We record property, plant and equipment at cost and generally depreciate it on a straight-line basis over the estimated useful life of the assets. We expect that a one-year increase in estimated useful lives of our property, plant and equipment, exclusive of leased devices, would result in a decrease to our fiscal year 2019 depreciation expense of $1.0 billion and that a one-year decrease in estimated useful lives would result in an increase of $1.5 billion in our fiscal year 2019 depreciation expense.

Leased Devices

Our accounting for device leases involves specific determinations under applicable lease accounting standards. These determinations affect the timing of revenue recognition and the timing and classification of the related cost of the device. If a lease is classified as an operating lease, revenue is recognized ratably over the lease term and the leased asset is included in property, plant and equipment and depreciated to its estimated residual value generally over the lease term. If the lease is classified as a sales-type lease, revenue is recognized at the inception of the lease with a corresponding charge to cost of equipment sales. If the lease is classified as a direct-financing lease, there is no related revenue or cost of equipment sales recorded and the net investment in a leased asset is reported. The critical elements that we consider in determining the classification of our leased devices are the economic life and the fair value of the device, including the estimated residual value. For the purposes of assessing the economic life of a device, we consider both internal and external datasets including, but not limited to, the length of time subscribers use our devices, sales trends post launch, and transactions in the secondary market as there is currently a significant after-market for used telecommunication devices.

At lease inception, devices classified as operating leases are reclassified from inventory to property, plant and equipment when leased through Sprint's direct channels. For those devices leased through indirect channels, which are classified as operating leases, we purchase the devices at lease inception from the dealer, which is then capitalized to property, plant and equipment. At the time we purchase devices, we estimate the expected amount of devices that will result in customers selecting the leasing option, and as such, these purchases are reflected as cash used in investing activities. Residual values associated with devices under operating leases represent the estimated fair value at the end of the lease term. We review residual values regularly and, when appropriate, adjust them based on, among other things, estimates of expected market conditions at the end of the lease, including the impacts of future product launches. Adjustments to residual values of leased devices are recognized as a revision in depreciation estimates. We estimate that a 10% increase or decrease in the estimated residual values of devices under operating leases at March 31, 2019 would not have a material effect on depreciation expense over the next twelve months. However, during the year ended March 31, 2019 , several changes were made to the estimated residual value of devices currently under operating leases to better align with market values, which resulted in approximately $650 million of decreased depreciation expense. See *Note 5. Property, Plant and Equipment* in Notes to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for additional information.

Valuation and Recoverability of Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized if the carrying amount of a long-lived asset or asset group is not recoverable and exceeds its fair value. Long-lived asset groups have been determined based upon certain factors including assessing the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. Impairment analyses, when performed, are based on our current business and technology strategy, views of growth rates for our business, anticipated future economic and regulatory conditions and expected technological availability. During the years ended March 31, 2019 , 2018 , and 2017 , no impairments of long-lived assets were recorded.

The determination of fair value requires considerable judgment and is highly sensitive to changes in underlying assumptions and execution of management's plan. While we believe our judgments and assumptions are reasonable, changes in future periods may impact our assumptions and lead to additional, future impairments.

Evaluation of Goodwill and Indefinite-Lived Intangible Assets for Impairment

As a result of the SoftBank Merger in July 2013, we recognized indefinite-lived assets at their acquisition-date estimates of fair value, including FCC licenses, goodwill, and trade names. All of the indefinite-lived assets, including goodwill, were allocated to our Wireless segment. As of March 31, 2019 , the carrying values of these assets were $37.4 billion , $4.6 billion and $4.0 billion , respectively.

Sprint evaluates the carrying value of our indefinite-lived assets, including goodwill, at least annually or more frequently whenever events or changes in circumstances indicate that the asset may be impaired, or in the case of goodwill, that the fair value of the reporting unit is below its carrying amount. During the year ended March 31, 2019 , the Company completed its annual impairment testing for goodwill and trade names using quantitative approaches. In performing the annual goodwill impairment test, we estimated the fair value of the Wireless reporting unit by weighting results from the income approach and the market approach. The determination of the fair value of the reporting unit requires significant estimates and assumptions, including significant unobservable inputs. The key inputs to these valuation approaches include, but were not limited to, management's prospective financial information, discount rates, growth rates, terminal value, control premiums, and comparable multiples from publicly traded companies in our industry and require us to make assumptions and estimates regarding industry economic factors and the future profitability of our business.

When performing our income approach for the Wireless reporting unit, we incorporate the use of projected financial information and a discount rate that is developed using market participant-based assumptions. The cash flow projections are based on a ten-year financial forecast developed by management that includes projections of share of gross additions, churn, mix of plan offerings, rate changes, capital spending trends, investments in working capital to support future revenue and EBITDA margins, among others. The selected discount rate then considers the risk and nature of the Wireless reporting unit's cash flows and rates of return market participants would require to invest capital in the reporting unit.

When performing our market approach for the Wireless reporting unit, we relied on the guideline public company and guideline merged and acquired company methods. These methods incorporate revenue and adjusted EBITDA multiples from companies with operations and other characteristics similar to the Wireless reporting unit. The selected multiples consider the reporting unit's growth, profitability, size and risk relative to the other companies as well as an adjustment to the reporting unit's EBITDA for handset depreciation.

As a result of lower net customer additions, sustained negative free cash flow necessary to maintain a competitive network, and failures to meet certain prior forecasts, we updated our projected cash flows for our Wireless reporting unit. Our updated projections reflected declines in long-term revenue and adjusted EBITDA as compared to prior projections. As a result of our impairment testing, we concluded that the carrying value of the Wireless reporting unit was in excess of its estimated fair value by $2.0 billion as of January 1, 2019. As a result, a goodwill impairment charge in this amount has been recorded in our consolidated statements of operations for the year ended March 31, 2019.

Although we believe that our assumptions are reasonable and supportable, changes in certain assumptions, management's failure to execute on the current plan, or negative developments associated with the proposed Merger Transactions with T-Mobile could have a significant impact to the estimated fair value of the Wireless reporting unit and could expose us to additional material impairment charges in the future.

We estimated the fair value of the Sprint and Boost Mobile trade names assigned to the Wireless segment using the relief-from-royalty method, which uses several significant assumptions, including management projections of future revenue, a royalty rate, a long-term growth rate and a discount rate. As these assumptions are largely unobservable, the estimate of fair value is considered to be unobservable within the fair value hierarchy. Changes in certain assumptions can have a significant effect on the estimated fair value. For both the Sprint and Boost Mobile trade names, we note that a 5% decrease in revenue across the long-term plans would not have resulted in an impairment in regard to the annual impairment test for the year ended March 31, 2019 .

Additionally, the Company completed its annual impairment testing for the year ended March 31, 2019 for spectrum licenses using a qualitative evaluation. The results of the qualitative evaluation determine whether it is necessary to perform a quantitative test. If it is more likely than not that the asset may be impaired, or in the case of goodwill, that the fair value of a reporting unit is less than its carrying amount, we would be required to perform a quantitative test. As a result of our evaluation, we determined that a quantitative test of the value of our spectrum licenses was not required.

For the quarter ended June 30, 2018, the Company evaluated the Wireless reporting unit for recoverability and concluded that the estimated fair value of the reporting unit was in excess of its carrying value such that no impairment was recorded. For the year ended March 31, 2018, the Company completed its annual impairment testing for goodwill, the Sprint and Boost Mobile trade names, and spectrum licenses using quantitative and qualitative evaluations consistent with the current year. This testing resulted in no impairments for the year ended March 31, 2018.

In performing the annual goodwill impairment test for the year ended March 31, 2017, the Company completed its testing for goodwill, the Sprint and Boost Mobile trade names, and spectrum licenses using a qualitative evaluation. As a result of our evaluation, we determined that a quantitative test of the value of our indefinite-lived intangible assets was not required.

The determination of fair value requires considerable judgment and is highly sensitive to changes in underlying assumptions and execution of management's plan. Consequently, there can be no assurance that the estimates and assumptions made for the purposes of the goodwill, spectrum and trade name impairment tests will prove to be an accurate prediction of the future. Sustained declines in the Company's operating results, number of wireless subscribers, future forecasted cash flows, growth rates and other assumptions, as well as significant, sustained declines in the Company's stock price and related market capitalization could impact the underlying key assumptions and our estimated fair values, potentially leading to an additional future material impairment of goodwill or other indefinite-lived intangible assets.

NEW ACCOUNTING PRONOUNCEMENTS

See *Note 2. Summary of Significant Accounting Policies and Other Information* in Notes to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K, for a full description of new accounting pronouncements, including the expected dates of adoption and estimated effects on financial condition and results of operations, which are hereby incorporated by reference.

FINANCIAL STRATEGIES

General Risk Management Policies

Our board of directors has adopted a financial risk management policy that authorizes us to enter into derivative transactions, and all transactions comply with the policy. We do not purchase or hold any derivative financial instruments for speculative purposes with the exception of equity rights obtained in connection with commercial agreements or strategic investments, usually in the form of warrants to purchase common shares.

Derivative instruments are primarily used for hedging and risk management purposes. Hedging activities may be done for various purposes, including, but not limited to, mitigating the risks associated with an asset, liability, committed transaction or probable forecasted transaction. We seek to minimize counterparty credit risk through credit approval and review processes, credit support agreements, continual review and monitoring of all counterparties, and thorough legal review of contracts. Exposure to market risk is controlled by regularly monitoring changes in hedge positions under normal and stress conditions to ensure they do not exceed established limits.

OTHER INFORMATION

We routinely post important information on our website at *www.sprint.com/investors* . Information contained on or accessible through our website is not part of this Annual Report on Form 10-K.

FORWARD-LOOKING STATEMENTS

We include certain estimates, projections and other forward-looking statements in our annual, quarterly and current reports, and in other publicly available material. Statements regarding expectations, including performance assumptions and estimates relating to capital requirements, as well as other statements that are not historical facts, are forward-looking statements.

These statements reflect management's judgments based on currently available information and involve a number of risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. With respect to these forward-looking statements, management has made assumptions regarding, among other things, subscriber and network usage, subscriber growth and retention, technologies, products and services, pricing, operating costs, the timing of various events, and the economic and regulatory environment.

Future performance cannot be assured. Actual results may differ materially from those in the forward-looking statements. Some factors that could cause actual results to differ include:

Merger Transactions:

- the failure to obtain, or delays in obtaining, required regulatory approvals for the Merger Transactions, and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the merger, or the failure to satisfy any of the other conditions to the Merger Transactions on a timely basis or at all;
- the occurrence of events that may give rise to a right of one or both of the parties to terminate the Business Combination Agreement;
- the diversion of management and financial resources toward the completion of the Merger Transactions;
- adverse effects on the market price of our common stock or on our or T-Mobile’s operating results because of a failure to complete the Merger Transactions in the anticipated timeframe or at all;
- inability to obtain the financing contemplated to be obtained in connection with the Merger Transactions on the expected terms or timing;
- the ability of us, T-Mobile and the combined company to make payments on debt, repay existing or future indebtedness when due, comply with the covenants contained therein or retain sufficient business flexibility;

- adverse changes in the ratings of our or T-Mobile's debt securities or adverse conditions in the credit markets;
- negative effects of the announcement, pendency or consummation of the Merger Transactions on the market price of our common stock and on our or T-Mobile's operating results, including as a result of changes in key customer, supplier, employee or other business relationships;
- potential conflicts of interests between our directors and executive officers and our stockholders;
- significant costs related to the Merger Transactions, including financing costs, and unknown liabilities;
- failure to realize the expected benefits and synergies of the Merger Transactions in the expected timeframes or at all;
- costs or difficulties related to the integration of our and T-Mobile's networks and operations;
- the risk of litigation or regulatory actions related to the Merger Transactions;
- the inability of us, T-Mobile or the combined company to retain and hire key personnel;
- the risk that certain contractual restrictions contained in the Business Combination Agreement during the pendency of the Merger Transactions could adversely affect our or T-Mobile's ability to pursue business opportunities or strategic transactions;

Business:

- our ability to obtain additional financing on terms acceptable to us, or at all, or to obtain T-Mobile's consent under the contractual restrictions contained in the Business Combination Agreement;
- our ability to continue to receive the expected benefits of our existing financings;
- failure to improve our ability to retain and attract subscribers and to manage credit risks associated with our subscribers;
- the effective implementation of our 5G network, including timing, scale, execution, technologies, costs, spectrum availability, and performance of our network;
- ability to continue to access spectrum and acquire additional spectrum, including certain low-band frequencies;
- failure to improve subscriber churn, bad debt expense, accelerated cash use, costs and write-offs, including with respect to changes in expected residual values related to any of our devices;
- the ability to generate sufficient cash flow to fully implement our 5G network and service plans, improve our operating margins, implement our business strategies, and provide competitive new technologies;
- our ability to deploy a nationwide 5G network on the scale and on the timeline necessary for us to compete effectively with our competitors, if the Merger Transactions are not consummated;
- our ability to have the scale necessary to successfully compete;
- our ability to maintain a sufficiently large subscriber base necessary to support the needs of a competitive nationwide wireless network and the associated high costs;
- the effects of vigorous competition on a highly penetrated market, including the impact of competition on the prices we are able to charge subscribers for services and devices we provide and on the geographic areas served by our network;
- the impact of installment sales and leasing of handsets;
- the overall demand for our service plans, including the impact of decisions of new or existing subscribers between our service offerings; and the impact of new, emerging, and competing technologies on our business;
- our ability to provide the desired mix of integrated services to our subscribers;
- changes in available technology and the effects of such changes, including product substitutions and deployment costs and performance;
- volatility in the trading price of our common stock, including as a result of the Merger Transactions, current economic conditions, and our ability to access capital;

- the impact of various parties not meeting our business requirements, including a significant adverse change in the ability or willingness of such parties to provide service and products, including distribution, or infrastructure equipment for our network;
- the costs and business risks associated with providing new services and entering new geographic markets;
- the effects of the Merger Transactions or any other future merger or acquisition involving us, as well as the effect of mergers, acquisitions, and consolidations, and new entrants in the communications industry, and unexpected announcements or developments from others in our industry;
- our ability to comply with restrictions imposed by the U.S. Government as a condition to our merger with SoftBank;
- the effects of any material impairment of our goodwill or other indefinite-lived intangible assets;
- the impacts of new accounting standards or changes to existing standards that the Financial Accounting Standards Board or other regulatory agencies issue, including the SEC;
- unexpected results of litigation filed against us or our suppliers or vendors;
- the costs or potential customer impact of compliance with regulatory mandates including any government regulation regarding "net neutrality" or data privacy;
- equipment failure, natural disasters, terrorist acts or breaches of network or information technology security;
- one or more of the markets in which we compete being impacted by changes in political, economic, or other factors such as monetary policy, legal and regulatory changes, or other external factors over which we have no control;
- the impact of being a "controlled company" exempt from many corporate governance requirements of the NYSE; and
- other risks referenced from time to time in this report and other filings of ours with the SEC.

The words "may," "could," "should," "estimate," "project," "forecast," "intend," "expect," "anticipate," "believe," "target," "plan" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are found throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in this report. Readers are cautioned that other factors, although not listed above, could also materially affect our future performance and operating results. The reader should not place undue reliance on forward-looking statements, which speak only as of the date of this report. We are not obligated to publicly release any revisions to forward-looking statements to reflect events after the date of this report, including unforeseen events.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are primarily exposed to the market risk associated with unfavorable movements in interest rates, foreign currencies, and equity prices. The risk inherent in our market risk sensitive instruments and positions is the potential loss arising from adverse changes in those factors.

Interest Rate Risk

The communications industry is a capital-intensive, technology-driven business. We are subject to interest rate risk primarily associated with our borrowings. Interest rate risk is the risk that changes in interest rates could adversely affect earnings and cash flows. Specific interest rate risk includes: the risk of increasing interest rates on variable rate debt and the risk of increasing interest rates for planned new fixed rate long-term financings or refinancings. Occasionally we may enter into derivative agreements such as interest rate caps and swaps to manage some of our variable interest rate exposure. As of March 31, 2019 , we were a party to a five-year fixed-for-floating interest rate swap on a $2.0 billion notional amount that has been designated as a cash flow hedge and is intended to reduce some of our exposure to rising interest rates by hedging variable interest costs related to our $4.0 billion term loan issued February 2017.

Approximately 71% of our debt as of March 31, 2019 was fixed-rate debt. While changes in interest rates impact the fair value of this debt, there is no impact to earnings and cash flows because we intend to hold these obligations to maturity unless market and other conditions are favorable.

We perform interest rate sensitivity analyses on our variable-rate debt. These analyses indicate that a one percentage point change in interest rates would have had an annual pre-tax impact of $88 million on our consolidated statements of operations and cash flows for the year ended March 31, 2019 . We also perform a sensitivity analysis on the fair market value of our outstanding debt. A 10% decline in market interest rates is estimated to result in a $968 million increase in the fair market value of our debt to $41.9 billion.

Foreign Currency Risk

We may enter into forward contracts and options in foreign currencies to reduce the impact of changes in foreign exchange rates. Our foreign exchange risk management program focuses on reducing transaction exposure to optimize consolidated cash flow. We use foreign currency derivatives to hedge our foreign currency exposure related to settlement of international telecommunications access charges and the operation of our international subsidiaries. The dollar equivalent of our net foreign currency payables from international settlements was insignificant and the net foreign currency receivables from international operations was insignificant as of March 31, 2019 . The potential immediate pre-tax loss to us that would result from a hypothetical 10% change in foreign currency exchange rates based on these positions would be insignificant.

Item 8. Financial Statements and Supplementary Data

The consolidated financial statements required by this item begin on page F-1 of this Annual Report on Form 10-K and are incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports under the Exchange Act, such as this Annual Report on Form 10-K, is reported in accordance with the SEC's rules. Disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

In connection with the preparation of this Annual Report on Form 10-K as of March 31, 2019 , under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of the disclosure controls and procedures were effective as of March 31, 2019 in providing reasonable assurance that information required to be disclosed in reports we file or submit under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure and in providing reasonable assurance that the information is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control system was designed to provide reasonable assurance to our management and board of directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

Our management conducted an assessment of the effectiveness of our internal control over financial reporting as of March 31, 2019 . This assessment was based on the criteria set forth by *Internal Control — Integrated Framework* , issued in 2013 by the Committee of Sponsoring Organizations. Management believes that, as of March 31, 2019 , our internal control over financial reporting was effective.

Internal controls over our financial reporting continue to be updated as necessary to accommodate modifications to our business processes and accounting procedures. There have been no changes in our internal control over financial reporting that occurred during the three-month period ended March 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. During the three-month period ended June 30, 2018 we completed the implementation of internal controls designed to address the impact of the new revenue recognition standard, which we adopted on a modified retrospective basis effective April 1, 2018.

Our independent registered public accounting firm has issued a report on the effectiveness of our internal control over financial reporting. This report appears on page F-2.

Item 9B. ***Other Information***

Disclosure of Iranian Activities under Section 13(r) of the Exchange Act

Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 added Section 13(r) to the Securities Exchange Act of 1934. Section 13(r) requires an issuer to disclose in its annual or quarterly reports, as applicable, whether it or any of its affiliates knowingly engaged in certain activities, including, among other matters, transactions or dealings relating to the government of Iran. Disclosure is required even where the activities, transactions or dealings are conducted outside the U.S. by non-U.S. affiliates in compliance with applicable law, and whether or not the activities are sanctionable under U.S. law.

After the SoftBank Merger, SoftBank acquired control of Sprint. During the fiscal year ended March 31, 2019 , SoftBank, through one of its non-U.S. subsidiaries, provided roaming services in Iran through Telecommunications Services Company (MTN Irancell), which is or may be a government-controlled entity. During the fiscal year ended March 31, 2019 , SoftBank had no gross revenues from such services and no net profit was generated. This subsidiary also provided telecommunications services in the ordinary course of business to accounts affiliated with the Embassy of Iran in Japan. During the fiscal year ended March 31, 2019 , SoftBank estimates that gross revenues and net profit generated by such services were both under $17,000. Sprint was not involved in, and did not receive any revenue from, any of these activities. These activities have been conducted in accordance with applicable laws and regulations, and they are not sanctionable under U.S. or Japanese law. Accordingly, with respect to Telecommunications Services Company (MTN Irancell), the relevant SoftBank subsidiary intends to continue such activities. With respect to services provided to accounts affiliated with the Embassy of Iran in Japan, the relevant SoftBank subsidiary is obligated under contract to continue such services.

In addition, during the fiscal year ended March 31, 2019 , SoftBank, through one of its non-U.S. indirect subsidiaries, provided office supplies to the Embassy of Iran in Japan. SoftBank estimates that gross revenue and net profit generated by such services were under $10,000 and $2,000, respectively. Sprint was not involved in, and did not receive any revenue from any of these activities. Accordingly, the relevant SoftBank subsidiary intends to continue such activities.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item regarding our directors is incorporated by reference to the information set forth under the captions "Proposal 1. - Election of Directors" "Board Operations—Board Committees" in our proxy statement relating to any 2019 annual meeting of stockholders that is held, and with respect to family relationships, to Part I of this Annual Report on Form 10-K under the caption titled "Information About our Executive Officers." The information required by this item regarding our executive officers is incorporated by reference to Part I of this Annual Report on Form 10-K under the caption “Information About our Executive Officers.”

We have adopted the Sprint Corporation Code of Conduct, which applies to all of our directors, officers and employees. The Code of Conduct is publicly available on our website at *http://www.sprint.com/governance* . If we make any material amendment to our Code of Conduct, or if we grant any waiver from a provision of the Code of Conduct that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, we will disclose the nature of the amendment or waiver on our website at the same location. Also, we may elect to disclose the amendment or waiver in a current report on Form 8-K filed with the SEC.

Item 11. Executive Compensation

The information required by this item regarding compensation of executive officers and directors is incorporated by reference to the information set forth under the captions "Director Compensation," "Executive Compensation," and "Board Operations—Compensation Committee Interlocks and Insider Participation" in our proxy statement relating to any 2019 annual meeting of stockholders that is held.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item, other than the equity compensation plan information presented below, is incorporated by reference to the information set forth under the captions "Security Ownership—Security Ownership of Certain Beneficial Owners" and "Security Ownership—Security Ownership of Directors and Executive Officers" in our proxy statement relating to any 2019 annual meeting of stockholders that is held.

Compensation Plan Information

Currently we sponsor two active equity incentive plans, the 2015 Amended and Restated Omnibus Incentive Plan (2015 Plan) and our Employee Stock Purchase Plan (ESPP). We also sponsor the 2007 Omnibus Incentive Plan (2007 Plan) and the 1997 Long-Term Incentive Program (1997 Program). All outstanding options under the Nextel Incentive Equity Plan (Nextel Plan) expired in fiscal year 2015. Under the 2015 Plan, we may grant stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units and other equity-based and cash awards to our employees, outside directors and certain other service providers. Our board of directors, or one or more committees, will determine the terms of each award. No new grants can be made under the 2007 Plan or the 1997 Program.

The following table provides information about the shares of common stock that may be issued upon exercise of awards as of March 31, 2019 .

Plan Category	Number of Securities To be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)
Equity compensation plans approved by stockholders of common stock	93,537,298 (1)(2)	$5.36 (3)	190,090,924 (4)(5)(6)

(1) Includes 7,964,590 shares covered by options and 70,566,251 restricted stock units under the 2015 Plan, 14,038,869 shares covered by options and 123,824 restricted stock units under the 2007 Plan, and 25,835 restricted stock units outstanding under the 1997 Program. Also includes purchase rights to acquire 817,929 shares of common stock accrued at March 31, 2019 under the ESPP. Under the ESPP, each eligible employee may purchase common stock at quarterly intervals at a purchase price per share equal to 85% of the market value on the last business day of the offering period.

(2) Included in the total of 93,537,298 shares are 123,824 restricted stock units under the 2007 Plan, which will be counted against the 2007 Plan maximum in a 2.5 to 1 ratio.

(3) The weighted average exercise price does not take into account the shares of common stock issuable upon vesting of restricted stock units issued under the 1997 Program, the 2007 Plan or the 2015 Plan. These restricted stock units have no exercise price. The weighted average purchase price also does not take into account the 817,929 shares of common stock issuable as a result of the purchase rights accrued under the ESPP; the purchase price of these shares was $4.90 for each share.

(4) Of these shares, 125,340,915 shares of common stock were available under the 2015 Plan. Through March 31, 2019 , 172,934,341 cumulative shares came from the 2007 Plan, the 1997 Program and predecessor plans, including the Nextel Plan.

(5) Includes 64,750,009 shares of common stock available for issuance under the ESPP after issuance of the 817,929 shares purchased in the quarter ended March 31, 2019 offering. See note 1 above.

(6) No new awards may be granted under the 2007 Plan or the 1997 Program.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated by reference to the information set forth under the captions "Certain Relationships and Related Party Transactions" and "Board Operations—Independence of Directors" in our proxy statement relating to any 2019 annual meeting of stockholders that is held.

Item 14. Principal Accounting Fees and Services

The information required by this item is incorporated by reference to the information set forth under the caption "Principal Accounting Fees and Services" in our proxy statement relating to any 2019 annual meeting of stockholders that is held.

PART IV

Item 15. Exhibits and Financial Statement Schedules

1. The consolidated financial statements of Sprint Corporation filed as part of this annual report are listed in the Index to Consolidated Financial Statements.
2. The exhibits filed as part of this annual report are listed in the Exhibit Index.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SPRINT CORPORATION
(Registrant)

By /s/ MICHEL COMBES

Michel Combes
Chief Executive Officer and President

Date: May 29, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 29th day of May, 2019 .

/s/ MICHEL COMBES

Michel Combes
Chief Executive Officer and President
(Principal Executive Officer)

/s/ ANDREW DAVIES

Andrew Davies
Chief Financial Officer
(Principal Financial Officer)

/s/ PAUL W. SCHIEBER, JR.

Paul W. Schieber, Jr.
Vice President and Controller
(Principal Accounting Officer)

SIGNATURES
SPRINT CORPORATION
(Registrant)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 29 th day of May, 2019 .

/s/ MARCELO CLAURE	/s/ MASAYOSHI SON
Marcelo Claure, Executive Chairman	**Masayoshi Son, Director**
/s/ RONALD D. FISHER	/s/ MICHEL COMBES
Ronald D. Fisher, Vice Chairman	**Michel Combes, Director**
/s/ PATRICK T. DOYLE	/s/ GORDON M. BETHUNE
Patrick T. Doyle, Director	**Gordon M. Bethune, Director**
/s/ JULIUS GENACHOWSKI	/s/ STEPHEN KAPPES
Julius Genachowski, Director	**Stephen Kappes, Director**
/s/ ADMIRAL MICHAEL G. MULLEN	/s/ SARA MARTINEZ TUCKER
Admiral Michael G. Mullen, Director	**Sara Martinez Tucker, Director**

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Exhibit Index

Exhibit No.	Exhibit Description	Form	Incorporated by Reference SEC File No.	Exhibit	Filing Date	Filed/Furnished Herewith
(2) Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession						
2.1**	Business Combination Agreement, dated as of April 29, 2018, by and among T-Mobile US, Inc., Huron Merger Sub LLC, Superior Merger Sub Corp., Sprint Corporation, Starburst I, Inc., Galaxy Investment Holdings, Inc., and for the limited purposes set forth therein, Deutsche Telekom AG, Deutsche Telekom Holding B.V. and SoftBank Group Corp.	8-K	001-04721	2.1	4/30/2018	
2.2**	Agreement and Plan of Merger, dated as of October 15, 2012, by and among Sprint Nextel Corporation, SoftBank Corp., Starburst I, Inc., Starburst II, Inc. and Starburst III, Inc.	8-K	001-04721	2.1	10/15/2012	
2.3	First Amendment to Agreement and Plan of Merger, dated November 29, 2012, by and among Sprint Nextel Corporation, SoftBank Corp., Starburst I, Inc., Starburst II, Inc. and Starburst III, Inc.	10-Q	001-04721	2.5	5/6/2013	
2.4	Second Amendment to Agreement and Plan of Merger, dated April 12, 2013, by and among Sprint Nextel Corporation, SoftBank Corp., Starburst I, Inc., Starburst II, Inc. and Starburst III, Inc.	10-Q	001-04721	2.6	5/6/2013	
2.5**	Third Amendment to Agreement and Plan of Merger, dated June 10, 2013, by and among Sprint Nextel Corporation, SoftBank Corp., Starburst I, Inc., Starburst II, Inc. and Starburst III, Inc.	8-K	001-04721	2.1	6/11/2013	
(3) Articles of Incorporation and Bylaws						
3.1	Amended and Restated Certificate of Incorporation	8-K	001-04721	3.1	7/11/2013	
3.2	Amended and Restated Bylaws	8-K	001-04721	3.2	8/7/2013	
(4) Instruments Defining the Rights of Security Holders, including Indentures						
4.1	Indenture, dated as of October 1, 1998, by and among Sprint Capital Corporation, Sprint Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor to Bank One, N.A.)	10-Q	001-04721	4(b)	11/2/1998	
4.2	First Supplemental Indenture, dated as of January 15, 1999, by and among Sprint Capital Corporation, Sprint Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor to Bank One, N.A.)	8-K	001-04721	4(b)	2/3/1999	
4.3	Second Supplemental Indenture, dated as of October 15, 2001, by and among Sprint Capital Corporation, Sprint Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor to Bank One, N.A.)	8-K	001-04721	99	10/29/2001	
4.4	Third Supplemental Indenture, dated as of September 11, 2013, by and among Sprint Corporation, Sprint Capital Corporation, Sprint Communications, Inc. and The Bank of New York Mellon Trust Company, N.A. (as successor to Bank One, N.A.)	8-K	001-04721	4.5	9/11/2013	

			Incorporated by Reference			
Exhibit No.	Exhibit Description	Form	SEC File No.	Exhibit	Filing Date	Filed/Furnished Herewith
4.5	Fourth Supplemental Indenture, dated as of May 18, 2018, by and among Sprint Capital Corporation, Sprint Communications, Inc., and The Bank of New York Mellon Trust Company, N.A. (as successor to Bank One, N.A.)	8-K	001-04721	4.1	5/18/2018	
4.6	Indenture, dated as of November 20, 2006, by and between Sprint Nextel Corporation and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.1	11/9/2011	
4.7	First Supplemental Indenture, dated as of November 9, 2011, by and between Sprint Nextel Corporation and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.2	11/9/2011	
4.8	Second Supplemental Indenture, dated as of November 9, 2011, by and among Sprint Nextel Corporation, the Subsidiary Guarantors and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.3	11/9/2011	
4.9	Third Supplemental Indenture, dated as of March 1, 2012, by and between Sprint Nextel Corporation and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.1	3/1/2012	
4.10	Fourth Supplemental Indenture, dated as of March 1, 2012, by and among Sprint Nextel Corporation, the Subsidiary Guarantors and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.2	3/1/2012	
4.11	Fifth Supplemental Indenture, dated as of August 14, 2012, by and between Sprint Nextel Corporation and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.1	8/14/2012	
4.12	Sixth Supplemental Indenture, dated as of November 14, 2012, by and between Sprint Nextel Corporation and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.1	11/14/2012	
4.13	Seventh Supplemental Indenture, dated as of November 20, 2012, by and between Sprint Nextel Corporation and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.1	11/20/2012	
4.14	Eighth Supplemental Indenture, dated as of September 11, 2013, by and among Sprint Corporation, Sprint Communications, Inc. and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.4	9/11/2013	
4.15	Ninth Supplemental Indenture, dated as of June 26, 2014, by and between Bright PCS Holdings, Inc., Bright Personal Communications Services, LLC, Horizon Personal Communications, Inc., iPCS Equipment, Inc., iPCS Wireless, Inc., Pinsight Media+, Inc., OneLouder Apps, Inc., iPCS, Inc., Sprint Communications, Inc. and The Bank of New York Mellon Trust Company, N.A.	10-Q	001-04721	4.1	8/8/2014	
4.16	Tenth Supplemental Indenture, dated as of August 9, 2016, by and among Virgin Mobile USA - Evolution, Inc., as new guarantor, Sprint Communications, Inc., The Bank of New York Mellon Trust Company, N.A., as trustee	10-Q	001-04721	4.4	2/6/2017	

Exhibit No.	Exhibit Description	Form	Incorporated by Reference SEC File No.	Exhibit	Filing Date	Filed/Furnished Herewith
4.17	Eleventh Supplemental Indenture, dated as of November 16, 2016, by and among Sprint Communications, Inc., The Bank of New York Mellon Trust Company, N.A., as trustee and certain subsidiaries of Sprint Corporation as new guarantors	10-Q	001-04721	4.5	2/6/2017	
4.18	Twelfth Supplemental Indenture, dated as of June 30, 2017, by and among Sprint Communications, Inc., The Bank of New York Mellon Trust Company, N.A., as trustee, and a subsidiary of Sprint Corporation as a new guarantor	10-Q	001-04721	4.1	8/3/2017	
4.19	Thirteenth Supplemental Indenture, dated as of May 14, 2018, by and between Sprint Communications, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee	8-K	001-04721	4.2	5/14/2018	
4.20	Indenture, dated as of September 11, 2013, by and between Sprint Corporation and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.1	9/11/2013	
4.21	First Supplemental Indenture, dated as of September 11, 2013, by and among Sprint Corporation, Sprint Communications, Inc. and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.2	9/11/2013	
4.22	Second Supplemental Indenture, dated as of September 11, 2013, by and among Sprint Corporation, Sprint Communications, Inc. and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.3	9/11/2013	
4.23	Third Supplemental Indenture, dated as of December 12, 2013, by and among Sprint Corporation, Sprint Communications, Inc. and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.1	12/12/2013	
4.24	Fourth Supplemental Indenture, dated as of February 24, 2015, by and among Sprint Corporation, Sprint Communications, Inc. and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.1	2/24/2015	
4.25	Fifth Supplemental Indenture, dated as of February 22, 2018, by and among Sprint Corporation, Sprint Communications, Inc., and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.1	2/22/2018	
4.26	Sixth Supplemental Indenture, dated as of May 14, 2018, by and between Sprint Corporation and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.1	5/14/2018	
4.27	Indenture, dated as of October 27, 2016, among Sprint Spectrum Co LLC, Sprint Spectrum Co II LLC, Sprint Spectrum Co III LLC and Deutsche Bank Trust Company Americas, as trustee and securities intermediary	8-K	001-04721	4.1	11/2/2016	
4.28	First Supplemental Indenture, dated as of March 12, 2018, by and among Sprint Spectrum Co LLC, Sprint Spectrum Co II LLC, Sprint Spectrum Co III LLC and Deutsche Bank Trust Company Americas, as trustee and securities intermediary	8-K	001-04721	4.1	3/12/2018	

Exhibit No.	Exhibit Description	Form	Incorporated by Reference SEC File No.	Exhibit	Filing Date	Filed/Furnished Herewith
4.29	Second Supplemental Indenture, dated as of June 6, 2018, to the Indenture, dated as of October 27, 2016, by and among Sprint Spectrum Co LLC, Sprint Spectrum Co II LLC, Sprint Spectrum Co III LLC and Deutsche Bank Trust Company Americas as trustee and securities intermediary	8-K	001-04721	4.1	6/6/2018	
4.30	Third Supplemental Indenture, dated as of December 10, 2018, by and among Sprint Spectrum Co LLC, Sprint Spectrum Co II LLC, Sprint Spectrum Co III LLC and Deutsche Bank Trust Company Americas, as trustee and securities intermediary	10-Q	001-04721	4.1	1/31/2019	
4.31	Series 2016-1 Supplement, dated as of October 27, 2016, among Sprint Spectrum Co LLC, Sprint Spectrum Co II LLC, Sprint Spectrum Co III LLC and Deutsche Bank Trust Company Americas, as trustee and securities intermediary.	8-K	001-04721	4.2	11/2/2016	
4.32	First Supplemental Indenture to the Series 2016-1 Supplement, dated as of March 21, 2018 by and among Sprint Spectrum Co LLC, Sprint Spectrum Co II LLC, Sprint Spectrum Co III LLC and Deutsche Bank Trust Company Americas, as trustee and securities intermediary.	8-K	001-04721	10.2	3/21/2018	
4.33	Form of Series 2016-1 3.360% Senior Secured Notes, Class A-1 (included in Exhibit 4.31)	8-K	001-04721	4.2	11/2/2016	
4.34	Series 2018-1 Supplement, dated as of March 21, 2018 by and among Sprint Spectrum Co LLC, Sprint Spectrum Co II LLC, Sprint Spectrum Co III LLC and Deutsche Bank Trust Company Americas, as trustee and securities intermediary.	8-K	001-04721	10.1	3/21/2018	
4.35	Form of Series 2018-1 4.738% Senior Secured Notes, Class A-1 (included in Exhibit 4.34)	8-K	001-04721	10.1	3/21/2018	
4.36	Form of Series 2018-1 5.152% Senior Secured Notes, Class A-2 (included in Exhibit 4.34)	8-K	001-04721	10.1	3/21/2018	
4.37	Description of Sprint Common Stock					*
(10) Material Contracts						
10.1	Amended and Restated Receivables Purchase Agreement, dated as of April 24, 2015, among Sprint Spectrum L.P., individually and as Servicer, the Sellers party thereto, the various Conduit Purchasers, Committed Purchasers, and Purchaser Agents from time to time party thereto, Mizuho Bank Ltd. as Administrative Agent and Collateral Agent and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Administrative Agent	8-K	001-04721	10.1	4/27/2015	

Exhibit No.	Exhibit Description	Form	Incorporated by Reference SEC File No.	Exhibit	Filing Date	Filed/Furnished Herewith
10.2	Second Amended and Restated Receivables Purchase Agreement, dated as of November 19, 2015, by and among Sprint Spectrum L.P., as servicer, certain Sprint special purpose entities, as sellers, certain commercial paper conduits and financial institutions from time to time party thereto, as purchaser agents, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as administrative agent, SMBC Nikko Securities America, Inc., as administrative agent, and Mizuho Bank, Ltd., as administrative agent and collateral agent	8-K	001-04721	10.6	11/20/2015	
10.3	First Amendment to Second Amended and Restated Receivables Purchase Agreement, dated as of November 18, 2016, by and among Sprint Spectrum L.P., as initial servicer, the Sellers party thereto, the various Conduit Purchasers, Committed Purchasers and Purchaser Agents party thereto, Mizuho Bank, Ltd., as Collateral Agent, The Bank of Tokyo-Mitsubishi UFJ, Ltd., as SCC Administrative Agent, and SMBC Nikko Securities America, Inc. as Lease Administrative Agent	10-Q	001-04721	10.6	2/6/2017	
10.4	Second Amendment to Second Amended and Restated Receivables Purchase Agreement, dated as of February 3, 2017, by and among Sprint Spectrum L.P., as servicer, certain Sprint Corporation special purpose entities, as sellers, certain commercial paper conduits and financial institutions from time to time party thereto, as purchasers, the entities from time to time party thereto as purchaser agents, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as administrative agent, SMBC Nikko Securities America, Inc., as administrative agent, and Mizuho Bank, Ltd., as administrative agent and collateral agent	8-K	001-04721	10.2	2/6/2017	
10.5	Third Amendment to Second Amended and Restated Receivables Purchase Agreement, dated as of October 24, 2017, by and among Sprint Spectrum L.P., as servicer, certain Sprint Corporation special purpose entities, as sellers, certain commercial paper conduits and financial institutions from time to time party thereto, as purchaser agents, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as administrative agent, SMBC Nikko Securities America, Inc., as administrative agent, and Mizuho Bank, Ltd., as administrative agent and collateral agent	10-Q	001-04721	10.3	11/2/2017	
10.6	Third Amended and Restated Receivables Purchase Agreement, dated as of June 29, 2018, by and among Sprint Spectrum L.P., as servicer, certain Sprint Corporation special purpose entities, as sellers, certain commercial paper conduits and financial institutions from time to time party thereto, as purchaser agents, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as administrative agent, SMBC Nikko Securities America, Inc., as administrative agent, and Mizuho Bank, Ltd., as administrative agent and collateral agent	10-Q	001-04721	10.4	8/7/2018	

Exhibit No.	Exhibit Description	Form	Incorporated by Reference SEC File No.	Exhibit	Filing Date	Filed/Furnished Herewith
10.7	First Amendment to Third Amended and Restated Receivables Purchase Agreement, dated as of December 20, 2018, by and among Sprint Spectrum L.P., as servicer, certain Sprint Corporation special purpose entities, as sellers, certain commercial paper conduits and financial institutions from time to time party thereto, as purchaser agents, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as administrative agent, SMBC Nikko Securities America, Inc., as administrative agent, and Mizuho Bank, Ltd., as administrative agent and collateral agent	10-Q	001-04721	10.3	1/31/2019	
10.8	Amended and Restated Receivables Sale Agreement, dated as of April 24, 2015, between Sprint Spectrum L.P., as an Originator and as Servicer, the other Originators from time to time party thereto and the Buyers from time to time party thereto	8-K	001-04721	10.2	4/27/2015	
10.9	Second Amended and Restated Receivables Sale and Contribution Agreement, dated as of November 19, 2015, by and among certain Sprint subsidiaries as originators and special purpose entities	8-K	001-04721	10.7	11/20/2015	
10.10	First Amendment to Second Amended and Restated Receivables Sale and Contribution Agreement, dated as of February 3, 2017, by and among Sprint Spectrum L.P., as servicer, and certain Sprint Corporation subsidiaries, as originators and sellers, and certain special purpose entities, as purchasers	8-K	001-04721	10.3	2/6/2017	
10.11	Second Amendment to Second Amended and Restated Receivables Sale and Contribution Agreement, dated October 24, 2017, by and among Sprint Spectrum L.P., as servicer, and certain Sprint Corporation subsidiaries, as originators and sellers, and certain special purpose entities, as purchasers	10-Q	001-04721	10.2	11/2/2017	
10.12	Third Amended and Restated Receivables Sale and Contribution Agreement, dated as of June 29, 2018, by and among Sprint Spectrum L.P., as servicer, and certain Sprint Corporation subsidiaries, as originators and sellers, and certain special purpose entities, as purchasers	10-Q	001-04721	10.3	8/7/2018	
10.13	First Amendment to Third Amended and Restated Receivables Sale and Contribution Agreement, dated as of December 20, 2018, by and among Sprint Spectrum L.P., as servicer, certain Sprint Corporation subsidiaries, as originators and sellers, and certain special purchase entities, as purchasers, certain commercial paper conduits and financial institutions from time to time party thereto, and Mizuho Bank, Ltd.	10-Q	001-04721	10.2	1/31/2019	
10.14	Credit Agreement, dated as of February 3, 2017, by and among Sprint Communications, Inc., as Borrower, the guarantors party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the lenders party thereto	8-K	001-04721	10.1	2/6/2017	

Exhibit No.	Exhibit Description	Form	Incorporated by Reference SEC File No.	Exhibit	Filing Date	Filed/Furnished Herewith
10.15	Consent, dated as of February 9, 2018, by and among Sprint Communications, Inc., as Borrower, JP Morgan Chase Bank, N.A., as Administrative Agent, and the lenders party thereto, to the Credit Agreement dated as of February 3, 2017	8-K	001-04721	10.1	2/12/2018	
10.16	Incremental Facility Amendment, dated as of November 26, 2018, by and among Sprint Communications, Inc., as Borrower, JPMorgan Chase Bank, N.A., as Administrative Agent, the guarantors party thereto and the lenders party thereto, to the Credit Agreement dated as of February 3, 2017	8-K	001-04721	10.1	11/27/2018	
10.17	Incremental Facility Amendment, dated as of February 26, 2019, by and among Sprint Communications, Inc., as Borrower, JPMorgan Chase Bank, N.A., as Administrative Agent, the guarantors party thereto and the lenders party thereto, to the Credit Agreement dated as of February 3, 2017					*
10.18	Guarantee and Collateral Agreement, dated October 27, 2016, among Deutsche Bank Trust Company Americas, Sprint Spectrum PledgeCo LLC, Sprint Spectrum PledgeCo II LLC, Sprint Spectrum PledgeCo III LLC, Sprint Spectrum License Holder LLC, Sprint Spectrum License Holder II LLC and Sprint Spectrum License Holder III LLC.	8-K	001-04721	10.1	11/2/2016	
10.19	Intra-Company Spectrum Lease Agreement, dated as of October 27, 2016, among Sprint Spectrum License Holder LLC, Sprint Spectrum License Holder II LLC and Sprint Spectrum License Holder III LLC, Sprint Communications, Inc., Sprint Intermediate HoldCo LLC, Sprint Intermediate HoldCo II LLC, Sprint Intermediate HoldCo III LLC and the guarantors named therein	8-K	001-04721	10.2	11/2/2016	
10.20	First Amendment to Intra-Company Spectrum Lease Agreement, dated as of March 12, 2018, among Sprint Spectrum License Holder, LLC, Sprint Spectrum License Holder II LLC and Sprint Spectrum License Holder III LLC, Sprint Communications, Inc., Sprint Intermediate HoldCo LLC, Sprint Intermediate HoldCo II LLC, Sprint Intermediate HoldCo III LLC and the guarantors named therein	8-K	001-04721	10.1	3/12/2018	
10.21	Second Amendment to Intra-Company Spectrum Lease Agreement, dated as of June 6, 2018, among Sprint Spectrum License Holder, LLC, Sprint Spectrum License Holder II LLC and Sprint Spectrum License Holder III LLC, Sprint Communications, Inc., Sprint Intermediate HoldCo LLC, Sprint Intermediate HoldCo II LLC, Sprint Intermediate HoldCo III LLC, Sprint Corporation and the subsidiary guarantors named on the signature pages thereto	8-K	001-04721	10.1	6/6/2018	
10.22	Warrant Agreement for Sprint Corporation Common Stock, dated as of July 10, 2013, by and between Sprint Corporation and Starburst I, Inc.	8-K	001-04721	10.6	7/11/2013	

Exhibit No.	Exhibit Description	Form	Incorporated by Reference SEC File No.	Exhibit	Filing Date	Filed/Furnished Herewith
10.23	Support Agreement, dated as of April 29, 2018, by and among Deutsche Telekom AG, Deutsche Telekom Holding B.V., Sprint Corporation and SoftBank Group. Corp.	8-K	001-04721	10.1	4/30/2018	
(10) Executive Compensation Plans and Arrangements						
10.24	Form of Award Agreement (awarding stock options) under the 2014 Long-Term Incentive Plan for executive officers with Sprint employment agreements	10-Q	001-04721	10.11	8/8/2014	
10.25	Form of Award Agreement (awarding stock options) under the 2014 Long-Term Incentive Plan to executive officers other than those with Sprint employment agreements	10-Q	001-04721	10.12	8/8/2014	
10.26	Form of Turnaround Incentive Award Agreement (awarding restricted stock units) under the 2015 Omnibus Incentive Plan for certain executive officers in exchange for reduced long-term incentive opportunities	10-Q	001-04721	10.6	11/9/2015	
10.27	Form of Turnaround Incentive Award Agreement (awarding restricted stock units) under the 2015 Omnibus Incentive Plan for certain executive officers	10-Q	001-04721	10.7	11/9/2015	
10.28	Form of Award Agreement (awarding stock options) under the 2015 Omnibus Incentive Plan to executive officers other than those with Sprint employment agreements	10-Q	001-04721	10.8	11/9/2015	
10.29	Amended and Restated Employment Agreement, dated July 2, 2018, by and between Marcelo Claure and Sprint Corporation	8-K	001-04721	10.2	7/2/2018	
10.30	Amended and Restated Employment Agreement, dated July 2, 2018, by and between Michel Combes and Sprint Corporation	8-K	001-04721	10.3	7/2/2018	
10.31	Employment Offer Letter, dated July 2, 2018, by and between Andrew M. Davies and Sprint Corporation	8-K	001-04721	10.1	7/2/2018	
10.32	Employment Agreement, executed as of January 19, 2017, between Nestor Cano and Sprint Corporation	8-K	001-04721	10.1	1/24/2017	
10.33	Employment Agreement, effective September 6, 2013 by and between Sprint Corporation and Brandon Dow Draper	10-Q	001-04721	10.25	11/6/2013	
10.34	First Amendment to Employment Agreement, dated February 21, 2014, by and between Sprint Corporation and Brandon Dow Draper	10-KT	001-04721	10.78	5/27/2014	
10.35	Employment Agreement, dated January 2, 2016, by and between Sprint Corporation and Jorge Gracia	10-Q	001-04721	10.12	2/4/2016	
10.36	Employment Agreement, effective May 20, 2014, by and between Sprint Corporation and John C. Saw	10-Q	001-04721	10.1	8/8/2014	
10.37	First Amendment to Employment Agreement, effective October 20, 2014, by and between Sprint Corporation and John C. Saw	10-Q	001-04721	10.3	11/6/2014	

Exhibit No.	Exhibit Description	Form	Incorporated by Reference SEC File No.	Exhibit	Filing Date	Filed/Furnished Herewith
10.38	Second Amendment to Employment Agreement, effective July 27, 2015, by and between Sprint Corporation and John C. Saw	10-Q	001-04721	10.1	11/9/2015	
10.39	Third Amendment to Amended Employment Agreement, effective December 15, 2017, by and between John C. Saw and Sprint Corporation	10-Q	001-04721	10.6	2/6/2018	
10.40	Fourth Amendment to Employment Agreement, dated August 8, 2018, by and between John C. Saw and Sprint Corporation	10-Q	001-04721	10.4	11/7/2018	
10.41	Amended and Restated Agreement Regarding Special Compensation and Post Employment Restrictive Covenants, dated December 31, 2008, by and between Sprint Nextel Corporation and Paul W. Schieber	10-K	001-04721	10.80	2/24/2014	
10.42	First Amendment to Amended and Restated Agreement Regarding Special Compensation and Post Employment Restrictive Covenants, dated December 11, 2012, by and between Sprint Nextel Corporation and Paul W. Schieber	10-K	001-04721	10.81	2/24/2014	
10.43	Retention Award Letter for Paul Schieber effective October 17, 2017	10-Q	001-04721	10.7	2/6/2018	
10.44	Employment Agreement, dated May 31, 2015, by and between Sprint Corporation and Kevin Crull	10-Q	001-04721	10.3	8/7/2015	
10.45	Amendment to Employment Agreement, effective January 3, 2018, by and between Kevin Crull and Sprint Corporation	8-K	001-04721	10.3	1/4/2018	
10.46	Summary of Compensation Committee approval of additional monthly flight hours as provided under the Amended and Restated Employment Agreement, effective as of August 11, 2015, by and between Sprint Corporation and Raul Marcelo Claure	10-Q	001-04721	10.3	8/9/2016	
10.47	Form of Award Agreement (awarding restricted stock units) under the 2015 Omnibus Incentive Plan with covenants and restrictions to executive officers	10-Q	001-04721	10.4	8/9/2016	
10.48	Form of Turnaround Incentive Award Agreement (awarding performance-based restricted stock units) under the 2015 Omnibus Incentive Plan for certain executive officers with proration after two years	10-Q	001-04721	10.6	8/9/2016	
10.49	Form of Turnaround Incentive Award Agreement (awarding performance-based restricted stock units) under the 2015 Omnibus Incentive Plan with proration after two years	10-Q	001-04721	10.1	11/1/2016	
10.50	Form of Turnaround Incentive Award Agreement (awarding performance-based restricted stock units) under the 2015 Amended and Restated Omnibus Incentive Plan	10-Q	001-04721	10.2	8/3/2017	
10.51	Form of Award Agreement (awarding stock options) under the 2015 Amended and Restated Omnibus Incentive Plan with covenants and restrictions to executive officers without special compensation arrangements	10-Q	001-04721	10.3	8/3/2017	

Exhibit No.	Exhibit Description	Form	Incorporated by Reference SEC File No.	Exhibit	Filing Date	Filed/Furnished Herewith
10.52	Form of Award Agreement (awarding stock options) under the 2015 Amended and Restated Omnibus Incentive Plan with covenants and restrictions to executive officers with special compensation arrangements	10-Q	001-04721	10.4	8/3/2017	
10.53	Form of Award Agreement (awarding restricted stock units) under the 2015 Amended and Restated Omnibus Incentive Plan with covenants and restrictions to executive officers	10-Q	001-04721	10.5	8/3/2017	
10.54	Form of Award Agreement (awarding performance-based restricted stock units) under the 2015 Amended and Restated Omnibus Incentive Plan with covenants and restrictions to executive officers	10-Q	001-04721	10.6	8/3/2017	
10.55	Sprint Corporation 2007 Omnibus Incentive Plan	8-K	001-04721	10.2	9/20/2013	
10.56	Sprint Corporation Amended and Restated 2015 Omnibus Incentive Plan	10-Q	001-04721	10.1	2/6/2017	
10.57	Sprint Corporation Change in Control Severance Plan	10-K	001-04721	10.88	5/17/2016	
10.58	Sprint Corporation Deferred Compensation Plan, as amended and restated effective September 26, 2014	10-Q	001-04721	10.2	11/6/2014	
10.59	Executive Deferred Compensation Plan, as amended and restated effective January 1, 2008	10-K	001-04721	10.35	2/27/2009	
10.60	Summary of Director Compensation Programs	10-Q	001-04721	10.19	11/6/2013	
10.61	Director's Deferred Fee Plan, as amended and restated effective January 1, 2008	10-K	001-04721	10.37	2/27/2009	
10.62	Form of Award Agreement (awarding restricted stock units) under the 2007 Omnibus Incentive Plan for non-employee directors	10-Q	001-04721	10.10	5/9/2007	
10.63	Form of Award Agreement (awarding restricted stock units) under the 2015 Omnibus Incentive Plan for non-employee directors	10-Q	001-04721	10.5	11/9/2015	
10.64	Form of Election to Defer Delivery of Shares Subject to RSUs (Outside Directors)	10-K	001-04721	10.95	5/17/2016	
10.65	Form of Indemnification Agreement to be entered into by and between Sprint Corporation and certain of its directors	8-K	001-04721	10.1	7/11/2013	
10.66	Form of Indemnification Agreement to be entered into by and between Sprint Corporation and certain of its officers	8-K	001-04721	10.2	7/11/2013	
10.67	Form of Indemnification Agreement to be entered into by and between Sprint Corporation and certain individuals who serve as both a director and officer of Sprint Corporation	8-K	001-04721	10.3	7/11/2013	
(21) Subsidiaries of the Registrant						
21	Subsidiaries of the Registrant					*
(23) Consents of Experts and Counsel						

Exhibit No.	Exhibit Description	Form	Incorporated by Reference SEC File No.	Exhibit	Filing Date	Filed/Furnished Herewith
23.1	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm					*
(31) and (32) Officer Certifications						
31.1	Certification of Chief Executive Officer Pursuant to Securities Exchange Act of 1934 Rule 13a-14(a)					*
31.2	Certification of Chief Financial Officer Pursuant to Securities Exchange Act of 1934 Rule 13a-14(a)					*
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes Oxley Act of 2002					*
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes Oxley Act of 2002					*
(101) Formatted in XBRL (Extensible Business Reporting Language)						
101.INS	XBRL Instance Document					*
101.SCH	XBRL Taxonomy Extension Schema Document					*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document					*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					*

* Filed or furnished, as required.

** Filing excludes certain schedules and exhibits pursuant to Item 601(b)(2) of Regulation S-K, which the registrant agrees to furnish supplementally to the Securities and Exchange Commission upon request by the Commission; provided, however, that the registrant may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any schedules or exhibits so furnished.

SPRINT CORPORATION

Index to Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Sprint Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Sprint Corporation and subsidiaries (the "Company") as of March 31, 2019 and 2018 , the related consolidated statements of operations, comprehensive (loss) income, cash flows, and changes in equity for each of the three years in the period ended March 31, 2019 , and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of March 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2019 and 2018 , and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2019 , in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2019 , based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, effective April 1, 2018, the Company adopted Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606),* as amended, using the modified retrospective method.

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Kansas City, Missouri
May 29, 2019

We have served as the Company's auditor since 2012.

SPRINT CORPORATION
CONSOLIDATED BALANCE SHEETS

	March 31, 2019	March 31, 2018
	(in millions, except share and per share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,982	$ 6,610
Short-term investments	67	2,354
Accounts and notes receivable, net	3,554	3,711
Device and accessory inventory	999	1,003
Prepaid expenses and other current assets	1,289	575
Total current assets	12,891	14,253
Property, plant and equipment, net	21,201	19,925
Costs to acquire a customer contract	1,559	—
Intangible assets		
Goodwill	4,598	6,586
FCC licenses and other	41,465	41,309
Definite-lived intangible assets, net	1,769	2,465
Other assets	1,118	921
Total assets	$ 84,601	$ 85,459
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 3,961	$ 3,409
Accrued expenses and other current liabilities	3,597	3,962
Current portion of long-term debt, financing and capital lease obligations	4,557	3,429
Total current liabilities	12,115	10,800
Long-term debt, financing and capital lease obligations	35,366	37,463
Deferred tax liabilities	7,556	7,294
Other liabilities	3,437	3,483
Total liabilities	58,474	59,040
Commitments and contingencies		
Stockholders' equity:		
Common stock, voting, par value $0.01 per share, 9.0 billion authorized, 4.081 billion and 4.005 billion issued at March 31, 2019 and 2018	41	40
Paid-in capital	28,306	27,884
Accumulated deficit	(1,883)	(1,255)
Accumulated other comprehensive loss	(392)	(313)
Total stockholders' equity	26,072	26,356
Noncontrolling interests	55	63
Total equity	26,127	26,419
Total liabilities and equity	$ 84,601	$ 85,459

See Notes to the Consolidated Financial Statements

SPRINT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended March 31,		
	2019	2018	2017
	(in millions, except per share amounts)		
Net operating revenues:			
Service	$ 22,857	$ 23,834	$ 25,368
Equipment sales	5,606	4,524	4,684
Equipment rentals	5,137	4,048	3,295
	33,600	32,406	33,347
Net operating expenses:			
Cost of services (exclusive of depreciation and amortization included below)	6,664	6,801	7,861
Cost of equipment sales	6,082	6,109	6,583
Cost of equipment rentals (exclusive of depreciation below)	643	493	975
Selling, general and administrative	7,774	8,087	7,994
Depreciation - network and other	4,245	3,976	3,982
Depreciation - equipment rentals	4,538	3,792	3,116
Amortization	608	812	1,052
Goodwill impairment	2,000	—	—
Other, net	648	(391)	20
	33,202	29,679	31,583
Operating income	398	2,727	1,764
Other expense:			
Interest expense	(2,563)	(2,365)	(2,495)
Other income (expense), net	187	(59)	(40)
	(2,376)	(2,424)	(2,535)
(Loss) income before income taxes	(1,978)	303	(771)
Income tax benefit (expense)	35	7,074	(435)
Net (loss) income	(1,943)	7,377	(1,206)
Less: Net loss attributable to noncontrolling interests	—	12	—
Net (loss) income attributable to Sprint Corporation	$ (1,943)	$ 7,389	$ (1,206)
Basic net (loss) income per common share attributable to Sprint Corporation	$ (0.48)	$ 1.85	$ (0.30)
Diluted net (loss) income per common share attributable to Sprint Corporation	$ (0.48)	$ 1.81	$ (0.30)
Basic weighted average common shares outstanding	4,057	3,999	3,981
Diluted weighted average common shares outstanding	4,057	4,078	3,981

See Notes to the Consolidated Financial Statements

SPRINT CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

	Year Ended March 31,		
	2019	2018	2017
		(in millions)	
Net (loss) income	$ (1,943)	$ 7,377	$ (1,206)
Other comprehensive (loss) income, net of tax:			
Foreign currency translation adjustment	(8)	14	(1)
Net unrealized holding (losses) gain on derivatives	(22)	36	(2)
Net unrealized holding gain on securities	1	12	—
Unrecognized net periodic pension and other postretirement benefits:			
Net actuarial (loss) gain	(49)	(30)	35
Less: Amortization of actuarial gain (loss), included in net (loss) income	7	(1)	3
Net unrecognized net periodic pension and other postretirement benefits	(42)	(31)	38
Other comprehensive (loss) income	(71)	31	35
Comprehensive (loss) income	$ (2,014)	$ 7,408	$ (1,171)

See Notes to the Consolidated Financial Statements

SPRINT CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended March 31,		
	2019	**2018**	**2017**
		(in millions)	
Cash flows from operating activities:			
Net (loss) income	$ (1,943)	$ 7,377	$ (1,206)
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:			
Goodwill impairment	2,000	—	—
Depreciation and amortization	9,391	8,580	8,150
Provision for losses on accounts receivable	394	362	555
Share-based and long-term incentive compensation expense	132	182	93
Deferred income tax (benefit) expense	(85)	(7,119)	433
Gains from asset dispositions and exchanges	—	(479)	(354)
Loss on early extinguishment of debt	—	65	—
Amortization of long-term debt premiums, net	(112)	(158)	(302)
Loss on disposal of property, plant and equipment	1,135	868	509
Litigation and other contingencies	74	(13)	140
Contract terminations	—	(5)	111
Deferred purchase price from sale of receivables	(223)	(1,140)	(10,498)
Other changes in assets and liabilities:			
Accounts and notes receivable	(150)	83	(1,017)
Inventories and other current assets	279	705	457
Accounts payable and other current liabilities	(142)	57	(365)
Non-current assets and liabilities, net	(728)	271	(308)
Other, net	407	426	312
Net cash provided by (used in) operating activities	10,429	10,062	(3,290)
Cash flows from investing activities:			
Capital expenditures - network and other	(4,963)	(3,319)	(1,950)
Capital expenditures - leased devices	(7,441)	(7,461)	(4,976)
Expenditures relating to FCC licenses	(163)	(115)	(83)
Proceeds from sales and maturities of short-term investments	7,197	7,202	4,621
Purchases of short-term investments	(5,165)	(4,112)	(10,065)
Proceeds from sales of assets and FCC licenses	591	527	219
Proceeds from deferred purchase price from sale of receivables	223	1,140	10,498
Proceeds from corporate owned life insurance policies	110	2	11
Other, net	69	1	30
Net cash used in investing activities	(9,542)	(6,135)	(1,695)
Cash flows from financing activities:			
Proceeds from debt and financings	9,307	8,529	10,966
Repayments of debt, financing and capital lease obligations	(9,764)	(8,518)	(5,417)
Debt financing costs	(321)	(93)	(358)
Call premiums paid on debt redemptions	—	(131)	—
Proceeds from issuance of common stock, net	291	21	50
Other, net	4	(18)	45
Net cash (used in) provided by financing activities	(483)	(210)	5,286
Net increase in cash, cash equivalents and restricted cash	404	3,717	301
Cash, cash equivalents and restricted cash, beginning of period	6,659	2,942	2,641
Cash, cash equivalents and restricted cash, end of period	$ 7,063	$ 6,659	$ 2,942

See Notes to the Consolidated Financial Statements

SPRINT CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in millions)

	Common Stock		Paid-in Capital	Treasury Shares		(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests	Total
	Shares	Amount		Shares	Amount				
Balance, March 31, 2016	3,974	$ 40	$ 27,563	1	$ (3)	$ (7,378)	$ (439)	$ —	$ 19,783
Net loss						(1,206)			(1,206)
Other comprehensive income, net of tax							35		35
Issuance of common stock, net	15		47	(1)	3				50
Share-based compensation expense			91						91
Capital contribution by SoftBank			6						6
Other, net			49						49
Balance, March 31, 2017	3,989	40	27,756	—	—	(8,584)	(404)	—	18,808
Net income (loss)						7,389		(12)	7,377
Other comprehensive income, net of tax							31		31
Issuance of common stock, net	16		21						21
Share-based compensation expense			182						182
Capital contribution by SoftBank			6						6
Other, net			(54)						(54)
Reclassification of certain tax effects						(60)	60		—
(Decrease) increase attributable to noncontrolling interests			(27)					75	48
Balance, March 31, 2018	4,005	40	27,884	—	—	(1,255)	(313)	63	26,419
Net loss						(1,943)		—	(1,943)
Other comprehensive loss, net of tax							(71)		(71)
Issuance of common stock, net	76	1	290						291
Share-based compensation expense			132						132
Capital contribution by SoftBank			6						6
Cumulative effect of accounting changes						1,315	(8)		1,307
Other, net			(14)						(14)
Increase (decrease) attributable to noncontrolling interests			8					(8)	—
Balance, March 31, 2019	4,081	$ 41	$ 28,306	—	$ —	$ (1,883)	$ (392)	$ 55	$ 26,127

See Notes to the Consolidated Financial Statements

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SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Description of Operations

Sprint Corporation, including its consolidated subsidiaries, is a communications company offering a comprehensive range of wireless and wireline communications products and services that are designed to meet the needs of individual consumers, businesses, government subscribers and resellers.

The Wireless segment includes retail, wholesale, and affiliate service revenue from a wide array of wireless voice and data transmission services and equipment sales or rentals from the sale or lease of wireless devices and the sale of accessories in the U.S., Puerto Rico and the U.S. Virgin Islands. The Wireline segment includes revenue from domestic and international wireline data communication services in addition to data and all-internet protocol (IP) communication services provided to our Wireless segment.

On July 10, 2013, SoftBank Corp., which subsequently changed its name to SoftBank Group Corp., and certain of its wholly-owned subsidiaries (together, SoftBank) completed the merger (SoftBank Merger) with Sprint Nextel as contemplated by the Agreement and Plan of Merger, dated as of October 15, 2012 (as amended, the Merger Agreement) and the Bond Purchase Agreement, dated as of October 15, 2012. As a result of the SoftBank Merger, Starburst II, Inc. (Starburst II) became the parent company of Sprint Nextel. Immediately thereafter, Starburst II changed its name to Sprint Corporation and Sprint Nextel changed its name to Sprint Communications, Inc. (Sprint Communications). As a result of the completion of the SoftBank Merger in which SoftBank acquired an approximate 78% interest in Sprint Corporation and subsequent open market stock purchases, SoftBank owned nearly 85% of the outstanding common stock of Sprint Corporation as of March 31, 2019 .

On April 29, 2018, we announced that we entered into a Business Combination Agreement with T-Mobile US, Inc. (T-Mobile) to merge in an all-stock transaction for a fixed exchange ratio of 0.10256 of T-Mobile shares for each Sprint share, or the equivalent of 9.75 Sprint shares for each T-Mobile share (Merger Transactions). Immediately following the Merger Transactions, Deutsche Telekom AG and SoftBank Group Corp. are expected to hold approximately 42% and 27% of fully-diluted shares of the combined company, respectively, with the remaining 31% of the fully-diluted shares of the combined company held by public stockholders. The board of directors will consist of 14 directors, of which nine will be nominated by Deutsche Telekom AG, four will be nominated by SoftBank Group Corp., and the final director will be the CEO of the combined company. The combined company will be named T-Mobile , and as a result of the Merger Transactions, is expected to be able to rapidly launch a nationwide 5G network, accelerate innovation and increase competition in the U.S. wireless, video and broadband industries . The Merger Transactions are subject to customary closing conditions, including certain state and federal regulatory approvals, and regulatory approval from the Federal Communications Commission (FCC) and the Department of Justice (DOJ) is expected in the first half of calendar year 2019. Sprint and T-Mobile completed the Hart-Scott-Rodino filing with the DOJ on May 24, 2018. On June 18, 2018, the parties filed with the FCC the merger applications, including the Public Interest Statement. On July 18, 2018, the FCC accepted the applications for filing and established a public comment period for the Merger Transaction. The formal comment period concluded on October 31, 2018. The Merger Transactions received clearance from the Committee on Foreign Investment in the United States on December 17, 2018 and are awaiting further regulatory approvals. On April 27, 2019, the parties to the Business Combination Agreement extended the Outside Date (as defined in the Business Combination Agreement) to July 29, 2019.

Note 2. Summary of Significant Accounting Policies and Other Information

Basis of Consolidation and Estimates

The consolidated financial statements include our accounts, those of our 100% owned subsidiaries, and subsidiaries we control or in which we have a controlling financial interest. All intercompany transactions and balances have been eliminated in consolidation.

The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States (U.S. GAAP). This requires management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements. Significant estimates and assumptions are used for, but are not limited to, allowance for doubtful accounts, estimated economic lives and residual values of property, plant and equipment, fair value of identified purchased tangible and intangible assets in a business combination and fair value assessments for purposes of impairment testing.

SPRINT CORPORATION
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Certain prior period amounts have been reclassified to conform to the current period presentation.

Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash equivalents generally include highly liquid investments with maturities at the time of purchase of three months or less. These investments may include money market funds, certificates of deposit, U.S. government and government-sponsored debt securities, corporate debt securities, municipal securities, bank-related securities, and credit and debit card transactions in process. The carrying amounts approximate fair value.

Short-Term Investments

Short-term investments generally include time deposits, corporate debt securities and commercial paper with terms greater than three months but less than one year at the date of purchase. The carrying amounts are recorded at amortized cost and approximate fair value. The interest earned is recognized in the consolidated statements of operations over the contractual term of the short-term investments.

Installment Receivables

The carrying value of installment receivables generally approximates fair value because the receivables are recorded at their present value, net of the deferred interest and allowance for credit losses. For certain installment sales in our indirect channel, we impute interest on the installment receivable and record a corresponding contract asset and reduction to the face amount of the related receivable. Interest income is recognized over the term of the installment contract in service revenue.

We categorize our installment receivables as prime and subprime based upon subscriber credit profiles and as unbilled, billed-current and billed-past due based upon the age of the receivable. We use proprietary scoring systems that measure the credit quality of our receivables using several factors, such as credit bureau information, subscriber credit risk scores and service plan characteristics. Payment history is subsequently monitored to further evaluate credit profiles. Prime subscriber receivables are those with lower delinquency risk and subprime subscriber receivables are those with higher delinquency risk. Subscribers within the subprime category may be required to make a down payment on their device and accessory purchases. Installment receivables for which invoices have not yet generated for the customer are considered unbilled. Installment receivables for which invoices have been generated but are not past the contractual due date are considered billed-current. Installment receivables for which invoices have been generated and the payment is approximately ten days past the contractual due date are considered billed-past due. Account balances are written-off if collection efforts are unsuccessful and future collection is unlikely based on the length of time from the day accounts become past due.

Allowance for Doubtful Accounts

An allowance for doubtful accounts is established to cover probable and reasonably estimable losses. Because of the number of subscriber accounts, it is not practical to review the collectability of each of those accounts individually to determine the amount of allowance for doubtful accounts each period, although some account level analysis is performed with respect to large wireless and wireline subscribers. The estimate of allowance for doubtful accounts considers a number of factors, including collection experience, aging of the remaining accounts receivable portfolios, credit quality of the subscriber base and other qualitative considerations, including macro-economic factors. Account balances are written off if collection efforts are unsuccessful and future collection is unlikely based on the length of time from the day accounts become past due. Amounts written off against the allowance for doubtful accounts, net of recoveries and other adjustments, were $360 million , $451 million , and $371 million for the years ended March 31, 2019 , 2018 , and 2017 , respectively. See *Note 3. Installment Receivables* for additional information as it relates to the allowance for doubtful accounts specifically attributable to installment receivables.

Device and Accessory Inventory

Inventories are stated at the lower of cost or market. Cost is determined by the first-in, first-out (FIFO) method. The Company sells wireless devices separately or in conjunction with a service contract. A device sold with a service contract may be sold below cost, as any promotional discounts on the device are expected to be recovered through the service contract.

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The net realizable value of devices and other inventory is analyzed on a regular basis. This analysis includes assessing obsolescence, sales forecasts, product life cycle, marketplace and other considerations. If assessments regarding the above factors adversely change, we may sell devices at lower prices or record a write-down to inventory for obsolete or slow-moving items prior to the point of sale.

Property, Plant and Equipment

Property, plant and equipment (PP&E), including improvements that extend useful lives, are recognized at cost. Depreciation on PP&E is generally calculated using the straight-line method based on estimated economic useful lives of 3 to 30 years for buildings and improvements and network equipment, site costs and related software and 3 to 12 years for non-network internal use software, office equipment and other. Leasehold improvements are depreciated over the shorter of the lease term or the estimated useful life of the respective assets. Leased devices are depreciated using the straight-line method to their estimated residual value generally over the term of the lease. We calculate depreciation on certain network assets using the group life method. Accordingly, ordinary asset retirements and disposals on those assets are charged against accumulated depreciation with no gain or loss recognized. Gains or losses associated with all other asset retirements or disposals are recognized in "Other, net" in the consolidated statements of operations. Depreciation rates for assets are revised periodically to account for changes, if any, related to management's strategic objectives, technological changes, changes in estimated residual values, or obsolescence. Changes in our estimates will result in adjustments to depreciation expense prospectively over the estimated useful lives of our non-leased assets and over the remaining period of benefit for devices leased to our customers. Repair and maintenance costs and research and development costs are expensed as incurred.

We capitalize costs for network and non-network software developed or obtained for internal use during the application development stage. These costs are included in PP&E and, when the software is placed in service, are depreciated over estimated useful lives of three to five years. Costs incurred during the preliminary project and post-implementation stage, as well as maintenance and training costs, are expensed as incurred.

Long-Lived Asset Impairment

Sprint evaluates long-lived assets, including intangible assets subject to amortization, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. Asset groups are determined at the lowest level for which identifiable cash flows are largely independent of cash flows of other groups of assets and liabilities. When the carrying amount of a long-lived asset group is not recoverable and exceeds its fair value, an impairment loss is recognized equal to the excess of the asset group's carrying value over the estimated fair value. See *Note 5. Property, Plant and Equipment* for additional information on long-lived asset impairments.

Certain assets that have not yet been deployed in the business, including network equipment, cell site development costs and software in development, are periodically assessed to determine recoverability. Network equipment and cell site development costs are expensed whenever events or changes in circumstances cause the Company to conclude the assets are no longer needed to meet management's strategic network plans and will not be deployed. Software development costs are expensed when it is no longer probable that the software project will be deployed. Network equipment that has been removed from the network is also periodically assessed to determine recoverability. If we experience significant operational challenges, including retaining and attracting subscribers, future cash flows of the Company may not be sufficient to recover the carrying value of our assets or asset groups, and we could record asset impairments that are material to Sprint's consolidated results of operations and financial condition.

Indefinite-Lived Intangible Assets

Our indefinite-lived intangible assets primarily consist of goodwill, certain of our trademarks and FCC licenses. Goodwill represents the excess of consideration paid over the estimated fair value of the net tangible and identifiable intangible assets acquired in business combinations. In determining whether an intangible asset, other than goodwill, is indefinite-lived, we consider the expected use of the assets, the regulatory and economic environment within which they are being used, and the effects of obsolescence on their use. We assess our indefinite-lived intangible assets, including goodwill, for impairment at least annually or, if necessary, more frequently, whenever events or changes in circumstances indicate the asset may be impaired. As a result of our annual evaluation, we recorded a non-cash impairment charge of $2.0 billion related to goodwill in our wireless reporting unit during the year ended March 31, 2019.

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These evaluations, which include the determination of fair value, require considerable judgment and are highly sensitive to changes in underlying assumptions. Consequently, there can be no assurance that the estimates and assumptions made for the purposes of estimating the fair values of our indefinite-lived assets, including goodwill, will prove to be an accurate prediction of the future. Sustained declines in the Company's operating results, number of wireless subscribers, forecasted future cash flows, growth rates and other assumptions, as well as significant, sustained declines in the Company's stock price and related market capitalization could impact the underlying key assumptions and our estimated fair values, potentially leading to an additional future material impairment of goodwill or other indefinite-lived intangible assets. See *Note 6. Intangible Assets* for additional information on indefinite-lived intangible asset impairments.

Derivatives and Hedging

The Company uses derivative instruments to hedge its exposure to interest rate risks arising from operating and financing activities. In accordance with its risk management policies, the Company generally does not hold or issue derivative instruments for trading or speculative purposes.

Derivatives are recognized in the consolidated balance sheets at their fair values. When the Company becomes a party to a derivative instrument and intends to apply hedge accounting, it formally documents the hedge relationship and the risk management objective for undertaking the hedge which includes designating the instrument for financial reporting purposes as a fair value hedge, a cash flow hedge, or a net investment hedge. The accounting for changes in fair value of a derivative instrument depends on whether the Company had designated it in a qualifying hedging relationship and further, on the type of hedging relationship. At March 31, 2019 , the Company only held and applied hedge accounting for derivatives designated as cash flow hedges.

Changes in the fair value of a derivative not designated in a hedging relationship are recognized in the consolidated statements of operations. The changes in the fair value of a derivative designated as a cash flow hedge is recorded in "Other comprehensive (loss) income" in the consolidated statements of comprehensive (loss) income and reclassified into earnings in the period or periods during which the hedged item affects earnings.

For derivative instruments designated as hedges, the Company assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. Highly effective means that cumulative changes in the fair value of the derivative are between 80% and 125% of the cumulative changes in the fair value of the hedged item. In addition, when the Company determines that a derivative is not highly effective as a hedge, hedge accounting is discontinued. When it is probable that a hedged forecasted transaction will not occur, the Company discontinues hedge accounting for the affected portion of the forecasted transaction, and reclassifies any gains or losses in "Accumulated other comprehensive loss" to earnings in the consolidated statements of operations. When a derivative in a hedge relationship is terminated or the hedged item is sold, extinguished or terminated, hedge accounting is discontinued prospectively.

Benefit Plans

We provide a defined benefit pension plan and other postretirement benefits to certain employees, and we sponsor a defined contribution plan for all employees.

As of March 31, 2019 and 2018 , the fair value of our pension plan assets and certain other postretirement benefit plan assets in aggregate was $1.4 billion in each period and the fair value of our projected benefit obligations in aggregate was $2.2 billion in each period. As a result, the plans were underfunded by approximately $800 million as of both March 31, 2019 and 2018 and were recorded as a net liability in our consolidated balance sheets. Estimated contributions totaling approximately $77 million are expected to be paid during the fiscal year 2019 .

The offset to the pension liability is recorded in equity as a component of "Accumulated other comprehensive loss," net of tax, including net actuarial losses of $49 million and $30 million for the years ended March 31, 2019 and 2018 , respectively, and a net actuarial gain of $35 million for the year ended March 31, 2017 , which is amortized to "Other income (expense), net" in our consolidated statements of operations. The change in the net liability of the Plan in the year ended March 31, 2019 was affected by the lower than expected actual rate of return on Plan assets experienced during the year. There was no change in the discount rate used to estimate the projected benefit obligation during the year ended March 31, 2019. The change in the net liability of the Plan in the year ended March 31, 2018 was affected by a change in the discount rate used to estimate the projected benefit obligation, decreasing from 4.3% for the year ended March 31, 2017 to 4.1% for the year ended March 31, 2018. The change in the net liability of the Plan in the year ended March 31, 2017 was affected by the higher than expected actual rate of return on Plan assets experienced during the year. There was no change in the discount rate used to estimate the projected benefit obligation during the year ended March 31, 2017. We intend to make future cash contributions to the Plan in an amount necessary to meet minimum funding requirements according to applicable benefit plan regulations.

As of December 31, 2005, the Plan was amended to freeze benefit plan accruals for participants. The objective for the investment portfolio of the pension plan is to achieve a long-term nominal rate of return, net of fees, which exceeds the plan's long-term expected rate of return on investments for funding purposes which was 7.25% and 7.50% for the years ended March 31, 2019 and 2018 , respectively. To meet this objective, our investment strategy for the seven-month period ended October 31, 2017 was governed by an asset allocation policy, whereby a targeted allocation percentage is assigned to each asset class as follows: 38% to U.S. equities; 16% to international equities; 28% to fixed income investments; 9% to real estate investments; and 9% to other investments including hedge funds. Actual allocations are allowed to deviate from target allocation percentages within a range for each asset class as defined in the investment policy. As of November 1, 2017, the target allocation percentage assigned to each asset class was revised as follows: 38% to U.S. equities; 16% to international equities; 37% to fixed income investments; and 9% to real estate investments and remains consistent at March 31, 2019 . The long-term expected rate of return on investments for funding purposes is 7.00% for the year ended March 31, 2020.

Investments of the Plan are measured at fair value on a recurring basis, which is determined using quoted market prices or estimated fair values. As of March 31, 2019 , 27% of the investment portfolio was valued at quoted prices in active markets for identical assets; 64% was valued using quoted prices for similar assets in active or inactive markets, or other observable inputs; and 9% was valued using unobservable inputs that are supported by little or no market activity, the majority of which used the net asset value per share (or its equivalent) as a practical expedient to measure the fair value.

Under our defined contribution plan, participants may contribute a portion of their eligible pay to the plan through payroll withholdings. The Company will match 100% of the participants' pre-tax and Roth contribution (in aggregate) on the first 3% of eligible compensation for the calendar years 2019 and 2018. The Company matched 50% of the participants' pre-tax and Roth contribution (in aggregate) on the first 4% of eligible compensation for the calendar years 2017 and 2016. Fixed matching contributions totaled approximately $47 million , $38 million , and $28 million for the fiscal years ended March 31, 2019 , 2018 , and 2017 , respectively.

Revenue Recognition

We earn revenue from contracts with customers, primarily through the provision of telecommunications and other services and the sale or rental of wireless devices and accessories. Net operating revenues primarily consist of Wireless and Wireline service revenues, revenues generated from device and accessory sales, revenues from wholesale operators and third-party affiliates. Our contracts with customers may involve multiple performance obligations, which include services, wireless devices or a combination thereof, and we allocate the transaction price between each performance obligation based on its relative standalone selling price.

Contracts with Customers

Service-related components of the total transaction price typically consist of fixed monthly recurring charges, variable usage charges and miscellaneous fees such as activation fees, international long distance and roaming, commissions on the device insurance program, late payment and administrative fees, and certain regulatory-related fees, net of service credits. For contracts involving multiple performance obligations, such as equipment and service, revenue is allocated based on relative standalone selling price of each performance obligation. We generally recognize revenue allocated to service performance obligations as those services are rendered. As a result of the timing of our multiple billing cycles throughout each month, we are required to estimate the amount of subscriber revenues earned but not billed from the end of each billing cycle to the end of each reporting period, and to estimate and defer amounts billed but not earned as of the end of each reporting period. These estimates are based primarily on rate plans in effect and our historical usage and billing patterns. Regulatory fees and costs are recorded gross. The largest component of regulatory fees is the Universal Service Fund, which represented no more than 1% of net operating revenues for each of the years ended March 31, 2019 and 2018, and no more than 2% for the year ended March 31, 2017 , in the consolidated statements of operations.

We recognize equipment sales and corresponding costs of equipment sales when title and risk of loss passes to the indirect dealer or end-use subscriber, assuming all other revenue recognition criteria are met. This typically occurs at the

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point of sale for direct channel sales and freight-on-board dealer destination for indirect channel sales. For the year ended March 31, 2019 , equipment sales to our indirect dealers were approximately $3.5 billion . In subsidized postpaid and prepaid Wireless contracts, we subsidize the cost of the device as an incentive to retain and acquire subscribers.

We recognize revenue on equipment rentals subject to leasing contracts in accordance with the classification of the lease, which is over the lease term for operating leases or upon transfer of control over the equipment for most capital leases. Qualified subscribers can lease a device for a contractual period of time. At the end of the lease term, subscribers have the option to return the device, continue leasing the device or purchase the device. Accounting for device leases involves specific determinations under applicable lease accounting standards, which involve complex and prescriptive provisions. These provisions impact the timing and amount of revenue recognized for our leased devices. The critical elements that are considered with respect to our lease accounting are the economic life of the device and the fair value of the device, including the residual value. We only lease devices to qualifying subscribers that also purchase a service plan. To date, substantially all of our device leases were classified as operating leases. Revenues under these arrangements are allocated amongst the deliverables in the multiple-element arrangement considering the relative fair values of the lease and non-lease elements. The amount allocable to the operating lease element is included within "Equipment rentals" in the consolidated statements of operations and is recognized ratably over the lease term, which is typically two years or less.

If a multiple-element arrangement includes an option to purchase, on a monthly basis, an annual trade-in right, the amount of the total arrangement consideration is reduced by the estimated fair value of the trade-in right or the guarantee and the remaining proceeds are then allocated amongst the other deliverables in the arrangement.

Performance Obligations

Performance obligations related to our Wireless segment involve the provision of equipment and service. In most circumstances, equipment performance obligations provided to the customer as part of subsidized and installment billing contracts, or as part of standalone equipment sales, are satisfied when title and risk of loss passes to the indirect dealer or end-use subscriber, assuming all other revenue recognition criteria are met. This typically occurs at the point of sale for direct channel sales and freight-on-board dealer destination for indirect channel sales. We recognize revenue on equipment rentals subject to leasing contracts in accordance with the classification of the lease, which is over the lease term for operating leases or upon transfer of control over the equipment for most capital leases. Wireless service performance obligations are typically satisfied over 24 months for subsidized and installment billing contracts with substantive termination penalties such as Buy-One-Get-One (BOGO) contracts, over 18 to 30 months for leasing contracts, and over one month for traditional installment billing contracts. Amounts due for subsidized equipment are due at point of sale. Amounts due for equipment subject to an operating or capital lease are invoiced and collected monthly over the term of the lease. Amounts due for equipment subject to an installment billing note are invoiced and collected monthly over the term of the note, typically between 24 and 30 months for handsets and 12 to 18 months for accessories. A financing component exists in relation to subsidized and installment billing Wireless contracts. However, we do not consider the financing component to be quantitatively or qualitatively significant for installment billing contracts with durations longer than one year. For those installment billing contracts with durations of one year or less, we have elected to apply the practical expedient and not adjust the transaction price for the effects of a financing component. Amounts due for Wireless services are typically invoiced and collected monthly over the relevant service period. Wireless contracts generally do not involve variable consideration, other than expected adjustments to the total transaction price related to expected future price concessions and product returns and service refunds. Our Wireless contracts include consideration resulting from monthly customer charges intended to partially recover taxes imposed on the Company, including fees related to the Universal Service Fund. These fees are based on the customer's estimated monthly voice usage and are therefore allocated to corresponding distinct months of Wireless services. We update our estimates related to return and refund obligations for Wireless equipment and services on a quarterly basis. Returns and refunds are typically provided for up to 14 days after contract inception for individual customers and for 30 days for business customers.

Performance obligations related to our Wireline business involve the provision of services to corporate customers. Wireline service performance obligations are typically satisfied over a period between 24 and 36 months. Amounts due for services are invoiced and collected periodically over the relevant service period. Wireline contracts are not subject to significant amounts of variable consideration, other than charges intended to partially recover taxes imposed on the Company, including fees related to the Universal Service Fund. Such fees are based on the customer's estimated monthly usage and are therefore allocated to corresponding distinct months of Wireline services. Our Wireline contracts do provide the customer with monthly options to purchase goods or services at prices commensurate with the standalone selling prices for those goods or services, as determined at contract inception.

Significant Judgments

The accounting estimates and judgments related to the recognition of revenue require us to make assumptions about numerous factors such as future billing adjustments, future returns, and the total contract consideration (e.g., for contracts which include customer incentives or consideration payable to the customer).

We use output methods to recognize revenue for performance obligations satisfied over time (i.e., service performance obligations). Output methods measure progress toward satisfying a performance obligation on the basis of direct measurements of the goods or services transferred to date, relative to the remaining goods or services promised under a contract. Management asserts that this method most reasonably represents the transfer of goods or services to the customer. For prepaid contracts which provide the customer with the ability to redeem fixed prepayments for future goods or services, we utilize the proportional amount of redemptions from the customer in comparison to the total expected amount of redemptions as an estimate of our progress toward satisfaction of our performance obligations. For postpaid contracts with unlimited amounts of monthly service and for Wireline contracts, we utilize the time elapsed in relation to the total contract duration as an estimate of our progress toward satisfaction of our performance obligations.

In determining the amounts of revenue to recognize, we use the following methods, inputs, and assumptions:

- Determination of transaction price - we include any fixed and determinable charges per our contracts as part of the total transaction price. To the extent that variable consideration is not constrained, we include a probability-weighted estimate of the variable amount within the total transaction price and update our assumptions over the duration of the contract. We do not accept non-cash consideration from our customers as direct payment for the purchase of equipment at contract inception or for the purchase of ongoing services. Subject to certain restrictions, we may purchase used equipment from customers entering into a new subscriber contract. Our payment for the purchase of this used equipment may not equal its market value. In those circumstances, the expected difference between the purchase price and the market value of the used equipment is treated as an adjustment to the total transaction price of the customer's contract at contract inception.
- Assessment of estimates of variable consideration - our Wireless contracts generally do not involve variable consideration which must be allocated amongst performance obligations at contract inception, other than expected adjustments to the total transaction price related to (a) customer equipment rebates; (b) customer retention credits; and (c) product returns and service refunds, all of which we are able to reasonably estimate at contract inception based upon historical experience with similar or identical contracts and similar or identical customers. Our Wireline contracts are generally not subject to significant amounts of variable consideration. We do not consider any of our variable consideration to be constrained for the purpose of estimating the total transaction price to be allocated to our performance obligations.
- Allocation of transaction price - we allocate the total transaction price in our contracts amongst performance obligations based upon the relative standalone selling prices of those performance obligations. We use observable external pricing of performance obligations when sold on a standalone basis as evidence of standalone selling prices. Discounts and premiums built into our transaction prices are typically allocated proportionately to all performance obligations within the contracts, exclusive of performance obligations for the delivery of accessories, which are consistently sold at a standalone selling price regardless of bundling, and with the exception of estimated Wireless customer retention credits, which are treated as a reduction in the portion of the total transaction price allocated to service revenue.
- Measurement of returns, refunds, and other similar obligations are estimated separately for separate product and service types based upon historical experience with similar contracts and similar types of customers. The total transaction price is reduced by the amount estimated as a return, refund, or other similar obligation in relation to the sale. This amount is recorded as a current liability, unless and until our estimates have changed or the relevant obligation has been satisfied.

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Costs to Acquire a Customer Contract

We compensate our dealers and retail employees using specific compensation programs. Sales commissions through these compensation programs are generally earned upon the sale of our devices, service contracts, or both, to an end-use subscriber. Incremental and direct costs to obtain and fulfill contracts with customers, such as sales commissions, are deferred and amortized consistent with the transfer of the related good or service. We capitalize incremental commissions directly related to the acquisition or renewal of customer contracts, to the extent that the costs are expected to be recovered. Capitalized costs are amortized on a straight-line basis over the shorter of the expected customer life or the expected benefit related directly to those costs.

We assess our capitalized contract acquisition asset for impairment on a quarterly basis. We impair our capitalized costs to the extent that the carrying amount of a capitalized cost exceeds (a) the remaining amount of consideration we expect to receive in exchange for the goods and services related to the cost, less (b) the expected costs related directly to providing those goods and services that have not yet been recognized as expenses.

Severance and Exit Costs

Liabilities for severance and exit costs are recognized based upon the nature of the cost to be incurred. For involuntary separation plans that are completed within the guidelines of our written involuntary separation plan, a liability is recognized when it is probable and reasonably estimable. For voluntary separation plans (VSP), a liability is recognized when the VSP is irrevocably accepted by the employee. For one-time termination benefits, such as additional severance pay or benefit payouts, and other exit costs, such as lease termination costs, the liability is measured and recognized initially at fair value in the period in which the liability is incurred, with subsequent changes to the liability recognized as adjustments in the period of change. Severance and exit costs associated with business combinations are recorded in the results of operations when incurred.

Compensation Plans

As of March 31, 2019 , Sprint sponsored three incentive plans: the Amended and Restated 2015 Omnibus Incentive Plan (2015 Plan); the 2007 Omnibus Incentive Plan (2007 Plan); and the 1997 Long-Term Incentive Program (1997 Program) (together, Compensation Plans). Sprint also sponsors an Employee Stock Purchase Plan (ESPP). Under the 2015 Plan, we may grant share and non-share based awards, including stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units and other equity-based and cash awards to employees, outside directors and other eligible individuals as defined by the plan. As of March 31, 2019 , the number of shares available and reserved for future grants under the 2015 Plan and ESPP totaled approximately 190 million common shares. The Compensation Committee of our board of directors, or one or more executive officers should the Compensation Committee so authorize, as provided in the 2015 Plan, will determine the terms of each share and non-share based award. No new grants can be made under the 2007 Plan or the 1997 Program. We use new shares to satisfy share-based awards or treasury shares, if available.

The fair value of each option award is estimated on the grant date using the Black-Scholes option valuation model, based on several assumptions including the risk-free interest rate, volatility, expected dividend yield and expected term. During the year ended March 31, 2018 , the Company granted approximately 3 million stock options with a weighted average grant date fair value of $3.98 per share based upon assumptions of a risk-free interest rate from 1.93% to 2.65% , expected volatility from 41.9% to 51.8% , expected dividend yield of 0% and expected term from 5.5 to 6.5 . In general, options are granted with an exercise price equal to the market value of the underlying shares on the grant date, vest on an annual basis over three years, and have a contractual term of ten years. The Company did not grant any stock options during the year ended March 31, 2019 . As of March 31, 2019 , 22 million options were outstanding, of which 18 million options were exercisable.

We generally determine the fair value of each restricted stock unit award based on the closing price of the Company's common stock on the date of grant. Restricted stock units generally have performance and service requirements or service requirements only with vesting periods ranging from one to three years.

During the years ended March 31, 2018 and 2017, we also granted performance-based restricted stock units to executive and non-executive employees that are earned (Earned Shares) based upon the achievement of certain market conditions equal to specified volume-weighted average prices of the Company's common stock during regular trading on the

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New York Stock Exchange over any 150-day calendar period during a performance period specific to each grant (Performance Period). For these awards granted in the year ended March 31, 2018, the specified market criteria has not yet been achieved within the Performance Period. Upon achievement, the Earned Shares will generally vest 50% over four years from the grant date and 50% over five years from the grant date, with continuous service required through each vesting date. For these awards granted in the year ended March 31, 2017, the specified market criteria has been achieved at a threshold price target qualifying for a 100% payout, however, the Earned Shares remain subject to the vesting requirements. During the year ended March 31, 2018, the vesting schedule for Earned Shares was modified, with no incremental impact on compensation expense, to generally vest one-third over two years from the grant date, one-third over three years from the grant date, and one-third over four years from the grant date, with continuous service required through each vesting date. The fair value of these market-based restricted stock units is estimated at the date of grant using a Monte Carlo valuation methodology, which incorporates into the valuation the possibility that the market condition may not be satisfied. For the year ended March 31, 2018, assumptions used in the Monte Carlo valuation model are consistent with those we use to value stock options and include a risk-free interest rate from 1.79% to 2.42% , expected volatility from 41.9% to 51.8% , and expected dividend yield of 0% . The number of restricted stock units that ultimately vest can increase depending upon the future performance of the Company's common stock and the achievement of a higher threshold price target during the Performance Period, with a maximum payout of 120% . Compensation cost related to the share-based awards with market conditions is recognized regardless of the level of threshold price target achievement. No such awards were granted during the year ended March 31, 2019 .

Employees and directors who are granted restricted stock units are not required to pay for the shares but generally must remain employed with us, or continue to serve as a member of our board of directors, until the restrictions lapse, which is typically three years for employees and one year for directors. Certain restricted stock units outstanding as of March 31, 2019 , are entitled to dividend equivalents paid in cash, if dividends are declared and paid on common shares, but performance-based restricted stock units are not entitled to dividend equivalent payments until the applicable performance and service criteria have been met. During the year ended March 31, 2019 , the Company granted approximately 17 million service only and performance-based restricted stock units, including those with market conditions, with a weighted average grant date fair value of $5.35 per share. At March 31, 2019 , approximately 71 million restricted stock unit awards were outstanding.

Compensation Costs

The cost of employee services received in exchange for share-based awards classified as equity is measured using the estimated fair value of the award on the date of the grant, and that cost is recognized over the period that the award recipient is required to provide service in exchange for the award. Awards of instruments classified as liabilities are measured at the estimated fair value at each reporting date through settlement.

Pre-tax share and non-share based compensation charges from our incentive plans included in net income (loss) were $132 million , $182 million , and $93 million for the years ended March 31, 2019 , 2018 , and 2017 , respectively. The net income tax benefit recognized in the consolidated financial statements for share-based compensation awards was $30 million , $65 million , and $33 million for the years ended March 31, 2019 , 2018 , and 2017 , respectively. As of March 31, 2019 , there was $102 million of total unrecognized compensation cost related to non-vested incentive awards that are expected to be recognized over a weighted average period of 1.60 years.

Advertising Costs

We recognize advertising expense when incurred as selling, general and administrative expense. Advertising expenses totaled $1.1 billion , $1.3 billion , and $1.1 billion for each of the years ended March 31, 2019 , 2018 , and 2017 , respectively.

Variable Interest Entities (VIE)

VIEs are entities which lack sufficient equity to permit the entity to finance its activities without additional subordinated financial support from other parties, have equity investors which do not have the ability to make significant decisions relating to the entity's operations through voting rights, do not have the obligation to absorb the expected losses, or do not have the right to receive the residual returns of the entity. A common type of VIE is a special purposes entity (SPE). SPEs are commonly used in securitization transactions in order to isolate certain assets and distribute the cash flows from those assets to investors. SPEs are generally structured to insulate investors from claims on the SPE's assets by creditors of other entities, including the creditors of the seller of the assets.

We are required to consolidate the assets and liabilities of VIEs when we are deemed to be the primary beneficiary. The primary beneficiary is the party which has the power to make the decisions that most significantly affect the economic performance of the VIE and has the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE.

New Accounting Pronouncements

Accounting Pronouncements Adopted During the Current Year

In May 2014, the Financial Accounting Standards Board (FASB) issued new authoritative literature, *Revenue from Contracts with Customers* (Topic 606). This standard update, along with related subsequently issued updates, clarifies the principles for recognizing revenue and develops a common revenue standard for U.S. GAAP. The new standard supersedes much of the existing authoritative literature for revenue recognition (Topic 605). The standard update also amends current guidance for the recognition of costs to obtain and fulfill contracts with customers such that incremental costs of obtaining and direct costs of fulfilling contracts with customers will be deferred and amortized consistent with the transfer of the related good or service. Upon adoption, the Company applied the standard only to contracts that were not completed, referred to as open contracts.

The Company adopted this standard update beginning on April 1, 2018 using the modified retrospective method. This method requires that the cumulative effect of initially applying the standard be recognized at the date of application beginning April 1, 2018. We recorded a pre-tax cumulative effect of $1.7 billion ($1.3 billion , net of tax) as a reduction to the April 1, 2018 opening balance of accumulated deficit. Results for reporting periods beginning after April 1, 2018 are presented under Topic 606, while amounts reported for prior periods have not been adjusted and continue to be reported under accounting standards in effect for those periods. See *Note 8. Revenues from Contracts with Customers* for additional information related to revenues and contract costs, including qualitative and quantitative disclosures required under Topic 606.

In January 2016, the FASB issued authoritative guidance regarding *Financial Instruments* , which amended guidance on the classification and measurement of financial instruments. Under the new guidance, entities will be required to measure equity investments that are not consolidated or accounted for under the equity method at fair value with any changes in fair value recorded in net income, unless the entity has elected the new practicability exception. For financial liabilities measured using the fair value option, entities will be required to separately present in other comprehensive income the portion of the changes in fair value attributable to instrument-specific credit risk. Additionally, the guidance amends certain disclosure requirements associated with the fair value of financial instruments. The Company adopted this standard update beginning on April 1, 2018 on a retrospective basis resulting in a pre-tax cumulative effect of $12 million ($8 million , net of tax) to our opening balance of accumulated deficit.

In October 2016, the FASB issued authoritative guidance regarding *Income Taxes* , which amended guidance for the income tax consequences of intra-entity transfers of assets other than inventory. Under the new guidance, entities will be required to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs, thereby eliminating the recognition exception within current guidance. The Company adopted this standard on April 1, 2018 on a modified retrospective basis with no impact to our consolidated financial statements.

In January 2017, the FASB issued authoritative guidance amending *Business Combinations: Clarifying the Definition of a Business* , to clarify the definition of a business with the objective of providing a more robust framework to assist management when evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The Company adopted this standard on April 1, 2018 with prospective application to future business combinations.

In January 2017, the FASB issued authoritative guidance regarding *Intangibles - Goodwill and Other: Simplifying the Test for Goodwill Impairment* , which simplifies the goodwill impairment test by eliminating the requirement to calculate the implied fair value of goodwill to measure a goodwill impairment charge (Step 2 of the test), but rather to record an impairment charge based on the excess of the carrying value over its fair value. The Company adopted this standard on April 1, 2018 with no impact to our consolidated financial statements at the date of adoption.

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The cumulative after-tax effect of the changes made to our consolidated balance sheet for the adoption of Topic 606 and other ASUs effective for the Company on April 1, 2018 were as follows:

		Adjustments due to		
	March 31, 2018	Topic 606	Other ASUs	April 1, 2018
		(in millions)		
ASSETS				
Current assets:				
Accounts and notes receivable, net	$ 3,711	$ 97	$ —	$ 3,808
Device and accessory inventory	1,003	(24)	—	979
Prepaid expenses and other current assets	575	271	—	846
Costs to acquire a customer contract	—	1,219	—	1,219
Other assets	921	43	—	964
LIABILITIES AND EQUITY				
Current liabilities:				
Accrued expenses and other current liabilities	$ 3,962	$ (35)	$ —	$ 3,927
Deferred tax liabilities	7,294	366	—	7,660
Other liabilities	3,483	(32)	—	3,451
Stockholders' equity:				
(Accumulated deficit) retained earnings	(1,255)	1,307	8	60
Accumulated other comprehensive loss	(313)	—	(8)	(321)

The most significant impact upon adoption of Topic 606 on April 1, 2018 was the recognition of a deferred contract cost asset of $1.2 billion , which was recorded in "Costs to acquire a customer contract" in our consolidated balance sheets for incremental contract acquisition costs paid on open contracts at the date of adoption. We are capitalizing and subsequently amortizing commission costs, which were previously expensed, related to new service contracts over the expected customer relationship period, while costs associated with contract renewals are amortized over the anticipated length of the service contract. Operating expenses were lower in fiscal year 2019 under Topic 606 compared to amounts recorded under Topic 605 due to higher deferrals of such costs compared to the amortization of prior period commission costs deferred only for open contracts at the date of adoption as permitted by Topic 606.

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A reconciliation of the adjustments from the adoption of Topic 606 relative to Topic 605 on our consolidated statements of operations and balance sheets is as follows:

	Year Ended March 31, 2019		
	As reported	Balances without adoption of Topic 606	Change
	(in millions, except per share amounts)		
Net operating revenues:			
Service	$ 22,857	$ 23,585	$ (728)
Equipment sales	5,606	4,280	1,326
Equipment rentals	5,137	5,200	(63)
	33,600	33,065	535
Net operating expenses:			
Cost of services (exclusive of depreciation and amortization included below)	6,664	6,742	(78)
Cost of equipment sales	6,082	5,937	145
Cost of equipment rentals (exclusive of depreciation below)	643	643	—
Selling, general and administrative	7,774	8,164	(390)
Depreciation - network and other	4,245	4,245	—
Depreciation - equipment rentals	4,538	4,538	—
Amortization	608	608	—
Goodwill impairment	2,000	2,000	—
Other, net	648	648	—
	33,202	33,525	(323)
Operating income (loss)	398	(460)	858
Total other expenses	(2,376)	(2,376)	—
Loss before income taxes	(1,978)	(2,836)	858
Income tax benefit	35	215	(180)
Net loss	(1,943)	(2,621)	678
Less: Net loss attributable to noncontrolling interests	—	—	—
Net loss attributable to Sprint	$ (1,943)	$ (2,621)	$ 678
Basic net loss per common share attributable to Sprint	$ (0.48)	$ (0.65)	$ 0.17
Diluted net loss per common share attributable to Sprint	$ (0.48)	$ (0.65)	$ 0.17
Basic weighted average common shares outstanding	4,057	4,057	—
Diluted weighted average common shares outstanding	4,057	4,057	—

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	March 31, 2019		
	As reported	Balances without adoption of Topic 606	Change
		(in millions)	
ASSETS			
Current assets:			
Accounts and notes receivable, net	$ 3,554	$ 3,443	$ 111
Device and accessory inventory	999	1,020	(21)
Prepaid expenses and other current assets	1,289	651	638
Costs to acquire a customer contract	1,559	—	1,559
Other assets	1,118	916	202
LIABILITIES AND EQUITY			
Current liabilities:			
Accrued expenses and other current liabilities	$ 3,597	$ 3,610	$ (13)
Deferred tax liabilities	7,556	7,010	546
Other liabilities	3,437	3,466	(29)
Stockholders' equity:			
Accumulated deficit	(1,883)	(3,868)	1,985

The most significant impacts to our financial statement results as reported under Topic 606 as compared to Topic 605 for the current reporting period are as follows:

- Consideration paid to customers or on behalf of customers is included as a reduction of the total transaction price of customer contracts, resulting in a contract asset that is amortized to service revenue over the term of the contract. As a result, the income statement impact reflects an increase in equipment sales offset by a reduction in wireless service revenue. Under the previous standard, this consideration paid to customers or on behalf of customers was recognized as a reduction to revenue or as selling, general and administrative expense.
- Costs to acquire a customer contract or for a contract renewal are now capitalized and amortized to selling, general and administrative expenses over the expected customer relationship period or length of the service contract, respectively. Under the previous standard, these commission costs were expensed as incurred.
- Deferred tax liabilities were increased for temporary differences established upon adoption of Topic 606, primarily attributable to costs to acquire a customer contract. For income tax purposes, these commission costs will continue to be expensed as incurred.

Accounting Pronouncements Not Yet Adopted

In February 2016, the FASB issued authoritative guidance regarding *Leases* , and has subsequently modified several areas of the standard in order to provide additional clarity and improvements . The new standard supersedes much of the existing authoritative literature for leases. This guidance requires lessees, among other things, to recognize right-of-use assets and lease liabilities on their balance sheet for all leases with lease terms longer than twelve months. In July 2018, the FASB made targeted improvements to the standard, including providing an additional and optional transition method. Under this method, an entity initially applies the standard at the adoption date, including the election of certain transition reliefs, and recognizes a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption. The standard will be effective for the Company for its fiscal year beginning April 1, 2019, including interim periods within that fiscal year.

The Company will adopt the new leasing standard using the modified retrospective transition method as of the date of initial application (April 1, 2019) such that the comparative period financial statements and disclosures will not be adjusted. Upon transition, companies can elect various practical expedients. We have completed our assessment of the transition practical expedients and have concluded that we will elect practical expedients that will allow the Company to not reassess: whether a contract is a lease or contains a lease (including land easements), the classification of leases, or whether previously incurred costs are eligible for deferral as initial direct costs. Additionally, we expect to elect the use of hindsight for determining the lease term. At transition and prospectively, we will elect to not separate lease and non-lease components for most classes of assets in arrangements where we are the lessee.

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As the Company has elected the modified retrospective transition method, any assets and liabilities that were recognized solely as a result of a transaction where the Company was the deemed owner during construction under the previous literature and the construction is completed will be derecognized at transition. The Company funded certain construction costs which were concluded to be prepaid lease payments; consequently, such amounts will be carried over at their depreciated balance of approximately $0.6 billion and included in the associated finance lease right-of-use assets.

Additionally, the Company is party to several leaseback arrangements. Due to the complexity of these arrangements, we have not completed our assessment of the impact upon adoption.

We currently anticipate the standard to have a material impact to our consolidated balance sheets upon adoption and in future periods. Excluding impacts associated with our leaseback arrangements, we currently estimate that upon adoption, the Company will recognize a lease liability of at least $7.0 billion . This impact is expected to be inclusive of the following:

- The recognition of the lease liability and right-of-use assets for operating leases that were not previously recorded. The right-of-use asset will be adjusted for recognized balances associated with operating leases, including prepaid and deferred rent, cease-use liabilities and favorable or unfavorable intangible assets.
- The impact of our election to apply hindsight in determining the lease term, such that our lease liability will generally only include payments for the initial non-cancelable lease term.

For lease arrangements where we are the lessor, the Company does not expect the adoption of the standard to have a material impact. While the standard modifies the classification and accounting for sales-type and direct finance leases, substantially all of the Company's current handset leases are classified as operating leases and the Company does not expect material sales-type or direct financing leases in future periods.

The Company is in the process of implementing significant new lease solutions, process and internal controls in order to meet the leasing standard's reporting and disclosure requirements.

In June 2016 and November 2018, the FASB issued authoritative guidance regarding *Financial Instruments - Credit Losses* , which requires entities to use a Current Expected Credit Loss impairment model based on expected losses rather than incurred losses. Under this model, an entity would recognize an impairment allowance equal to its current estimate of all contractual cash flows that the entity does not expect to collect from financial assets measured at amortized cost within the scope of the standard. The entity's estimate would consider relevant information about past events, current conditions and reasonable and supportable forecasts, which will result in recognition of lifetime expected credit losses. The standard will be effective for the Company's fiscal year beginning April 1, 2020, including interim reporting periods within that fiscal year, although early adoption is permitted. The Company does not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In June 2018, the FASB issued authoritative guidance regarding *Compensation - Stock Compensation* , which expands the scope of ASC Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. The standard will be effective for the Company for its fiscal year beginning April 1, 2019, including interim periods within that fiscal year, with early adoption permitted. The Company is currently evaluating the guidance and assessing its overall impact. However, we do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In August 2018, the FASB issued authoritative guidance regarding *Fair Value Measurement: Disclosure Framework* , which eliminates, adds and modifies certain disclosure requirements for fair value measurements. The standard will be effective for the Company for its fiscal year beginning April 1, 2020, including interim periods within that fiscal year, with early adoption permitted. The Company is currently evaluating the guidance and assessing its overall impact. However, we do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In August 2018, the FASB issued authoritative guidance regarding *Intangibles - Goodwill and Other - Internal-Use Software* , which aligns the requirements for a customer to capitalize implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The standard will be effective for the Company for its fiscal year beginning April 1, 2020, including interim periods within that fiscal year, with early adoption permitted. The Company is currently evaluating the guidance and assessing its overall impact.

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Note 3. Installment Receivables

Certain subscribers have the option to pay for their devices in installments, generally up to a 24 -month period. Short-term installment receivables are recorded in "Accounts and notes receivable, net" and long-term installment receivables are recorded in "Other assets" in the consolidated balance sheets.

The following table summarizes the installment receivables:

	March 31,	
	2019	2018
	(in millions)	
Installment receivables, gross	$ 1,212	$ 1,472
Deferred interest	(71)	(106)
Installment receivables, net of deferred interest	1,141	1,366
Allowance for credit losses	(215)	(217)
Installment receivables, net	$ 926	$ 1,149
Classified in the consolidated balance sheets as:		
Accounts and notes receivable, net	$ 679	$ 995
Other assets	247	154
Installment receivables, net	$ 926	$ 1,149

The balance and aging of installment receivables on a gross basis by credit category were as follows:

	March 31, 2019			March 31, 2018		
	Prime	Subprime	Total	Prime	Subprime	Total
	(in millions)			(in millions)		
Unbilled	$ 667	$ 459	$ 1,126	$ 951	$ 391	$ 1,342
Billed - current	43	22	65	69	29	98
Billed - past due	10	11	21	17	15	32
Installment receivables, gross	$ 720	$ 492	$ 1,212	$ 1,037	$ 435	$ 1,472

Activity in the deferred interest and allowance for credit losses for the installment receivables was as follows:

	Year Ended March 31,	
	2019	2018
	(in millions)	
Deferred interest and allowance for credit losses, beginning of period	$ 323	$ 506
Adjustment to deferred interest on short- and long-term installment receivables due to Topic 606	(50)	—
Bad debt expense	116	142
Write-offs, net of recoveries	(118)	(224)
Change in deferred interest on short- and long-term installment receivables	15	(101)
Deferred interest and allowance for credit losses, end of period	$ 286	$ 323

Note 4. Financial Instruments

The Company carries certain assets and liabilities at fair value. Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three-tier hierarchy for inputs used in measuring fair value, which prioritizes the inputs based on the observability as of the measurement date, is as follows: quoted prices in active markets for identical assets or liabilities; observable inputs other than the quoted prices in active markets for identical assets and liabilities; and unobservable inputs for which there is little or no market data, which require the Company to develop assumptions of what market participants would use in pricing the asset or liability.

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The carrying amount of cash equivalents, accounts and notes receivable, and accounts payable approximates fair value. Short-term investments are recorded at amortized cost and the respective carrying amounts approximate the fair value that would be determined primarily using quoted prices in active markets. As of March 31, 2019 , short-term investments consisted of $67 million of commercial paper. As of March 31, 2018 , short-term investments totaled $2.4 billion and consisted of approximately $1.6 billion of time deposits and $765 million of commercial paper. The fair value of marketable equity securities totaling $1 million and $57 million as of March 31, 2019 and 2018 , respectively, are measured on a recurring basis using quoted prices in active markets. Current and long-term debt inclusive of our other financings are carried at amortized cost.

Debt for which estimated fair value is determined based on unobservable inputs primarily represents borrowings under our secured equipment credit facilities and sales of receivables under our Accounts Receivable Facility (Receivables Facility). See *Note 7. Long-Term Debt, Financing and Capital Lease Obligations* for additional information. The carrying amounts associated with these borrowings approximate fair value.

The estimated fair value of the majority of our current and long-term debt, excluding our secured equipment credit facilities, and sold wireless service, installment billing and future receivables is determined based on quoted prices in active markets or by using other observable inputs that are derived principally from, or corroborated by, observable market data.

The following table presents carrying amounts and estimated fair values of current and long-term debt and financing obligations:

		Estimated Fair Value Using Input Type			
	Carrying amount at March 31, 2019	Quoted prices in active markets	Observable	Unobservable	Total estimated fair value
			(in millions)		
Current and long-term debt and financing obligations	$ 40,193	$ 36,642	$ 197	$ 3,970	$ 40,809

		Estimated Fair Value Using Input Type			
	Carrying amount at March 31, 2018	Quoted prices in active markets	Observable	Unobservable	Total estimated fair value
			(in millions)		
Current and long-term debt and financing obligations	$ 40,820	$ 37,549	$ —	$ 3,737	$ 41,286

Note 5. Property, Plant and Equipment

Property, plant and equipment consists primarily of network equipment, leased devices and other long-lived assets used to provide service to our subscribers. Non-cash accruals included in PP&E (excluding leased devices) totaled $1.2 billion , $704 million , and $962 million as of March 31, 2019 , 2018 , and 2017 , respectively.

The following table presents the components of PP&E, and the related accumulated depreciation:

	March 31,	
	2019	2018
	(in millions)	
Land	$ 246	$ 254
Network equipment, site costs and related software	24,967	22,930
Buildings and improvements	856	813
Leased devices, non-network internal use software, office equipment and other	12,627	11,149
Construction in progress	3,044	2,202
Less: accumulated depreciation	(20,539)	(17,423)
Property, plant and equipment, net	$ 21,201	$ 19,925

Network equipment, site costs and related software includes switching equipment, cell site towers, site development costs, radio frequency equipment, network software, digital fiber optic cable, transport facilities and transmission-related equipment. Buildings and improvements principally consist of owned general office facilities, retail stores and leasehold improvements. Non-network internal use software, office equipment, leased devices and other primarily consists of furniture, information technology systems, equipment and vehicles, and leased devices. Construction in progress, which is not depreciated until placed in service, primarily includes materials, transmission and related equipment, labor, engineering, site development costs, interest and other costs relating to the construction and development of our network.

Sprint offers a leasing program to its customers whereby qualified subscribers can lease a device for a contractual period of time. At the end of the lease term, the subscriber has the option to return the device, continue leasing the device, or purchase the device. As of March 31, 2019 , substantially all of our device leases were classified as operating leases. Purchases of leased devices are reported as cash outflows for "Capital expenditures - leased devices" in the consolidated statements of cash flows. The devices are then depreciated using the straight-line method to their estimated residual value generally over the term of the lease.

The following table presents leased devices and the related accumulated depreciation:

	March 31,	
	2019	2018
	(in millions)	
Leased devices	$ 10,972	$ 9,592
Less: accumulated depreciation	(4,360)	(3,580)
Leased devices, net	$ 6,612	$ 6,012

During the years ended March 31, 2019 and 2018 , we had non-cash transfers of returned leased devices from property, plant and equipment to device and accessory inventory at the lower of net book value or their estimated fair value of $879 million and $661 million , respectively. Non-cash accruals included in leased devices totaled $185 million , $256 million and $158 million as of March 31, 2019 , 2018 and 2017 , respectively.

As of March 31, 2019 , the minimum estimated payments to be received for leased devices were as follows (in millions):

Fiscal year 2019	$ 3,398
Fiscal year 2020	384
	$ 3,782

During the years ended March 31, 2019 , 2018 and 2017 , we recorded $1.1 billion , $868 million and $509 million , respectively, of loss on disposal of property, plant and equipment, net of recoveries. Net losses that resulted from the write-off of leased devices were primarily associated with lease cancellations prior to the scheduled customer lease terms where customers did not return the devices to us. Such losses were $643 million , $493 million and $481 million for the years ended March 31, 2019 , 2018 and 2017 , respectively, and are included in "Cost of equipment rentals" in our consolidated statements of operations. During the years ended March 31, 2019 , 2018 and 2017 , we recorded $492 million , $375 million and $28 million , respectively, of losses primarily related to cell site construction costs and network equipment that are no longer recoverable as a result of changes in our network plans, which are included in "Other, net" in our consolidated statements of operations.

Note 6. Intangible Assets

Indefinite-Lived Intangible Assets

Our indefinite-lived intangible assets consist of FCC licenses, which were acquired primarily through FCC auctions and business combinations, certain of our trademarks, and goodwill. At March 31, 2019 , we held 800 MHz, 1.9 GHz and 2.5 GHz FCC licenses authorizing the use of radio frequency spectrum to deploy our wireless services. As long as the Company acts within the requirements and constraints of the regulatory authorities, the renewal and extension of these licenses is reasonably certain at minimal cost. Accordingly, we have concluded that FCC licenses are indefinite-lived intangible assets. Our Sprint and Boost Mobile trademarks have also been identified as indefinite-lived intangible assets. Goodwill represents the excess of consideration paid over the estimated fair value of net tangible and identifiable intangible assets acquired in business combinations.

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During the year ended March 31, 2018 , Sprint and PRWireless PR, Inc. completed a transaction to combine their operations in Puerto Rico and the U.S. Virgin Islands into a new entity named PRWireless HoldCo, LLC. The companies contributed employees, subscribers, network assets and spectrum to the transaction. Sprint and PRWireless PR, Inc. have an approximate 68% and a 32% preferred economic interest, as well as a 55% and 45% common voting interest in the new entity, respectively. Sprint's ownership represents a controlling financial interest and as a result Sprint consolidates the entity and presents a noncontrolling interest in its consolidated financial statements. The consideration transferred by Sprint was allocated to assets acquired and liabilities assumed from PRWireless PR, Inc. based on their estimated fair values at the time of the transaction. Beginning total assets and liabilities of the new entity were approximately $380 million and $245 million , respectively. Of these amounts, approximately $275 million and $225 million represented the fair value of the PRWireless PR, Inc. asset and liability contribution, respectively, which have increased the corresponding financial statement line items in the Sprint consolidated balance sheet at March 31, 2018 . The acquired assets primarily consisted of approximately $145 million of FCC licenses, $50 million of other intangible assets and $80 million of current and fixed assets. The acquired liabilities consisted of approximately $180 million of long-term debt and $45 million of other current liabilities.

The following provides the activity of indefinite-lived intangible assets within the consolidated balance sheets:

	March 31, 2018	Net Additions (Impairments)	March 31, 2019
		(in millions)	
FCC licenses	$ 37,274	$ 156	$ 37,430
Trademarks	4,035	—	4,035
Goodwill	6,586	(1,988) (3)	4,598
	$ 47,895	$ (1,832)	$ 46,063

	March 31, 2017	Net Additions	March 31, 2018
		(in millions)	
FCC licenses	$ 36,550	$ 724 (1)	$ 37,274
Trademarks	4,035	—	4,035
Goodwill (3)	6,579	7 (2)	6,586
	$ 47,164	$ 731	$ 47,895

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(1) During the year ended March 31, 2018 , net additions within FCC licenses include a $479 million increase from spectrum license exchanges described below, and approximately $145 million of spectrum licenses as a result of the transaction with PRWireless PR, Inc. described above.
(2) During the year ended March 31, 2018 , $7 million was added to goodwill as a result of the transaction with PRWireless PR, Inc. as described above.
(3) Through March 31, 2019 accumulated impairment losses for goodwill are $2.0 billion . See discussion below.

Spectrum License Exchanges

In the first quarter of fiscal year 2017, we exchanged certain spectrum licenses with other carriers in non-cash transactions. As a result, we recorded a non-cash gain of $479 million , which represented the difference between the fair value and the net book value of the spectrum transferred to the other carriers resulting in a non-cash investing activity for the fair value of the licenses received of $921 million . The gain was presented in "Other, net" in the consolidated statements of operations for the year ended March 31, 2018 .

Assessment of Impairment

Our annual impairment testing date for goodwill and indefinite-lived intangible assets is January 1 of each year; however, we test for impairment between our annual tests if an event occurs or circumstances change that indicate that the asset may be impaired, or in the case of goodwill, that the fair value of the reporting unit is below its carrying amount.

Our stock price at March 31, 2019 of $5.65 was below the net book value per share price of $6.39 . However, subsequent to the balance sheet date, the stock price has increased to $6.91 at May 28, 2019. The quoted market price of our stock is not the sole consideration of fair value. Other considerations include, but are not limited to, expectations of future results as well as broad market and industry data.

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During the year ended March 31, 2019, the Company completed its annual impairment testing for goodwill assigned to the Wireless reporting unit using quantitative approaches to determine the fair value of the Wireless reporting unit, which included a weighted calculation between income and market approaches. These approaches rely on significant unobservable inputs including, but not limited to, management's forecasts of projected revenue, adjusted EBITDA, and cash flows. As a result of lower net customer additions, sustained negative free cash flow necessary to maintain a competitive network, and failures to meet prior forecasted projections, we updated our projected cash flows for our Wireless reporting unit. Our updated projections reflected declines in long-term revenue and adjusted EBITDA as compared to prior projections. As a result of our impairment testing, we concluded that the carrying value of the Wireless reporting unit was in excess of its estimated fair value by $2.0 billion as of January 1, 2019. As a result, a goodwill impairment charge in this amount has been recorded in our consolidated statements of operations for the year ended March 31, 2019. We did not record an impairment for goodwill during the year ended March 31, 2018. Furthermore, we did not record an impairment for any other indefinite-lived intangible assets during the years ended March 31, 2019 or March 31, 2018.

The determination of fair value requires considerable judgment and is highly sensitive to changes in underlying assumptions. Consequently, there can be no assurance that the estimates and assumptions made for the purposes of the goodwill, spectrum licenses, and Sprint and Boost Mobile trade names impairment tests will prove to be an accurate prediction of the future. Sustained declines in the Company's operating results, number of wireless subscribers, future forecasted cash flows, growth rates and other assumptions, as well as significant, persistent declines in the Company's stock price and related market capitalization could impact the underlying key assumptions and our estimated fair values, potentially leading to an additional future material impairment of goodwill or other indefinite-lived intangible assets.

Intangible Assets Subject to Amortization

Customer relationships are amortized using the sum-of-the-months' digits method, while all other definite-lived intangible assets are amortized using the straight-line method over the estimated useful lives of the respective assets. We reduce the gross carrying value and associated accumulated amortization when specified intangible assets become fully amortized. Amortization expense related to favorable spectrum and tower leases is recognized in "Cost of services" in our consolidated statements of operations.

		March 31, 2019			March 31, 2018		
	Useful Lives	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
				(in millions)			
Customer relationships	5 to 8 years	$ 6,563	$ (6,029)	$ 534	$ 6,562	$ (5,462)	$ 1,100
Other intangible assets:							
Favorable spectrum leases	23 years	763	(150)	613	856	(172)	684
Favorable tower leases	9 years	335	(215)	120	335	(179)	156
Trademarks	2 to 34 years	520	(89)	431	520	(74)	446
Other	5 to 10 years	137	(66)	71	129	(50)	79
Total other intangible assets		1,755	(520)	1,235	1,840	(475)	1,365
Total definite-lived intangible assets		$ 8,318	$ (6,549)	$ 1,769	$ 8,402	$ (5,937)	$ 2,465

	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
			(in millions)		
Estimated amortization expense	$ 467	$ 263	$ 110	$ 71	$ 55

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Note 7. Long-Term Debt, Financing and Capital Lease Obligations

	Interest Rates	Maturities	March 31, 2019	March 31, 2018
			(in millions)	
Notes				
Senior notes				
Sprint Corporation	7.13 - 7.88%	2021 - 2026	$ 12,000	$ 12,000
Sprint Communications, Inc.	6.00 - 11.50%	2020 - 2022	4,780	4,980
Sprint Capital Corporation	6.88 - 8.75%	2019 - 2032	6,204	6,204
Senior secured notes				
Sprint Spectrum Co LLC, Sprint Spectrum Co II LLC, Sprint Spectrum Co III LLC	3.36 - 5.15%	2021 - 2028	6,125	7,000
Guaranteed notes				
Sprint Communications, Inc.	7.00%	2020	1,000	2,753
Credit facilities				
Secured revolving bank credit facility	4.75%	2021	—	—
Secured term loans	5.00 - 5.50%	2024	5,915	3,960
PRWireless term loan	7.84%	2020	198	182
Export Development Canada (EDC)	4.75%	2019	300	300
Secured equipment credit facilities	4.13 - 4.86%	2020 - 2022	661	527
Accounts receivable facility	3.62 - 3.82%	2020	2,607	2,411
Financing obligations, capital lease and other obligations	2.35 - 12.00%	2019 - 2026	538	686
Net premiums and debt financing costs			(405)	(111)
			39,923	40,892
Less current portion			(4,557)	(3,429)
Long-term debt, financing and capital lease obligations			$ 35,366	$ 37,463

As of March 31, 2019 , Sprint Corporation had $12.0 billion in aggregate principal amount of senior notes outstanding. In addition, as of March 31, 2019 , the outstanding principal amount of the senior notes issued by Sprint Communications and Sprint Capital Corporation, the guaranteed notes issued by Sprint Communications, Sprint Communications' secured term loans and secured revolving bank credit facility, the EDC agreement, the secured equipment credit facilities, the Receivables Facility, and certain other obligations collectively totaled $21.9 billion in principal amount of our long-term debt. Sprint Corporation fully and unconditionally guaranteed such indebtedness, which was issued by 100% owned subsidiaries. Although certain financing agreements restrict the ability of Sprint Communications and its subsidiaries to distribute cash to Sprint Corporation, the ability of the subsidiaries to distribute cash to their respective parents, including to Sprint Communications, is generally not restricted.

As of March 31, 2019 , approximately $16.1 billion aggregate principal amount of our outstanding debt, comprised of certain notes, financing and capital lease obligations, was secured by substantially all of the assets of the Company. Cash interest payments, net of amounts capitalized of $74 million , $55 million , and $44 million , totaled $2.6 billion , $2.5 billion , and $2.7 billion during each of the years ended March 31, 2019 , 2018 , and 2017 , respectively. Our weighted average effective interest rate related to our notes and credit facilities was 6.5% , 6.2% and 6.4% for the years ended March 31, 2019 , 2018 and 2017 , respectively.

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Notes

As of March 31, 2019 , our outstanding notes consisted of senior notes and guaranteed notes, all of which are unsecured, as well as senior secured notes associated with our spectrum financing transactions. Cash interest on all of the notes is payable semi-annually in arrears with the exception of the spectrum financing senior secured notes, which is payable quarterly. As of March 31, 2019 , $30.1 billion aggregate principal amount of the notes was redeemable at the Company's discretion at the then-applicable redemption prices plus accrued interest.

As of March 31, 2019 , $23.9 billion aggregate principal amount of our senior notes, senior secured notes, and guaranteed notes provided holders with the right to require us to repurchase the notes if a change of control triggering event (as defined in the applicable indentures and supplemental indentures) occurs. In May 2018, we successfully completed consent solicitations with respect to certain series of Sprint Corporation, Sprint Communications, and Sprint Capital Corporation senior notes. As a result of the Sprint Corporation and Sprint Communications consent solicitations, the proposed merger transaction with T-Mobile , if consummated, will not constitute a change of control as defined in the applicable indentures governing the notes.

Effective December 31, 2018, Sprint defeased the $200 million aggregate principal amount of Sprint Communications 9.25% debentures due 2022, which included the deposit of U.S. Treasury securities with the trustee to provide for the future interest and principal payments on the notes through maturity. The defeasance resulted in reductions to "Short-term investments" and "Current portion of long-term debt, financing and capital lease obligations" in the consolidated balance sheets as of December 31, 2018.

In November 2018, Sprint Communications retired $1.8 billion aggregate principal amount upon maturity of its outstanding 9.000% Guaranteed Notes.

Spectrum Financing

In October 2016, certain subsidiaries of Sprint Communications, which were not "Restricted Subsidiaries" under Sprint Capital Corporation's indentures, transferred certain directly held and third-party leased spectrum licenses (collectively, Spectrum Portfolio) to wholly-owned bankruptcy-remote special purpose entities (collectively, Spectrum Financing SPEs). The Spectrum Portfolio, which represented approximately 14% of Sprint's total spectrum holdings on a MHz-pops basis, was used as collateral to raise an initial $3.5 billion in senior secured notes (2016 Spectrum-Backed Notes) bearing interest at 3.36% per annum under a $7.0 billion securitization program. The 2016 Spectrum-Backed Notes are repayable over a five -year term, with interest-only payments over the first four quarters and amortizing quarterly principal payments thereafter commencing December 2017 through September 2021. During the year ended March 31, 2019 , we made scheduled principal repayments of $875 million , resulting in a total principal amount outstanding related to the 2016 Spectrum-Backed Notes of $2.2 billion as of March 31, 2019 , of which $875 million was classified as "Current portion of long-term debt, financing and capital lease obligations" in the consolidated balance sheets.

In March 2018, we amended the transaction documents governing the securitization program to allow for the issuance of more than $7.0 billion of notes outstanding pursuant to the securitization program subject to certain conditions, which, among other things, may require the contribution of additional spectrum. Also, in March 2018, we issued approximately $3.9 billion in aggregate principal amount of senior secured notes under the existing $7.0 billion securitization program, consisting of two series of senior secured notes. The first series of notes totaled $2.1 billion in aggregate principal amount, bears interest at 4.738% per annum, have quarterly interest-only payments until June 2021, and amortizing quarterly principal amounts thereafter commencing in June 2021 through March 2025. The second series of notes totaled approximately $1.8 billion in aggregate principal amount, bears interest at 5.152% per annum, have quarterly interest-only payments until June 2023, and amortizing quarterly principal amounts thereafter commencing in June 2023 through March 2028. The Spectrum Portfolio, which also serves as collateral for the 2016 Spectrum-Backed Notes, remains substantially identical to the original portfolio from October 2016.

Simultaneously with the October 2016 offering, Sprint Communications entered into a long-term lease with the Spectrum Financing SPEs for the ongoing use of the Spectrum Portfolio. The spectrum lease is an executory contract, which for accounting purposes is treated in a similar manner to an operating lease. Sprint Communications is required to make monthly lease payments to the Spectrum Financing SPEs at a market rate. The lease payments, which are guaranteed by Sprint Corporation and certain subsidiaries (none of which are "Restricted Subsidiaries" under Sprint Capital Corporation's indentures) of Sprint Communications (and are secured together with the obligations under another transaction document by substantially all of the assets of such entities on a pari passu basis up to an aggregate cap of $3.5 billion with the grant of security under the secured term loan and revolving bank credit facility and EDC (as defined below) agreement), are sufficient to service all outstanding series of the senior secured notes and the lease also constitutes collateral for the senior secured notes. Because the Spectrum Financing SPEs are wholly-owned Sprint subsidiaries, these entities are consolidated and all intercompany activity has been eliminated.

Each Spectrum Financing SPE is a separate legal entity with its own separate creditors who will be entitled, prior to and upon the liquidation of the Spectrum Financing SPEs, to be satisfied out of the Spectrum Financing SPEs' assets prior to any assets of the Spectrum Financing SPEs becoming available to Sprint. Accordingly, the assets of the Spectrum Financing SPEs are not available to satisfy the debts and other obligations owed to other creditors of Sprint until the obligations of the Spectrum Financing SPEs under the spectrum-backed senior secured notes are paid in full.

In June 2018, we obtained the consent of the control party under the spectrum-backed senior secured notes indenture to amend the indenture such that the proposed merger transaction with T-Mobile, if consummated, will not constitute a change of control as defined in the indenture.

Credit Facilities

Secured Term Loan and Revolving Bank Credit Facility

On February 3, 2017, we entered into a $6.0 billion credit agreement, consisting of a $4.0 billion , seven -year secured term loan (Initial Term Loan) that matures in February 2024 and a $2.0 billion secured revolving bank credit facility that expires in February 2021. As of March 31, 2019 , $118 million in letters of credit were outstanding under the secured revolving bank credit facility, including the letter of credit required by the Report and Order. See *Note 12. Commitments and Contingencies* for additional information. As a result of the outstanding letters of credit, which directly reduce the availability of borrowings, the Company had approximately $1.9 billion of borrowing capacity available under the secured revolving bank credit facility as of March 31, 2019 . The bank credit facility requires a ratio (Leverage Ratio) of total indebtedness to trailing four quarters earnings before interest, taxes, depreciation and amortization and other non-recurring items, as defined by the bank credit facility (adjusted EBITDA), not to exceed 3.75 to 1.0 through the fiscal quarter ending December 31, 2019. The Leverage Ratio must not exceed 3.5 to 1.0 for the fiscal quarter ended March 31, 2020 and each fiscal quarter ending thereafter through expiration of the facility. The Initial Term Loan has an interest rate equal to LIBOR plus 250 basis points and the secured revolving bank credit facility has an interest rate equal to LIBOR plus a spread that varies depending on the Leverage Ratio. During the year ended March 31, 2019 , we made principal repayments on the Initial Term Loan totaling $40 million , resulting in a total principal amount outstanding for the Initial Term Loan of $3.9 billion as of March 31, 2019 .

In consideration of the Initial Term Loan, we entered into a five -year fixed-for-floating interest rate swap on a $2.0 billion notional amount that has been designated as a cash flow hedge. The effective portion of changes in fair value are recorded in "Other comprehensive (loss) income" in the consolidated statements of comprehensive (loss) income and the ineffective portion, if any, is recorded as interest expense in current period earnings in the consolidated statements of operations. The fair value of the interest rate swap was $13 million and $41 million as of March 31, 2019 and 2018 , respectively, which was recorded in "Other assets" in the consolidated balance sheets.

On November 26, 2018, the credit agreement was amended to, among other things, authorize incremental secured term loans (Incremental Term Loans) totaling $2.0 billion , of which $1.1 billion was borrowed. On February 26, 2019, the remaining $900 million was borrowed. The Incremental Term Loans mature in February 2024, have interest rates equal to LIBOR plus 300 basis points and increased the total credit facility to $8.0 billion .

PRWireless Term Loan

During the three-month period ended December 31, 2017, Sprint and PRWireless PR, Inc. completed a transaction to combine their operations in Puerto Rico and the U.S. Virgin Islands into a new entity. Prior to the formation of the new entity, PRWireless PR, Inc. had incurred debt under a secured term loan, which became debt of the new entity upon the transaction close. The secured term loan bears interest at 5.25% plus LIBOR and expires in June 2020. Any amounts repaid early may not be drawn again. During the year ended March 31, 2019 , the joint venture borrowed $18 million and made principal repayments totaling $2 million , resulting in a total principal amount outstanding of $198 million as of March 31, 2019 , with an additional $2 million remaining available. Sprint has provided an unsecured guarantee of repayment of the secured term loan obligations. The secured portion of the facility is limited to assets of the joint venture as the borrower.

EDC Agreement

As of March 31, 2019 , the EDC agreement provided for security and covenant terms similar to our secured term loan and revolving bank credit facility. However, under the terms of the EDC agreement, repayments of outstanding amounts cannot be redrawn. As of March 31, 2019 , the total principal amount outstanding under the EDC facility was $300 million .

Secured Equipment Credit Facilities

Finnvera plc (Finnvera)

The Finnvera secured equipment credit facility provided for the ability to finance network equipment-related purchases from Nokia Solutions and Networks US LLC, USA. During the year ended March 31, 2019 , we made principal repayments totaling $82 million on the facility, resulting in a total principal amount of $92 million outstanding as of March 31, 2019 .

K-sure

The K-sure secured equipment credit facility provides for the ability to finance network equipment-related purchases from Samsung Telecommunications America, LLC. In October 2018, we amended the secured equipment credit facility to extend the borrowing availability through September 2019. Such borrowings are contingent upon the amount and timing of network equipment-related purchases made by Sprint. During the year ended March 31, 2019 , we drew $331 million and made principal repayments totaling $75 million on the facility, resulting in a total principal amount of $450 million outstanding as of March 31, 2019 .

Delcredere | Ducroire (D/D)

The D/D secured equipment credit facility provided for the ability to finance network equipment-related purchases from Alcatel-Lucent USA Inc. During the year ended March 31, 2019 , we made principal repayments totaling $40 million on the facility, resulting in a total principal amount of $119 million outstanding as of March 31, 2019 .

Borrowings under the Finnvera, K-sure and D/D secured equipment credit facilities are each secured by liens on the respective network equipment purchased. In addition, repayments of outstanding amounts borrowed under the secured equipment credit facilities cannot be redrawn. Each of these facilities is fully and unconditionally guaranteed by both Sprint Communications and Sprint Corporation. The secured equipment credit facilities have certain key covenants similar to those in our secured term loan and revolving bank credit facility.

Accounts Receivable Facility

Transaction Overview

Our Receivables Facility provides us the opportunity to sell certain wireless service receivables, installment receivables, and future amounts due from customers who lease certain devices from us to unaffiliated third parties (the Purchasers). The maximum funding limit under the Receivables Facility is $4.5 billion . While we have the right to decide how much cash to receive from each sale, the maximum amount of cash available to us varies based on a number of factors and, as of March 31, 2019 , represents approximately 50% of the total amount of the eligible receivables sold to the Purchasers. As of March 31, 2019 , the total amount outstanding under our Receivables Facility was $2.6 billion and the total amount available to be drawn was $867 million . However, subsequent to March 31, 2019 , Sprint repaid $800 million under the Receivables Facility reducing amounts outstanding to $1.8 billion . In February 2017, the Receivables Facility was amended and Sprint regained effective control over the receivables transferred to the Purchasers by obtaining the right, under certain circumstances, to repurchase them. Subsequent to the February 2017 amendment, all proceeds received from the Purchasers in exchange for the transfer of our wireless service and installment receivables are recorded as borrowings. Repayments and borrowings under the Receivables Facility are reported as financing activities in the consolidated statements of cash flows. All cash collected on repurchased receivables subsequent to the February 2017 amendment was recognized in investing activities in the consolidated statements of cash flows. In June 2018, the Receivables Facility was again amended to, among other things, extend the maturity date to June 2020, increase the maximum funding limit by $200 million , reduce financing costs, add month-to-month lease receivables as eligible receivables for leases that extend past their original lease term, and change the Purchasers' commitment allocations. The Purchasers' commitments are allocated 22% to wireless service receivables and 78% to a combined pool of installment receivables, future lease receivables and month-to-month lease receivables. During the year ended March 31, 2019 , we drew $6.9 billion and repaid $6.7 billion to the Purchasers.

Prior to the February 2017 amendment, wireless service and installment receivables sold to the Purchasers were treated as a sale of financial assets and we derecognized these receivables, as well as the related allowances, and recognized the net proceeds received in cash provided by operating activities in the consolidated statements of cash flows. The total proceeds from the sale of these receivables were comprised of a combination of cash, which was recognized as operating activities within our consolidated statements of cash flows, and a deferred purchase price (DPP). The DPP was realized by us upon either the ultimate collection of the underlying receivables sold to the Purchasers or upon Sprint's election to receive additional advances in cash from the Purchasers subject to the total availability under the Receivables Facility. All cash collections on the DPP were recognized as investing activities in the consolidated statements of cash flows. The fees associated with these sales were recognized in "Selling, general and administrative" in the consolidated statements of operations through the date of the February 2017 amendment. Subsequent to the February 2017 amendment, the sale of wireless service and installment receivables are reported as financings, which is consistent with our historical treatment for the sale of future lease receivables, and the associated fees are recognized as "Interest expense" in the consolidated statements of operations.

Transaction Structure

Sprint contributes certain wireless service, installment and future lease receivables, as well as the associated leased devices, to Sprint's wholly-owned consolidated bankruptcy-remote special purpose entities (SPEs). At Sprint's direction, the SPEs have sold, and will continue to sell, wireless service, installment and future lease receivables to the Purchasers or to a bank agent on behalf of the Purchasers. Leased devices will remain with the SPEs, once sales are initiated, and continue to be depreciated over their estimated useful life. As of March 31, 2019 , wireless service, installment and lease receivables contributed to the SPEs and included in "Accounts and notes receivable, net" in the consolidated balance sheets were $2.5 billion and the long-term portion of installment receivables included in "Other assets" in the consolidated balance sheets was $231 million . As of March 31, 2019 , the net book value of devices contributed to the SPEs was $6.6 billion .

Each SPE is a separate legal entity with its own separate creditors who will be entitled, prior to and upon the liquidation of the SPE, to be satisfied out of the SPE's assets prior to any assets in the SPE becoming available to Sprint. Accordingly, the assets of the SPE are not available to pay creditors of Sprint or any of its affiliates (other than any other SPE), although collections from these receivables in excess of amounts required to repay the advances, yield and fees of the Purchasers and other creditors of the SPEs may be remitted to Sprint during and after the term of the Receivables Facility.

Sales of eligible receivables by the SPEs generally occur daily and are settled on a monthly basis. Sprint pays a fee for the drawn and undrawn portions of the Receivables Facility. A subsidiary of Sprint services the receivables in exchange for a monthly servicing fee, and Sprint guarantees the performance of the servicing obligations under the Receivables Facility.

Variable Interest Entity

Sprint determined that certain of the Purchasers, which are multi-seller asset-backed commercial paper conduits (Conduits) are considered variable interest entities because they lack sufficient equity to finance their activities. Sprint's interest in the receivables purchased by the Conduits is not considered a variable interest because Sprint's interest is in assets that represent less than 50% of the total activity of the Conduits.

Financing Obligations, Capital Lease and Other Obligations

Tower Financing

During 2008, we sold and subsequently leased back approximately 3,000 cell sites, of which approximately 1,750 remain as of March 31, 2019 . Terms extend through 2021, with renewal options for an additional 20 years. These cell sites continue to be reported as part of our "Property, plant and equipment, net" in our consolidated balance sheets due to our continued involvement with the property sold and the transaction is accounted for as a financing. The financing obligation as of March 31, 2019 is $109 million .

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Capital Lease and Other Obligations

In May 2016, Sprint closed on a transaction with Shentel to acquire one of our wholesale partners, NTELOS Holdings Corporation (nTelos). The total consideration for this transaction included $181 million , on a net present value basis, of notes payable to Shentel. Sprint will satisfy its obligations under the notes payable over an expected term of five to six years, of which the remaining obligation is $151 million as of March 31, 2019 . The remainder of our capital lease and other obligations of $278 million as of March 31, 2019 are primarily for the use of wireless network equipment.

Covenants

Certain indentures and other agreements require compliance with various covenants, including covenants that limit the ability of the Company and its subsidiaries to sell all or substantially all of its assets, limit the ability of the Company and its subsidiaries to incur indebtedness and liens, and require that we maintain certain financial ratios, each as defined by the terms of the indentures, supplemental indentures and financing arrangements.

As of March 31, 2019 , the Company was in compliance with all restrictive and financial covenants associated with its borrowings. A default under any of our borrowings could trigger defaults under certain of our other debt obligations, which in turn could result in the maturities being accelerated.

Under our secured revolving bank credit facility, we are currently restricted from paying cash dividends because our ratio of total indebtedness to adjusted EBITDA (each as defined in the applicable agreements) exceeds 2.5 to 1.0 .

Future Maturities of Long-Term Debt, Financing and Capital Lease Obligations

Aggregate amount of maturities for long-term debt, financing and capital lease obligations outstanding as of March 31, 2019 , were as follows (in millions):

Fiscal year 2019	$ 4,455
Fiscal year 2020	5,160
Fiscal year 2021	4,926
Fiscal year 2022	2,988
Fiscal year 2023	10,829
Fiscal year 2024 and thereafter	11,970
	40,328
Net premiums and debt financing costs	(405)
	$ 39,923

Note 8. Revenues from Contracts with Customers

The Company adopted Topic 606 beginning on April 1, 2018 using the modified retrospective method. Upon adoption, the Company applied the standard only to contracts that were not completed, referred to as open contracts. We operate two reportable segments: Wireless and Wireline.

Disaggregation of Revenue

We disaggregate revenue based upon differences in accounting for underlying performance obligations. Accounting differences related to our performance obligations are driven by various factors, including the type of product offering provided, the type of customer, and the expected timing of payment for goods and services.

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The following table presents disaggregated reported revenue by category:

	Year Ended March 31, 2019
	(in millions)
Service revenue	
Postpaid	$ 16,910
Prepaid	3,746
Wholesale, affiliate and other	1,177
Wireline	1,024
Total service revenue	22,857
Equipment sales	5,606
Equipment rentals	5,137
Total revenue	$ 33,600

Contract Assets and Liabilities

The relationship between the satisfaction of our performance obligations and collection of payments from the customer will vary depending upon the type of contract. In Wireless subsidized contracts, payment related to equipment performance obligations is partially collected upfront and partially collected over the related service period resulting in a contract asset position at contract inception. In traditional Wireless installment billing contracts, the full amount of consideration related to equipment performance obligations is recognized as a receivable at contract inception and collected ratably in accordance with payment terms attached to the installment note. Traditional Wireless installment billing contracts are subject to an accounting contract duration of one month, and therefore do not result in the recognition of a contract position. In Wireless installment billing contracts that include a substantive termination penalty such as when customers receive a monthly service credit to offset monthly payments against applicable installment billing notes, the amount of the total transaction price that is allocated to equipment performance obligations is less than the amount recognized as a noncontingent receivable from the customer at contract inception, resulting in a contract liability position. In Wireless leasing contracts, the amount of cash received at inception is generally larger than the amount of upfront revenue allocated and recognized as rental income. This results in a contract liability at contract inception, which is often partially composed of deferred rental income. In prepaid contracts initiated in our indirect channel, customers may purchase a device at a discount. The Company will often reimburse the dealer some portion of this discount, which is expected to be recovered through future sales of monthly service. This results in a contract asset position at contract inception. In circumstances where prepaid customers prepay account balances, which can be used to purchase future Wireless goods or services, those amounts are recognized as a contract liability until the point where prepayments are redeemed for goods or services and the related performance obligations have been satisfied. In Wireline contracts, we record a contract position, either a contract asset or a contract liability depending upon the specific facts and circumstances of the contract, including to reflect differences between the amount of revenue allocated to equipment delivered upfront and the contractually stated price for that equipment, or if we collect nonrefundable upfront payments from customers related to installation and activation.

We capitalize incremental commissions directly related to the acquisition or renewal of customer contracts, to the extent that the costs are expected to be recovered. Capitalized costs are amortized on a straight-line basis over the shorter of the expected customer life or the expected benefit related directly to those costs.

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The following table presents the opening and closing balances of our contract assets, contract liabilities, and receivables balances, as well as capitalized costs associated with contracts with customers:

	March 31, 2019	April 1, 2018
	(in millions)	
Contract assets and liabilities		
Contract assets [(1)]	$ 928	$ 432
Billed trade receivables	2,690	2,559
Unbilled trade receivables	945	1,250
Contract liabilities [(2)]	1,009	1,104
Other related assets		
Capitalized costs to acquire a customer contract:		
Sales commissions - opening balance	$ 1,219	
Sales commissions - additions	1,147	
Amortization of capitalized sales commissions	(807)	
Net costs to acquire a customer contract	$ 1,559	

(1) The fluctuation correlates directly to the execution of new customer contracts and invoicing and collections from customers in the normal course of business.
(2) Revenue recognized during the year ended March 31, 2019 , which was included within the beginning contract liability balance, amounts to $1.0 billion .

Remaining Performance Obligations

The aggregate amount of total transaction price allocated to performance obligations in contracts existing as of the balance sheet date, which are wholly or partially unsatisfied as of the end of the reporting period, and the expected time frame for satisfaction of those wholly or partially unsatisfied performance obligations, are as follows (in millions):

Year ending March 31, 2020	$ 8,116
Year ending March 31, 2021	1,052
Total	$ 9,168

The amounts disclosed above relate to the allocation of revenue amongst performance obligations in contracts existing as of the balance sheet date and not to any differences between the timing of revenue recognition and recognition of receivables or cash collection. As a result, those amounts are not necessarily reflected as a contract liability as of the balance sheet date. Included in the above amounts are $3.0 billion for the year ending March 31, 2020 and $340 million for the year ending March 31, 2021, respectively, related to the allocation of the total transaction price to future operating lease revenues. Additionally, amounts disclosed above include estimates of variable consideration, where applicable.

Our Wireless contracts generally do not involve variable consideration, other than expected adjustments to the total transaction price related to future price concessions and product returns and service refunds, all of which we are able to reasonably estimate at contract inception based upon historical experience with similar contracts and similar types of customers. In accordance with the practical expedients:

- The amounts disclosed above do not include revenue allocated to wholly or partially unsatisfied performance obligations for which the accounting contract duration at contract inception is less than 12 months, which includes expected revenues from traditional installment billing contracts with a one-month accounting contract duration.
- The amounts disclosed above do not include variable consideration resulting from monthly customer charges intended to partially recover taxes imposed on the Company, including fees related to the Universal Service Fund. Such fees are based on the customer's estimated monthly voice usage and are therefore allocated to corresponding distinct months of Wireless services.

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- The amounts disclosed above do not include variable consideration resulting from monthly charges to Wireless wholesale customers. Such fees are based on the customer's monthly usage of capacity and are therefore allocated to corresponding distinct months of Wireless services.

Wireline contracts are generally not subject to significant amounts of variable consideration, other than charges intended to partially recover taxes imposed on the Company, including fees related to the Universal Service Fund. Such fees are based on the customer's estimated monthly usage and are therefore allocated to corresponding distinct months of Wireline services, and recognized as revenue when invoiced in accordance with the practical expedient. Our Wireline contracts do typically provide the customer with monthly options to purchase goods or services at prices commensurate with the standalone selling prices for those goods or services as determined at contract inception.

Note 9. Severance and Exit Costs

Severance and exit costs consist of lease exit costs primarily associated with tower and cell sites, access exit costs related to payments that will continue to be made under our backhaul access contracts for which we will no longer be receiving any economic benefit, and severance costs associated with reductions in our work force.

The following provides the activity in the severance and exit costs liability included in "Accounts payable," "Accrued expenses and other current liabilities" and "Other liabilities" within the consolidated balance sheets. The net expenses are included in "Other, net" within the consolidated statements of operations:

	March 31, 2018	Net Expense	Cash Payments and Other	March 31, 2019
		(in millions)		
Lease exit costs	$ 165	$ 25 (1)	$ (59)	$ 131
Severance costs	64	23 (2)	(81)	6
Access exit costs	19	37 (3)	(20)	36
	$ 248	$ 85	$ (160)	$ 173

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(1) For the year ended March 31, 2019, we recognized costs of $25 million (Wireless only).
(2) For the year ended March 31, 2019, we recognized costs of $23 million ($15 million Wireless, $8 million Wireline).
(3) For the year ended March 31, 2019, we recognized costs of $37 million ($26 million Wireless, $11 million Wireline) as "Severance and exit costs".

	March 31, 2017	Net (Benefit) Expense	Cash Payments and Other	March 31, 2018
		(in millions)		
Lease exit costs	$ 249	$ (2) (4)	$ (82)	$ 165
Severance costs	12	79 (5)	(27)	64
Access exit costs	40	3 (6)	(24)	19
	$ 301	$ 80	$ (133)	$ 248

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(4) For the year ended March 31, 2018, we recognized a benefit of $2 million ($5 million benefit Wireless, $3 million costs Wireline).
(5) For the year ended March 31, 2018, we recognized costs of $79 million ($73 million Wireless, $6 million Wireline).
(6) For the year ended March 31, 2018, we recognized costs of $3 million ($10 million benefit Wireless, $13 million costs Wireline) as "Severance and exit costs".

We continually refine our network strategy and evaluate other potential network initiatives to improve the overall performance of our network. Additionally, major cost cutting initiatives are expected to continue to reduce operating expenses and improve our operating cash flows. As a result of these ongoing activities, we may incur future material charges associated with lease and access exit costs, severance, asset impairments, and accelerated depreciation, among others.

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Note 10. Supplemental Financial Information

	March 31, 2019	March 31, 2018
	(in millions)	
Accounts and notes receivable, net		
Trade	$ 3,024	$ 2,916
Unbilled trade installment receivables and other	893	1,204
Less allowances for doubtful accounts and deferred interest	(363)	(409)
	$ 3,554	$ 3,711
Prepaid expenses and other current assets		
Prepaid expenses	$ 278	$ 263
Contract assets	690	—
Deferred charges and other	321	312
	$ 1,289	$ 575
Other assets		
Unbilled trade installment receivables, net	$ 247	$ 154
Investments	60	197
Restricted cash	81	49
Contract assets	238	—
Other	492	521
	$ 1,118	$ 921
Accounts payable (1)		
Trade	$ 3,462	$ 3,068
Accrued interconnection costs	90	80
Capital expenditures and other	409	261
	$ 3,961	$ 3,409
Accrued expenses and other current liabilities		
Deferred revenues	$ 288	$ 1,454
Accrued interest	359	423
Accrued taxes	301	410
Payroll and related	555	405
Accrued legal reserves	180	194
Severance, lease and other exit costs	50	108
Contract liabilities	962	—
Asset retirement obligations	44	145
Unfavorable lease liabilities	137	152
Other	721	671
	$ 3,597	$ 3,962
Other liabilities		
Deferred rental income-communications towers	$ 187	$ 199
Deferred rent	631	605
Long-term asset retirement obligations	622	486
Long-term unfavorable lease liabilities	200	337
Postretirement benefits and other non-current employee related liabilities	789	833
Deferred spectrum lease liability	486	416
Contract liabilities	47	—
Other	475	607
	$ 3,437	$ 3,483

(1) Includes liabilities in the amounts of $75 million and $66 million as of March 31, 2019 and 2018 , respectively, for payments issued in excess of associated bank balances but not yet presented for collection.

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Note 11. Income Taxes

Sprint Corporation is the parent of an affiliated group of corporations which join in the filing of a U.S. federal consolidated income tax return. Additionally, we file income tax returns in each state jurisdiction which imposes an income tax. In certain state jurisdictions, Sprint and its subsidiaries file combined tax returns with certain other SoftBank affiliated entities. State tax expense or benefit has been determined utilizing the separate return approach as if Sprint and its subsidiaries file on a stand-alone basis. We also file income tax returns in a number of foreign jurisdictions; however, our foreign income tax activity is immaterial. Cash paid, net of refunds received, for income tax purposes for the years ended March 31, 2019, 2018 and 2017 was $40 million , $25 million and $22 million , respectively.

The U.S. federal statutory tax rates for the years ended March 31, 2019, 2018 and 2017 were 21% , 31.5% and 35% , respectively. The Tax Cuts and Jobs Act (the Tax Act) enacted in December 2017 reduced the corporate income tax rate effective January 1, 2018. The differences that caused our effective income tax rates to differ from the U.S. federal statutory rates for the years ended March 31, 2019, 2018 and 2017, respectively, were as follows:

	Year Ended March 31,		
	2019	2018	2017
		(in millions)	
Income tax benefit (expense) at the federal statutory rate	$ 415	$ (95)	$ 270
Effect of:			
State income taxes, net of federal income tax effect	(15)	(43)	24
State law changes, net of federal income tax effect	85	9	4
Increase liability for unrecognized tax benefits	(8)	(29)	(14)
Increase deferred tax liability for business activity changes	—	(89)	—
Credit for increasing research activities	17	15	15
Tax expense from organizational restructuring	(13)	—	(118)
Change in federal and state valuation allowance [(1)]	(8)	224	(615)
Tax benefit from the Tax Act	—	7,088	—
Non-deductible penalties	(29)	—	—
Goodwill impairment	(408)	—	—
Other, net	(1)	(6)	(1)
Income tax benefit (expense)	$ 35	$ 7,074	$ (435)
Effective income tax rate	1.8%	(2,334.7)%	(56.4)%

(1) Exclusive of $2.1 billion federal and state release included in Tax benefit from the Tax Act line for the year ended March 31, 2018.

Income tax benefit (expense) consists of the following:

	Year Ended March 31,		
	2019	2018	2017
		(in millions)	
Current income tax (expense) benefit			
Federal	$ —	$ 22	$ 50
State	(45)	(58)	(50)
Total current income tax expense	(45)	(36)	—
Deferred income tax (expense) benefit			
Federal	(33)	7,234	(284)
State	118	(115)	(149)
Total deferred income tax benefit (expense)	85	7,119	(433)
Foreign income tax expense	(5)	(9)	(2)
Total income tax benefit (expense)	$ 35	$ 7,074	$ (435)

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Income tax benefit (expense) allocated to other items was as follows:

	Year Ended March 31,		
	2019	2018	2017
	(in millions)		
Unrecognized net periodic pension and other postretirement benefit cost [1]	$ 12	$ 9	$ (24)
Unrealized holding gains (losses) on derivatives [1]	$ 6	$ (6)	$ —
Unrealized holding gains on securities [1]	$ 7	$ —	$ —

(1) These amounts have been recognized in accumulated other comprehensive loss.

Income tax benefit of $35 million for the year ended March 31, 2019 was primarily attributable to the impact of state law changes enacted during the period, partially offset by expense attributable to organizational restructuring. These adjustments were primarily driven by the change in carrying value of our deferred tax assets and liabilities on temporary differences. In addition, the effective tax rate was impacted by non-deductible penalties related to litigation with the State of New York that was settled during the period and $1.9 billion of the $2.0 billion non-cash impairment charge related to goodwill as substantially all of the charge is not separately deductible for tax purposes.

Income tax benefit of $7.1 billion for the year ended March 31, 2018 was primarily attributable to the impact of the Tax Act. We recognized a $7.1 billion non-cash tax benefit through net income (loss) for the re-measurement of deferred tax assets and liabilities due to changes in tax laws included in the Tax Act. This re-measurement of deferred taxes had no impact on cash flows.

The re-measurement was driven by two provisions in the Tax Act. First as a result of the corporate tax rate reduction from 35% to 21% , we recognized a $5.0 billion non-cash tax benefit through income from continuing operations for the re-measurement of our deferred tax assets and liabilities. Secondly, the Tax Act included a provision whereby net operating losses generated in tax years beginning after December 31, 2017 may be carried forward indefinitely. The realization of deferred tax assets, including net operating loss carryforwards, is dependent on the generation of future taxable income sufficient to realize the tax deductions, carryforwards and credits. The provision in the Tax Act, modifying the carryforward period of net operating losses, changed our assessment as to the ability to recognize deferred tax assets on certain deductible temporary differences projected to be realized in tax years with an indefinite-lived carryforward period. In assessing the ability to realize these deferred tax assets, we considered taxable temporary differences from indefinite-lived assets, such as FCC licenses, to be an available source of future taxable income. This source of income was not previously considered because it could not be scheduled to reverse in the same period as the definite-lived deductible temporary differences. As a result of this change in assessment, we recognized a $2.1 billion non-cash tax benefit through income from continuing operations to reduce our valuation allowance.

Income tax expense of $435 million for the year ended March 31, 2017 was primarily attributable to taxable temporary differences from the tax amortization of FCC licenses and tax expense of $136 million on pre-tax gains from spectrum license exchanges which increased our deferred tax liability on FCC license temporary differences. In addition, we increased our state income tax valuation allowance by $89 million as a result of a shift in operations among wholly-owned subsidiaries and an organizational restructuring that occurred during the year.

Deferred income taxes are recognized for the temporary differences between the carrying amounts of our assets and liabilities for financial statement purposes and their tax bases. Deferred tax assets are also recorded for net operating loss, capital loss and tax credit carryforwards. The sources of the differences that give rise to the deferred income tax assets and liabilities as of March 31, 2019 and 2018 , along with the income tax effect of each, were as follows:

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	March 31,	
	2019	2018
	(in millions)	
Deferred tax assets		
Net operating loss carryforwards	$ 5,478	$ 4,116
Tax credit carryforwards	241	244
Property, plant and equipment	900	2,192
Debt obligations	—	64
Deferred rent	247	231
Pension and other postretirement benefits	209	219
Accruals and other liabilities	791	913
	7,866	7,979
Valuation allowance	(4,504)	(4,745)
	3,362	3,234
Deferred tax liabilities		
FCC licenses	8,968	8,877
Trademarks	1,129	1,131
Intangibles	147	298
Deferred commissions	401	—
Debt obligations	15	—
Other	258	222
	10,918	10,528
Long-term deferred tax liability	$ 7,556	$ 7,294

The Tax Act, enacted in December 2017, made broad and complex changes to the U.S. tax code, including, but not limited to: (1) reducing the U.S. federal corporate tax rate from 35% to 21% ; (2) changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017; (3) eliminating corporate alternative minimum tax; and (4) new tax rules related to foreign operations. In accordance with *ASC Topic 740, Income Taxes* and *Staff Accounting Bulletin No. 118* (SAB 118), we made a reasonable estimate of the impacts of the Tax Act and recorded the estimate in the period ended December 31, 2017. SAB 118 allows for a measurement period not to extend beyond one year from the date of enactment to complete the accounting for the impacts of the Tax Act. As of December 31, 2018, our analysis under SAB 118 was completed, including, but not limited to, the re-measurement of deferred tax assets and liabilities. Our analysis resulted in no material adjustments to the provisional estimate recorded in the period ended December 31, 2017.

During the years ended March 31, 2019 , 2018 , and 2017 , we generated $(61) million , $(109) million , and $204 million , respectively, of foreign (loss) income, which is included in "Income (loss) before income taxes" in the consolidated statements of operations. We have no material unremitted earnings of foreign subsidiaries.

As of March 31, 2019 , we had federal net operating loss carryforwards of $21.3 billion , state net operating loss carryforwards of $16.3 billion and foreign net operating loss carryforwards of $392 million . Related to these loss carryforwards, we have recorded federal tax benefits of $4.5 billion , net state tax benefits of $937 million and foreign tax benefits of $145 million before consideration of the valuation allowances. Approximately $411 million of the federal net operating loss carryforwards expire between fiscal years 2019 and 2023, $13.6 billion expire between fiscal years 2024 and 2034 and $7.3 billion do not expire. Approximately $15.9 billion of state net operating loss carryforwards expire in varying amounts through fiscal year 2038 and approximately $402 million do not expire. Foreign net operating loss carryforwards of $22 million do not expire. The remaining foreign net operating loss carryforwards expire in varying amounts between fiscal years 2019 and 2037.

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We also had available $356 million of federal and state income tax credit carryforwards as of March 31, 2019 . Included in this amount are $22 million of income tax credits which expire prior to fiscal year 2020 and $296 million which expire in varying amounts between fiscal years 2020 and 2038. The remaining $38 million do not expire.

Unrecognized tax benefits are established for uncertain tax positions based upon estimates regarding potential future challenges to those positions at the largest amount that is greater than fifty percent likely of being realized upon ultimate settlement. These estimates are updated at each reporting date based on the facts, circumstances and information available. Interest related to these unrecognized tax benefits is recognized in interest expense. Penalties are recognized as additional income tax expense. The unrecognized tax benefits attributable to uncertain tax positions were $242 million and $239 million , as of the March 31, 2019 and 2018 , respectively. As of March 31, 2019 , the unrecognized tax benefits included items that would favorably affect the income tax provision by $221 million , if recognized without an offsetting valuation allowance adjustment. The accrued liability for income tax related interest and penalties was insignificant for all periods presented.

A reconciliation of the beginning and ending amount of unrecognized tax benefits was as follows:

	Year Ended March 31,	
	2019	2018
	(in millions)	
Balance at beginning of period	$ 239	$ 190
Additions based on current year tax positions	17	21
Additions based on prior year tax positions	12	53
Reductions for prior year tax positions	(23)	(24)
Reductions for lapse of statute of limitations	(3)	(1)
Balance at end of period	$ 242	$ 239

We are not currently under examination by the U.S. Internal Revenue Service. We are involved in multiple state income tax examinations related to various years beginning with 1996, which are in various stages of the examination, administrative/judicial review or appellate process. Based on our current knowledge of the examinations, administrative/judicial reviews and appellate processes, we believe it is reasonably possible uncertain tax positions may be resolved during the next twelve months which could result in a reduction of up to $18 million in our unrecognized tax benefits.

The federal and state statutes of limitations for assessment of tax liability generally lapse three and four years, respectively, after the date the tax returns are filed. However, income tax attributes that are carried forward, such as net operating loss carryforwards, may be challenged and adjusted by taxing authorities at any time prior to the expiration of the statute of limitations for the tax year in which they are utilized.

Note 12. Commitments and Contingencies

Litigation, Claims and Assessments

On April 22, 2019, a complaint was filed in federal court in New York against the Company and two of our executive officers in their capacities as such. The lawsuit, entitled Meneses, et al. v. Sprint Corporation, et al., and purportedly brought on behalf of a class of Sprint shareholders, alleges that between January 2019 and April 2019 the defendants violated federal securities laws and rules by failing to properly disclose that certain postpaid net subscriber additions were driven by free lines and included less valuable tablet and other non-phone devices, as well as prepaid to postpaid migrations. The plaintiff seeks damages and reasonable costs and attorneys' fees. The Company believes the lawsuit is without merit.

On April 19, 2012, the New York Attorney General filed a complaint alleging that Sprint Communications had fraudulently failed to collect and pay more than $100 million in New York sales taxes on receipts from its sale of wireless telephone services since July 2005. The complaint also sought recovery of triple damages under the State False Claims Act, as well as penalties and interest. Sprint Communications moved to dismiss the complaint on June 14, 2012. On July 1, 2013, the court entered an order denying the motion to dismiss in large part, although it did dismiss certain counts or parts of certain counts. Sprint Communications appealed that order and the intermediate appellate court affirmed the order of the trial court.

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On October 20, 2015, the Court of Appeals of New York affirmed the decision of the appellate court that the tax statute required us to collect and remit the disputed taxes. Our petition for certiorari to the U.S. Supreme Court on grounds of federal preemption was denied. We previously paid the principal amount of tax at issue, under protest, while the suit was pending. On December 21, 2018, Sprint Communications and the State of New York settled the dispute, as well as an unrelated tax matter. As a result, the Company recognized an additional $50 million of litigation expense during the year ended March 31, 2019 .

Eight related stockholder derivative suits have been filed against Sprint Communications and certain of its current and former officers and directors. Each suit alleges generally that the individual defendants breached their fiduciary duties to Sprint Communications and its stockholders by allegedly permitting, and failing to disclose, the actions alleged in the suit filed by the New York Attorney General. One suit, filed by the Louisiana Municipal Police Employees Retirement System, was dismissed by a federal court. Two suits were filed in state court in Johnson County, Kansas and one of those suits was dismissed as premature; and five suits are pending in federal court in Kansas. The remaining Kansas suits have been stayed pending resolution of the Attorney General's suit. We do not expect the resolution of these matters to have a material adverse effect on our financial position or results of operations.

Sprint is currently involved in numerous court actions alleging that Sprint is infringing various patents. Most of these cases effectively seek only monetary damages. A small number of these cases are brought by companies that sell products and seek injunctive relief as well. These cases have progressed to various degrees and a small number may go to trial if they are not otherwise resolved. Adverse resolution of these cases could require us to pay significant damages, cease certain activities, or cease selling the relevant products and services. In many circumstances, we would be indemnified for monetary losses that we incur with respect to the actions of our suppliers or service providers. We do not expect the resolution of these cases to have a material adverse effect on our financial position or results of operations.

Various other suits, inquiries, proceedings and claims, either asserted or unasserted, including purported class actions typical for a large business enterprise and intellectual property matters, are possible or pending against us or our subsidiaries. If our interpretation of certain laws or regulations, including those related to various federal or state matters such as sales, use or property taxes, or other charges were found to be mistaken, it could result in payments by us. While it is not possible to determine the ultimate disposition of each of these proceedings and whether they will be resolved consistent with our beliefs, we expect that the outcome of such proceedings, individually or in the aggregate, will not have a material adverse effect on our financial position or results of operations. During the three-month period ended September 30, 2018, we settled a state tax matter for which we had previously accrued $114 million , with no material impact on our financial position or results of operations upon final settlement.

Spectrum Reconfiguration Obligations

In 2004, the FCC adopted a Report and Order that included new rules regarding interference in the 800 MHz band and a comprehensive plan to reconfigure the 800 MHz band. The Report and Order provides for the exchange of a portion of our 800 MHz FCC spectrum licenses, and requires us to fund the cost incurred by public safety systems and other incumbent licensees to reconfigure the 800 MHz spectrum band. Also, in exchange, we received licenses for 10 MHz of nationwide spectrum in the 1.9 GHz band.

The minimum cash obligation was $2.8 billion under the Report and Order. We are, however, obligated to continue to pay the full amount of the costs relating to the reconfiguration plan, although those costs have exceeded $2.8 billion . As required under the terms of the Report and Order, a letter of credit has been secured to provide assurance that funds will be available to pay the relocation costs of the incumbent users of the 800 MHz spectrum. The letter of credit was initially $2.5 billion , but has been reduced during the course of the proceeding to $78 million as of March 31, 2019 . Since the inception of the program, we have incurred payments of approximately $3.6 billion directly attributable to our performance under the Report and Order, including $43 million during the year ended March 31, 2019 . When incurred, substantially all costs are accounted for as additions to FCC licenses with the remainder as property, plant and equipment. Based on our expenses to date and on third-party administrator's audits, we have exceeded $2.8 billion minimum cash obligation required by the FCC. On October 12, 2017, the FCC released a Declaratory Ruling that we have met the minimum cash obligation under the Report and Order and concluded that Sprint will not be required to make any payments to the U.S. Treasury.

We have recently reported to the FCC that virtually all of the public safety reconfiguration is complete across the country, including along the southern border markets which had been delayed due to coordination efforts with Mexico. Accordingly, Sprint has received its full allotment of replacement spectrum in the 800 MHz band and Sprint faces no

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impediments in deploying 3G CDMA and 4G LTE on this spectrum in combination with its spectrum in the 1.9 GHz and 2.5 GHz bands. A small number of non-public safety operators must still complete certain retuning work and complete administrative tasks in States along the southern border, however, these remaining activities do not impact Sprint's operations.

Future Minimum Commitments

As of March 31, 2019 , the minimum estimated amounts due under operating leases, spectrum leases and service credits, and purchase orders and other commitments were as follows:

Future Minimum Commitments	Total	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024 and thereafter
				(in millions)			
Operating leases	$ 11,767	$ 2,277	$ 2,199	$ 1,793	$ 1,358	$ 1,039	$ 3,101
Spectrum leases and service credits	6,728	280	255	273	267	273	5,380
Purchase orders and other commitments	10,664	7,236	1,004	531	310	247	1,336
Total	$ 29,159	$ 9,793	$ 3,458	$ 2,597	$ 1,935	$ 1,559	$ 9,817

Operating Leases

We lease various equipment, office facilities, retail outlets and kiosks, switching facilities and cell sites under operating leases. The non-cancelable portion of these leases generally ranges from monthly up to 15 years. These leases, with few exceptions, provide for automatic renewal options and escalations that are either fixed or based on the consumer price index. Any rent abatements, along with rent escalations, are included in the computation of rent expense calculated on a straight-line basis over the lease term. Our lease term for cell site leases, which are a majority of our leases, includes the initial non-cancelable term plus at least one renewal period if the non-cancelable term is less than ten years, as the exercise of the related renewal option or options is reasonably assured. Our cell site leases generally provide for an initial non-cancelable term of five to twelve years with up to five renewal options for five years each.

Our rental commitments for operating leases, including lease renewals that are reasonably assured, consisted mainly of leases for cell and switch sites, real estate, information technology and network equipment and office space. Total rental expense was $2.8 billion , $2.7 billion , and $3.1 billion , for the years ended March 31, 2019 , 2018 and 2017 , respectively.

Spectrum Leases and Service Credits

Certain of the spectrum leases provide for minimum lease payments, additional charges, renewal options and escalation clauses. Leased spectrum agreements generally have terms of up to 30 years. We expect that all renewal periods in our spectrum leases will be exercised by us.

We also have commitments to provide services to certain lessors, and to reimburse lessors for certain capital equipment and third-party service expenditures over the term of the lease. We accrue a monthly obligation for the services and equipment based on the total estimated available service credits divided by the term of the lease. The obligation is reduced by services provided and as actual invoices are presented and paid to the lessors. During the year ended March 31, 2019 , we satisfied $5 million related to these commitments. The maximum remaining commitment at March 31, 2019 was $77 million and is expected to be incurred over the term of the related lease agreements, which generally range from 15 to 30 years.

Purchase Orders and Other Commitments

We are a party to other commitments, which includes, among other things, service, spectrum, network equipment, devices, asset retirement obligations and other executory contracts in connection with conducting our business. Amounts actually paid under some of these agreements will likely be higher due to variable components of these agreements. The more significant variable components that determine the ultimate obligation owed include such items as hours contracted, subscribers and other factors. In addition, we are a party to various arrangements that are conditional in nature and obligate us to make payments only upon the occurrence of certain events, such as the delivery of functioning software or a product. Because it is not possible to predict the timing or amounts that may be due under these conditional arrangements, no such amounts have been included in the table above.

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Note 13. Stockholders' Equity and Per Share Data

Our certificate of incorporation authorizes 10,020,000,000 shares of capital stock as follows:

- 9,000,000,000 shares of common stock, par value $0.01 per share;
- 1,000,000,000 shares of non-voting common stock, par value $0.01 per share; and
- 20,000,000 shares of preferred stock, par value $0.0001 per share.

Classes of Common Stock

Voting Common Stock

The holders of our common stock are entitled to one vote per share on all matters submitted for action by the stockholders. There were approximately 4.1 billion shares of common stock outstanding as of March 31, 2019 .

Treasury Shares

Shares of common stock repurchased by us are recorded at cost as treasury shares and result in a reduction of stockholders' equity. We reissue treasury shares as part of our stockholder approved stock-based compensation programs, as well as upon conversion of outstanding securities that are convertible into common stock. When shares are reissued, we determine the cost using the FIFO method.

Dividends

We did not declare any dividends on our common shares for all periods presented in the consolidated financial statements. We are currently restricted from paying cash dividends by the terms of our secured revolving bank credit facility *(see Note 7. Long-Term Debt, Financing and Capital Lease Obligations)* .

Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss, net of tax were as follows:

	March 31,	
	2019	2018
	(in millions)	
Unrecognized net periodic pension and postretirement benefit cost	$ (379)	$ (337)
Unrealized net gains related to investments	1	8
Unrealized net gains on derivatives	10	32
Foreign currency translation adjustments	(24)	(16)
Accumulated other comprehensive loss	$ (392)	$ (313)

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Per Share Data

The computation of basic and diluted net (loss) income per common share attributable to Sprint was as follows:

	Year Ended March 31, 2019	Year Ended March 31, 2018
Net income	$ (1,943)	$ 7,377
Less: Net loss attributable to noncontrolling interests	—	12
Net income attributable to Sprint	$ (1,943)	$ 7,389
Basic weighted average common shares outstanding	4,057	3,999
Effect of dilutive securities:		
Options and restricted stock units	—	61
Warrants (1)	—	18
Diluted weighted average common shares outstanding	4,057	4,078
Basic net income per common share attributable to Sprint	$ (0.48)	$ 1.85
Diluted net income per common share attributable to Sprint	$ (0.48)	$ 1.81
Potentially dilutive securities:		
Outstanding stock options (2)	92	6

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(1) For the year ended March 31, 2018, dilutive securities attributable to warrants include 14 million shares issuable under the warrant held by SoftBank. At the close of the merger with SoftBank, the warrant was issued at $5.25 per share. On July 10, 2018, SoftBank exercised its warrant in full to purchase 55 million shares of Sprint common stock for $287 million .

(2) Potentially dilutive securities were not included in the computation of diluted net (loss) income per common share if to do so would have been antidilutive.

Note 14. Segments

Sprint operates two reportable segments: Wireless and Wireline.

- Wireless primarily includes retail, wholesale, and affiliate revenue from a wide array of wireless voice and data transmission services, revenue from the sale of wireless devices (handsets and tablets) and accessories, and equipment rentals from devices leased to customers, all of which are generated in the U.S., Puerto Rico and the U.S. Virgin Islands.
- Wireline primarily includes revenue from domestic and international wireline communication services provided to other communications companies and targeted business subscribers, in addition to our Wireless segment .

We define segment earnings as wireless or wireline operating income (loss) before other segment expenses such as depreciation, amortization, severance, exit costs, goodwill impairments, asset impairments, and other items, if any, solely and directly attributable to the segment representing items of a non-recurring or unusual nature. Expense and income items excluded from segment earnings are managed at the corporate level. Transactions between segments are generally accounted for based on market rates, which we believe approximate fair value. The Company generally re-establishes these rates at the beginning of each fiscal year. The impact of intercompany pricing rate changes to our Wireline segment earnings does not affect our consolidated results of operations as our Wireless segment has an equivalent offsetting impact in cost of services.

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Segment financial information is as follows:

Statement of Operations Information	Wireless including hurricane	Wireless hurricane	Wireless excluding hurricane	Wireline	Corporate, Other and Eliminations	Consolidated
	(in millions)					
Year Ended March 31, 2019						
Net operating revenues [1]	$ 32,559	$ (3)	$ 32,556	$ 1,024	$ 17	$ 33,597
Inter-segment revenues [2]	—	—	—	272	(272)	—
Total segment operating expenses [1]	(19,713)	(7)	(19,720)	(1,365)	261	(20,824)
Segment earnings (loss)	$ 12,846	$ (10)	$ 12,836	$ (69)	$ 6	12,773
Less:						
Depreciation - network and other						(4,245)
Depreciation - equipment rentals						(4,538)
Amortization						(608)
Hurricane-related reimbursements [1]						32
Merger costs [3]						(346)
Goodwill impairment [4]						(2,000)
Other, net [5]						(670)
Operating income						398
Interest expense						(2,563)
Other income, net						187
Income before income taxes						$ (1,978)

Statement of Operations Information	Wireless including hurricane and other	Wireless hurricane and other	Wireless excluding hurricane and other	Wireline	Corporate, Other and Eliminations	Consolidated
	(in millions)					
Year Ended March 31, 2018						
Net operating revenues [1]	$ 31,137	$ 33	$ 31,170	$ 1,251	$ 18	$ 32,439
Inter-segment revenues [2]	—	—	—	328	(328)	—
Total segment operating expenses [1]	(20,090)	125	(19,965)	(1,697)	292	(21,370)
Segment earnings (loss)	$ 11,047	$ 158	$ 11,205	$ (118)	$ (18)	11,069
Less:						
Depreciation - network and other						(3,976)
Depreciation - equipment rentals						(3,792)
Amortization						(812)
Hurricane-related costs [1]						(107)
Other, net [5]						345
Operating income						2,727
Interest expense						(2,365)
Other expense, net						(59)
Income before income taxes						$ 303

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Statement of Operations Information	Wireless	Wireline	Corporate, Other and Eliminations	Consolidated
		(in millions)		
Year Ended March 31, 2017				
Net operating revenues	$ 31,787	$ 1,545	$ 15	$ 33,347
Inter-segment revenues [(2)]	—	498	(498)	—
Total segment operating expenses	(21,973)	(1,924)	484	(23,413)
Segment earnings	$ 9,814	$ 119	$ 1	9,934
Less:				
Depreciation - network and other				(3,982)
Depreciation - equipment rentals				(3,116)
Amortization				(1,052)
Other, net [(5)]				(20)
Operating income				1,764
Interest expense				(2,495)
Other expense, net				(40)
Loss before income taxes				$ (771)

Other Information	Wireless	Wireline	Corporate and Other	Consolidated
		(in millions)		
As of and for the year ended March 31, 2019				
Capital expenditures	$ 11,776	$ 242	$ 386	$ 12,404
Total assets	$ 74,929	$ 1,148	$ 8,524	$ 84,601
As of and for the year ended March 31, 2018				
Capital expenditures	$ 10,221	$ 166	$ 393	$ 10,780
Total assets	$ 73,834	$ 1,117	$ 10,508	$ 85,459
As of and for the year ended March 31, 2017				
Capital expenditures	$ 6,568	$ 94	$ 264	$ 6,926
Total assets	$ 74,098	$ 1,168	$ 9,857	$ 85,123

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(1) The year ended March 31, 2019 includes $32 million of hurricane-related reimbursements, which are classified in our consolidated statements of operations as follows: $3 million as revenue in net operating revenues, $6 million as cost of services, $1 million as selling, general and administrative expenses and $22 million as other, net, all within the Wireless segment. The year ended March 31, 2018 includes $107 million of hurricane-related costs which are classified in our consolidated statements of operations as follows: $33 million as contra-revenue in net operating revenues, $48 million as cost of services, $21 million as selling, general and administrative expenses and $5 million as other, net, all within the Wireless segment. In addition, the year ended March 31, 2018 includes a $51 million charge related to a regulatory fee matter, which is classified as cost of services in our consolidated statements of operations.

(2) Inter-segment revenues consist primarily of wireline services provided to the Wireless segment for resale to, or use by, wireless subscribers.

(3) The year ended March 31, 2019 includes $346 million of merger-related costs, which were recorded as selling, general and administrative expenses in the consolidated statements of operations.

(4) During the year ended March 31, 2019, the Company completed its annual impairment testing for goodwill assigned to the Wireless reporting unit and as a result, recorded a non-cash impairment charge of $2.0 billion . See Note 6. Intangible Assets.

(5) Other, net for the year ended March 31, 2019 consists of $85 million of severance and exit costs primarily due to access termination charges, lease exit costs and reductions in work force. The year ended March 31, 2019 includes $492 million of loss on disposal of property, plant and equipment primarily related to cell site construction costs and network equipment that are no longer recoverable as a result of changes in our network plans. In addition, the year ended March 31, 2019 includes a $15 million gain from the sale of certain assets, $74 million in litigation expense and $34 million associated with the purchase of certain leased spectrum assets, which upon termination of the related spectrum leases resulted in the accelerated recognition of the unamortized favorable lease balances. Other, net for the year ended March 31, 2018 consists of $80 million of severance and exit costs and a $364 million loss on disposal of property, plant and equipment, which consisted of a $370 million loss related to cell site construction costs that are no longer recoverable as a result of changes in our network plans, slightly offset by a $6 million gain. In addition, the year ended March 31, 2018 included a $479 million non-cash gain related to spectrum license exchanges with other carriers, net reductions of $305 million primarily associated with legal settlements or favorable developments in pending legal proceedings, combined with a $5 million reversal of previously accrued contract termination costs related to the termination of our relationship with General Wireless Operations Inc. (RadioShack). Other, net for the year ended March 31, 2017 consists of $66 million of severance and exit costs, $140 million for a state tax matter combined with legal reserves related to other pending legal suits and proceedings, and a $28 million loss on disposal of property, plant and equipment related to cell site construction costs that are no longer recoverable as a result of changes in our network plans. In addition, the year ended March 31, 2017 included a $354 million non-cash gain related to spectrum license exchanges with other carriers and $140 million of contract termination costs, primarily related to the termination of our pre-existing wholesale arrangement with nTelos, as a result of the Shentel transaction combined with the costs related to the termination of our relationship with General Wireless Operations Inc. (RadioShack).

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Operating Revenues by Service and Products	**Wireless**	**Wireline**	**Corporate, Other and Eliminations (1)**	**Consolidated**
			(in millions)	
Year Ended March 31, 2019				
Service revenue (2)	$ 20,653	$ 1,211	$ (272)	$ 21,592
Wireless equipment sales	5,606	—	—	5,606
Wireless equipment rentals	5,137	—	—	5,137
Other	1,160	85	17	1,262
Total net operating revenues	$ 32,556	$ 1,296	$ (255)	$ 33,597

Operating Revenues by Service and Products	**Wireless**	**Wireline**	**Corporate, Other and Eliminations (1)**	**Consolidated**
			(in millions)	
Year Ended March 31, 2018				
Service revenue (2)	$ 21,400	$ 1,514	$ (328)	$ 22,586
Wireless equipment sales	4,524	—	—	4,524
Wireless equipment rentals	4,048	—	—	4,048
Other	1,198	65	18	1,281
Total net operating revenues	$ 31,170	$ 1,579	$ (310)	$ 32,439

Operating Revenues by Service and Products	**Wireless**	**Wireline**	**Corporate, Other and Eliminations (1)**	**Consolidated**
			(in millions)	
Year Ended March 31, 2017				
Service revenue (3)	$ 22,755	$ 1,962	$ (495)	$ 24,222
Wireless equipment sales	4,684	—	—	4,684
Wireless equipment rentals	3,295	—	—	3,295
Other (3)	1,053	81	12	1,146
Total net operating revenues	$ 31,787	$ 2,043	$ (483)	$ 33,347

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(1) Revenues eliminated in consolidation consist primarily of wireline services provided to the Wireless segment for resale to or use by wireless subscribers.

(2) Service revenue related to the Wireless segment for the year ended March 31, 2019 excludes $3 million of hurricane-related revenue reimbursements reflected in net operating revenues in our consolidated statements of operations. Service revenue related to the Wireless segment for the year ended March 31, 2018 excludes $33 million of hurricane-related contra-revenue costs reflected in net operating revenues in our consolidated statements of operations.

(3) Sprint is no longer reporting Lifeline subscribers due to regulatory changes resulting in tighter program restrictions. We have excluded these subscribers from our customer base for all periods presented, including our Assurance Wireless prepaid brand and subscribers through our wholesale Lifeline mobile virtual network operators (MVNO). The above tables reflect the reclassification of the related Assurance Wireless prepaid revenue within the Wireless segment from Wireless services to Other of $360 million for the year ended March 31, 2017. Revenue associated with subscribers through our wholesale Lifeline MVNOs continues to remain in Other following this change.

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Note 15. Quarterly Financial Data (Unaudited)

	Quarter			
	1st	2nd	3rd	4th
	(in millions, except per share amounts)			
Fiscal year 2018				
Net operating revenues	$ 8,125	$ 8,433	$ 8,601	$ 8,441
Operating income (loss)	$ 815	$ 778	$ 479	$ (1,674)
Net income (loss) [(1)]	$ 173	$ 207	$ (145)	$ (2,178)
Net income (loss) attributable to Sprint Corporation [(1)]	$ 176	$ 196	$ (141)	$ (2,174)
Basic income (loss) per common share [(2)]	$ 0.04	$ 0.05	$ (0.03)	$ (0.53)
Diluted income (loss) per common share [(2)]	$ 0.04	$ 0.05	$ (0.03)	$ (0.53)
Fiscal year 2017				
Net operating revenues	$ 8,157	$ 7,927	$ 8,239	$ 8,083
Operating income	$ 1,163	$ 601	$ 727	$ 236
Net income (loss)	$ 206	$ (48)	$ 7,156	$ 63
Net income (loss) attributable to Sprint Corporation	$ 206	$ (48)	$ 7,162	$ 69
Basic income (loss) per common share [(2)]	$ 0.05	$ (0.01)	$ 1.79	$ 0.02
Diluted income (loss) per common share [(2)]	$ 0.05	$ (0.01)	$ 1.76	$ 0.02

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(1) During the quarter ended March 31, 2019, the Company completed its annual impairment testing for goodwill assigned to the Wireless reporting unit and as a result, recorded a non-cash impairment charge of $2.0 billion . See Note 6. Intangible Assets.

(2) The sum of the quarterly earnings per share amounts may not equal the annual amounts because of the changes in the weighted average number of shares outstanding during the year.

Note 16. Related-Party Transactions

In addition to agreements arising out of or relating to the SoftBank Merger, Sprint has entered into various other arrangements with SoftBank, its controlled affiliates (SoftBank Parties) or with third parties to which SoftBank Parties are also parties, including arrangements for international wireless roaming, wireless and wireline call termination, real estate, logistical management, and other services.

Brightstar

We have arrangements with Brightstar US, Inc. (Brightstar), whereby Brightstar provides supply chain and inventory management services to us in our indirect channels and whereby Sprint may sell new and used devices and new accessories to Brightstar for its own purposes. To facilitate certain of these arrangements, we have extended a $700 million credit line to Brightstar to assist with the purchasing and distribution of devices and accessories. As a result, we shifted our concentration of credit risk away from our indirect channel partners to Brightstar. As Brightstar is a subsidiary of SoftBank, we expect SoftBank will provide the necessary support to ensure that Brightstar will fulfill its obligations to us under these arrangements. However, we have no assurance that SoftBank will provide such support.

The supply chain and inventory management arrangement included, among other things, that Brightstar may purchase inventory from the original equipment manufacturers to sell directly to our indirect dealers. As compensation for these services, we remit per unit fees to Brightstar for each device sold to dealers or retailers in our indirect channels. During the years ended March 31, 2019 , 2018 , and 2017 , we incurred fees under these arrangements totaling $65 million , $93 million , and $64 million , respectively, which are recognized in "Cost of equipment sales" and "Selling, general and administrative" expenses in the consolidated statements of operations. Additionally, we have an arrangement with Brightstar whereby they perform certain of our reverse logistics including device buyback, trade-in technology and related services.

During the three-month period ended September 30, 2017, we entered into an arrangement with Brightstar whereby accessories previously procured by us and sold to customers in our direct channels are now procured and consigned to us from Brightstar. Amounts billed from the sale of accessory inventory are remitted to Brightstar. In exchange for our efforts to sell accessory inventory owned by Brightstar, we received a fixed fee from Brightstar for each device activated in our direct channels. In August 2018, the arrangement was amended and we received a share of the profits associated with the sale of accessory inventory owned by Brightstar. During the years ended March 31, 2019 and 2018 , Sprint earned fees under

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these arrangements of $194 million and $154 million , respectively, which are recognized as other revenue within "Service revenue" in the consolidated statements of operations.

Amounts included in our consolidated financial statements associated with these supply chain and inventory management arrangements with Brightstar were as follows:

	March 31,	
Consolidated balance sheets:	2019	2018
	(in millions)	
Accounts receivable	$ 187	$ 188
Accounts payable and accrued expenses and other current liabilities	$ 109	$ 88

	Year Ended March 31,		
Consolidated statements of operations:	2019	2018	2017
		(in millions)	
Equipment sales	$ 1,890	$ 1,922	$ 1,682
Cost of equipment sales	$ 1,969	$ 1,986	$ 1,600

SoftBank

Included in “Other liabilities” is $83 million payable to a SoftBank affiliate for reimbursement of legal and consulting fees in connection with the proposed merger with T-Mobile paid to third parties on behalf of Sprint.

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Note 17. Guarantor Financial Information

On September 11, 2013, Sprint Corporation issued $2.25 billion aggregate principal amount of 7.250% notes due 2021 and $4.25 billion aggregate principal amount of 7.875% notes due 2023 in a private placement transaction with registration rights. On December 12, 2013, Sprint Corporation issued $2.5 billion aggregate principal amount of 7.125% notes due 2024 in a private placement transaction with registration rights. Each of these issuances is fully and unconditionally guaranteed by Sprint Communications (Subsidiary Guarantor), which is a 100% owned subsidiary of Sprint Corporation (Parent/Issuer). In connection with the foregoing, in November 2014, the Company and Sprint Communications completed an offer to exchange the notes for a new issue of substantially identical exchange notes registered under the Securities Act of 1933. We did not receive any proceeds from this exchange offer. In addition, on February 24, 2015, Sprint Corporation issued $1.5 billion aggregate principal amount of 7.625% notes due 2025, and on February 20, 2018, Sprint Corporation issued $1.5 billion aggregate principal amount of 7.625% senior notes due 2026, which are fully and unconditionally guaranteed by Sprint Communications.

During the years ended March 31, 2019 and 2018 there were non-cash equity distributions from the non-guarantor subsidiaries to Subsidiary Guarantor of approximately $874 million and $12.8 billion , respectively, as a result of organizational restructuring for tax purposes. As of March 31, 2019 , there were $24.0 billion of intercompany notes issued by the Subsidiary Guarantor to the non-guarantor subsidiaries. The notes are subordinated to all unaffiliated third-party obligations of Sprint Corporation and its subsidiaries.

Under the Subsidiary Guarantor's secured revolving bank credit facility, the Subsidiary Guarantor is currently restricted from paying cash dividends to the Parent/Issuer or any non-guarantor subsidiary because the ratio of total indebtedness to adjusted EBITDA (each as defined in the applicable agreement) exceeds 2.5 to 1.0 .

Sprint has a Receivables Facility providing for the sale of eligible wireless service, installment and certain future lease receivables. In October 2016, Sprint transferred certain directly held and third-party leased spectrum licenses to wholly-owned bankruptcy-remote special purpose entities as part of the spectrum financing transaction. In connection with each of the Receivables Facility and the spectrum financing transaction, Sprint formed certain wholly-owned bankruptcy-remote subsidiaries that are included in the non-guarantor subsidiaries' condensed consolidated financial information. Each of these is a separate legal entity with its own separate creditors who will be entitled, prior to and upon its liquidation, to be satisfied out of its assets prior to any assets becoming available to Sprint. See *Note 7. Long-Term Debt, Financing and Capital Lease Obligations* for additional information .

We have accounted for investments in subsidiaries using the equity method. Presented below is the condensed consolidating financial information.

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CONDENSED CONSOLIDATING BALANCE SHEET

	March 31, 2019				
	Parent/Issuer	Subsidiary Guarantor	Non-Guarantor Subsidiaries	Eliminations	Consolidated
	(in millions)				
ASSETS					
Current assets:					
Cash and cash equivalents	$ —	$ 6,605	$ 377	$ —	$ 6,982
Short-term investments	—	67	—	—	67
Accounts and notes receivable, net	96	233	3,554	(329)	3,554
Current portion of notes receivable from consolidated affiliates	—	424	—	(424)	—
Device and accessory inventory	—	—	999	—	999
Prepaid expenses and other current assets	—	9	1,280	—	1,289
Total current assets	96	7,338	6,210	(753)	12,891
Investments in subsidiaries	25,785	17,363	—	(43,148)	—
Property, plant and equipment, net	—	—	21,201	—	21,201
Costs to acquire a customer contract	—	—	1,559	—	1,559
Due from consolidated affiliates	288	2,418	—	(2,706)	—
Notes receivable from consolidated affiliates	11,883	23,567	—	(35,450)	—
Intangible assets					
Goodwill	—	—	4,598	—	4,598
FCC licenses and other	—	—	41,465	—	41,465
Definite-lived intangible assets, net	—	—	1,769	—	1,769
Other assets	—	52	1,066	—	1,118
Total assets	$ 38,052	$ 50,738	$ 77,868	$ (82,057)	$ 84,601
LIABILITIES AND EQUITY					
Current liabilities:					
Accounts payable	$ —	$ —	$ 3,961	$ —	$ 3,961
Accrued expenses and other current liabilities	97	230	3,599	(329)	3,597
Current portion of long-term debt, financing and capital lease obligations	—	1,373	3,184	—	4,557
Current portion of notes payable to consolidated affiliates	—	—	424	(424)	—
Total current liabilities	97	1,603	11,168	(753)	12,115
Long-term debt, financing and capital lease obligations	11,883	10,660	12,823	—	35,366
Notes payable to consolidated affiliates	—	11,883	23,567	(35,450)	—
Deferred tax liabilities	—	—	7,556	—	7,556
Other liabilities	—	807	2,630	—	3,437
Due to consolidated affiliates	—	—	2,706	(2,706)	—
Total liabilities	11,980	24,953	60,450	(38,909)	58,474
Commitments and contingencies					
Total stockholders' equity	26,072	25,785	17,363	(43,148)	26,072
Noncontrolling interests	—	—	55	—	55
Total equity	26,072	25,785	17,418	(43,148)	26,127
Total liabilities and equity	$ 38,052	$ 50,738	$ 77,868	$ (82,057)	$ 84,601

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING BALANCE SHEET

	March 31, 2018				
	Parent/Issuer	*Subsidiary Guarantor*	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
			(in millions)		
ASSETS					
Current assets:					
Cash and cash equivalents	$ —	$ 6,222	$ 388	$ —	$ 6,610
Short-term investments	—	2,354	—	—	2,354
Accounts and notes receivable, net	99	248	3,711	(347)	3,711
Current portion of notes receivable from consolidated affiliates	—	424	—	(424)	—
Device and accessory inventory	—	—	1,003	—	1,003
Prepaid expenses and other current assets	5	9	561	—	575
Total current assets	104	9,257	5,663	(771)	14,253
Investments in subsidiaries	26,351	18,785	—	(45,136)	—
Property, plant and equipment, net	—	—	19,925	—	19,925
Due from consolidated affiliates	1	—	594	(595)	—
Notes receivable from consolidated affiliates	11,887	23,991	—	(35,878)	—
Intangible assets					
Goodwill	—	—	6,586	—	6,586
FCC licenses and other	—	—	41,309	—	41,309
Definite-lived intangible assets, net	—	—	2,465	—	2,465
Other assets	—	185	736	—	921
Total assets	$ 38,343	$ 52,218	$ 77,278	$ (82,380)	$ 85,459
LIABILITIES AND EQUITY					
Current liabilities:					
Accounts payable	$ —	$ —	$ 3,409	$ —	$ 3,409
Accrued expenses and other current liabilities	100	341	3,868	(347)	3,962
Current portion of long-term debt, financing and capital lease obligations	—	1,832	1,597	—	3,429
Current portion of notes payable to consolidated affiliates	—	—	424	(424)	—
Total current liabilities	100	2,173	9,298	(771)	10,800
Long-term debt, financing and capital lease obligations	11,887	10,381	15,195	—	37,463
Notes payable to consolidated affiliates	—	11,887	23,991	(35,878)	—
Deferred tax liabilities	—	—	7,294	—	7,294
Other liabilities	—	831	2,652	—	3,483
Due to consolidated affiliates	—	595	—	(595)	—
Total liabilities	11,987	25,867	58,430	(37,244)	59,040
Commitments and contingencies					
Total stockholders' equity	26,356	26,351	18,785	(45,136)	26,356
Noncontrolling interests	—	—	63	—	63
Total equity	26,356	26,351	18,848	(45,136)	26,419
Total liabilities and equity	$ 38,343	$ 52,218	$ 77,278	$ (82,380)	$ 85,459

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE (LOSS) INCOME

	Year Ended March 31, 2019				
	Parent/Issuer	*Subsidiary Guarantor*	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
			(in millions)		
Net operating revenues:					
Service	$ —	$ —	$ 22,857	$ —	$ 22,857
Equipment sales	—	—	5,606	—	5,606
Equipment rentals	—	—	5,137	—	5,137
	—	—	33,600	—	33,600
Net operating expenses:					
Cost of services (exclusive of depreciation and amortization included below)	—	—	6,664	—	6,664
Cost of equipment sales	—	—	6,082	—	6,082
Cost of equipment rentals (exclusive of depreciation below)	—	—	643	—	643
Selling, general and administrative	—	—	7,774	—	7,774
Depreciation - network and other	—	—	4,245	—	4,245
Depreciation - equipment rentals	—	—	4,538	—	4,538
Amortization	—	—	608	—	608
Goodwill impairment	—	—	2,000	—	2,000
Other, net	—	—	648	—	648
	—	—	33,202	—	33,202
Operating income	—	—	398	—	398
Other income (expense):					
Interest income	905	2,166	682	(3,584)	169
Interest expense	(905)	(2,315)	(2,927)	3,584	(2,563)
(Losses) earnings of subsidiaries	(1,943)	(1,811)	—	3,754	—
Other income, net	—	17	1	—	18
	(1,943)	(1,943)	(2,244)	3,754	(2,376)
(Loss) income before income taxes	(1,943)	(1,943)	(1,846)	3,754	(1,978)
Income tax benefit	—	—	35	—	35
Net (loss) income	(1,943)	(1,943)	(1,811)	3,754	(1,943)
Less: Net income attributable to noncontrolling interests	—	—	—	—	—
Net (loss) income attributable to Sprint Corporation	(1,943)	(1,943)	(1,811)	3,754	(1,943)
Other comprehensive (loss) income	(71)	(71)	(49)	120	(71)
Comprehensive (loss) income	$ (2,014)	$ (2,014)	$ (1,860)	$ 3,874	$ (2,014)

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)

	Year Ended March 31, 2018				
	Parent/Issuer	*Subsidiary Guarantor*	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
			(in millions)		
Net operating revenues:					
Service	$ —	$ —	$ 23,834	$ —	$ 23,834
Equipment sales	—	—	4,524	—	4,524
Equipment rentals	—	—	4,048	—	4,048
	—	—	32,406	—	32,406
Net operating expenses:					
Cost of services (exclusive of depreciation and amortization included below)	—	—	6,801	—	6,801
Cost of equipment sales	—	—	6,109	—	6,109
Cost of equipment rentals (exclusive of depreciation below)	—	—	493	—	493
Selling, general and administrative	—	—	8,087	—	8,087
Depreciation - network and other	—	—	3,976	—	3,976
Depreciation - equipment rentals	—	—	3,792	—	3,792
Amortization	—	—	812	—	812
Other, net	—	(55)	(336)	—	(391)
	—	(55)	29,734	—	29,679
Operating income	—	55	2,672	—	2,727
Other income (expense):					
Interest income	802	1,289	11	(2,017)	85
Interest expense	(802)	(1,643)	(1,937)	2,017	(2,365)
Earnings (losses) of subsidiaries	7,389	7,784	—	(15,173)	—
Other expense, net	—	(96)	(48)	—	(144)
	7,389	7,334	(1,974)	(15,173)	(2,424)
Income (loss) before income taxes	7,389	7,389	698	(15,173)	303
Income tax benefit	—	—	7,074	—	7,074
Net income (loss)	7,389	7,389	7,772	(15,173)	7,377
Less: Net loss attributable to noncontrolling interests	—	—	12	—	12
Net income (loss) attributable to Sprint Corporation	7,389	7,389	7,784	(15,173)	7,389
Other comprehensive income (loss)	31	31	48	(79)	31
Comprehensive income (loss)	$ 7,420	$ 7,420	$ 7,820	$ (15,252)	$ 7,408

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE (LOSS) INCOME

	Year Ended March 31, 2017				
	Parent/Issuer	*Subsidiary Guarantor*	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
			(in millions)		
Net operating revenues:					
Service	$ —	$ —	$ 25,368	$ —	$ 25,368
Equipment sales	—	—	4,684	—	4,684
Equipment rentals	—	—	3,295	—	3,295
	—	—	33,347	—	33,347
Net operating expenses:					
Cost of services (exclusive of depreciation and amortization included below)	—	—	7,861	—	7,861
Cost of equipment sales	—	—	6,583	—	6,583
Cost of equipment rentals (exclusive of depreciation below)	—	—	975	—	975
Selling, general and administrative	—	—	7,994	—	7,994
Depreciation - network and other	—	—	3,982	—	3,982
Depreciation - equipment rentals	—	—	3,116	—	3,116
Amortization	—	—	1,052	—	1,052
Other, net	—	—	20	—	20
	—	—	31,583	—	31,583
Operating income	—	—	1,764	—	1,764
Other (expense) income:					
Interest income	790	145	21	(896)	60
Interest expense	(790)	(1,675)	(926)	896	(2,495)
(Losses) earnings of subsidiaries	(1,206)	402	—	804	—
Other expense, net	—	(78)	(22)	—	(100)
	(1,206)	(1,206)	(927)	804	(2,535)
(Loss) income before income taxes	(1,206)	(1,206)	837	804	(771)
Income tax expense	—	—	(435)	—	(435)
Net (loss) income	(1,206)	(1,206)	402	804	(1,206)
Other comprehensive income (loss)	35	35	42	(77)	35
Comprehensive (loss) income	$ (1,171)	$ (1,171)	$ 444	$ 727	$ (1,171)

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SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

	Year Ended March 31, 2019				
	Parent/Issuer	*Subsidiary Guarantor*	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
			(in millions)		
Cash flows from operating activities:					
Net cash (used in) provided by operating activities	$ —	$ (243)	$ 10,672	$ —	$ 10,429
Cash flows from investing activities:					
Capital expenditures - network and other	—	—	(4,963)	—	(4,963)
Capital expenditures - leased devices	—	—	(7,441)	—	(7,441)
Expenditures relating to FCC licenses	—	—	(163)	—	(163)
Proceeds from sales and maturities of short-term investments	—	7,197	—	—	7,197
Purchases of short-term investments	—	(5,165)	—	—	(5,165)
Change in amounts due from/due to consolidated affiliates	(267)	(2,060)	—	2,327	—
Proceeds from sales of assets and FCC licenses	—	—	591	—	591
Proceeds from deferred purchase price from sale of receivables	—	—	223	—	223
Proceeds from corporate owned life insurance policies	—	110	—	—	110
Proceeds from intercompany note advance to consolidated affiliate	—	424	—	(424)	—
Other, net	—	—	69	—	69
Net cash (used in) provided by investing activities	(267)	506	(11,684)	1,903	(9,542)
Cash flows from financing activities:					
Proceeds from debt and financings	—	2,000	7,307	—	9,307
Repayments of debt, financing and capital lease obligations	—	(1,798)	(7,966)	—	(9,764)
Debt financing costs	(28)	(81)	(212)	—	(321)
Proceeds from issuance of common stock, net	291	—	—	—	291
Change in amounts due from/due to consolidated affiliates	—	—	2,327	(2,327)	—
Repayments of intercompany note advance from parent	—	—	(424)	424	—
Other, net	4	—	—	—	4
Net cash provided by (used in) financing activities	267	121	1,032	(1,903)	(483)
Net increase in cash, cash equivalents and restricted cash	—	384	20	—	404
Cash, cash equivalents and restricted cash, beginning of period	—	6,222	437	—	6,659
Cash, cash equivalents and restricted cash, end of period	$ —	$ 6,606	$ 457	$ —	$ 7,063

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

	Year Ended March 31, 2018				
	Parent/Issuer	*Subsidiary Guarantor*	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
			(in millions)		
Cash flows from operating activities:					
Net cash (used in) provided by operating activities	$ —	$ (828)	$ 10,890	$ —	$ 10,062
Cash flows from investing activities:					
Capital expenditures - network and other	—	—	(3,319)	—	(3,319)
Capital expenditures - leased devices	—	—	(7,461)	—	(7,461)
Expenditures relating to FCC licenses	—	—	(115)	—	(115)
Proceeds from sales and maturities of short-term investments	—	7,202	—	—	7,202
Purchases of short-term investments	—	(4,112)	—	—	(4,112)
Change in amounts due from/due to consolidated affiliates	—	—	(2,730)	2,730	—
Proceeds from sales of assets and FCC licenses	—	—	527	—	527
Proceeds from deferred purchase price from sale of receivables	—	—	1,140	—	1,140
Proceeds from corporate owned life insurance policies	—	2	—	—	2
Intercompany note advance to consolidated affiliate	(1,476)	—	—	1,476	—
Other, net	—	—	1	—	1
Net cash (used in) provided by investing activities	(1,476)	3,092	(11,957)	4,206	(6,135)
Cash flows from financing activities:					
Proceeds from debt and financings	1,500	—	7,029	—	8,529
Repayments of debt, financing and capital lease obligations	—	(2,587)	(5,931)	—	(8,518)
Debt financing costs	(24)	(12)	(57)	—	(93)
Call premiums paid on debt redemptions	—	(131)	—	—	(131)
Proceeds from issuance of common stock, net	—	21	—	—	21
Change in amounts due from/due to consolidated affiliates	—	2,730	—	(2,730)	—
Intercompany note advance from parent	—	1,476	—	(1,476)	—
Other, net	—	—	(18)	—	(18)
Net cash provided by (used in) financing activities	1,476	1,497	1,023	(4,206)	(210)
Net increase (decrease) in cash, cash equivalents and restricted cash	—	3,761	(44)	—	3,717
Cash, cash equivalents and restricted cash, beginning of period	—	2,461	481	—	2,942
Cash, cash equivalents and restricted cash, end of period	$ —	$ 6,222	$ 437	$ —	$ 6,659

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

	Year Ended March 31, 2017				
	Parent/Issuer	Subsidiary Guarantor	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in millions)		
Cash flows from operating activities:					
Net cash (used in) provided by operating activities	$ —	$ (1,640)	$ (1,451)	$ (199)	$ (3,290)
Cash flows from investing activities:					
Capital expenditures - network and other	—	—	(1,950)	—	(1,950)
Capital expenditures - leased devices	—	—	(4,976)	—	(4,976)
Expenditures relating to FCC licenses	—	—	(83)	—	(83)
Proceeds from sales and maturities of short-term investments	—	4,566	55	—	4,621
Purchases of short-term investments	—	(10,010)	(55)	—	(10,065)
Change in amounts due from/due to consolidated affiliates	—	7,097	—	(7,097)	—
Proceeds from sales of assets and FCC licenses	—	—	219	—	219
Proceeds from deferred purchase price from sale of receivables	—	—	10,498	—	10,498
Proceeds from corporate owned life insurance policies	—	11	—	—	11
Intercompany note advance to consolidated affiliate	—	(414)	—	414	—
Proceeds from intercompany note advance to consolidated affiliate	—	84	—	(84)	—
Other, net	—	—	30	—	30
Net cash provided by (used in) investing activities	—	1,334	3,738	(6,767)	(1,695)
Cash flows from financing activities:					
Proceeds from debt and financings	—	4,000	6,966	—	10,966
Repayments of debt and capital lease obligations	—	(3,250)	(2,167)	—	(5,417)
Debt financing costs	—	(187)	(171)	—	(358)
Proceeds from issuance of common stock, net	—	50	—	—	50
Intercompany dividends paid to consolidated affiliate	—	—	(199)	199	—
Change in amounts due from/due to consolidated affiliates	—	—	(7,097)	7,097	—
Intercompany note advance from parent	—	—	414	(414)	—
Repayments of intercompany note advance from parent	—	—	(84)	84	—
Other, net	—	—	45	—	45
Net cash provided by (used in) financing activities	—	613	(2,293)	6,966	5,286
Net increase (decrease) in cash, cash equivalents and restricted cash	—	307	(6)	—	301
Cash, cash equivalents and restricted cash, beginning of period	—	2,154	487	—	2,641
Cash, cash equivalents and restricted cash, end of period	$ —	$ 2,461	$ 481	$ —	$ 2,942

Exhibit 4.37

DESCRIPTION OF SPRINT COMMON STOCK

The summary of the general terms and provisions of the common stock of Sprint Corporation (“Sprint,” “we,” “us,” and “our”) set forth below does not purport to be complete and is subject to and qualified in its entirety by reference to our amended and restated certificate of incorporation, or certificate of incorporation, and amended and restated bylaws, or bylaws, each of which is incorporated by reference as an exhibit to our most recent Annual Report on Form 10-K. We encourage you to read our certificate of incorporation, our bylaws, and the applicable provisions of the General Corporation Law of the State of Delaware (“DGCL”) for additional information.

General

Our certificate of incorporation provides that we may issue up to 9,000,000,000 shares of common stock, par value $0.01 per share (“Common Stock”); 1,000,000,000 shares of non-voting common stock, par value $0.01 per share (“Non-Voting Common Stock” and collectively with Common Stock, “Collective Common Stock”); and 20,000,000 shares of preferred stock, par value $0.0001 per share (“Preferred Stock”). As of May 28, 2019, 4,090,807,600 shares of Common Stock were outstanding. As of May 28, 2019, no shares of Non-Voting Common Stock and no shares of Preferred Stock were issued and outstanding.

Voting Powers

General

Except as provided in our certificate of incorporation, each holder of shares of Common Stock shall be entitled to attend all special and annual meetings of our stockholders and, together with the holders of shares of all other classes or series of stock entitled to attend such meetings and to vote together with the shares of Common Stock on such matter or thing, to cast one vote for each outstanding share of Common Stock held of record by such stockholder upon any matter or thing upon which stockholders are entitled to vote generally. The holders of shares of Common Stock shall have the exclusive voting power of the Collective Common Stock.

Except as otherwise required by law, shares of Non-Voting Common Stock have no voting power and the holders thereof, as such, shall not be entitled to vote on any matter that is submitted to a vote or for the consent of our stockholders.

In addition to any vote of the holders of shares of one or more series of Preferred Stock that may be required by the terms of our certificate of incorporation, the number of authorized shares of any class or classes of our capital stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of at least a majority of the voting power of all of the then issued and outstanding shares of our capital stock entitled to vote generally in the election of directors, voting together as a single class, irrespective of the provisions of Section 242(b)(2) of the DGCL.

Cumulative Voting

Our stockholders are not entitled to cumulative voting of their shares in elections of directors.

Liquidation Rights

Immediately prior to the earlier of (i) any distribution of our assets to the holders of shares of Common Stock in connection with a voluntary or involuntary liquidation, dissolution, distribution of assets or winding up of Sprint; or (ii) any record date established to determine the holders of shares of capital stock of Sprint entitled to receive such distribution of assets, each outstanding share of Non-Voting Common Stock shall automatically, without any further action, convert into and become one share of Common Stock.

Dividends

Subject to the provisions of our certificate of incorporation and our bylaws, our board of directors may, out of funds legally available therefor at any regular or special meeting, declare dividends upon our capital stock as and when they deem expedient. Before declaring any dividend there may be set apart out of any funds available for dividends, such sum or sums as our board of directors from time to time in its discretion deems proper for working capital or as a reserve fund to meet contingencies or for equalizing dividends or for such other purposes as our board of directors shall deem conducive to our interests.

Subject to the rights and preferences applicable to any series of Preferred Stock, if any, outstanding at any time, the holders of shares of Non-Voting Common Stock shall be entitled to receive, on a per share basis, the same form and amount of dividends and other distributions of cash, property, or shares of our stock as may be declared by our board of directors from time to time with respect to shares of Common Stock; provided, however, that in the event that such dividend is paid in the form of shares of Common Stock or rights to acquire shares of Common Stock, the holders of shares of Non-Voting Common Stock shall receive shares of Non-Voting Common Stock or rights to acquire shares of Non-Voting Common Stock, as the case may be.

Preemptive Rights

No holder of shares of any class or series of our capital stock or holder of any security or obligation convertible into shares of any class or series of our capital stock has any preemptive right to subscribe for, purchase or otherwise acquire shares of any class or series of our capital stock.

Redemption of Shares Held by Aliens

Our certificate of incorporation permits, by action of our board of directors and at least a majority of the independent directors on our board of directors, the redemption by us of shares of our capital stock held by aliens in its sole discretion. The provisions permit capital stock to be redeemed at a price in cash mutually agreed between us and the holders of the capital stock subject to redemption. If no mutually acceptable agreement can be reached, the stock will be redeemed at the fair market value, which (i) for publicly traded securities, will be determined on the trading price of the security over the 30-day period ending three days prior to the date of redemption and (ii) for all non-publicly traded securities, will be determined in good faith by the disinterested and independent members of our board of directors.

We will give written notice of the redemption date at least five but no more than 30 days before the redemption date to the record holders of the shares selected to be redeemed.

From and after the redemption date, unless there shall have been a default in payment, all rights of the holders of shares of capital stock designated for redemption in the redemption notice as holders of such shares of capital stock (except the right to receive the redemption payment without interest upon surrender of their certificate or certificates) shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of Sprint or be deemed to be outstanding for any purpose whatsoever. If the funds of Sprint legally available for redemption of shares of capital stock on any redemption date are insufficient to redeem the total number of shares of capital stock to be redeemed on such date, those funds which are legally available will be used to redeem the maximum possible number of such shares ratably among the holders of such shares to be redeemed based upon their holdings of capital stock to be redeemed. The shares of capital stock not redeemed shall remain outstanding and entitled to all the rights and preferences provided herein. At any time thereafter when additional funds of Sprint are legally available for the redemption of shares of capital stock, such funds will immediately be used to redeem the balance of the shares which Sprint has become obligated to redeem on any redemption date but which it has not redeemed.

Prior to effecting any redemption, we will provide any holder of capital stock to be redeemed with reasonable prior written notice of the reason giving rise to our redemption right and, if requested to do so by such holder, we will reasonably cooperate with such affected holder in arranging another method to minimize or eliminate the reason giving rise to our redemption right, including, but not limited to and not in any particular order of priority, preparing and filing waiver requests with the Federal Communications Commission ("FCC"), developing alternative ownership structures, assisting with a sale of such holders' interest in us, amending our certificate of incorporation and obtaining FCC approvals for such transaction.

The provisions regarding redemption do not apply to SoftBank Group Corp. ("SoftBank") or any of its controlled affiliates, any acquisition of shares of Common Stock or our other capital stock by SoftBank or any of its controlled affiliates, or any ownership of such shares otherwise attributed to SoftBank or any of its controlled affiliates, and we have no authority under these provisions to redeem any shares of Common Stock or our other capital stock beneficially owned, directly or indirectly, by SoftBank or any of its controlled affiliates.

Subdivision or Combination; Equal Status

Our certificate of incorporation provides that if we in any manner subdivide or combine the outstanding shares of Common Stock, the outstanding shares of Non-Voting Common Stock will be subdivided or combined in the same manner. We may not subdivide or combine the outstanding shares of Non-Voting Common Stock unless a subdivision or combination is made in the same manner with respect to the shares of Common Stock.

Except as expressly provided in the certificate of incorporation (including with respect to voting rights), shares of Non-Voting Common Stock shall have the same rights and privileges and rank equally, share ratably, and be identical in all respects to shares of Common Stock as to all matters. Without limiting the generality of the foregoing, (i) in the event of a merger, consolidation, or other business combination of Sprint requiring the approval of the holders of shares of our capital stock entitled to vote thereon (whether or not Sprint is the surviving entity), the holders of shares of Non-Voting Common Stock shall receive the same amount and form of consideration, if any, on a per share basis as the consideration, if any, received by holders of shares of Common Stock in connection with such merger, consolidation, or combination (provided that if holders of shares of Common Stock are entitled to make an election as to the amount or form of consideration such holders shall receive in any such merger, consolidation, or combination with respect to their shares of Common Stock, the holders of shares of Non-Voting Common Stock shall be entitled to make the same election as to their shares of Non-Voting Common Stock), and (ii) in the event of (x) any tender or exchange offer to acquire any shares of Common Stock by any third party pursuant to an agreement to which Sprint is a party or (y) any tender or exchange offer by Sprint to acquire any shares of Common Stock, pursuant to the terms of the applicable tender or exchange offer, the holders of shares of Non-Voting Common Stock shall be entitled to participate in such tender or exchange offer on the same terms as holders of shares of Common Stock and shall be entitled to receive the same amount and form of consideration on a per share basis as the holders of shares of Common Stock (provided that if holders of shares of Common Stock are entitled to make an election as to the amount or form of consideration such holders shall receive in any such tender or exchange offer with respect to their shares of Common Stock, the holders of shares of Non-Voting Common Stock shall be entitled to make the same election as to their shares of Non-Voting Common Stock).

Transfer Agent and Registrar

The transfer agent and registrar for our Common Stock is Computershare Trust Company, N.A., Canton, Massachusetts.

Anti-takeover Provisions

We are subject to Section 203 of the DGCL, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested holder;

- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines business combination to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits by or through the corporation.

In general, Section 203 defines an "interested stockholder" as an entity or person who, together with the person's affiliates and associates, beneficially owns, or within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

Notice Provisions Relating to Stockholder Proposals and Nominees

Our bylaws contain provisions requiring stockholders to give advance written notice to us of a proposal or director nomination in order to have the proposal or the nominee considered at an annual meeting of stockholders. The notice must usually be received not less than 90 days and not more than 120 days before the first anniversary of the preceding year's annual meeting. Under our bylaws, a special meeting of stockholders may be called only by our board of directors, pursuant to a resolution approved by a majority of our board of directors. Our stockholders may not call a special meeting.

Blank Check Preferred

Our certificate of incorporation provides for 20,000,000 shares of Preferred Stock. The existence of authorized but unissued shares of Preferred Stock may enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer or otherwise. To the extent our board of directors causes shares of our Preferred Stock to be issued, the voting or other rights of a potential acquirer might be diluted. Our board of directors has the authority to issue shares of our Preferred Stock without any action by our stockholders. Any such issuance may have the effect of delaying, deterring or preventing a change of control of us.

Additional Provisions

As of May 28, 2019, SoftBank beneficially owned nearly 85% of Sprint on a fully diluted basis. SoftBank's ordinary shares are publicly traded in Japan. Pursuant to our certificate of incorporation, in the event that the combined voting interest of SoftBank and its controlled affiliates in Sprint exceeds 85% of the outstanding voting securities of Sprint, then SoftBank or a controlled affiliate will make an offer to acquire all the remaining shares of

Sprint Common Stock at a price not less than the volume-weighted average closing price of Sprint Common Stock for the 20 consecutive trading days immediately preceding such offer.

Each director of Sprint will remain in office until the earlier of his or her resignation or successors are elected in accordance with the bylaws of Sprint.

At all times until such time as the combined voting interest of SoftBank and its controlled affiliates in Sprint falls below 50% and remains below 50% for 90 consecutive days, the Sprint board of directors will include not fewer than three (or such greater number as may be required by applicable law or listing rules) individuals who qualify as “Independent Directors” (as such term is defined in the NYSE listing rules).

If the combined voting interest of SoftBank and its controlled affiliates in Sprint remains below 50% for 90 consecutive days, then the board composition requirements described above will no longer apply. Thereafter, unless and until the combined voting interest of SoftBank and its controlled affiliates in Sprint remains below 10% for 90 consecutive days, the Sprint board of directors will include a number of individuals nominated by SoftBank or its controlled affiliate that is proportional to the combined voting interest of SoftBank and its controlled affiliates in Sprint, rounded up to the nearest whole number.

In order to address certain national security considerations in connection with the merger of SoftBank and certain of its wholly-owned subsidiaries with Sprint Nextel Corporation as contemplated by the Agreement and Plan of Merger, dated as of October 15, 2012, SoftBank and Sprint entered into a National Security Agreement (“NSA”). Under the NSA, one director of Sprint designated by SoftBank, subject to U.S. government approval, is designated as the “Security Director.” The Security Director administers, and is authorized and empowered to comply with and perform his or her obligations under, the NSA.

Subject to the composition requirements described above, the Sprint bylaws provide that:

- any director of Sprint may be removed, with or without cause, by action of holders of capital stock having a majority of the voting power of then-outstanding shares entitled to vote in the election of directors; and

- any director nominated by SoftBank or its controlled affiliates may be removed by SoftBank or its relevant controlled affiliate by written notice to the Sprint board of directors.

Notwithstanding the prior two bulleted subparagraphs, removal of the Security Director will be subject to the additional requirements of the NSA.

Until such time as SoftBank and its controlled affiliates hold shares representing less than a majority of the votes entitled to be cast by the holders of outstanding Common Stock of Sprint at a stockholder meeting, SoftBank generally will have the ability to control the outcome of any matter submitted for the vote of Sprint’s stockholders, except in certain circumstances set forth in Sprint’s certificate of incorporation or bylaws. The interests of SoftBank may not coincide with the interests of Sprint’s other stockholders. SoftBank’s ability, subject to the limitations in Sprint’s certificate of incorporation and bylaws, to control all matters submitted to Sprint’s stockholders for approval, limits the ability of other stockholders to influence corporate matters and, as a result, Sprint may take actions that its stockholders do not view as beneficial.

In addition, the existence of a controlling stockholder of Sprint may have the effect of making it more difficult for a third party to acquire, or discouraging a third party from seeking to acquire, Sprint. A third party would be required to negotiate any such transaction with SoftBank, and the interests of SoftBank with respect to such transaction may be different from the interests of Sprint’s other stockholders.

Our certificate of incorporation and bylaws also contain various provisions relating to required approvals by certain members of our board of directors to approve certain actions, restrictions on conduct of competing businesses by SoftBank, allocation of corporate opportunities between us and SoftBank and a mandatory requirement that SoftBank offer to purchase all outstanding shares of Common Stock under certain circumstances.

Exhibit 10.17

EXECUTION VERSION

INCREMENTAL FACILITY AMENDMENT

INCREMENTAL FACILITY AMENDMENT, dated as of February 26, 2019 (this " Amendment "), among Sprint Communications, Inc. (the " Borrower " or " Company "), the 2019 Incremental Lenders (as defined below) party hereto, the other parties hereto and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders (in such capacity, the " Administrative Agent "). Capitalized terms used herein but not otherwise defined have the meanings assigned to such terms in the Amended Credit Agreement (as hereinafter defined).

W I T N E S S E T H:

WHEREAS, the Borrower, the Guarantors party thereto, the several lenders from time to time party thereto prior to giving effect to this Amendment (the " Original Lenders ", together with the 2019 Incremental Lenders, the " Lenders ") and the Administrative Agent originally entered into the Credit Agreement, dated as of February 3, 2017 (as amended on November 26, 2018 and as otherwise amended, amended and restated, waived, consented to or otherwise modified prior to the date hereof, the " Original Credit Agreement "), pursuant to which the Original Lenders made certain loans and other extensions of credit to the Borrower;

WHEREAS, pursuant to Section 2.08(d) of the Original Credit Agreement, the Borrower has requested Incremental Term Loans in an aggregate principal amount equal to $900,000,000 (the " 2019 Incremental Term Loans ") which shall constitute part of, and be added to, the outstanding Class of 2018 Incremental Term Loans and may be used for general corporate purposes of the Borrower and its Subsidiaries;

WHEREAS, each Lender set forth on Annex A hereto (each, a " 2019 Incremental Lender " and collectively, the " 2019 Incremental Lenders ") hereby commits to make the 2019 Incremental Term Loans to the Borrower on the Effective Date (as defined below) in an aggregate principal amount not to exceed the amount of its "2019 Incremental Term Loan Commitment" set forth next to such 2019 Incremental Lender's name on Annex A ;

WHEREAS, pursuant to Section 2.08(d) of the Original Credit Agreement, the Original Credit Agreement may be amended in connection with the effectiveness of Incremental Term Loans (as defined in the Original Credit Agreement) as necessary or appropriate to effect the provisions of Section 2.08(d) of the Original Credit Agreement; and

WHEREAS, in furtherance thereof, each party hereto hereby consents to the modifications to the Original Credit Agreement as set forth in Section 1 below (the Original Credit Agreement, as hereby modified, the " Amended Credit Agreement ").

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto hereby agree as follows:

SECTION 1. 2019 Incremental Term Loans

(a) The Borrower and the Administrative Agent agree that the Original Credit Agreement is, effective as of the Effective Date (as defined below), hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the Amended Credit Agreement attached as Annex B hereto.

(b) The Borrower and the Administrative Agent agree that the 2019 Incremental Term Loans shall rank pari passu in right of payment and pari passu in respect of the Collateral with the Obligations in respect of the Revolving Credit Commitments and Initial Term Loans (as defined in the Original Credit Agreement) outstanding immediately prior to the Effective Date.

(c) The Borrower, the 2019 Incremental Lenders and the Administrative Agent agree that the 2019 Incremental Term Loans shall have an Interest Period as set forth in the Borrowing Request for the 2019 Incremental Term Loans.

SECTION 2. Conditions Precedent to the Effectiveness of this Amendment

This Amendment and the obligations of the 2019 Incremental Lenders to make the 2019 Incremental Term Loans shall become effective as of the date (the " Effective Date ") of the satisfaction or waiver of each of the conditions precedent set forth in this Section 2.

(a) Executed Counterparts . The Administrative Agent shall have received this Amendment, duly executed by (A) each 2019 Incremental Lender, (B) each Loan Party and (C) the Administrative Agent.

(b) Corporate and Other Proceedings . The Administrative Agent shall have received a copy of the resolutions, in form and substance reasonably satisfactory to the Administrative Agent, of the Board of Directors or managing member (or equivalent governing body) of each Loan Party authorizing (a) the execution, delivery and performance of this Amendment and the Amended Credit Agreement (and any agreements relating thereto) and (b) in the case of the Borrower, the borrowing of the 2019 Incremental Term Loans contemplated hereunder and under the Amended Credit Agreement.

(c) Closing Certificate . The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of each Loan Party and the authorization of the transactions contemplated hereby, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(d) Conditions to 2019 Incremental Term Loans . (i) No Event of Default shall have occurred and be continuing on such Effective Date or shall result from the 2019 Incremental Term Loans, (ii) immediately after giving effect to the 2019 Incremental Term Loans, the Applicable Debt Cap Test is satisfied, (iii) the representations and warranties contained in the Amended Credit Agreement shall be true and correct on and as of the Effective Date as if made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date), (iv) the Borrower shall be in pro forma compliance with the Financial Covenants on and as of the Effective Date, and (v) the Administrative Agent shall have received a certificate of a Financial Officer of the Borrower stating that conditions set forth in clauses (i), (ii), (iii) and (iv) above have been satisfied.

(e) Opinions of Counsel . The Administrative Agent shall have received one or more favorable written opinions (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Jones Day and Polsinelli P.C., each as counsel to the Loan Parties, covering such matters relating to the Loan Parties, this Amendment, the other Loan Documents or the transactions contemplated hereby as the Administrative Agent shall request.

(f) Fees and Expenses . All fees and, to the extent invoiced, all reasonable out-of-pocket expenses required to be paid by the Borrower on the Effective Date as separately agreed by the

Borrower (or Parent Guarantor) shall have been paid to the Persons to whom such fees or expenses are owed.

(g) Patriot Act; KYC . The Administrative Agent shall have received at least five days prior to the Effective Date (or such shorter period agreed to by the Administrative Agent) all documentation and other information reasonably determined by the Administrative Agent to be required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the USA PATRIOT Act, so long as requested in writing at least ten Business Days prior to the Effective Date by the Administrative Agent.

(h) Borrowing Request . The Borrower shall have provided the Administrative Agent a written Borrowing Request with respect to the 2019 Incremental Term Loans.

(i) Solvency Certificate . The Administrative Agent shall have received a solvency certificate, dated the Effective Date and signed by the chief financial officer (or other senior financial officer reasonably acceptable to the Administrative Agent) of the Borrower, documenting the solvency of the Borrower and its Subsidiaries, taken as a whole, immediately after giving effect to this Amendment and the transactions contemplated hereby, consistent with the representation in Section 3.16 of the Amended Credit Agreement, but modified to apply to the Effective Date.

(j) Notice of Designation . The Borrower shall have delivered a Notice of Designation, substantially in the form of Exhibit D to the Collateral Trust and Intercreditor Agreement, dated as of February 3, 2017 (as amended from time to time, the “ CTA ”), among Sprint Corporation, the Company, certain Subsidiaries parties thereto, JPMorgan Chase Bank, N.A., as First Priority Agent, Deutsche Bank Trust Company Americas, as Collateral Trustee, and the other parties thereto, designating the 2019 Incremental Term Loans as First Priority Additional Debt (as defined in the CTA).

SECTION 3. Representations and Warranties . On and as of the Effective Date, after giving effect to this Amendment, each Loan Party hereby represents and warrants to the Administrative Agent and each Lender that this Amendment has been duly authorized by all necessary corporate or other organizational action. This Amendment has been duly executed and delivered by each Loan Party party hereto and constitutes a legal, valid and binding obligation of each Loan Party party hereto, enforceable against such Person in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 4. No Novation; No Other Amendments; References to the Credit Agreement

This Amendment shall not constitute a novation of any Obligations. Other than as specifically provided herein or in the Amended Credit Agreement, this Amendment shall not operate as a waiver or amendment of any right, power or privilege of the Lenders under (and as defined in) the Original Credit Agreement or any other Loan Document (as such term is defined in the Original Credit Agreement) or of any other term or condition of the Original Credit Agreement or any other Loan Document (as such term is defined in the Original Credit Agreement) nor shall the entering into of this Amendment preclude the Lenders from refusing to enter into any further waivers or amendments with respect to the Amended Credit Agreement. All references to the Original Credit Agreement in any document, instrument, agreement, or writing that is a Loan Document shall from and after the Effective Date be deemed to refer to the Amended Credit Agreement, and, as used in the Amended Credit Agreement, the terms “Agreement,” “herein,” “hereafter,” “hereunder,” “hereto” and words of similar import shall mean, from and after the Effective Date, the Amended Credit Agreement. This Amendment is a Loan Document.

SECTION 5. Headings

The various headings of this Amendment are inserted for convenience only and shall not affect the meaning or interpretation of this Amendment or any provisions hereof.

SECTION 6. Counterparts

This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by email or facsimile transmission or other electronic means (including electronic mail) shall be effective as delivery of an original executed counterpart of this Amendment.

SECTION 7. Cross-References

References in this Amendment to any Section are, unless otherwise specified or otherwise required by the context, to such Section of this Amendment.

SECTION 8. Governing Law

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

SECTION 9. Loan Party Acknowledgments

(a) Each Loan Party hereby (i) expressly acknowledges the terms of the Amended Credit Agreement, (ii) ratifies and affirms its obligations under the Loan Documents (including guarantees and security agreements) to which it is a party, (iii) acknowledges, renews and extends its continued liability under all such Loan Documents and agrees such Loan Documents remain in full force and effect, (iv) agrees that each Security Document secures all Obligations of the Loan Parties in accordance with the terms thereof and (v) further confirms that each Loan Document to which it is a party is and shall continue to be in full force and effect and the same are hereby ratified and confirmed in all respects.

(b) Each Loan Party hereby reaffirms, as of the Effective Date, (i) the covenants and agreements contained in each Loan Document to which it is a party, including, in each case, such covenants and agreements as in effect immediately after giving effect to this Amendment and the transactions contemplated thereby, and (ii) its guarantee of payment of the Obligations pursuant to the Loan Documents and its grant of Liens on the Collateral to secure the Obligations.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective authorized officers as of the day and year first above written.

SPRINT COMMUNICATIONS, INC.,
as Borrower

By:
Name: /s/ Janet M. Duncan
Title: Vice President and Treasurer

SPRINT CORPORATION ,
as Guarantor

By:
Name: /s/ Janet M. Duncan
Title: Vice President and Treasurer

EACH OF THE "SUBSIDIARIES" LISTED ON SCHEDULE I ATTACHED HERETO , Subsidiary Guarantor

By:
Name: /s/ Janet M. Duncan
Title: Vice President and Treasurer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and as a 2019 Incremental Lender

By:

Name: /s/ Bruce S. Borden
Title: Executive Director

[Signature Page to Amendment]

SCHEDULE I
SUBSIDIARIES

Alda Wireless Holdings, LLC
American Telecasting Development, LLC
American Telecasting of Anchorage, LLC
American Telecasting of Columbus, LLC
American Telecasting of Denver, LLC
American Telecasting of Fort Myers, LLC
American Telecasting of Ft. Collins, LLC
American Telecasting of Green Bay, LLC
American Telecasting of Lansing, LLC
American Telecasting of Lincoln, LLC
American Telecasting of Little Rock, LLC
American Telecasting of Louisville, LLC
American Telecasting of Medford, LLC
American Telecasting of Michiana, LLC
American Telecasting of Monterey, LLC
American Telecasting of Redding, LLC
American Telecasting of Santa Barbara, LLC
American Telecasting of Seattle, LLC
American Telecasting of Sheridan, LLC
American Telecasting of Yuba City, LLC
APC Realty and Equipment Company, LLC
Assurance Wireless of South Carolina, LLC
ATI Sub, LLC
Boost Worldwide, LLC
Broadcast Cable, LLC
Caroline Ventures, Inc.
Clear Wireless LLC
Clearwire Communications LLC
Clearwire Corporation
Clearwire Hawaii Partners Spectrum, LLC
Clearwire IP Holdings LLC
Clearwire Legacy LLC
Clearwire Spectrum Holdings II LLC
Clearwire Spectrum Holdings III LLC
Clearwire Spectrum Holdings LLC
Clearwire XOHM LLC
Fixed Wireless Holdings, LLC
Fresno MMDS Associates, LLC
Independent Wireless One Leased Realty Corporation
Kennewick Licensing, LLC
MinorCo, LLC
Nextel Communications of the Mid-Atlantic, Inc.
Nextel of New York, Inc.
Nextel Retail Stores, LLC
Nextel South Corp.
Nextel Systems, LLC
Nextel West Corp.
NSAC, LLC

PCTV Gold II, LLC
PCTV Sub, LLC
People’s Choice TV of Houston, LLC
People’s Choice TV of St. Louis, LLC
SIHI New Zealand Holdco, Inc.
SN Holdings (BR I) LLC
SN UHC 1, Inc.
SN UHC 3, Inc.
SN UHC 4, Inc.
SpeedChoice of Detroit, LLC
SpeedChoice of Phoenix, LLC
Sprint (Bay Area), LLC
Sprint Capital Corporation
Sprint Communications Company L.P.
Sprint Communications Company of New Hampshire, Inc.
Sprint Communications Company of Virginia, Inc.
Sprint Connect LLC
Sprint Corporation
Sprint Corporation (Inactive)
Sprint eBusiness, Inc.
Sprint Enterprise Mobility, LLC
Sprint Enterprise Network Services, Inc.
Sprint eWireless, Inc.
Sprint HoldCo, LLC
Sprint International Communications Corporation
Sprint International Holding, Inc.
Sprint International Incorporated
Sprint International Network Company LLC
Sprint PCS Assets, L.L.C.
Sprint Solutions, Inc.
Sprint Spectrum Holding Company, LLC
Sprint Spectrum L.P.
Sprint Spectrum Realty Company, LLC
Sprint/United Management Company
SprintCom, Inc.
SWV Six, Inc.
TDI Acquisition Sub, LLC
Transworld Telecom II, LLC
US Telecom, Inc.
USST of Texas, Inc.
Utelcom, Inc.
Virgin Mobile USA - Evolution, LLC
Virgin Mobile USA, Inc.
Virgin Mobile USA, L.P.
VMU GP, LLC
WBS of America, LLC
WBS of Sacramento, LLC
WBSY Licensing, LLC
WCOF, LLC
Wireless Broadband Services of America, L.L.C.
Wireline Leasing Co., Inc.

Annex A to
Agreement

2019 Incremental Term Loan Commitments

2019 Incremental Lender	2019 Incremental Term Loan Commitment
JPMorgan Chase Bank, N.A.	**$900,000,000.00**
TOTAL	**$900,000,000.00**

Annex B to
Agreement

AMENDED CREDIT AGREEMENT

~~Annex A~~

MARKED VERSION REFLECTING CHANGES PURSUANT TO THE INCREMENTAL FACILITY AMENDMENT, DATED ~~November~~ FEBRUARY 26, ~~2018~~ 2019
ADDED TEXT SHOWN UNDERSCORED
DELETED TEXT SHOWN ~~STRIKETHROUGH~~

CREDIT AGREEMENT

dated as of

February 3, 2017

SPRINT COMMUNICATIONS, INC. ,
as Borrower,

the **GUARANTORS** party hereto

JPMORGAN CHASE BANK, N.A. ,
as Administrative Agent

JPMORGAN CHASE BANK, N.A.
CITIGROUP GLOBAL MARKETS INC.
MIZUHO BANK, LTD.
GOLDMAN SACHS BANK USA ,
as Joint Lead Arrangers and Joint Bookrunners [1,2]

CITIBANK, N.A.
MIZUHO BANK, LTD.
GOLDMAN SACHS BANK USA ,
as Co-Syndication Agents ~~[2]~~ [3,4]

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[1] With respect to the 2018 Incremental Amendment, JPMorgan Chase Bank, N.A. (" JPMorgan "), Goldman Sachs Lending Partners **LLC** (" Goldman "), Deutsche Bank Securities Inc. (" DBSI "), Mizuho Bank, Ltd. (" Mizuho "), Citigroup Global Markets Inc. (" Citi "), Barclays Bank PLC (" Barclays ") and Crédit Agricole Corporate and Investment Bank (" Crédit Agricole ") ~~, Corporate and Investment Bank~~ were the Joint Lead Arrangers, and JPMorgan, Goldman, DBSI and Mizuho were the Joint Bookrunners.

[2] With respect to the 2019 Incremental Amendment, JPMorgan, Goldman, DBSI, Mizuho, Citi, Barclays and Crédit Agricole were the Joint Lead Arrangers, and JPMorgan, Goldman, DBSI and Mizuho were the Joint Bookrunners.

~~[2]~~ [3] With respect to the 2018 Incremental Amendment, Bank of America, N.A., Credit Suisse AG, Caymans Island Branch, Royal Bank of Canada, Sumitomo Mitsui Banking Corporation and Toronto-Dominion Bank, New York Branch, were the Co-Syndication Agents.

[4] With respect to the 2019 Incremental Amendment, Bank of America, N.A., Credit Suisse AG, Caymans Island Branch, Royal Bank of Canada, Sumitomo Mitsui Banking Corporation, Toronto-Dominion Bank, New York Branch, MUFG Bank, Ltd and Bank of China were the Co-Syndication Agents.

BANK OF AMERICA, N.A.
BARCLAYS BANK PLC
CREDIT AGRICOLE CORPORATE & INVESTMENT BANK
DEUTSCHE BANK SECURITIES INC.
ROYAL BANK OF CANADA
as Co-Documentation Agents ~~[3]~~[5, 6]

~~[3]~~[5] With respect to the 2018 Incremental Amendment, JPMorgan, Goldman Sachs Bank USA, Deutsche Bank AG New York Branch, Mizuho, Citibank, N.A., Barclays and Crédit Agricole, were the Co-Documentation Agents.

[6] With respect to the 2019 Incremental Amendment, JPMorgan, Goldman Sachs Bank USA, Deutsche Bank AG New York Branch, Mizuho, Citibank, N.A., Barclays and Crédit Agricole, were the Co-Documentation Agents.

TABLE OF CONTENTS

SCHEDULES:

EXHIBITS:

CREDIT AGREEMENT (this "Agreement") dated as of February 3, 2017 among SPRINT COMMUNICATIONS, INC. (the "Borrower"), the Guarantors (as defined below) party hereto, the LENDERS party hereto and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

The Borrower has requested that the Lenders extend credit, by means of loans and letters of credit, to them in an aggregate amount up to but not exceeding $6,000,000,000 (which amount may, subject to terms and conditions hereunder, be modified pursuant to the terms hereof) to provide funds for general corporate purposes of the Borrower and its Restricted Subsidiaries. The Lenders are willing to extend such credit upon the terms and conditions of this Agreement and, accordingly, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"2018 Incremental Amendment" means the Incremental Facility Amendment, dated as of the 2018 Incremental Amendment Effective Date, among the Loan Parties, the Lenders party thereto and the Administrative Agent.

"2018 Incremental Amendment Effective Date" means November 26, 2018.

"2018 Incremental Lender" means a Lender ~~with a~~ holding 2018 Incremental Term Loan ~~Commitment~~ Commitments or 2018 Incremental Term Loans.

"2018 Incremental Term Loan Commitment" means the commitment of a 2018 Incremental Lender that ~~is~~ was a Lender on the 2018 Incremental Amendment Effective Date to make a 2018 Incremental Term Loan to the Borrower pursuant to Section 2.01(b)(ii) on the 2018 Incremental Amendment Effective Date. The aggregate amount of the 2018 Incremental Term Loan Commitments as of the 2018 Incremental Amendment Effective Date ~~is~~ was $1,100,000,000.

"2018 Incremental Term Loans" means the Loans made by 2018 Incremental Lenders pursuant to Section 2.01(b)(ii) utilizing the 2018 Incremental Term Loan Commitments on the 2018 Incremental Amendment Effective Date.

"2018/2019 Incremental Lender" means a Lender holding 2018 Incremental Term Loan Commitments and/or 2019 Incremental Term Loan Commitments, or 2018 Incremental Term Loans and/or 2019 Incremental Term Loans.

"2018/2019 Incremental Term Loans" means (a) from and including the 2018 Incremental Amendment Effective Date but prior to the 2019 Incremental Amendment Effective Date, the Loans made by 2018/2019 Incremental Lenders pursuant to Section 2.01(b)(ii) utilizing the 2018 Incremental Term Loan Commitments on the 2018 Incremental Amendment Effective Date and (b) from and including the 2019 Incremental Amendment Effective Date, the Loans made by 2018/2019 Incremental Lenders on the 2018 Incremental Amendment Effective Date pursuant to Section 2.01(b)(ii) utilizing the 2018 Incremental Term Loan Commitments and the Loans made by 2018/2019 Incremental Lenders on the 2019 Incremental Amendment Effective Date pursuant to Section 2.01(b)(iii) utilizing the 2019 Incremental Term Loan Commitments.

"2019 Incremental Amendment" means the Incremental Facility Amendment, dated as of the 2019 Incremental Amendment Effective Date, among the Loan Parties, the Lenders party thereto and the Administrative Agent.

"2019 Incremental Amendment Effective Date" means February 26, 2019.

"2019 Incremental Lender" means a Lender holding 2019 Incremental Term Loan Commitments or 2019 Incremental Term Loans.

"2019 Incremental Term Loan Commitment" means the commitment of a 2019 Incremental Lender that is a Lender on the 2019 Incremental Amendment Effective Date to make a 2019 Incremental Term Loan to the Borrower pursuant to Section 2.01(b)(iii) on the 2019 Incremental Amendment Effective Date. The aggregate amount of the 2019 Incremental Term Loan Commitments as of the 2019 Incremental Amendment Effective Date is $900,000,000.

"2019 Incremental Term Loans" means the Loans made by 2019 Incremental Lenders pursuant to Section 2.01(b)(iii) utilizing the 2019 Incremental Term Loan Commitments on the 2019 Incremental Amendment Effective Date.

" 9.25% Debentures " means the existing 9.25% Debentures of the Borrower due 2022 (as the same may be replaced, refinanced or otherwise modified pursuant to the terms hereof).

" Accession Agreement " means an Accession Agreement substantially in the form of Exhibit A to the Subordination Agreement.

" Acquired Entity " has the meaning assigned to such term in Section 5.09(b).

" Account " means an "account" (as such term is defined in Article 9 of the Uniform Commercial Code as in effect from time to time in the State of New York).

" Additional Agreement " has the meaning assigned to such term in Section 9.16(c).

" Adjusted Base Rate " means, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus 1/2 of 1% and (c) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%. Any change in the Adjusted Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate, respectively.

" Adjusted LIBO Rate " means (a) with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (i) the LIBO Rate for such Interest Period multiplied by (ii) the Statutory Reserve Rate or (b) with respect to any Base Rate Borrowing for any day, an interest rate per annum equal to (i) the LIBO Rate for a one month Interest Period commencing on such day (or if such day is not a Business Day, the immediately preceding Business Day) multiplied by (ii) the Statutory Reserve Rate.

" Administrative Agent " means JPMorgan Chase Bank, N.A., in its capacity as Administrative Agent for the Lenders hereunder.

" Administrative Questionnaire " means an Administrative Questionnaire in a form supplied by the Administrative Agent.

" Affiliate " means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

" Anti-Corruption Laws " means all laws, rules and regulation of any jurisdiction applicable to the Borrower or any of its Subsidiaries from time to time concerning or relating to bribery or corruption.

" Applicable Debt Cap Test " means the requirement that (a) 15% of Consolidated Net Tangible Assets minus (b) the outstanding amount of Relevant Obligations, is greater than zero. For the avoidance of doubt, the amount of clause (a) of this definition shall in no event exceed an amount that would permit the incurrence of Liens under this Agreement that would require any of the Parent Guarantor or any of its Subsidiaries' current or future outstanding Indebtedness for borrowed money (other than the 9.25% Debentures) governed by documents that contain a lien restriction based on 15% of consolidated net tangible assets to be secured equally and ratably with the Obligations (the triggering of such equal and ratable security requirement, an " Equal and Ratable Trigger ").

" Applicable Percentage " means (a) with respect to any Revolving Credit Lender for purposes of Section 2.04 (or Section 9.03(c), to the extent relating to Letters of Credit), the percentage of the total Revolving Credit Commitments represented by such Lender's Revolving Credit Commitment and (b) with respect to any Lender in respect of any indemnity claim under Section 9.03(c) arising out of an action or omission of the Administrative Agent under this Agreement, the percentage of the total Commitments of all Classes hereunder represented by the aggregate amount of such Lender's Commitment of all Classes hereunder. If the Commitments hereunder have terminated or expired, the Applicable Percentages shall be determined based upon the percentage of the total Term Loans (if any) and Revolving Credit Exposure represented by the aggregate amount of such Lender's Term Loans and Revolving Credit Exposure hereunder. For purposes of Section 2.19, when a Defaulting Lender shall exist, "Applicable Percentage" shall mean the percentage of the total Revolving Credit Commitments (disregarding any Defaulting Lender's Commitment) represented by such Lender's Revolving Credit Commitment.

" Applicable Rate " means:

(a) in the case of Original Initial Term Loans, for any day, an applicable rate per annum equal to (i) in the case of Original Initial Term Loans that are Eurodollar Loans, 2.50% and (ii) in the case of Original Initial Term Loans that are Base Rate Loans, 1.50%;

(b) in the case of 2018 / 2019 Incremental Term Loans, for any day on and after the 2018 Incremental Amendment Effective Date or the 2019 Incremental Amendment Effective Date, as applicable , an applicable rate per annum equal to (i) in the case of 2018 / 2019 Incremental Term Loans that are Eurodollar Loans, 3.00% and (ii) in the case of 2018 / 2019 Incremental Term Loans that are Base Rate Loans, 2.00%; and

(c) in the case of Revolving Credit Loans, for any day, the applicable rate per annum set forth below under the caption "Base Rate Loans" or "Eurodollar Loans", as applicable, based upon the applicable Total Indebtedness Ratio set forth below opposite the respective Type of Revolving Credit Loan and, in the case of the commitment fees payable hereunder, the applicable rate per annum set forth below under the caption "Commitment Fee":

Level	Total Indebtedness Ratio	Base Rate Loans	Eurodollar Loans	Commitment Fee
Level I	< 2.50:1.00	0.75%	1.75%	0.25%
Level II	≥ 2.50:1.00 but < 3.00:1.00	1.00%	2.00%	0.30%
Level III	≥ 3.00:1.00 but < 3.50:1.00	1.25%	2.25%	0.35%
Level IV	≥ 3.50:1.00 but < 4.75:1.00	1.50%	2.50%	0.40%
Level V	≥ 4.75:1.00	1.75%	2.75%	0.45%

For purposes of the foregoing, each change in the Applicable Rate resulting from a change in the Total Indebtedness Ratio shall be effective during the period commencing on and including the Business Day following the date of delivery to the Administrative Agent pursuant to Section 5.01(a) or 5.01(b) of the consolidated financial statements (commencing with the financial statements for the first full fiscal quarter ending after the Effective Date) indicating such change and ending on the date immediately preceding the effective date of the next such change. From the Effective Date until the date of delivery of the applicable financial statements in the immediately preceding sentence the pricing shall be deemed to be Level IV. Notwithstanding the foregoing, upon notice by the Administrative Agent to the Borrower or upon the direction of the Required Lenders with respect to the Class of Revolving Credit Loans, the Applicable Rate shall be based on the rates per annum set forth in Level V if the Borrower fails to deliver the consolidated financial statements required to be delivered pursuant to Section 5.01(a) or 5.01(b) or any certificate required to be delivered pursuant to Section 5.01(c), in each case within the time periods specified herein for such delivery, during the period commencing on and including the day of the occurrence of a Default resulting from such failure and until the delivery thereof.

" Approved Fund " means, with respect to any Lender that is a fund that invests in commercial loans, any other fund that invests in commercial loans and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

" Arrangers " means JPMorgan Chase Bank, N.A., Citigroup Global Markets Inc., Mizuho Bank, Ltd. and Goldman Sachs Bank USA.

" Asset Sale " means any Disposition of any property or assets by the Borrower or any of its Restricted Subsidiaries to any other Person after the Effective Date; provided that "Asset Sale" shall not include (i) any Disposition by the Borrower or a Subsidiary to the Borrower or a Restricted Subsidiary, (ii) any Disposition (or series of related Dispositions) of assets having an individual fair market value of less than $20,000,000, (iii) (a) Dispositions in connection with Permitted Securitizations, (b) Dispositions of assets (other than Spectrum) in connection with replacements of (including equipment and device upgrades and repair) assets (other than Spectrum) sold or leased in connection with any Sale and Leaseback Transaction for the MLS Financing, the RAN Financing or similar financings and (c) Permitted JV Transfers, (iv) Dispositions in the ordinary course of business (including of used, obsolete, worn-out or surplus assets or inventory in the ordinary course of business), (v) Dispositions of cash and cash equivalents, (vi) the sale or discounting of overdue Accounts (or similar payment obligations) in the ordinary course of business, (vii) licenses or sublicenses of Intellectual Property in the ordinary course of business or to settle pending or threatened litigation so long as such licenses or sublicenses of Intellectual Property could not reasonably be expected to result in a Material Adverse Effect, (viii) leases and sub-leases of real property so long as such leases or sub-leases of real property could not reasonably be expected to result in a Material Adverse Effect, (ix) Dispositions of any or all of the approximately 480,000 shares of Qualcomm Inc. owned by the Borrower (or its applicable Subsidiary) as of the Effective Date and (x) like-kind exchanges of Spectrum for other Spectrum and, if applicable, a de minimis amount of cash and Permitted Investments, which such exchanges shall be for fair value (as reasonably determined by the Borrower), in the ordinary course of business and consistent with such swaps conducted by the Borrower and its Subsidiaries prior to the Effective Date (it being understood that the Spectrum swapped shall be substantially similar and such swap shall not be for a materially different aggregate amount of MHz POPs (except as would increase the MHz POPs held by the Borrower and Subsidiary Guarantors) (exchanges described in this clause (ix), " Permitted Spectrum Swaps ").

" Assignment and Assumption " means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

" Assuming Lender " has the meaning assigned to such term in Section 2.08(d)(i).

" Bail-In Action " means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

" Bail-In Legislation " means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

" Bankruptcy Event " means, with respect to any Lender or Parent of a Lender, such Lender or Parent (as the case may be) becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or custodian, appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of the ownership, or the acquisition of any ownership interest in such Lender or Parent of such Lender by a Governmental Authority or instrumentality thereof, provided, further, that such ownership or interest by a Governmental Authority does not result in or provide such Lender or Parent with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Government Authority to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Lender or Parent.

" Base Rate ", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted Base Rate.

" Beneficial Owner " has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act. The terms "Beneficially Owns" shall have a corresponding meaning.

" Board " means the Board of Governors of the Federal Reserve System of the United States of America.

" Borrower " has the meaning assigned to such term in the preamble to this Agreement.

" Borrowing " means (a) all Base Rate Loans of the same Class made, converted or continued on the same date or (b) all Eurodollar Loans of the same Class and Type that have the same Interest Period.

" Borrowing Request " means a request by the Borrower for a Borrowing in accordance with Section 2.03.

" BTA " means a Basic Trading Area as defined by the FCC to determine service areas for Spectrum licenses.

" Business Day " means any day (a) that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed, (b) if such day relates to a borrowing of, a payment or prepayment of principal of or interest on, a continuation or conversion of or into, or the Interest Period for, a Eurodollar Borrowing, or to a notice by the Borrower with respect to any such borrowing, payment, prepayment, continuation, conversion, or Interest Period, that is also a day on which dealings in Dollar deposits are carried out in the London interbank market and (c) if such day relates to the date a borrowing is required to be funded by Lenders hereunder, that is also not a day on which commercial banks in Toyko, Japan are authorized or required by law to remain closed.

" Capital Expenditures " means, for any period, without duplication, (a) the additions to property, plant and equipment and other capital expenditures of the Borrower and its Restricted Subsidiaries that are (or should be) set forth in a consolidated statement of cash flows of the Borrower for such period prepared in accordance with GAAP and (b) such portion of principal payments on Capital Lease Obligations made by the Borrower and its Restricted Subsidiaries during such period as is attributable to additions to property, plant and equipment that have not otherwise been reflected on the consolidated statement of cash flows as additions to property, plant and equipment for such period.

" Capital Lease Obligations " of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

" Cash Management Agreement " means an agreement pursuant to which a bank or other financial institution provides Cash Management Services.

" Cash Management Services " means (a) treasury management services (including controlled disbursements, zero balance arrangements, cash sweeps, automated clearinghouse transactions, return items, overdrafts, temporary advances, interest and fees and interstate depository network services) provided to the Borrower or any Restricted Subsidiary and (b) commercial credit card and purchasing card services provided to the Borrower or any Restricted Subsidiary.

" Change of Control " means the occurrence of any of the following: (a) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the Borrower and its Restricted Subsidiaries' properties or assets, taken as a whole, to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) other than one or more Permitted Holders; (b) the adoption of a plan relating to the Borrower's liquidation or dissolution; or (c) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) other than one or more Permitted Holders becomes the Beneficial Owner, directly or indirectly, of more than 50% of the voting power of the Borrower's Voting Securities; provided that a transaction in which the Borrower becomes a Subsidiary of another person shall not constitute a Change of Control if (a) the Borrower's stockholders immediately prior to such transaction Beneficially Own, directly or indirectly through one or more intermediaries, 50% or more of the voting power of the outstanding Voting Securities of such other Person of whom the Borrower is a Subsidiary immediately following such transaction and (b) immediately following such transaction no person (as defined above) other than such other person, Beneficially Owns, directly or indirectly, more than 50% of the voting power of the Borrower's Voting Securities.

"Change in Law" means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender or Issuing Bank (or, for purposes of Section 2.14(b), by any lending office of such Lender or by such Lender's or Issuing Bank's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided that (i) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or by United States or foreign regulatory authorities, in each case pursuant to Basel III, and (ii) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder or issued in connection therewith or in implementation thereof, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted, issued or implemented.

"CFC" means (a) a "controlled foreign corporation" within the meaning of section 957 of the Code, and (b) each Subsidiary of any such controlled foreign corporation.

"CFC Holding Company" means a Domestic Subsidiary that owns no material assets other than equity interests in, debt of, or other instrument treated as equity of, one or more CFCs.

"Class", when used in reference to any Loan, Borrowing or Commitment, refers to whether such Loan, the Loans comprising such Borrowing or the Loans that a Lender holding such Commitment is obligated to make, are Revolving Credit Loans or Term Loans.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" means any and all assets, whether real or personal, tangible or intangible, on which Liens are purported to be granted pursuant to the Security Documents as security for the Obligations but shall not include any assets subject to or the target of Sanctions.

"Collateral Trust Agreement" means the Collateral Trust and Intercreditor Agreement, dated as of February 3, 2017, among the Parent Guarantor, the Borrower, the grantors party thereto, JPMorgan Chase Bank, N.A., as First Priority Agent, each other representative of the various secured parties described therein and the Collateral Trustee.

"Collateral and Guarantee Requirement" means, subject to the terms of the Collateral Trust Agreement, at any time, the requirement that:

(a) the Administrative Agent shall have received from the Borrower and each other Loan Party either (i) a counterpart of the Security Agreement duly executed and delivered on behalf of such Person or (ii) in the case of any Person that becomes a Loan Party after the Effective Date, a supplement to the Security Agreement, substantially in the form specified therein, duly executed and delivered on behalf of such Person, together with documents of the type referred to in paragraph (c) of Section 4.01 and, to the extent reasonably requested by the Administrative Agent, opinions of the type referred to in paragraph (b) of Section 4.01, with respect to such Loan Party;

(b) (i) all outstanding Equity Interests (other than those constituting Excluded Assets), of each Subsidiary Guarantor and each other Person directly owned by any Loan Party, shall have been pledged pursuant to the Security Agreement and (ii) the Collateral Trustee shall, to the extent required by the Security Agreement, have received certificates or other instruments representing all such Equity Interests, together with undated stock powers or other instruments of transfer with respect thereto endorsed in blank;

(c) all documents and instruments, including Uniform Commercial Code financing statements, required by law or reasonably requested by the Administrative Agent to be filed, registered or recorded to evidence the Liens intended to be created by the Security Documents and perfect such Liens to the extent required by, and with the priority required by, the Security Documents and the other provisions of the term “Collateral and Guarantee Requirement”, shall have been filed, registered or recorded or delivered to the Administrative Agent or Collateral Trustee for filing, registration or recording; and

(d) the Administrative Agent shall have received (i) counterparts of a Mortgage with respect to each Mortgaged Property duly executed and delivered by the record owner of such Mortgaged Property, (ii) a policy or policies of title insurance issued by a nationally recognized title insurance company insuring the Lien of each such Mortgage as a valid and enforceable first Lien on the Mortgaged Property described therein, free of any other Liens except as permitted under Section 6.02, together with such endorsements, coinsurance and reinsurance as the Administrative Agent may reasonably request, (iii) if the Borrower is in receipt of a Standard Flood Hazard Determination that shows that a Mortgaged Property is located in an area determined by the Federal Emergency Management Agency to have special flood hazards, the Borrower shall (prior to the delivery of a counterpart to the Mortgage for such Mortgaged Property) deliver to the Administrative Agent evidence of such flood insurance as may be required under applicable law or regulations, including Regulation H of the Board of Governors and Flood Insurance Laws, and in any event in form and substance reasonably satisfactory to the Administrative Agent and (iv) such surveys, abstracts and legal opinions, in each case, as the Administrative Agent may reasonably request with respect to any such Mortgage or Mortgaged Property.

Notwithstanding the foregoing provisions of this definition or anything in this Agreement or any other Loan Document to the contrary, (a) the Loan Parties shall have the time periods specified in (x) Section 5.14 to satisfy the Collateral and Guarantee Requirement with respect to the items specified in Schedule 5.14 and (y) Section 5.09 to satisfy the Collateral and Guarantee Requirement with respect to Subsidiaries (other than Designated Subsidiaries) newly acquired or formed (or which first cease to be Designated Subsidiaries) after the Effective Date and with respect to assets acquired after the Effective Date that do not automatically constitute Collateral under the Security Agreement, (b) the foregoing provisions of this definition shall not require the creation or perfection of pledges of or security interests in, or the obtaining of title insurance, legal opinions or other deliverables with respect to, particular assets of the Loan Parties, or the provision of guarantees by any Subsidiary, as to which the Administrative Agent and the Borrower reasonably agree that the cost of creating or perfecting such pledges or security interests in such assets, or obtaining such title insurance, legal opinions or other deliverables in respect of such assets, or providing such Guarantees (taking into account any adverse tax consequences to the Borrower and the Restricted Subsidiaries (including the imposition of withholding or other material taxes)), shall be excessive in view of the benefits to be obtained by the Lenders therefrom, (c) Liens required to be granted from time to time pursuant to the term “Collateral and Guarantee Requirement” shall be subject to exceptions and limitations set forth in the Security Documents and, to the extent appropriate in the applicable jurisdiction, as reasonably agreed between the Administrative Agent and the Borrower and (d) in no event shall the Collateral include any Excluded Assets. The Administrative Agent may, without the consent of any Lender, grant extensions of time for the creation and perfection of security interests in or the obtaining of title insurance, legal opinions or other deliverables (other than with respect to clause (e)(iii) above) with respect to particular assets or the provision of any guarantee by any Subsidiary (including extensions beyond the Effective Date or in connection with assets acquired, or Subsidiaries formed or acquired, after the Effective Date) where it and the Borrower reasonably agree that such action cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required to be accomplished by this Agreement or the Security Documents. In addition, in no event shall (a) control agreements or control or similar arrangements be required with respect to deposit accounts, securities accounts or commodities accounts or other Collateral that requires perfection through "control" (as defined in the UCC) (other than Equity Interests), (b) security documents governed by the laws of a jurisdiction other than the United States or any State thereof or the District of Columbia be required or (c) any landlord, bailee or warehouseman waivers, consents or other such letters be required.

" Collateral Trustee " means Deutsche Bank Trust Company Americas, in its capacity as Collateral Trustee under the Collateral Trust Agreement (or any successor collateral trustee thereunder).

" Commitments " means the Revolving Credit Commitments, the Initial Term Commitments and, as applicable any commitments in respect of Incremental Facilities.

" Commodity Exchange Act " means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

" Communication " has the meaning assigned to such term in Section 9.01(d).

" Control " means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

" Consolidated Net Tangible Assets " means the Borrower's consolidated total assets as reflected in its most recent balance sheet preceding the date of determination prepared in accordance with generally accepted accounting principles consistently applied, less (i) current liabilities, excluding current maturities of long-term debt and Indenture Capital Lease Obligations, and (ii) goodwill, tradenames, trademarks, patents, unamortized debt discount and expense and other similar intangible assets, excluding any investments in permits or licenses issued, granted or approved by the Federal Communications Commission.

" Credit Party " means the Administrative Agent, each Issuing Bank or any other Lender.

" Current Net Cash Proceeds " has the meaning assigned to such term in sub-clause (y) of Section 2.10(b)(ii).

" Date of Full Satisfaction " means, as of any date, that on or before such date: (i) the principal of and interest accrued to such date on each Loan (other than the contingent LC Exposure) shall have been paid in full in cash, (ii) all fees, expenses and other amounts then due and payable which constitute Obligations (other than Secured Cash Management Obligations, Secured Hedging Obligations, the contingent LC Exposure and other contingent amounts for which no claim or demand has been made) shall have been paid in full in cash, (iii) the Commitments shall have expired or been terminated, and (iv) the contingent LC Exposure shall have been secured by: (A) the grant of a first priority, perfected Lien on cash or cash equivalents in an amount at least equal to the amount required pursuant to Section 2.04(i) or other collateral which is reasonably acceptable to the applicable Issuing Bank or (B) the issuance of a "back-to-back" letter of credit in form and substance reasonably acceptable to the applicable Issuing Bank with an original face amount at least equal to the amount that would be required pursuant to clause (A) above.

" DB Letter of Credit " has the meaning set forth in the definition of Issuing Banks.

" Declining Lender " has the meaning assigned to such term in Section 2.18(c).

" Default " means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

" Defaulting Lender " means any Lender that has (a) failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and with supporting facts) has not been satisfied, or, in the case of clause (iii), such amount is the subject of a good faith dispute; (b) notified the Borrower or any Credit Party in writing, or has made a public statement, to the effect that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement states that such position is based on such Lender's good faith determination that a condition precedent to funding a loan under this Agreement cannot be met) or generally under other agreements in which it commits to extend credit, (c) failed, within three Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender in the jurisdiction of such Lender's lending office that it will comply with its obligations to fund prospective Loans and participations in then outstanding Letters of Credit under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification, (d) become the subject of a Bankruptcy Event or (e) become subject to or has had a direct or indirect parent company become subject to, a Bail-In Action.

" Designated Subsidiary " means any Subsidiary (i) that is not a wholly owned Subsidiary, (ii) that is a Foreign Subsidiary, (iii) that is a CFC, (iv) that is a CFC Holding Company, (v) for which guarantees are contractually prohibited (or prohibited pursuant to the terms of such Subsidiary's organizational documents) as of the Effective Date or, after the Effective Date, as of the date of the acquisition or formation of such Subsidiary, so long as such prohibition is not (except with respect to special purpose vehicles) created in contemplation of this limitation (and only for so long as such prohibition exists), (vi) that is a Receivables Entity, (vii) that is an Unrestricted Subsidiary or (viii) that is a NewCo; provided that any Subsidiary shall cease to be a Designated Subsidiary at such time as none of clauses (i) through (viii) above apply to it.

" Disclosed Matters " means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.06.

" Disposition " means, with respect to any property or assets, any sale, lease, Sale and Leaseback Transaction, assignment, conveyance, transfer or disposition thereof. The terms "Dispose", "Disposed" and "Disposal" shall have correlative meanings.

" Domestic Subsidiary " means any Subsidiary other than a Foreign Subsidiary.

" Domestic Restricted Subsidiary " means any Restricted Subsidiary other than a Foreign Subsidiary.

" EBITDA " means, for any period, net income (or net loss) of the Measurement Entities (before discontinued operations for such period and exclusive of, without duplication, (x) the income or loss resulting from extraordinary or non-recurring items, (y) the income or loss of any Person accounted for on the equity method and (z) non-cash, one-time charges) plus, without duplication and to the extent already deducted (and not added back) in determining net income (or net loss), the sum of (a) interest expense, (b) income tax expense, (c) depreciation expense, (d) amortization expense and (e) cash severance charges, in each case, determined on a consolidated basis in accordance with GAAP for such period.

Notwithstanding the foregoing, amounts paid in respect of lease or similar payments by the Borrower and its Restricted Subsidiaries to Measurement Entities (other than the Borrower and its Restricted Subsidiaries) and that are in excess of amounts utilized in the applicable period to make payments on Indebtedness of, and required securitization expenses and entity maintenance for, such Measurement Entities (other than the Borrower and its Restricted Subsidiaries) shall not be consolidated and shall reduce EBITDA, unless returned to the Borrower and its Restricted Subsidiaries in the form of cash distributions on common equity in such period (or such other form in such period, provided such other form does not create a payment obligation of the Borrower and its Restricted Subsidiaries).

" ECF Percentage " means 0%; provided , that, with respect to each fiscal year of the Borrower ending on or after March 31, 2018, the ECF Percentage shall be increased to (a) 25% if the Total Secured Indebtedness Ratio as of the last day of such fiscal year is less than 2.00 to 1.00 but greater than or equal to 1.00 to 1.00 and (b) 50% if the Total Secured Indebtedness Ratio as of the last day of such fiscal year is greater than or equal to 2.00 to 1.00.

" EDC Credit Agreement " means the Amended and Restated Credit Agreement dated as of May 21, 2010 between the Borrower, as borrower, and Export Development Canada, as lender, as amended to the date hereof, as the same may be further amended, supplemented or modified hereafter, or replaced or refinanced.

" EDC Indebtedness " means the Indebtedness of the Borrower under the EDC Credit Agreement.

" EEA Financial Institution " means (a) any institution established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

" EEA Member Country " means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

" EEA Resolution Authority " means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

" Effective Date " means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

" Environmental Laws " means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions or binding agreements issued, promulgated or entered into by any Governmental Authority, concerning the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters with respect to any Hazardous Material, including FCC rules concerning human exposure to RF Emissions.

" Environmental Liability " means, for any Person, any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of such Person resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials or RF Emissions, (c) exposure to any Hazardous Materials or RF Emissions, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other binding arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

" Equal and Ratable Trigger " has the meaning assigned to such term in the definition of "Applicable Debt Cap Test".

" Equity Interests " means shares of capital stock (whether common or preferred), partnership interests, membership interests in a limited liability company (whether common or preferred), beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

" Equity Rights " means, with respect to any Person, any subscriptions, options, warrants, commitments, preemptive rights or agreements of any kind (including any shareholders' or voting trust agreements) for the issuance, sale, registration or voting of, or securities convertible into, any additional shares of capital stock of any class of, or partnership or other ownership interests of any type in, such Person.

" ERISA " means the Employee Retirement Income Security Act of 1974, as amended from time to time.

" ERISA Affiliate " means any entity, whether or not incorporated, that is under common control with the Borrower within the meaning of Section 4001(a)(14) of ERISA or any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414(m) of the Code.

" ERISA Event " means (a) any "reportable event", as defined in Section 4043(c) of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period referred to in Section 4043(a) is waived), (b) any failure by any Plan to satisfy the minimum funding standards (within the meaning of Sections 412 or 430 of the Code or Section 302 of ERISA) applicable to such Plan, whether or not waived, (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, (d) the incurrence by any Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan, (e) the receipt by any Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan under Section 4042 of ERISA, (f) a determination that any Plan is, or is expected to be, in "at risk" status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code) has been made, (g) the incurrence by any Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan, or (h) the receipt by any Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent within the meaning of Section 4245 of ERISA, or in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 or Title IV of ERISA) or in "critical and declining" status (within the meaning of Section 305 of ERISA) or terminated (within the meaning of Section 4041A of ERISA), (i) the occurrence of an act or omission which could give rise to the imposition on the

Borrower of fines, penalties, taxes or related charges under Chapter 43 of the Code or under Section 409, Section 502(c), (i) or (l), or Section 4071 of ERISA in respect of any Plan, or (j) the imposition of a Lien pursuant to Section 430(k) of the Code or pursuant to Section 303(k) or 4068 of ERISA with respect to any Plan.

" EU Bail-In Legislation Schedule " means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

" Eurodollar ", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to in the case of a Loan or a Borrowing, the Adjusted LIBO Rate.

" Event of Default " has the meaning assigned to such term in Article VII.

" Excess Cash Flow " means, for any fiscal year, an amount equal to:

(a) the sum, without duplication, of:

(i) net income (or net loss) of the Borrower and its Restricted Subsidiaries on a consolidated basis for such fiscal year, adjusted to exclude any gains or losses attributable to Asset Sales or Recovery Events;

(ii) depreciation, depletion, amortization and other non-cash charges, expenses or losses, including the non-cash portion of interest expense, deducted in determining such consolidated net income or loss for such fiscal year;

(iii) the amount, if any, by which Net Working Capital decreased during such fiscal year (except as a result of the reclassification of items from short-term to long-term or vice-versa); and

(iv) income tax expense, including penalties and interest, to the extent deducted in determining such consolidated net income (or net loss) of the Borrower and its Restricted Subsidiaries on a consolidated basis for such period;

minus

(b) the sum, without duplication, of:

(i) the amount of all non-cash gains included in arriving at such consolidated net income for such fiscal year;

(ii) the amount, if any, by which Net Working Capital increased during such fiscal year (except as a result of the reclassification of items from long-term to short-term or vice-versa);

(iii) the sum of, in each case except to the extent financed from the proceeds of Excluded Sources, (v) the aggregate amount of long-term liabilities (other than Indebtedness) paid in cash by the Borrower and its consolidated Restricted Subsidiaries during such fiscal year, (w) the aggregate amount (without duplication) of Restricted Payments permitted by Section 6.06 (other than those made pursuant to the proviso at the end of such Section) and made by the Borrower and its Restricted Subsidiaries to Persons other than the Borrower and its Restricted Subsidiaries in cash for such fiscal year (provided any such amounts deducted in a prior fiscal year and returned to the Borrower and its Restricted Subsidiaries shall increase Excess Cash Flow in the year in which such amounts are returned), (x) the aggregate amount of cash consideration paid during such fiscal year by the Borrower and its consolidated Restricted Subsidiaries to make Permitted Acquisitions permitted hereunder and (y) payments in cash made by the Borrower and its consolidated Restricted Subsidiaries with respect to any noncash charges added back pursuant to clause (a)(ii) above in computing Excess Cash Flow for any prior fiscal year (or that will be added back with respect to an associated noncash charge pursuant to clause (a)(ii) in a future fiscal year, resulting in an increase in Excess Cash Flow from such noncash charge in such future year);

(iv) the aggregate amount of Capital Expenditures by the Borrower and its consolidated Restricted Subsidiaries made in cash for such fiscal year;

(v) the aggregate principal amount of Long-Term Indebtedness repaid or prepaid in cash by the Borrower and its consolidated Restricted Subsidiaries during such fiscal year (together with any related premium, make-whole or penalty payments paid in cash), excluding (w) revolving extensions of credit (except to the extent that any repayment or prepayment of such Indebtedness is accompanied by a permanent reduction in related commitments and excluding in any event prepayments of Revolving Credit Loans), (x) optional prepayments of Term Loans pursuant to Section 2.10(a) and any optional prepayments of other first lien pari passu Indebtedness as set forth in Section 2.10(b)(ii)(z)(ii)(y), (y) repayments or prepayments of Long Term Indebtedness to the extent financed from Excluded Sources) and (z) repayments and prepayments of Long-Term Indebtedness of the type described in Section 6.01(f); and

(vi) (x) income taxes, including penalties and interest, and (y) payments and other contributions to employee pension benefit, retirement or similar plans, in each case paid in cash during such period.

" Excess Cash Flow Application Date " has the meaning assigned to such term in Section 2.10(b)(ii).

" Excess Disposition Proceeds " has the meaning assigned to such term in sub-clause (y) of Section 2.10(b)(ii).

" Excess Funding Guarantor " has the meaning assigned to such term in Section 9.14(f).

" Excess Guarantor Payments " has the meaning assigned to such term in Section 9.14(f).

" Exchange Act " means the Securities Exchange Act of 1934, as amended.

" Excluded Assets " means (i) the Borrower's headquarters facility in Overland Park, Kansas and Reston, Virginia (the " HQ Properties ") (any of the Borrower or any Restricted Subsidiary that owns any such HQ Property, an " HQ Owner "), and any other real property (together with any improvements thereon) with an individual fair market value less than $10,000,000 or owned by the Borrower or any Restricted Subsidiary on the Effective Date, (ii) motor vehicles and other assets subject to certificates of title statutes, (iii) leasehold interests, letters of credit and letters of credit rights not constituting supporting obligations, in each case other than to the extent such interests, rights or obligations can be perfected by the filing of a UCC financing statements and commercial tort claims (other than those (1) where no additional action is required by any Loan Party to grant or perfect a security interest in such commercial tort claim or (2) those in excess of $5,000,000 individually or $20,000,000 in the aggregate for all such excluded tort claims), (iv) those pledges and assets over which the granting or perfecting of security interests in such assets would be prohibited by a contract existing on the Effective Date or on the date any Subsidiary is acquired or organized (provided such restriction is not created in contemplation thereof and only relates to the assets so acquired), applicable law (or if applicable law creates a risk of material adverse tax consequences as reasonably determined by the Borrower in consultation with the Administrative Agent) or regulation, (v) Equity Interests in any Person other than the Borrower and wholly-owned Restricted Subsidiaries (1) for so long as the pledge thereof is prohibited by the organizational documents of such Person, a joint venture or similar contractual agreement with a third party (and such prohibition, agreement or contract is not (except with respect to any special purpose vehicle) created or entered into in contemplation hereof) or (2) to the extent the fair market value of such Equity Interest is less than $5,000,000 individually or $20,000,000 in the aggregate for all such excluded Equity Interests, (vi) Equity Interests in any Unrestricted Subsidiary or any Receivables Entity for so long as the pledge thereof is prohibited by the organization documents of such Person (and such prohibition is not (except with respect to any special purpose vehicle) created in contemplation hereof), (vii) any lease, license or other agreement or any property subject to a purchase money security interest or similar agreements and to the extent that a grant of a security interest therein would violate or invalidate such lease, license or agreement or purchase money agreement or create a right of termination in favor of any other party thereto (other than the Parent Guarantor or any of its Subsidiaries) after giving effect to the applicable anti-assignment provisions of the UCC or other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under the UCC notwithstanding such prohibition but subject to applicable Federal laws, (viii) any “intent-to-use” trademark applications, (ix) those assets that the cost or burden of obtaining or perfecting a security interest therein are excessive in relation to the value of the security to be afforded thereby as reasonably determined by the Borrower and the Administrative Agent, (x) assets consisting of accounts receivable and the proceeds thereof to the extent contributed to any joint venture in connection with any Permitted JV Transfer, (xi) margin stock, (xii) the approximately 480,000 shares of Qualcomm Inc. owned by the Borrower (or its applicable Subsidiary) as of the Effective Date and (xiii) any Equity Interests that consist of voting stock of a Subsidiary that is a CFC or a CFC Holding Company in excess of 65% of the outstanding voting stock (or 65% of the outstanding Equity Interests in the case of an entity that is not a corporation for U.S. tax purposes) of such Subsidiary.

“ Excluded Letters of Credit ” has the meaning assigned to such term in the definition of “Total Indebtedness”.

“ Excluded Sources ” means (a) proceeds of any incurrence or issuance of Long-Term Indebtedness, (b) the proceeds of any Asset Sale made in reliance on Section 6.03(b) and (c) proceeds of any issuance or sale of Equity Interests of the Borrower or any capital contributions to the Borrower.

“ Excluded Subsidiary ” means any Subsidiary of the Borrower (other than an Obligor), as to which no holder or holders of any Indebtedness of any of the Obligors (other than Indebtedness hereunder) shall have the right (upon notice, lapse of time or both), which right shall not have been waived, to declare a default in respect of such Indebtedness of such Obligor, or to cause the payment thereof to be accelerated or payable prior to its final scheduled maturity, by reason of the occurrence of a default with respect to any Indebtedness of such Subsidiary.

“ Excluded Swap Obligation ” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures

Trading Commission (or the application or official interpretation of any thereof). If a Swap Obligation arises under a master agreement governing more than one Swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to Swaps for which such Guarantee or security interest is or becomes illegal.

" Excluded Taxes " means, with respect to the Administrative Agent, any Lender, any Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of any Obligor hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by any jurisdiction described in clause (a), (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.18(b)), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Foreign Lender's assignor (if any) was entitled, at the time of such assignment or designation, to receive additional amounts from any Obligor with respect to such withholding tax pursuant to Section 2.16(a), (d) any withholding tax that is attributable to a recipient's failure to comply with Section 2.16(f) and (e) any taxes imposed pursuant to FATCA.

" Exclusion Rules " has the meaning set forth in the definition of " Total Indebtedness Ratio ".

" Existing Accounts Receivable Facilities " means the two facilities securitizing accounts receivables from post-paid service charge contracts and installment sales contracts in effect on the Effective Date, as such facilities may be amended, restated, amended and restated, supplemented, extended or modified from time to time in a manner not materially adverse to the Lenders.

" Existing Credit Agreement " means the Credit Agreement, dated as of February 28, 2013, as amended, among the Borrower, the lenders named therein, and JPMorgan Chase Bank, N.A., as administrative agent.

" FATCA " means Section 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantially comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, any intergovernmental agreement entered into in connection with the implementation of such sections of the Code and any official interpretation of any such intergovernmental agreement.

" FCC " means the Federal Communications Commission or any United States Governmental Authority substituted therefor.

" Federal Funds Effective Rate " means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depositary institutions (as determined in such manner as the NYFRB shall set forth on its public website from time to time) and published on the next succeeding Business Day by the NYFRB as the federal funds effective rate; provided, that, if the federal funds effective rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

" Financial Covenants " means the covenants set forth in Section 6.05.

“ Financial Officer ” means, with respect to the Borrower, the chief financial officer, principal accounting officer, treasurer, assistant treasurer, controller or assistant controller of the Borrower.

“ Fitch ” means Fitch, Inc. and any successor to its rating agency business.

“ Flood Insurance Laws” means, collectively, (i) the National Flood Insurance Act of 1968 in effect on the Effective Date or thereafter or any successor statute thereto, (ii) the Flood Disaster Protection Act of 1973 as on the Effective Date or thereafter in effect or any successor statute thereto, (iii) the National Flood Insurance Reform Act of 1994 as of the Effective Date or thereafter in effect or any successor statute thereto, (iv) the Flood Insurance Reform Act of 2004 as of the Effective Date or thereafter in effect or any successor statute thereto, and (v) the Biggert-Waters Flood Insurance Reform Act of 2012.

“ Foreign Lender ” means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“ Foreign Subsidiary ” means any Subsidiary that is organized under the laws of a jurisdiction other than any state of the United States of America or the District of Columbia.

“ GAAP ” means generally accepted accounting principles in the United States of America.

“ Governmental Authority ” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (and shall include supranational bodies such as the European Union or the European Central Bank).

“ Guarantee ” of or by any Person (the “ guarantor ”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or Secondary Obligation of any other Person (the “ primary obligor ”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or Secondary Obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services primarily for the purpose of assuring the owner of such Indebtedness or Secondary Obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or Secondary Obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or Secondary Obligation; provided , that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term “Guaranteed” shall have a correlative meaning.

“ Guarantors ” means each Subsidiary Guarantor, the Parent Guarantor and, with respect to Obligations other than direct obligations of the Borrower, the Borrower.

“ Hazardous Materials ” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

" Hedging Agreement " means any agreement with respect to any swap, forward, future or derivative transaction, or any option or similar agreement, involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt securities or instruments, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value, or any similar transaction or any combination of the foregoing transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or any Subsidiary shall be a Hedging Agreement.

" HQ Owner " has the meaning set forth in the definition of "Excluded Assets".

" HQ Properties " has the meaning set forth in the definition of "Excluded Assets".

" Impacted Interest Period " has the meaning set forth in the definition of "LIBO Rate".

" Incremental Agreement " means an agreement, in form and substance satisfactory to the Borrower and the Administrative Agent, pursuant to which an Assuming Lender or Increasing Lender undertakes, effective as of the applicable Incremental Date, a Revolving Credit Commitment (or an increase to an existing Revolving Credit Commitment, in the case of an Increasing Lender) or an Incremental Term Facility, as applicable, duly executed by such Assuming Lender or Increasing Lender, as applicable, the Borrower and the Administrative Agent; provided that each Incremental Agreement shall set forth the amount, terms and provisions of each applicable Incremental Facility (including, with respect to an Incremental Term Facility, subject to the MFN Condition, the Applicable Rate relating thereto as may be agreed between the Borrower and such Assuming Lender or Increasing Lender), which terms and provisions shall be, in the case of an Incremental Revolving Facility, identical to those set forth herein applicable to Revolving Credit Loans and Revolving Credit Commitments.

" Incremental Date " has the meaning assigned to such term in Section 2.08(d)(i) of this Agreement.

" Incremental Facilities " has the meaning assigned to such term in Section 2.08(d)(i) of this Agreement.

" Incremental Revolving Facility " has the meaning assigned to such term in Section 2.08(d)(i) of this Agreement.

" Incremental Term Facility " has the meaning assigned to such term in Section 2.08(d)(i) of this Agreement.

" Incremental Term Loans " has the meaning assigned to such term in Section 2.08(d)(i) of this Agreement.

" Increasing Lender " has the meaning assigned to such term in Section 2.08(d)(i).

" Indebtedness " of any Person means, without duplication, (a) all obligations of such Person for borrowed money (whether by loan, the issuance and sale of debt securities or the sale of property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such property from such Person), (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding accounts payable incurred in the ordinary course of business), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (f) all Guarantees by such Person of Indebtedness of others, (g) all Capital Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, and (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, provided that, to the extent outstanding on the Effective Date and identified in Schedule 6.01, all amounts paid or received by the Borrower and its Restricted Subsidiaries pursuant to a Tower Transaction, whether in the form of sale proceeds, capital lease payments, maintenance charges, prepaid rent or otherwise (and however characterized on the consolidated balance sheet of the Borrower) shall not constitute Indebtedness. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

" Indemnified Taxes " means all Taxes, other than (a) Excluded Taxes and Other Taxes and (b) amounts constituting penalties or interest imposed with respect to Excluded Taxes or Other Taxes.

" Indenture Capital Lease Obligations " means indebtedness represented by obligations under a lease that is required to be capitalized for financial reporting purposes in accordance with generally accepted accounting principles. The amount of indebtedness will be the capitalized amount of the obligations determined in accordance with generally accepted accounting principles consistently applied.

" Initial Term Commitments " means, with respect to each Lender, as applicable, (a) on the Effective Date, the commitment of such Lender that was a Lender on the Effective Date to make Initial Term Loans on the Effective Date (the " Initial Term Effective Date Commitment ") ~~and~~ , (b) on the 2018 Incremental Amendment Effective Date, the 2018 Incremental Term Loan Commitment and (c) on the 2019 Incremental Amendment Effective date, the 2019 Incremental Term Loan Commitment, in each case, as such commitment was or may be reduced or increased from time to time pursuant to the terms hereof. The amount of each Lender's Initial Term Effective Date Commitment as of the Effective Date is set forth on Schedule 2.01 ~~and~~ , the amount of each Lender's 2018 Incremental Term Loan Commitment as of the 2018 Incremental Amendment Effective Date is set forth on Annex A to the 2018 Incremental Amendment and the amount of each Lender's 2019 Incremental Term Loan Commitment is set forth on Annex A to the ~~2018~~ 2019 Incremental Amendment, or, in each case, in the Assignment and Assumption pursuant to which such Lender shall have assumed its Initial Term Commitment, as applicable. The aggregate amount of the Initial Term Effective Date Commitment as of the Effective Date was $4,000,000,000, ~~and~~ the aggregate amount of the 2018 Incremental Term Loan Commitment as of the 2018 Incremental Amendment Effective Date ~~is~~ was $1,100,000,000 and the aggregate amount of the 2019 Incremental Term Loan Commitment as of the 2019 Incremental Amendment Effective Date is $900,000,000 .

" Initial Term Effective Date Commitment " has the meaning assigned to such term in the definition of "Initial Term Commitments".

" Initial Term Lender " means a Lender holding Initial Term Commitments or Initial Term Loans.

"Initial Term Loan" means (a) prior to the 2018 Incremental Amendment Effective Date, any term loan made pursuant to Section 2.01(b)(i) utilizing the Initial Term Commitments on the Effective Date ~~and~~ , (b) from and including the 2018 Incremental Amendment Effective Date to but excluding the 2019 Incremental Effective Date , the Loans made by the Lenders on the Effective Date pursuant to Section 2.01(b)(i) and the 2018 Incremental Term Loans made by the 2018 Incremental Lenders on the 2018 Incremental Amendment Effective Date pursuant to Section 2.01(b)(ii) ~~.~~ and (c) from and including the 2019 Incremental Amendment Effective Date, the Loans made by the Lenders on the Effective Date pursuant to Section 2.01(b)(i) and the 2018/2019 Incremental Term Loans made by the 2018/2019 Incremental Lenders on the 2018 Incremental Amendment Effective Date and the 2019 Incremental Amendment Effective Date pursuant to Sections 2.01(b)(ii) and (iii), respectively.

"Initial Term Loan Maturity Date" means February 3, 2024 (or, if such date is not a Business Day, the next preceding Business Day).

"Intellectual Property" has the meaning assigned to such term in Section 3.05(b).

"Intercompany Indebtedness" means Indebtedness of a Loan Party or Restricted Subsidiary owing to any Loan Party or Restricted Subsidiary.

"Intercreditor Agreement" means (a) in respect of Indebtedness intended to be secured by some or all of the Collateral on a pari passu basis with the Obligations, an intercreditor agreement reasonably acceptable to the Administrative Agent the terms of which are consistent with market terms governing security arrangements for the sharing of Liens on a pari passu basis at the time such intercreditor agreement is proposed to be established in light of the type of Indebtedness to be secured by such Liens, as reasonably determined by the Administrative Agent and the Borrower (and for the avoidance of doubt, including the Collateral Trust Agreement), and (b) in respect of Indebtedness intended to be secured by some or all of the Collateral on a junior priority basis with the Obligations, an intercreditor agreement reasonably acceptable to the Administrative Agent the terms of which are consistent with market terms governing security arrangements for the sharing of Liens on a junior basis at the time such intercreditor agreement is proposed to be established in light of the type of Indebtedness to be secured by such Liens, as reasonably determined by the Administrative Agent and the Borrower.

"Interest Election Request" means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.07.

"Interest Payment Date" means (a) with respect to any Base Rate Loan, each Quarterly Date and (b) with respect to any Eurodollar Loan, the last Business Day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each Business Day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period.

"Interest Period" means (a) with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months (or, with the consent of each Lender of the relevant Class, twelve months or a period shorter than one month) thereafter, as the Borrower may elect; provided , that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurodollar Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing. Notwithstanding the foregoing:

(x) if any Interest Period for any Revolving Credit Borrowing would otherwise end after the Revolving Credit Termination Date, such Interest Period shall end on the Revolving Credit Termination Date, and

(y) notwithstanding the foregoing clause (x), except with the consent of each Lender of the applicable Class, no Interest Period shall have a duration of less than one month and, if the Interest Period for any Eurodollar Loan would otherwise be a shorter period, such Loan shall not be available hereunder as a Eurodollar Loan for such period.

" Interpolated Rate " means, at any time, the rate per annum determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available in the relevant currency) that is shorter than the Impacted Interest Period and (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available in the relevant currency) that exceeds the Impacted Interest Period, in each case, at such time.

" Issuing Banks " mean (a) JPMorgan Chase Bank, N.A., (b) the other Issuing Banks identified in the schedule set forth in Section 2.04(b) in their capacity as issuers of Letters of Credit hereunder, (c) Deutsche Bank AG New York Branch solely with respect to that certain $3,000,000 letter of credit issued by Deutsche Bank AG New York Branch and outstanding as of the Effective Date and identified to the Administrative Agent prior to the Effective Date (it being agreed such letter of credit shall only be renewed or extended if agreed by Deutsche Bank AG New York Branch in its sole discretion (the " DB Letter of Credit "), and (d) each other Lender that has been designated by the Borrower as an "Issuing Bank" hereunder pursuant to a written instrument in form and substance reasonably satisfactory to the Administrative Agent, and that has executed and delivered such written instrument and agreed to such designation and been approved as an "Issuing Bank" by the Administrative Agent in its reasonable discretion, each in its capacity as an issuer of Letters of Credit hereunder.

" Investment " means, with respect to a specified Person, (a) any Equity Interests, evidences of Indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, or any capital contribution or loans or advances (other than advances made in the ordinary course of business that would be recorded as accounts receivable on the balance sheet of the specified Person prepared in accordance with GAAP) (or such other method as the Administrative Agent may determine in its reasonable discretion) to, Guarantees of any Indebtedness or Secondary Obligations of, or any other investment described in clauses (i) through (v) below, in any other Person that are held or made by the specified Person and (b) the purchase or acquisition (in one transaction or a series of related transactions) of all or substantially all the property and assets or business of another Person or assets constituting a business unit, line of business, division or product line of such other Person. The amount, as of any date of determination, of (i) any Investment in the form of a loan or an advance shall be the principal amount thereof outstanding on such date (excluding any portion thereof representing paid-in-kind interest or principal accretion), without any adjustment for write-downs or write-offs (including as a result of forgiveness of any portion thereof) with respect to such loan or advance after the date thereof, (ii) any Investment in the form of a Guarantee shall be the principal amount outstanding on such date of the Indebtedness or Secondary Obligations Guaranteed thereby (or, in the case of (x) any Guarantee the terms of which limit the monetary exposure of the guarantor or (y) any Guarantee of an obligation that does not have a principal amount, the maximum monetary exposure as of such date of the guarantor under such Guarantee (as determined, in the case of clause (x), pursuant to such terms or, in the case of clause (y), reasonably and in good faith by a Financial Officer of the Borrower)), (iii) any Investment in the form of a transfer of Equity Interests or other non-cash property by the investor to the investee, including any such transfer in the form of a capital contribution, shall be the fair value (as determined reasonably and in good faith by the Borrower in accordance with GAAP) (or such other method as the Administrative Agent may determine in its reasonable discretion) of such Equity Interests or other property as of the time of the transfer, minus any payments actually received in cash, or other property that has been converted into cash or is readily marketable for cash, by such specified Person representing a return of capital of such Investment, but without any adjustment for increases or decreases in value of, or write-ups, write-downs or write-offs with respect to, such Investment after the date of such transfer, (iv) any Investment (other than any Investment referred to in clause (i), (ii) or (iii) above) by the specified Person in the form of a purchase or other acquisition for value of any Equity Interests, evidences of Indebtedness, other securities or assets of any other Person shall be the original cost of such Investment (including any Indebtedness or Secondary Obligations assumed in connection therewith), plus the cost of all additions, as of such date, thereto, and minus the amount, as of such date, of any portion of such Investment repaid to the investor in cash as a repayment of principal or a return of capital, as the case may be, but without any other adjustment for increases or decreases in value of, or write-ups, write-downs or write-offs with respect to, such Investment after the date of such Investment, and (v) any Investment (other than any Investment referred to in clause (i), (ii), (iii) or (iv) above) by the specified Person in any other Person resulting from the issuance by such other Person of its Equity Interests to the specified Person shall be the fair value (as determined reasonably and in good faith by a Financial Officer of the Borrower) of such Equity Interests at the time of the issuance thereof. For purposes of Section 6.08, if an Investment involves the acquisition of more than one Person, the amount of such Investment shall be allocated among the acquired Persons in accordance with GAAP; provided that pending the final determination of the amounts to be so allocated in accordance with GAAP, such allocation shall be as reasonably determined by a Financial Officer of the Borrower.

" Joinder Agreement " means a Joinder Agreement substantially in the form of Exhibit B by an entity that, pursuant to Section 5.09, is required to become a "Subsidiary Guarantor" under this Agreement.

" Junior Indebtedness " has the meaning assigned to such term in Section 6.07.

" Junior Priority Debt " has the meaning assigned to such term in Section 6.01(s).

" LC Applicable Percentage " means, with respect to any Issuing Bank, for purposes of Section 2.04(b), the percentage of the total "Maximum LC Exposure" of all of the Issuing Banks represented by such Issuing Bank's "Maximum LC Exposure".

" LC Disbursement " means a payment made by an Issuing Bank pursuant to a Letter of Credit.

" LC Exposure " means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Revolving Credit Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

" Lenders " means (a) the Persons listed on Schedule 2.01, (b) any Person that shall agree to become a party hereto as an "Assuming Lender" hereunder with a commitment to make Revolving

Credit Loans or Term Loans hereunder pursuant to Section 2.08(d) and (c) any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

" Letter of Credit " means any letter of credit issued pursuant to this Agreement.

" LIBO Rate " means, with respect to any Eurodollar Borrowing for any Interest Period, the London interbank offered rate as administered by the ICE Benchmark Administration Limited (or any other Person that takes over the administration of such rate) for U.S. dollars for a period equal in length to such Interest Period as displayed on pages LIBOR01 or LIBOR02 of the Reuters Screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion; in each case, the " Screen Rate ") at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period; provided that if the Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement; provided further , that, if the applicable Screen Rate shall not be available at such time for such Interest Period (an " Impacted Interest Period ") with respect to the relevant currency, then the Eurocurrency Rate shall be the Interpolated Rate at such time; provided that if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement. Notwithstanding the foregoing, the LIBO Rate with respect to Initial Term Loans shall not be less than 0.75% per annum.

" Lien " means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

" Loan Documents " means, collectively, this Agreement, the Security Documents, the Collateral Trust Agreement, any other Intercreditor Agreement, any promissory notes evidencing Loans hereunder, the Subordination Agreement, any Joinder Agreement, any Refinancing Amendment, any Accession Agreement, and any amendment , waiver, supplement or other modification to any of the foregoing. The term "Loan Documentation" shall have a correlative meaning.

" Loan Party " means the Borrower and the Guarantors.

" Loans " means any loans made by the Lenders to the Borrower pursuant to this Agreement.

" Long-Term Indebtedness " means any Indebtedness that, in accordance with GAAP, constitutes (or, when incurred, constituted) a long-term liability.

" Material Acquisition " means any acquisition, or a series of related acquisitions by the Borrower or any Restricted Subsidiary, of (a) Equity Interests in any Person if, after giving effect thereto, such Person will become a Restricted Subsidiary or (b) assets comprising Spectrum or all or substantially all the assets of (or all or substantially all the assets constituting a business unit, division, product line or line of business of) any Person (other than Permitted Spectrum Swaps); provided that the aggregate consideration therefor (including Indebtedness assumed in connection therewith, all obligations in respect of deferred purchase price (including obligations under any purchase price adjustment, as estimated in good faith by the Borrower, but excluding earnout, contingent payment or similar payments) and all other consideration payable in connection therewith (including payment obligations in respect of noncompetition agreements or other arrangements representing acquisition consideration)) exceeds $225,000,000.

" Material Adverse Effect " means a material adverse effect on (a) the business, assets, operations, property or financial condition of the Borrower and its Restricted Subsidiaries, taken as a whole, (b) the ability of the Loan Parties, taken as a whole, to perform any of their obligations under this Agreement or the other Loan Documents or (c) the rights of or benefits available to the Lenders under this Agreement and the other Loan Documents.

" Material Disposition " means any Disposition, or a series of related Dispositions, of (a) all or substantially all the issued and outstanding Equity Interests in any Person that are owned by the Borrower or any Restricted Subsidiary or (b) assets comprising Spectrum or all or substantially all the assets of (or all or substantially all the assets constituting a business unit, division, product line or line of business of) the Restricted or any Restricted Subsidiary (other than Permitted Spectrum Swaps); provided that the aggregate consideration therefor (including Indebtedness assumed by the transferee in connection therewith, all obligations in respect of deferred purchase price (including obligations under any purchase price adjustment, as estimated in good faith by the Borrower, but excluding earnout, contingent payment or similar payments) and all other consideration payable in connection therewith (including payment obligations in respect of noncompetition agreements or other arrangements representing acquisition consideration)) exceeds $225,000,000.

" Material Indebtedness " means (a) the EDC Indebtedness and (b) other Indebtedness (other than the Loans or Letters of Credit) and including but not limited to obligations in respect of one or more Hedging Agreements, of the Borrower (or of any Restricted Subsidiary of the Borrower, other than an Excluded Subsidiary) in an aggregate principal amount exceeding $225,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of any Person in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that such Person would be required to pay if such Hedging Agreement were terminated at such time. "Material Indebtedness" shall include any obligations of the Borrower and any Restricted Subsidiaries in respect of Secondary Obligations in respect of SpectrumCo1, SpectrumCo2 or other Sale and Leaseback Transactions in respect of Spectrum, regardless of whether qualifying as "Indebtedness".

" Maturing Indebtedness " means the Indebtedness listed on Schedule 1.02.

" Measurement Entities " means, the Borrower and its Subsidiaries (excluding Unrestricted Subsidiaries designated as such after the Effective Date, but for the avoidance of doubt, including in any event the entities (whether or not Subsidiaries) constituting the MLS Financing, the RAN Financing, or any Permitted Securitizations), SpectrumCo1, SpectrumCo2 and any other Subsidiaries of the Parent Guarantor that enter into Sale and Leaseback Transactions of Spectrum with the Borrower or its Restricted Subsidiaries.

" MHz-POP " means the number of the megahertz of Spectrum multiplied by the population of the covered area.

" MLS Financing " means a transaction pursuant to which the Borrower and certain Restricted Subsidiaries sell or convey, as a "true sale," mobile wireless devices (and, if applicable, upgraded replacement devices) and rights in related customer leases to wholly owned Designated Subsidiaries and such Designated Subsidiaries, thereafter, sell or convey such mobile wireless devices and certain rights in such related customer leases to Mobile Leasing Solutions, LLC acting for itself and/or on behalf of a series thereof (" MLS "), which devices are then leased back to the Designated Subsidiaries by MLS.

" MNPI " means material information concerning the Parent Guarantor, the Borrower, any Subsidiary or any Affiliate of any of the foregoing or their securities that has not been disseminated in a manner making it available to investors generally, within the meaning of Regulation FD under the United States Securities Act of 1933 and the United States Securities Exchange Act of 1934. For purposes of this definition, "material information" means information concerning the Parent Guarantor, the Borrower, the Subsidiaries or any Affiliate of any of the foregoing, or any of their securities, that could reasonably be expected to be material for purposes of the United States Federal and State securities laws.

" Moody's " means Moody's Investors Service, Inc. and any successor to its rating agency business.

" Moody's Rating " means, as of any date of determination thereof, the rating most recently published by Moody's as the corporate family rating for the Parent Guarantor.

" Mortgage " means a mortgage, deed of trust, assignment of leases and rents or other security document granting a Lien on any Mortgaged Property to secure the Obligations. Each Mortgage shall be in form and substance reasonably satisfactory to the Administrative Agent.

" Mortgaged Property " means the real property (and improvements thereto) required to be subject to a mortgage pursuant to Section 5.12(b).

" MFN Condition " has the meaning assigned to such term in Section 2.08(d)(i)(H).

" Multiemployer Plan " means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

" Net Cash Proceeds " means, with respect to any Asset Sale or any Recovery Event, the proceeds thereof (other than proceeds received by a Non-Guarantor Subsidiary that is prohibited from transferring such proceeds to an Obligor pursuant to restrictions imposed by (i) any applicable law or (ii) the terms of any agreement to which such Person is a party on the Effective Date or, if such Person is an acquired Subsidiary, on the date on which such Person becomes a Subsidiary, in each case, not entered into in contemplation of this restriction) in the form of cash and cash equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received), net of attorneys' fees, accountants' fees, investment banking fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien (other than the Loans, Permitted First Priority Indebtedness, Permitted Second Priority Indebtedness, any Replacement Financing or any other similar Indebtedness secured generally by the Collateral) expressly permitted hereunder on any asset that is the subject of such Asset Sale or Recovery Event and other fees and expenses incurred in connection therewith and net of taxes paid or reasonably estimated to be payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements).

" Net Cash Proceeds Statement " has the meaning assigned to such term in sub-clause (y) of Section 2.10(b)(ii).

" Net Working Capital " means, at any date of determination, (a) the consolidated current assets of the Borrower and its consolidated Restricted Subsidiaries as of such date (excluding cash and cash equivalents) minus (b) the consolidated current liabilities of the Borrower and its consolidated Restricted Subsidiaries as of such date (excluding current liabilities in respect of Indebtedness). Net Working Capital at any date may be a positive or negative number. Net Working Capital increases when it becomes more positive or less negative and decreases when it becomes less positive or more negative.

" NewCo " has the meaning assigned to such term in Section 2.21.

" NewCo Indebtedness " has the meaning assigned to such term in Section 2.21.

" NewCo Transfer " has the meaning assigned to such term in Section 2.21.

" Non-Guarantor Restricted Subsidiary " means any Restricted Subsidiary of the Borrower that is not a Subsidiary Guarantor.

" Non-Guarantor Subsidiary " means any Subsidiary of the Borrower that is not a Subsidiary Guarantor.

" NYFRB " means the Federal Reserve Bank of New York.

" NYFRB Rate " means for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 a.m., New York City time, on such day received to the Administrative Agent from a Federal funds broker of recognized standing selected by it; provided , further , that if any of the aforesaid rates shall be less than zero, such rate shall be deemed to be zero.

" Obligations " means, collectively, (i) the principal of and interest on the Loans and all fees, indemnification payments and other amounts whatsoever, whether direct or indirect, absolute or contingent, now or hereafter from time to time owing to any Secured Party by the Borrower under this Agreement and any other Loan Document and from time to time owing to any Secured Party by any Loan Party under any of the Loan Documents (including any and all amounts in respect of Letters of Credit), and all other obligations of the Loan Parties under the Loan Documents (including the obligations of the Guarantors under Section 9.14), (ii) Secured Hedging Obligations entered into in the ordinary course of business and not for speculative purposes (excluding, with respect to any Guarantor at any time, any Excluded Swap Obligations with respect to such Guarantor at such time) and (iii) Secured Cash Management Obligations, in each case including all interest and expenses accrued or incurred subsequent to the commencement of any bankruptcy or insolvency proceedings with respect to any Loan Party, whether or not such interest or expenses are allowed as a claim in such proceeding.

" Obligor Representative " means the Borrower, in its capacity as Obligor Representative pursuant to Section 1.05.

" Obligors " means, collectively, the Borrower and the Subsidiary Guarantors and, solely for purposes of Sections 2.16, 2.17, 2.18, 9.04(e)(i), 9.05, 9.08, 9.09(b), 9.13 and 9.14 of this Agreement (and the definition of "Excluded Taxes"), the Parent Guarantor.

" Original Initial Term Lender " means a Lender holding Original Initial Term Loans.

" Original Initial Term Loans " means any term loan made pursuant to Section 2.01(b)(i) utilizing the Initial Term Commitments on the Effective Date.

" Other Taxes " means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement and the other

Loan Documents, including any interest, additions to tax or penalties applicable hereto, provided that there shall be excluded from "Other Taxes" all Excluded Taxes.

" Overnight Bank Funding Rate " means, for any day, the rate comprised of both overnight federal funds and overnight eurocurrency borrowings in U.S. dollars by U.S. managed banking offices of depository institutions (as such composite rate shall be determined by the Federal Reserve Bank of New York as set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as an overnight bank funding rate (from and after such date as the Federal Reserve Bank of New York shall commence to publish such composite rate).

" Owns or Leases Spectrum " means, with respect to the Borrower or any Subsidiary, that such Person owns Spectrum or directly leases Spectrum from any Person other than the Borrower or any Subsidiary of the Borrower. "Owned or Leased Spectrum" will have a correlative meaning.

" Parent " means, with respect to any Lender, the Person as to which such Lender is, directly or indirectly, a subsidiary.

" Parent Guarantor " means Sprint Corporation, the direct parent of the Borrower.

" Participant " has the meaning assigned to such term in Section 9.04(e)(i).

" Participant Register " has the meaning assigned to such term in Section 9.04(e)(i).

" PBGC " means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

" Perfection Certificate " means a certificate substantially in the form of Exhibit E or any other form approved by the Administrative Agent.

" Permitted Acquisition " means the purchase or other acquisition, by merger or otherwise, by the Borrower or any Restricted Subsidiary of substantially all the Equity Interests in, or all or substantially all the assets of (or all or substantially all the assets constituting a business unit, division, product line or line of business of), any Person or of any Spectrum, if (a) such Person or assets are in the same or similar line of business (or reasonable extensions thereof) as that of the Borrower and its Restricted Subsidiaries as of the Effective Date, (b) in the case of any purchase or other acquisition of Equity Interests in a Person, such Person and each Subsidiary of such Person is (except to the extent not required to become a Subsidiary Guarantor pursuant to the requirements of Section 5.09) organized under the laws of the United States of America, any State thereof or the District of Columbia and, upon the consummation of such acquisition, will be a Restricted Subsidiary, in each case including as a result of a merger or consolidation between any Restricted Subsidiary and such Person and will be or become a Subsidiary Guarantor as required under the Collateral and Guarantee Requirement, or (c) in the case of any purchase or other acquisition of assets other than Equity Interests, such assets will be owned by the Borrower or a Subsidiary Guarantor; provided that, in each case, (i) with respect to each such purchase or other acquisition, all actions required to be taken with respect to each newly created or acquired Restricted Subsidiary or assets in order to satisfy the requirements set forth in the definition of the term "Collateral and Guarantee Requirement" shall be taken within the required time periods for satisfaction of such requirements set forth therein and (ii) at the time of and immediately after giving effect to any such purchase or other acquisition, no Event of Default shall have occurred and be continuing after giving pro forma effect to such purchase or other acquisition and the incurrence of Indebtedness in connection therewith. For the avoidance of doubt, subject to compliance with the requirements of Section 5.09 and the requirements set forth above, a Permitted Acquisition of a Person that will become a Loan Party may include the acquisition of Non-Compliant Subsidiaries or Non-Compliant Assets. For purposes of this definition, " Non-Compliant Subsidiary " means any Restricted Subsidiary of a Person acquired pursuant to a Permitted Acquisition that will not become a Subsidiary Guarantor in accordance with the requirements of clause (b) of this definition, and " Non-Compliant Assets " means any assets acquired pursuant to a Permitted Acquisition to be held by a Non-Guarantor Restricted Subsidiary.

" Permitted Encumbrances " means:

(a) Liens imposed by law for taxes, assessments and governmental charges or levies that are not yet due or are being contested in compliance with Section 5.04;

(b) carriers', warehousemen's, mechanics', landlord's, lessor's, materialmen's, repairmen's and other Liens imposed by law, arising in the ordinary course of business that (i) secure obligations that are not overdue by more than 60 days or (ii) are being contested in compliance with Section 5.04;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations or to secure public or statutory obligations;

(d) pledges and deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower and its Subsidiaries;

(f) subleases of property with respect to which the Borrower or its Subsidiary is the primary lessee, to the extent such subleases arise in the ordinary course of business and do not interfere in any material respect with the business of the Borrower and its Subsidiaries (taken as a whole);

(g) licenses and sublicenses of Intellectual Property, to the extent such licenses and sublicenses either exist as of the Effective Date or thereafter arise in the ordinary course of business and are consistent in all material respects with prior practice; and

(h) precautionary Uniform Commercial Code filings made with respect to equipment or vehicles leased to the Borrower or its Restricted Subsidiaries in the ordinary course of business under operating leases (i.e. leases not giving rise to Capital Lease Obligations);

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness or any Lien imposed pursuant to Section 430(k) of the Code or pursuant to Section 303(k) or 4068 of ERISA.

" Permitted Holder " means SOFTBANK CORP., a Japanese *kabushiki kaisha* , and its Affiliates, successors and assigns.

" Permitted Investments " means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within 18 months from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, (i) a short term credit rating of "P-1" or higher from Moody's or "A-1" or higher from S&P or (ii) a long term rating of "A2" or higher from Moody's or "A" or higher from S&P;

(c) investments in certificates of deposit, banker's acceptances and demand or time deposits, in each case maturing within 18 months from the date of acquisition thereof, issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof;

(d) fully collateralized repurchase agreements with a term of not more than 90 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;

(e) "money market funds" that (i) comply with the criteria set forth in Rule 2a-7 under the Investment Company Act, (ii) with (A) a short term credit rating of "P-1" or higher from Moody's or "A-1" or higher from S&P or (B) a long term rating of "A2" or higher from Moody's or "A" or higher from S&P and (iii) have portfolio assets of at least $2,000,000,000; and

(f) investments in Indebtedness that is (x) issued by Persons with (i) a short term credit rating of "P-1" or higher from Moody's or "A-1" or higher from S&P or (ii) a long term rating of "A2" or higher from Moody's or "A" or higher from S&P, in each case for clauses (i) and (ii) with maturities not more than 18 months after the date of acquisition and (y) of a type customarily used by companies for cash management purposes.

"Permitted First Priority Indebtedness" means Indebtedness of the Borrower or any other Loan Party (a) that is secured by Liens on the Collateral on a pari passu basis (but without regard to the control of remedies) to the Liens on the Collateral securing the Obligations and is not secured by any property or assets of the Borrower or any of the Restricted Subsidiaries other than the Collateral, (b) that does not mature earlier than the latest maturity date under this Agreement then in effect, and has a weighted average life to maturity no shorter than the Class of Term Loans with the latest maturity date in effect at the time of incurrence of such Indebtedness, (c) that contains covenants, events of default and other terms that are customary for similar Indebtedness in light of then-prevailing market conditions and, when taken as a whole (other than interest rates, rate floors, fees and optional prepayment or optional redemption terms), are no more favorable to the lenders or investors, as the case may be, providing such Permitted First Priority Indebtedness than those set forth in the Loan Documents are with respect to the Lenders (other than covenants or other provisions applicable only to periods after the latest maturity date under this Agreement then in effect); provided that a certificate of a Financial Officer of the Borrower delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness or the modification, refinancing, refunding, renewal or extension thereof (or such shorter period of time as may reasonably be agreed by the Administrative Agent), together with a reasonably detailed description of the material terms and conditions of such resulting Indebtedness or drafts of the material definitive documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirements shall be conclusive unless the Administrative Agent provides notice to the Borrower of its reasonable objection during such period together with a reasonable description of the basis upon which it objects, (d) the security agreements relating to which are substantially the same as the Security Documents (with such differences as are reasonably satisfactory to the Administrative Agent), (e) that is not guaranteed by any Persons other than Loan Parties and (f) in respect of which a trustee, collateral agent, security agent or similar Person, acting on behalf of the holders thereof, shall have become party to an Intercreditor Agreement.

" Permitted Junior Priority Indebtedness " means Indebtedness of the Borrower or any other Loan Party (a) that is secured by Liens on the Collateral on a junior basis to the Liens on the Collateral securing the Obligations and is not secured by any property or assets of the Borrower or any of the Restricted Subsidiaries other than the Collateral, (b) that does not mature earlier than the latest maturity date under this Agreement then in effect, and has a weighted average life to maturity no shorter than the Class of Term Loans with the latest maturity date in effect at the time of incurrence of such Indebtedness, (c) that contains covenants, events of default and other terms that are customary for similar Indebtedness in light of then-prevailing market conditions and, when taken as a whole (other than interest rates, rate floors, fees and optional prepayment or optional redemption terms), are no more favorable to the lenders or investors, as the case may be, providing such Permitted First Priority Indebtedness than those set forth in the Loan Documents are with respect to the Lenders (other than covenants or other provisions applicable only to periods after the latest maturity date under this Agreement then in effect); provided that a certificate of a Financial Officer of the Borrower delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness or the modification, refinancing, refunding, renewal or extension thereof (or such shorter period of time as may reasonably be agreed by the Administrative Agent), together with a reasonably detailed description of the material terms and conditions of such resulting Indebtedness or drafts of the material definitive documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirements shall be conclusive unless the Administrative Agent provides notice to the Borrower of its reasonable objection during such period together with a reasonable description of the basis upon which it objects, (d) the security agreements relating to which are substantially the same as the Security Documents (with such differences as are reasonably satisfactory to the Administrative Agent), (e) that is not guaranteed by any Persons other than Loan Parties and (f) in respect of which a trustee, collateral agent, security agent or similar Person, acting on behalf of the holders thereof, shall have become party to an Intercreditor Agreement.

" Permitted JV Transfers " has the meaning assigned to such term in Section 5.09(b).

" Permitted Securitization " means any transaction or series of transactions that may be entered into by the Borrower or any of its Restricted Subsidiaries pursuant to which such Person may sell, convey or otherwise transfer, or grant a security interest in Receivables and Related Assets to any Receivables Entity, provided that (i) there shall be no recourse under any such securitization to the Borrower or any of its Restricted Subsidiaries other than pursuant to Standard Securitization Undertakings or customary levels of credit recourse consistent with a "true sale" of assets transferred in a securitization and (ii) no Default shall have occurred and be continuing either immediately before or after giving effect to such securitization.

" Permitted Spectrum Swaps " has the meaning assigned to such term in the definition of "Asset Sale".

" Permitted Unsecured Indebtedness " means Indebtedness of the Borrower or any Restricted Subsidiary (a) that is not (and any Guarantees thereof by the Borrower or Restricted Subsidiaries are not) secured by any collateral (including the Collateral), (b) that does not mature earlier than the date that is 91 days after the latest maturity date under this Agreement then in effect, and has a weighted average life to maturity no shorter than the Class of Term Loans with the latest maturity date in effect at the time of incurrence of such Indebtedness, (c) that, in the case of such Indebtedness in the form of bonds, debentures, notes or similar instrument, does not provide for any amortization, mandatory prepayment, redemption or repurchase (other than upon a change of control, fundamental change, customary asset sale or event of loss mandatory offers to purchase and customary acceleration rights after an event of default and, for the avoidance of doubt, rights to convert or exchange in the case of convertible or exchangeable Indebtedness) prior to the date that is the latest maturity date in effect at the time of incurrence of such Indebtedness, (d) that contains covenants, events of default, guarantees and other terms that are customary for similar Indebtedness in light of then-prevailing market conditions and, when taken as a whole (other than interest rates, rate floors, fees and optional prepayment or optional redemption terms), are not more favorable to the lenders or investors providing such Permitted Unsecured Indebtedness, as the case may be, than those set forth in the Loan Documents are with respect to the Lenders (other than covenants or other provisions applicable only to periods after the latest maturity date under this Agreement then in effect); provided that a certificate of a Financial Officer of the Borrower delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness or the modification, refinancing, refunding, renewal or extension thereof (or such shorter period of time as may reasonably be agreed by the Administrative Agent), together with a reasonably detailed description of the material terms and conditions of such resulting Indebtedness or drafts of the material definitive documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirements shall be conclusive, and (e) that is not guaranteed by any Person other than on an unsecured basis by Loan Parties.

" Person " means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

" Plan " means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Platform" has the meaning assigned to such term in Section 9.01(d).

" Prime Rate " means the rate of interest per annum publicly announced from time to time by the bank functioning as Administrative Agent hereunder, as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

" Private Side Lender Representatives " means, with respect to any Lender, representatives of such Lender that are not Public Side Lender Representatives.

" Pro Rata Guarantor Share " has the meaning assigned to such term in Section 9.14(f).

" Projections " has the meaning assigned to such term in Section 5.01(d).

" Public Side Lender Representatives " means, with respect to any Lender, representatives of such Lender that do not wish to receive MNPI.

" Qualified ECP Guarantor " means, in respect of any Swap Obligation, each Guarantor that, at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation, has total assets exceeding $10,000,000 or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" with respect to such Swap Obligation at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

" Quarterly Dates " means the last Business Day of March, June, September and December in each year, the first of which shall be the first such day after the date of this Agreement.

" RAN Financing " means the financing of serialized, non-securitized equipment used within the network operated by the Parent Guarantor and its Subsidiaries, as well as structures used to house or support the equipment.

" Rating " means the Moody's Rating or the S&P Rating.

" Receivables and Related Assets " means Accounts, accounts receivable, future lease payments or residuals or similar rights to payment, and, to the extent related to any of the foregoing, phones, tablets and wireless devices used on the Parent Guarantor's network, chattel paper, payment intangibles, and similar rights thereto (including contract rights), in each case that is customarily transferred or in respect of which security interests are customarily granted in connection with securitization transactions of such assets, including all proceeds of the foregoing.

" Receivables Entity " means a special purpose Person that engages in no activities other than in connection with the financing of Receivables and Related Assets pursuant to a Permitted Securitization.

" Recovery Event " means any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding arising after the Effective Date relating to any asset of the Borrower or any of its Restricted Subsidiaries; provided that "Recovery Event" shall not include (i) the proceeds of business interruption insurance and (ii) any Recovery Event (or series of related Recovery Events) with respect to assets having a fair market value of less than $20,000,000.

" Refinancing Amendment " has the meaning assigned to such term in Section 2.20(a).

" Refinancing Indebtedness " means, in respect of any Indebtedness (the "Original Indebtedness"), any Indebtedness that extends, renews or refinances such Original Indebtedness (or any Refinancing Indebtedness in respect thereof); provided that (a) the principal amount (or accreted value, if applicable) of such Refinancing Indebtedness shall not exceed the principal amount (or accreted value, if applicable) of such Original Indebtedness except by an amount no greater than accrued and unpaid interest with respect to such Original Indebtedness and any reasonable fees, premium and expenses relating to such extension, renewal or refinancing; (b) the stated final maturity of such Refinancing Indebtedness shall not be earlier than that of such Original Indebtedness, and such stated final maturity shall not be subject to any conditions that could result in such stated final maturity occurring on a date that precedes the stated final maturity of such Original Indebtedness (except upon an event of default, a change of control or fundamental change, customary asset sale or event of loss); (c) such Refinancing Indebtedness shall not be required to be repaid, prepaid, redeemed, repurchased or defeased, whether on one or more fixed dates, upon the occurrence of one or more events or at the option of any holder thereof (except, in each case, upon the occurrence of an event of default or a change in control, fundamental change or customary asset sale or event of loss prepayment event, or upon conversion or exchange in the case of convertible or exchangeable Indebtedness or as and to the extent such repayment, prepayment, redemption, repurchase or defeasance would have been required pursuant to the terms of such Original Indebtedness (other than terms added or modified in contemplation of such refinancing)) prior to the earlier of (i) the maturity of such Original Indebtedness and (ii) the date that is 91 days after the latest maturity date under this Agreement in effect on the date of such extension, renewal or refinancing;

provided that, notwithstanding the foregoing, scheduled amortization payments (however denominated) of such Refinancing Indebtedness shall be permitted so long as the weighted average life to maturity of such Refinancing Indebtedness shall be longer than the shorter of (x) the weighted average life to maturity of such Original Indebtedness remaining as of the date of such extension, renewal or refinancing and (y) the weighted average life to maturity of the Class of Term Loans remaining as of the date of such extension, renewal or refinancing with the latest maturity date; (d) such Refinancing Indebtedness shall not constitute an obligation (including pursuant to a Guarantee) of any Subsidiary, in each case that shall not have been (or, in the case of after-acquired Subsidiaries, shall not have been required to become pursuant to the terms of the Original Indebtedness) an obligor in respect of such Original Indebtedness, and shall not constitute an obligation of the Borrower if the Borrower shall not have been an obligor in respect of such Original Indebtedness, and, in each case, shall constitute an obligation of such Subsidiary or of the Borrower only to the extent of their obligations in respect of such Original Indebtedness; (e) if such Original Indebtedness shall have been subordinated to the Obligations, such Refinancing Indebtedness shall also be subordinated to the Obligations on terms not less favorable in any material respect to the Lenders; and (f) such Refinancing Indebtedness shall not be secured by any Lien on any asset other than the assets that secured such Original Indebtedness (or would have been required to secure such Original Indebtedness pursuant to the terms thereof (other than terms added or modified in contemplation of such refinancing)) or, in the event Liens securing such Original Indebtedness shall have been contractually subordinated to any Lien securing the Obligations, by any Lien that shall not have been contractually subordinated to at least the same extent. Any Refinancing Indebtedness in respect of Maturing Indebtedness shall not mature earlier than the latest maturity date under this Agreement then in effect, and shall have a weighted average life to maturity no shorter than the Class of Term Loans with the latest maturity date in effect at the time of incurrence of such Refinancing Indebtedness.

" Register " has the meaning assigned to such term in Section 9.04.

" Related Parties " means, with respect to any specified Person, such Person's Affiliates and the respective directors, trustees, officers, employees, agents and advisors of such Person and such Person's Affiliates.

" Relevant Obligations " means, as of any date of determination, the aggregate principal amount (or in the case of obligations or other credit support not in respect of Indebtedness, the aggregate maximum amount of such obligations or other credit support (or if less, the maximum amount of the underlying obligations held by the beneficiary such obligations or other credit support supported thereby) as of such date in respect of, without duplication,

(i) Revolving Credit Commitments then in effect (including any Incremental Revolving Facility) (and without duplication any Revolving Credit Exposure thereunder), including any Replacement Financing in respect thereof, plus

(ii) the outstanding principal balance of any Term Loans (including any Incremental Term Loans), including any Replacement Financing in respect thereof, plus

(iii) Indebtedness and any commitments outstanding under the EDC Credit Agreement, plus

(iv) Indebtedness outstanding under the 9.25% Debentures, plus

(v) obligations or credit support provided after the Effective Date (it being understood, for the avoidance of doubt, that obligations or credit support related to further issuances of Indebtedness after the Effective Date under SpectrumCo1 shall be deemed to occur after the Effective Date) by any HQ Owner or any Borrower or Restricted Subsidiary that Owns or Leases Spectrum (in each case to the extent not unsecured and subordinated in right of payment to the Obligations on terms reasonably satisfactory to the Administrative Agent) in respect of any Indebtedness or Secondary Obligations (it being agreed (1) the Applicable Debt Cap Test must be satisfied on a pro forma basis on the date of the incurrence of any such obligations or credit support, (2) in calculating the maximum amount of such obligations or other credit support, such amount shall not exceed the amount of underlying obligations held by the beneficiary of such obligations or credit support supported thereby), (3) unsecured amounts under this clause (v) shall only constitute Relevant Obligations to the extent the holders thereof (or their representative) are not bound by an intercreditor or similar agreement reasonably satisfactory to the Administrative Agent (it being understood that with respect to the notes issued by SpectrumCo1 and outstanding as of the Effective Date, the Collateral Trust Agreement is reasonably satisfactory to the Administrative Agent) and (4) obligations or credit support in respect of Indebtedness or Secondary Obligations that are secured by Liens permitted pursuant to Section 6.02 and not incurred in reliance on the Applicable Debt Cap Test shall not be included in Relevant Obligations pursuant to this clause (v) except to the extent the amount of such Indebtedness or Secondary Obligations exceeds the value of the collateral securing such Indebtedness or Secondary Obligations), plus

(vi) Permitted First Priority Indebtedness (including any Refinancing Indebtedness as set forth in Section 6.01(r)), Junior Priority Debt and Senior Unsecured Restricted Debt, plus

(vii) Secured Cash Management Obligations in respect of clause (b) of the definition of Cash Management Services, plus

(viii) Secured Hedging Obligations, to the extent the aggregate outstanding amount thereof is in excess of $100 million, plus

(ix) Indebtedness incurred by any HQ Owner in reliance on Section 6.01(p), plus

(x) any other Indebtedness (assuming all relevant commitments to lend are fully drawn) or obligations (including amounts secured by Liens) of the Borrower and its Restricted Subsidiaries, outstanding in reliance on the Applicable Debt Cap Test or that constitutes "First Priority Secured Obligations" or "Junior Priority Secured Obligations" as defined in the Collateral Trust Agreement.

Notwithstanding the foregoing, (A) the Secured Lease Guarantee Amount in an amount up to $3,500,000,000 (plus an additional amount not in excess of the amount of such obligations secured pursuant to Section 6.02(r)) shall not be included in the calculation of Relevant Obligations, to the extent the holders thereof (or their representative) are bound by the terms of the Collateral Trust Agreement and (B) for the avoidance of doubt, Liens secured pursuant to Section 6.02(p) shall not be included in Relevant Obligations.

" Required Lenders " means Lenders having Revolving Credit Exposures, outstanding Term Loans and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures, outstanding Term Loans and unused Commitments at such time. The "Required Lenders" of a particular Class of Loans means Lenders having Revolving Credit Exposures, outstanding Term Loans and unused Commitments of such Class representing more than 50% of the total Revolving Credit Exposures, outstanding Term Loans and unused Commitments of such Class at such time.

" Replacement Financing " has the meaning assigned to such term in Section 2.20(a).

“ Restricted Payment ” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests of the Borrower or any of its Restricted Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests or any option, warrant or other right to acquire any such Equity Interests.

“ Restricted Subsidiary ” means any Subsidiary that is not an Unrestricted Subsidiary.

“ Revolving Credit Availability Period ” means the period from and including the Effective Date to but excluding the earlier of (a) the Revolving Credit Termination Date and (b) the date of termination of the Revolving Credit Commitments.

“ Revolving Credit Commitment ” means, with respect to each Lender, the commitment of such Lender to make Revolving Credit Loans and to acquire participations in Letters of Credit hereunder, as such commitment may be (a) reduced or increased from time to time pursuant to Sections 2.08 and 2.10 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The amount of each Lender’s Revolving Credit Commitment as of the Effective Date is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Revolving Credit Commitment, as applicable. The aggregate amount of the Revolving Credit Commitments as of the Effective Date is $2,000,000,000.

“ Revolving Credit Exposure ” means, with respect to any Revolving Credit Lender at any time, the sum of the outstanding principal amount of such Lender’s Revolving Credit Loans and its LC Exposure at such time.

“ Revolving Credit Lender ” means (a) a Lender that has a Revolving Credit Commitment set forth opposite its name on Schedule 2.01 and (b) thereafter, the Lenders from time to time holding Revolving Credit Loans and Revolving Credit Commitments, after giving effect to any assignments thereof permitted by Section 9.04.

“ Revolving Credit Loan ” means a Loan made pursuant to Section 2.01 that utilizes the Revolving Credit Commitments.

“ Revolving Credit Termination Date ” means February 3, 2021 (or, if such date is not a Business Day, the next preceding Business Day).

“ RF Emissions ” means radio frequency emissions governed by FCC rules.

“ Rural JV Spectrum ” shall mean any Spectrum that has been leased or transferred to any joint venture under a Permitted JV Transfer.

“ S&P ” means Standard & Poor’s Financial Services LLC and any successor to its rating agency business.

“ S&P Rating ” means, as of any date of determination thereof, the rating most recently published by S&P as the corporate credit rating for the Parent Guarantor.

“ Sale and Leaseback Transaction ” means any transaction or arrangement by the Borrower or any of its Restricted Subsidiaries, directly or indirectly, with any Person whereby such Borrower or such Restricted Subsidiary shall sell or transfer any property, real or personal (including for the avoidance of doubt, any Spectrum), used or useful in the business of the Borrower or any Restricted Subsidiary thereof, whether now owned or hereafter acquired, and thereafter the Borrower or any Subsidiary thereof rents or leases such property or other property intended to be used for substantially the same purpose or purposes as the property being sold or transferred. For the avoidance of doubt, "Sale and Leaseback Transaction" includes the SpectrumCo 1 and SpectrumCo2 transactions and any other transaction (synthetic or otherwise) that results in a transaction substantially similar in substance to that described in the immediately prior sentence.

" Sanctioned Country " means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, Crimea, Cuba, Iran, North Korea, Sudan and Syria).

" Sanctioned Person " means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the U.S. government (including but not limited to those maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury and the U.S. Department of State), the United Nations Security Council, the European Union, any European Union member state, the United Kingdom or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

" Sanctions " means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government (including but not limited to those maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury and the U.S. Department of State), the United Nations Security Council, the European Union, any European Union member state, the United Kingdom or other relevant sanctions authority.

" Screen Rate " has the meaning assigned to such term in the definition of "LIBO Rate".

" Secondary Obligation " means any obligation that directly supports a primary Indebtedness obligation (so, for illustrative purposes, the operating lease payments in respect of SpectrumCo1 support the primary obligation in respect of the notes issued by SpectrumCo1, and so such operating lease payments are a " Secondary Obligation ").

" Secured Cash Management Obligations " means the due and punctual payment and performance of any and all obligations of the Borrower and each Restricted Subsidiary (whether absolute or contingent and however and whenever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor)) arising in respect of Cash Management Services that (a) are owed pursuant to a Cash Management Agreement in effect on the Effective Date, entered into with a party that was a Lender as of the Effective Date or an Affiliate thereof, or (b) are owed pursuant to a Cash Management Agreement entered into after the Effective Date with a party that was a Lender or the Administrative Agent or an Affiliate of a Lender or the Administrative Agent, in each case at the time such Cash Management Agreement was entered into, and, in the case of any such Cash Management Agreement referred to in clause (a) or (b) above, has been designated by the Borrower in a written notice given to the Administrative Agent as a Cash Management Agreement the obligations under which are to constitute Secured Cash Management Obligations for purposes of the Loan Documents.

" Secured Hedging Obligations " means the due and punctual payment and performance of any and all obligations of the Parent Guarantor, the Borrower and each Restricted Subsidiary arising under each Hedging Agreement that (a) was in effect on the Effective Date with a counterparty that was a Lender as of the Effective Date or an Affiliate thereof, or (b) is entered into after the Effective Date with a counterparty that was a Lender or the Administrative Agent or an Affiliate of a Lender or the

Administrative Agent, in each case at the time such Hedging Agreement was entered into, and, in the case of any such Hedging Agreement referred to in clause (a) or (b) above, has been designated by the Borrower in a written notice given to the Administrative Agent as a Hedging Agreement the obligations under which are to constitute Secured Hedging Obligations for purposes of the Loan Documents.

" Secured Lease Guarantee Amount " means, the aggregate amount of obligations of the Borrower and the Subsidiary Guarantors in respect of the operating lease payments and other obligations in respect of SpectrumCo1, SpectrumCo2 or other Sale and Leaseback Transactions in respect of Spectrum that are secured by Liens on assets of the Loan Parties.

" Secured Parties " means, collectively, (a) the Lenders, (b) the Issuing Banks, (c) the Administrative Agent, (d) each provider of Cash Management Services under a Cash Management Agreement the obligations under which constitute Secured Cash Management Obligations, (e) each counterparty to any Hedging Agreement the obligations under which constitute Secured Hedging Obligations, (f) the beneficiaries of each indemnification obligation undertaken by any Loan Party under this Agreement or any other Loan Document and (g) the successors and assigns of each of the foregoing.

" Security Agreement " means the Security Agreement made by the Parent Guarantor, the Borrower and certain of its Subsidiaries in favor of the Collateral Trustee dated as of February 3, 2017.

" Security Documents " means the Security Agreement, the Mortgages and each other security agreement or other instrument or document executed and delivered pursuant to Section 5.09, 5.11 or 5.12 or the requirements of the Collateral and Guarantee Requirement to secure the Obligations.

" Senior Unsecured Restricted Debt " has the meaning assigned to such term in Section 6.01(q).

" Shared Investment Amount " has the meaning assigned to such term in Section 6.08(c).

" Significant Subsidiary " means (a) any Restricted Subsidiary that has consolidated assets or revenues greater than or equal to 5% of the total consolidated assets or revenues of the Borrower and its Restricted Subsidiaries determined as of the end of (or, with respect to such revenues, for the period of four fiscal quarters ending with) the fiscal quarter or fiscal year most recently ended for which financial statements are available, (b) each Restricted Subsidiary that directly or indirectly owns or controls any other Significant Subsidiary and (c) any Restricted Subsidiary that Owns or Leases Spectrum to the extent such Restricted Subsidiary has assets or revenues greater than $100,000,000 as of the end of the the of (or, with respect to such revenues, for the period of four fiscal quarters ending with) the fiscal quarter or fiscal year most recently ended for which financial statements are available.

" Special Counsel " means Simpson Thacher & Bartlett LLP, in its capacity as special counsel to the Administrative Agent and the Arrangers.

" Special Prepayment Requirements " has the meaning set forth in the definition of "Spectrum Disposition Requirements".

" Specified Transaction " means, with respect to any period, any Investment, Permitted Acquisition, Disposition, incurrence, assumption or repayment of Indebtedness (including the incurrence of Incremental Facilities), Restricted Payment, designation of a Restricted Subsidiary as an Unrestricted Subsidiary or of an Unrestricted Subsidiary as a Restricted Subsidiary or other event that by the terms of this Agreement requires "pro forma compliance" with a test or covenant hereunder or requires such test or covenant to be calculated on a "pro forma basis".

“ Spectrum ” means frequencies of electromagnetic spectrum used to provide fixed or mobile communications services as licensed or authorized by the FCC.

“ Spectrum Disposition Requirements ” means, after giving pro forma effect to any Disposition of Spectrum:

(a) no Default shall have occurred and be continuing;

(b) with respect to any Disposition of Spectrum in respect of a Sale and Leaseback Transaction: (i) the MHz-POPs of all the Spectrum remaining at the Borrower and the Subsidiary Guarantors shall represent at least 60% of the MHz-POPs of the Borrower and the Subsidiary Guarantors’ Spectrum (including, for this purpose, MHz-POPs of the Rural JV Spectrum) as of the Effective Date (such Effective Date, the “ Spectrum Reference Date ”), (ii) after giving pro forma effect to such Disposition, the book value of the remaining Spectrum at the Borrower and the Subsidiary Guarantors is not lower than 175% of the amount of clause (a) of the Applicable Debt Cap Test, (iii) after giving pro forma effect to such Disposition, (x) the remaining Cellular/800MHz Spectrum at the Borrower and the Subsidiary Guarantors (including, for this purpose, the Cellular/800MHz Spectrum of the Rural JV Spectrum) is at least 50% of the MHz-POPs of the Cellular/800MHz Spectrum at the Borrower and the Subsidiary Guarantors (including, for this purpose, the Cellular/800MHz Spectrum of the Rural JV Spectrum) immediately prior to the Spectrum Reference Date, (y) the remaining 2.5GHz Spectrum at the Borrower and the Subsidiary Guarantors (including, for this purpose, the 2.5 GHz Spectrum of the Rural JV Spectrum) is at least 60% of the MHz-POPs of the 2.5GHz Spectrum at the Borrower and the Subsidiary Guarantors (including, for this purpose, the 2.5 GHz Spectrum of the Rural JV Spectrum) immediately prior to the Spectrum Reference Date, (z) the remaining 1.9GHz Spectrum at the Borrower and the Subsidiary Guarantors (including, for this purpose, the 1.9 GHz Spectrum of the Rural JV Spectrum) is at least 50% of the MHz-POPs of the 1.9GHz Spectrum at the Borrower and the Subsidiary Guarantors (including, for this purpose, the 1.9 GHz Spectrum of the Rural JV Spectrum) immediately prior to the Spectrum Reference Date and (aa) with respect to any Spectrum acquired by the Borrower or its Restricted Subsidiaries after the 2018 Incremental Amendment Effective Date in any market transaction or auction (including any governmental auction), the Borrower and the Subsidiary Guarantors shall retain at least 50% of the MHz-POPs acquired in such market transaction or auction, provided that in no event shall more than $1 billion in book value in the aggregate of such acquired Spectrum be so transferred and (iv) after giving pro forma effect to such Disposition, the Borrower and the Subsidiary Guarantors shall maintain (x) all PCS 1.9GHz G-block licenses and (y) at least one additional block of PCS 1.9 GHz 5x5 MHz Spectrum licenses (including any such licenses acquired after the Effective Date) in each BTA where a PCS 1.9 GHz 5x5 MHz Spectrum license is owned currently or in the future by the Parent Guarantor, the Borrower or any of their Subsidiaries; and

(c) with respect to any Disposition of Spectrum (other than a Permitted JV Transfer, Permitted Spectrum Swap or in respect of a Sale and Leaseback Transaction): (i) such sale is to a third party that is not an Affiliate of the Borrower in an arms-length transaction for fair market value, (ii) such Dispositions of Spectrum represent in the aggregate not more than 400 million MHz-POPS, and such Spectrum is primarily in “mostly rural/rural areas” as defined by the US Census Bureau, (iii) after giving pro forma effect to such Disposition, the Borrower and the Subsidiary Guarantors shall maintain (x) all PCS 1.9GHz G-block licenses and (y) at least one additional block of PCS 1.9 GHz 5x5 MHz Spectrum licenses (including any such licenses acquired after the Effective Date) in each BTA where a PCS 1.9 GHz 5x5 MHz Spectrum license is owned currently or in the future by the Parent Guarantor, the Borrower or any of their Subsidiaries and (iv) the net cash proceeds thereof are promptly (and in any event within 60 days of receipt thereof), applied to repay Term Loans or other first lien Indebtedness for borrowed money secured on a pari passu basis with the Obligations (other than revolving indebtedness unless accompanied by a corresponding permanent commitment reduction (provided if no such Indebtedness is outstanding other than Revolving Credit Loans, the Revolving Credit Loans shall be prepaid (without a reduction in Revolving Credit Commitments))) (the requirements of this clause (iv), " Special Prepayment Requirements ").

For the avoidance of doubt, Spectrum that is Disposed of (including in a Permitted JV Transfer) and then leased back by the Borrower or a Subsidiary Guarantor in a Sale and Leaseback Transaction shall not be included in Spectrum remaining or maintained by the Borrower or the Subsidiary Guarantors.

" Spectrum Guarantee Cap " has the meaning assigned to such term in Section 6.02(n).

" SpectrumCo1 " means, collectively, the existing Spectrum special purpose vehicle Subsidiaries of the Parent Guarantor that are part of, and were formed for the purpose of, the Parent Guarantor's existing Spectrum Sale and Lease Back Transaction (with $3,500,000,000 of notes in respect of such Sale and Lease Back Transaction issued as of the Effective Date), as the terms of such transaction are in effect on the Effective Date or modified, amended or supplemented thereafter to the extent any such modification, amendment or supplement is not adverse to the Lenders.

" SpectrumCo2 " means, collectively, special purpose vehicles that would be formed as part of and for the purpose of consummating a future Sale and Leaseback Transaction of Spectrum permitted hereunder in a transaction similar to the existing SpectrumCo1 Sale and Leaseback Transaction (or, to the extent not similar to the existing SpectrumCo1 Sale and Leaseback, such difference shall not be adverse to the Lenders). For the avoidance of doubt, SpectrumCo2 or other future Sale and Leaseback Transactions of Spectrum with the Borrower or its Restricted Subsidiaries, in each case permitted under this Agreement, may be implemented pursuant to the documentation governing SpectrumCo1.

" Standard Securitization Undertakings " means representations, warranties, covenants and indemnities entered into by the Borrower or any of its Subsidiaries in connection with any Permitted Securitization that are customary in comparable non-recourse securitization transactions.

" Statutory Reserve Rate " means for the Interest Period for any Eurodollar Borrowing, a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

" Subordination Agreement " means the Subordination Agreement, dated as of the date hereof, among the Borrower and each of its Restricted Subsidiaries from time to time substantially in the form of Exhibit C.

" Subordination Terms " has the meaning assigned to such term in the Subordination Agreement.

“ Subsidiary ” means, with respect to any Person (the “ parent ”) at any date, any corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. It is understood that unless otherwise noted herein, each reference to “Subsidiary” shall be a reference to a Subsidiary of the Borrower.

“ Subsidiary Guarantor ” means each Person identified under the caption “SUBSIDIARY GUARANTORS” on the signature pages hereto and each Person that becomes a “Subsidiary Guarantor” after the Effective Date pursuant to Section 5.09 but excluding any Person that is released from its guarantee obligations pursuant to Section 9.02 or Section 9.16 from the date of such release.

“ Supplemental Perfection Certificate ” means a certificate substantially in the form of Exhibit F or any other form approved by the Administrative Agent.

“ Swap ” means any agreement, contract, or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“ Swap Obligation ” means, with respect to any Guarantor, any obligation to pay or per-form under any Swap.

“ Taxes ” means any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“ Term Loan ” means an Initial Term Loan and, if applicable, any Incremental Term Loans made pursuant to Section 2.08(d).

“ Total Indebtedness ” means, as of any day, without duplication, the aggregate principal face amount of Indebtedness of the Measurement Entities (excluding the face amount of letters of credit so long as (a) the only obligors thereunder are SpectrumCo1, SpectrumCo2 and/or any other special purposes entities that purchase Spectrum from the Borrower or its Restricted Subsidiaries in a Sale and Lease Transaction in respect of Spectrum and (b) such letters of credit are issued for the benefit of the debtholders of Indebtedness issued by such entities (“ Excluded Letters of Credit ”)), determined on a consolidated basis without duplication in accordance with GAAP.

“ Total Indebtedness Ratio ” means, as of the last day of any fiscal quarter, the ratio of (a) Total Indebtedness to (b) EBITDA for the period of four quarters ending on such day; provided that in any event the Total Indebtedness Ratio (i) shall exclude Existing Accounts Receivables Facilities (including similar replacement or successor facilities in respect thereof) in an aggregate amount up to $3,100,000,000 in the event they are accounted for as liabilities on the GAAP balance sheet of the Measurement Entities as of an applicable quarter end (other than as a result of additional Guarantees or other credit support provided in respect thereof) and (ii) shall include Indebtedness that is accounted for as liabilities on the GAAP balance sheet of the Measurement Entities as of the Effective Date (including refinancings or replacements thereof) even if subsequently no longer reported as a liability on the GAAP balance sheet of the Measurement Entities (the provisions in clauses (i) and (ii), the “ Exclusion Rules ”).

“ Total Interest Coverage Ratio ” means, as of the last day of any fiscal quarter, the ratio of (a) EBITDA for the period of four quarters ending on such day to (b) Total Interest Expense for such four-quarter period. The Total Interest Coverage Ratio shall exclude or include Total Interest Expense related to the Indebtedness described in the Exclusion Rules as set forth therein. Furthermore, the calculation of Total Interest Coverage Ratio shall exclude Excluded Letters of Credit.

" Total Interest Expense " means, for any period, (a) interest expense of the Measurement Entities with respect to all outstanding Indebtedness of the Measurement Entities, minus (b) interest income received by the Persons specified in clause (a), as determined on a consolidated basis without duplication in accordance with GAAP.

" Total Secured Indebtedness Ratio " means, as of the last day of any fiscal quarter, the ratio of (a) Relevant Obligations to (b) EBITDA for the period of four quarters ending on such day; provided that in any event the Total Secured Indebtedness Ratio shall exclude or include (if otherwise Relevant Obligations), the Indebtedness described in the Exclusion Rules as set forth therein.

" Tower Transaction " means a sale, lease or other disposition or transfer of wireless telecommunications towers and the real property and other assets associated with such towers, and the leasing by the Borrower or any of its Restricted Subsidiaries of space on such towers.

" Transactions " means, with respect to the Loan Parties, the execution, delivery and performance by the each Loan Party of the Loan Documents to which it is a party, and, with respect to the Borrower, the borrowing of Loans and the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

" Type ", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Adjusted Base Rate.

" U.S. dollars " or " $ " refers to lawful money of the United States of America.

" Unrestricted Subsidiary " means (i) as of the Effective Date, the Subsidiaries of the Borrower existing as of the Effective Date and listed on Schedule 1.01 (with any such Subsidiaries that are not securitization Subsidiaries designated as such on Schedule 1.01) and (ii) after the Effective Date, any Subsidiary of the Borrower that is designated by the Borrower as such pursuant to Section 5.10.

" Voting Securities " of any Person means the stock or other ownership or equity interests, of whatever class or classes, the holders of which ordinarily have the power to vote for the election of the members of the board of directors, managers, trustees or other voting members of the governing body of such Person (other than stock or other ownership or equity interests having such power only by reason of the happening of a contingency).

" Withdrawal Liability " means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

" Withholding Agent " means any Obligor and the Administrative Agent.

" Write-Down and Conversion Powers " means, with respect to any EEA Resolution Authority, the write down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

SECTION 1.02 Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a "Revolving Credit Loan"), by Type (e.g., a "Eurodollar Loan") or by Class and Type (e.g., a "Eurodollar Revolving Credit Loan"). Borrowings also may be classified and referred to by Class (e.g., a "Term Loan Borrowing"), by Type (e.g., a "Eurodollar Borrowing") or by Class and Type (e.g., a "Term Loan Eurodollar Borrowing").

SECTION 1.03 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns permitted hereunder, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04 Accounting Terms: GAAP; Pro Forma Calculations. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159, The Fair Value Option for Financial Assets and Financial Liabilities) (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at "fair value", as defined therein. Notwithstanding any other provision of this Agreement or the other Loan Documents to the contrary, the determination of whether a lease constitutes a capital lease or an operating lease, and whether obligations arising under a lease are required to be capitalized on the balance sheet of the lessee thereunder and/or recognized as interest expense, shall be determined by reference to GAAP as in effect on the Effective Date.

For purposes of determining compliance on a historical basis with any financial ratio, test or covenant contained in this Agreement with respect to any four quarter period during which any Material Acquisition or Material Disposition occurs or during which any designation of any Restricted Subsidiary as an Unrestricted Subsidiary and any Unrestricted Subsidiary as a Restricted Subsidiary in accordance with the definition of "Unrestricted Subsidiary" occurs (a "Subsidiary Designation"), EBITDA, Consolidated Net Tangible Assets, the Total Indebtedness Ratio and the Total Secured

Indebtedness Ratio shall be calculated with respect to such period on a pro forma basis, giving effect to such Material Acquisition, Material Disposition or Subsidiary Designation.

It is agreed that with respect to compliance with any test or covenant hereunder required by the terms of this Agreement to be made on a pro forma basis (or with respect to determining pro forma compliance), that all Specified Transactions and the following transactions in connection therewith shall be deemed to have occurred as of (or commencing with) the first day of the applicable period of measurement in such test or covenant: (i) income statement items (whether positive or negative) attributable to the property or Person subject to such Specified Transaction (A) in the case of a Material Disposition or the designation of a Restricted Subsidiary as an Unrestricted Subsidiary, shall be excluded, and (B) in the case of a Permitted Acquisition or Investment described in the definition of "Specified Transaction" or designation of an Unrestricted Subsidiary as a Restricted Subsidiary, shall be included, (ii) any prepayment, repayment, retirement, redemption or satisfaction of Indebtedness shall be assumed to have occurred on the first day of the applicable test period, (iii) any Indebtedness incurred or assumed by the Borrower or any of the Restricted Subsidiaries in connection therewith shall be assumed to have been incurred or assumed on the first day of the applicable test period and (iv) if any such Indebtedness has a floating or formula rate, such Indebtedness shall be deemed to have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate that is or would be in effect with respect to such Indebtedness as at the relevant date of determination.

If pro forma compliance or compliance on a pro forma basis is required to be calculated with respect to financial statements delivered pursuant to Section 5.01(a) or (b) prior to the first such delivery requirement thereof, such financial statements shall instead be the financial statements for the Borrower's fiscal quarter ended September 30, 2016.

SECTION 1.05 Appointment of the Borrower as Obligor Representative. For purposes of this Agreement and the other Loan Documents, each Obligor (i) authorizes the Borrower to make such requests, give such notices or furnish such certificates to the Administrative Agent or any Lender as may be required or permitted by this Agreement and any other Loan Document for the benefit of such Obligor and (ii) authorizes the Administrative Agent and each Lender to treat such requests, notices, certificates or consents given or made by the Borrower to have been made, given or furnished by the applicable Obligor for purposes of this Agreement and any other Loan Document. The Administrative Agent and each Lender shall be entitled to rely on each such request, notice, certificate or consent made, given or furnished by the Obligor Representative pursuant to the provisions of this Agreement or any other Loan Document as being made or furnished on behalf of, and with the effect of irrevocably binding, such Obligor. Each warranty, covenant, agreement and undertaking made on its behalf by the Obligor Representative shall be deemed for all purposes to have been made by each Obligor and shall be binding upon and enforceable against each Obligor to the same extent as if the same had been made directly by each Obligor.

ARTICLE II
THE CREDITS

SECTION 2.01 Commitments.

(a) Revolving Credit Loans. Subject to the terms and conditions set forth herein, each Revolving Credit Lender agrees to make Revolving Credit Loans denominated in U.S. dollars to the Borrower from time to time during the Revolving Credit Availability Period in an aggregate principal amount that will not result in (i) such Lender's Revolving Credit Exposure exceeding such Lender's Revolving Credit Commitment or (ii) the sum of the total Revolving Credit Exposures exceeding the total

Revolving Credit Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Credit Loans. Notwithstanding any other provision of this Agreement, more than one Borrowing may be made on the same day.

(b) Term Loans. (i) Subject to the terms and conditions set forth herein, each Initial Term Lender on the Effective Date agreed to make Initial Term Loans to the Borrower denominated in U.S. dollars on the Effective Date in an aggregate principal amount not to exceed such Lender's Initial Term Effective Date Commitment on the Effective Date.

(ii) Subject to the terms and conditions set forth herein, each 2018 Incremental Lender on the 2018 Incremental Amendment Effective Date ~~agrees~~ agreed to make 2018 Incremental Term Loans to the Borrower denominated in U.S. dollars on the 2018 Incremental Amendment Effective Date in an aggregate principal amount not to exceed such Lender's 2018 Incremental Term Loan Commitment on the 2018 Incremental Amendment Effective Date.

(iii) Subject to the terms and conditions set forth herein, each 2019 Incremental Lender on the 2019 Incremental Amendment Effective Date agrees to make 2019 Incremental Term Loans to the Borrower denominated in U.S. dollars on the 2019 Incremental Amendment Effective Date in an aggregate principal amount not to exceed such Lender's 2019 Incremental Term Loan Commitment on the 2019 Incremental Amendment Effective Date.

Amounts repaid or prepaid in respect of Term Loans may not be reborrowed.

SECTION 2.02 Loan and Borrowings.

(a) Obligation of Lenders. Each Loan of a particular Class shall be made as part of a Borrowing consisting of Loans of such Class made by the Lenders ratably in accordance with their respective Commitments of such Class. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Type of Loans. Subject to Section 2.13, each Borrowing shall be comprised entirely of Base Rate Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) Minimum Amounts. At the commencement of each Interest Period for a Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $10,000,000. At the time that each Base Rate Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of $500,000 and not less than $5,000,000; provided that (i) a Base Rate Borrowing of Loans of any Class may be in an aggregate amount that is equal to the entire unused balance of the total Commitments of such Class and (ii) a Revolving Credit Base Rate Borrowing may be in an amount that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.04(e). Borrowings of more than one Type and Class may be outstanding at the same time.

SECTION 2.03 Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar

Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing (except that in the case of a Eurodollar Borrowing on the Effective Date, such notice shall be given not later than 1:00 p.m., New York City time, two Business days before the date of the proposed Borrowing) or (b) in the case of a Base Rate Borrowing, not later than 11:00 a.m., New York City time, on the Business Day prior to the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of such Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be a Base Rate Borrowing or a Eurodollar Borrowing;

(iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(v) the location and number of the account to which funds are to be disbursed, which shall comply with the requirements of Section 2.06.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be a Base Rate Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section 2.03, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

Anything herein to the contrary notwithstanding, the initial Borrowing hereunder shall be a Base Rate Borrowing, except to the extent that this Agreement shall have been duly executed and delivered by each of the parties hereto at least three Business Days prior to the Effective Date and the Borrower has given timely notice of a Eurodollar Borrowing after such execution and delivery (or, alternatively, the Borrower shall have executed and delivered to the Administrative Agent a pre-funding letter in form and substance satisfactory to the Administrative Agent pursuant to which the Borrower has agreed to reimburse the Lenders for any costs of the type described in Section 2.15 in the event that, for any reason, the Effective Date and initial Loans do not occur on the date specified in such pre-funding letter).

SECTION 2.04 Letters of Credit .

(a) General . Subject to the terms and conditions set forth herein, in addition to the Revolving Credit Loans provided for in Section 2.01, the Borrower may request the issuance of Letters of Credit for the Borrower's or any Restricted Subsidiary's account by any Issuing Bank (or, if agreed to by the respective Issuing Banks, by more than one Issuing Bank under a Letter of Credit providing for several liability of the Issuing Banks issuing such Letter of Credit), in a form reasonably acceptable to the relevant Issuing Bank(s), at any time and from time to time during the Revolving Credit Availability Period. Letters of Credit issued hereunder shall constitute utilization of the Revolving Credit Commitments. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the

Obligor Representative on behalf of the Borrower or Subsidiary to, or entered into by the Borrower or any Subsidiary with, one or more Issuing Banks relating to any Letters of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal. Extension; Certain Conditions . To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the respective Issuing Bank(s)) to one or more Issuing Bank(s) selected by it and to the Administrative Agent (at least 2 Business Days (or such shorter period of time as such Issuing Bank may agree in its discretion) in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, the date of issuance, amendment, renewal or extension, the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section 2.04), the amount of such Letter of Credit, the identity of the Borrower or Restricted Subsidiary for whose account such Letter of Credit is to be issued, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the respective Issuing Bank(s), the Borrower also shall submit a letter of credit application on the standard form of such Issuing Bank(s) in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the aggregate LC Exposure of all of the Issuing Banks (determined for these purposes without giving effect to the participations therein of the Revolving Credit Lenders pursuant to paragraph (d) of this Section 2.04) shall not exceed at any time the sum of (A) $500,000,000, plus (B) the amount of any increases in “Maximum LC Exposure” pursuant to a designation or increase as provided in the second and third succeeding sentences below, (ii) the sum of the total Revolving Credit Exposure shall not exceed the total Revolving Credit Commitments and (iii) the aggregate LC Exposure of each Issuing Bank (so determined) shall not exceed the amount that such Issuing Bank has agreed shall be its “Maximum LC Exposure” (except as otherwise agreed by such Issuing Bank in its sole discretion); provided that (x) Goldman Sachs Bank USA shall not be required to issue any commercial Letters of Credit and (y) no Issuing Bank shall be required to issue, amend, renew or extend any Letter of Credit to the extent that such issuance, amendment, renewal or extension would violate any policy of such Issuing Bank in respect thereof, and for the avoidance of doubt, the DB Letter of Credit shall be permitted to be outstanding hereunder notwithstanding this clause (iii). Any Issuing Bank listed in the table below hereby agrees that its “Maximum LC Exposure” shall be the amount set forth opposite the name of such Issuing Bank in such table:

Issuing Bank	Maximum LC Exposure
JPMorgan Chase Bank, N.A.	$125,000,000
Citibank, N.A.	$125,000,000
Mizuho Bank, Ltd.	$125,000,000
Goldman Sachs Bank USA	$125,000,000

The “Maximum LC Exposure” of any Issuing Bank that becomes such after the date hereof pursuant to a designation by the Borrower as contemplated in the definition of “Issuing Banks” shall be the amount specified in the written instrument contemplated by said definition. The “Maximum LC Exposure” of any Issuing Bank may be increased at any time pursuant to a written instrument executed and delivered between the Borrower, such Issuing Bank and the Administrative Agent. In no event shall any Revolving Credit Lender be obligated to increase its Maximum LC Exposure upon an increase of Revolving Credit Commitments pursuant to Section 2.08(d). For the avoidance of doubt, concurrently with any reduction of the Revolving Credit Commitments pursuant to Section 2.10, the "Maximum LC Exposure" of each Issuing Bank shall not exceed such Issuing Bank's Revolving Credit Commitment.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the date that is five Business Days prior to the Revolving Credit Termination Date, provided that in the case of any Letter of Credit having a term of longer than 12 months, the respective Issuing Bank(s) may request that such Letter of Credit include customary early termination rights (which shall in any event permit the respective beneficiary thereof to draw the full amount of such Letter of Credit upon receipt of notice of termination from such Issuing Bank(s)).

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) by any Issuing Bank(s), and without any further action on the part of such Issuing Bank(s) or the Lenders, such Issuing Bank(s) hereby grant(s) to each Revolving Credit Lender, and each Revolving Credit Lender hereby acquires from such Issuing Bank(s), a participation in such Letter of Credit equal to such Revolving Credit Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Credit Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of such Issuing Bank(s), such Revolving Credit Lender's Applicable Percentage of each LC Disbursement made by such Issuing Bank(s) and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section 2.04, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Revolving Credit Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If an Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such Issuing Bank in respect of such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement (together with interest on the amount of such LC Disbursement for the period from the date of such LC Disbursement to but excluding the date of such reimbursement at a rate per annum equal to the Adjusted Base Rate plus the Applicable Rate) not later than 12:00 noon, New York City time, (i) for any Letter of Credit with a face amount of $20,000,000 or more, on the Business Day that the Borrower receives notice of such LC Disbursement if such notice is received prior to 10:00 a.m., New York City time, or the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time or (ii) for any other Letter of Credit, on the second Business Day immediately following the day that the Borrower receives notice of such LC Disbursement, provided that, if such LC Disbursement is not less than $1,000,000, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be financed with a Revolving Credit Base Rate Borrowing in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting Revolving Credit Base Rate Borrowing.

If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Revolving Credit Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Revolving Credit Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Revolving Credit Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.06 with respect to Revolving Credit Loans made by such Lender (and Section 2.06 shall apply, *mutatis mutandis*, to the payment obligations of the Revolving Credit Lenders), and the Administrative Agent shall promptly pay to the respective Issuing Bank the amounts so received by it from the Revolving Credit Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the respective Issuing Bank or, to the extent that the Revolving Credit Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear. Any payment made by a Revolving Credit Lender pursuant to this paragraph to reimburse the Issuing Bank for any LC Disbursement shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement. Notwithstanding anything to the contrary in this paragraph, if the Borrower fails to make a payment in respect of an LC Disbursement when due, or if the Borrower so instructs the Administrative Agent, the Administrative Agent shall apply the funds provided as cash collateral pursuant to Section 2.04(i) or Section 2.19(c) to reimburse the Issuing Banks and Revolving Credit Lenders hereunder, as applicable.

(f) Obligations Absolute . The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section 2.04 shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the respective Issuing Bank(s) under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit and (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.04, constitute a legal or equitable discharge of the Borrower's obligations hereunder.

Neither the Administrative Agent, the Lenders nor any Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit by such Issuing Bank or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the respective Issuing Bank; provided that the foregoing shall not be construed to excuse an Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by such Issuing Bank's gross negligence or willful misconduct when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that:

(i) each Issuing Bank may accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit without responsibility for further investigation, regardless of any notice or information to the contrary, and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit; and

(ii) each Issuing Bank shall have the right, in its sole discretion, to decline to accept such documents and decline to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures . The Issuing Bank(s) for any Letter of Credit shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under such Letter of Credit. Such Issuing Bank(s) shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by telecopy) of such demand for payment and whether such Issuing Bank(s) have made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such Issuing Bank(s) and the Revolving Credit Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If the Issuing Bank(s) for any Letter of Credit shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to Revolving Credit Base Rate Loans; provided that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section 2.04, then Section 2.12(d) shall apply. Interest accrued pursuant to this paragraph shall be for the account of such Issuing Bank(s), except that interest accrued on and after the date of payment by any Revolving Credit Lender pursuant to paragraph (e) of this Section 2.04 to reimburse such Issuing Bank(s) shall be for the account of such Lender to the extent of such payment.

(i) Cash Collateralization. If:

(i) an Event of Default shall occur and be continuing and the Borrower receives notice from the Administrative Agent or the Required Lenders for the Lenders having Revolving Credit Exposures demanding the deposit of cash collateral pursuant to this paragraph, or

(ii) the Borrower shall be required to provide cover for LC Exposure pursuant to Section 2.10(b),

then, in each case, the Borrower shall immediately deposit into a cash collateral account in the name and under the control of the Administrative Agent an amount in cash equal to, in the case of an Event of Default, the LC Exposure as of such date plus any accrued and unpaid interest thereon and, in the case of cover pursuant to Section 2.10(b), the amount required under Section 2.10(b); provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (h) or (i) of Article VII. Such deposit shall be held by the Administrative Agent as collateral for the LC Exposure under this Agreement.

For purposes of this Agreement, providing "cash collateral" or to "cash collateralize" the Letters of Credit means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Issuing Banks and the Revolving Credit Lenders, as collateral for the LC Exposure, cash or deposit account balances in the currency in which the Letters of Credit are denominated and in an amount equal to the amount required to be cash collateralized pursuant to this Section 2.04(i) and pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent and the Borrower. The Borrower hereby grants to the Administrative Agent, for the benefit of each Issuing Bank and the Revolving Credit Lenders, a security interest in all such cash, deposit accounts and all balances therein and all proceeds of the foregoing. All cash collateral shall be maintained in blocked, interest bearing deposit account with the Administrative Agent.

(j) Existing Letters of Credit. Pursuant to Section 2.04 of the Existing Credit Agreement, the Issuing Banks have issued various "Letters of Credit" under and as defined in the Existing Credit Agreement. On the Effective Date, subject to the satisfaction of the conditions precedent set forth in Article IV, each of such “Letters of Credit” under the Existing Credit Agreement (including the DB Letter of Credit) shall automatically, and without any action on the part of any Person, become a Letter of Credit hereunder (the Borrower hereby assuming the obligations of the “Borrower” under the Existing Credit Agreement in respect of such “Letters of Credit”), and each of the “Issuing Banks” under the Existing Credit Agreement that is an Issuing Bank hereunder hereby unconditionally releases each “Revolving Credit Lender” under the Existing Credit Agreement from any liability under such “Revolving Credit Lender’s” participation under the Existing Credit Agreement in respect of such Letter of Credit. It is agreed that as of the Effective Date, JPMorgan Chase Bank, N.A., Citibank, N.A. and Mizuho Bank, Ltd., each as an Issuing Bank, shall be deemed to be an Issuing Bank on a several and not joint basis with respect to 20%, 40% and 40% respectively, of Letter of Credit No. P-622662 previously issued under the Existing Credit Agreement and outstanding hereunder on the Effective Date pursuant to this clause (j) (and any issuing banks under the Existing Credit Agreement (other than, as applicable, JPMorgan Chase Bank, N.A., Citibank, N.A. and Mizuho Bank, Ltd.), shall cease to be issuing banks with respect to such letter of credit on the Effective Date).

(k) Issuing Bank Agreements; Quarterly Reports to Lenders . Unless otherwise requested by the Administrative Agent, each Issuing Bank shall report in writing to the Administrative Agent (i) on the first Business Day of each week, the daily activity (set forth by day) in respect of Letters of Credit during the immediately preceding week, including all issuances, extensions, amendments and renewals, all expirations and cancellations and all disbursements and reimbursements, (ii) on or prior to each Business Day on which such Issuing Bank expects to issue, amend, renew or extend any Letter of Credit, the date of such issuance, amendment, renewal or extension, and the aggregate face amount of the Letters of Credit to be issued, amended, renewed or extended by it and outstanding after giving effect to such issuance, amendment, renewal or extension (and whether the amount thereof changed), it being understood that such Issuing Bank shall not permit any issuance, renewal, extension or amendment resulting in an increase in the amount of any Letter of Credit to occur without first obtaining written confirmation from the Administrative Agent that it is then permitted under this Agreement, (iii) on each Business Day on which such Issuing Bank makes any LC Disbursement, the date of such LC Disbursement and the amount of such LC Disbursement, (iv) on any Business Day on which the Borrower fails to reimburse an LC Disbursement required to be reimbursed to such Issuing Bank on such day, the date of such failure, and the amount of such LC Disbursement and (v) on any other Business Day, such other information as the Administrative Agent shall reasonably request.

Promptly following the end of each fiscal quarter, the Administrative Agent shall furnish to the Lenders information regarding all outstanding Letters of Credit as of the end of such fiscal quarter.

SECTION 2.05 [Reserved] .

SECTION 2.06 Funding of Borrowings .

(a) Funding by Lenders . Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in New York City and designated by the Borrower in the applicable Borrowing Request; provided that Revolving Credit Base Rate Loans made to finance the reimbursement of an LC Disbursement under any Letter of Credit as provided in Section 2.04(e) shall be remitted by the Administrative Agent to the respective Issuing Bank for such Letter of Credit.

(b) Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section 2.06 and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at the Federal Funds Effective Rate. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.07 Interest Elections for Borrowings.

(a) Elections by Borrower. Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section 2.07. The Borrower may elect different options for continuations and conversions with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) Notice of Elections. To make an election pursuant to this Section 2.07, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower was requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower.

(c) Information in Election Notices. Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.03:

(i) the Borrowing to which such Interest Election Request applies and, if different options for continuations or conversions are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be a Base Rate Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Notice by Administrative Agent to Lenders. Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) Presumption if No Notice. If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a Base Rate Borrowing. Notwithstanding any contrary provision hereof, if the Borrower shall default in the payment of any principal of or interest on any Loan, or any reimbursement obligation in respect of any LC Disbursement, and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as such default is continuing (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to a Base Rate Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.08 Termination. Reduction and Incremental Facilities.

(a) Termination of Commitments. Unless previously terminated, the Revolving Credit Commitments shall terminate at the close of business on the Revolving Credit Termination Date. The Initial Term Effective Date Commitments terminated immediately after the making of the Initial Term Loans on the Effective Date. ~~Unless previously terminated, the~~ The 2018 Incremental Term Loan Commitments ~~shall terminate~~ terminated immediately after the making of the 2018 Incremental Term Loans on the 2018 Incremental Amendment Effective Date. Unless previously terminated, the 2019 Incremental Term Loan Commitments shall terminate immediately after the making of the 2019 Incremental Term Loans on the 2019 Incremental Amendment Effective Date.

(b) Voluntary Termination or Reduction. The Borrower may at any time terminate, or from time to time reduce, the Revolving Credit Commitments or Initial Term Commitments; provided that (i) each reduction of the Revolving Credit Commitments or Initial Term Commitments shall be in an amount that is an integral multiple of $1,000,000 and not less than $5,000,000 and (ii) the Borrower shall not terminate or reduce the Revolving Credit Commitments if, after giving effect to any concurrent prepayment of Loans in accordance with Section 2.10, the sum of the Revolving Credit Exposures would exceed the total Revolving Credit Commitments.

(c) Notice of Termination or Reduction. The Borrower shall notify the Administrative Agent of any election to terminate or reduce Commitments under paragraph (b) of this Section 2.08 at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section 2.08 shall be irrevocable; provided that a notice of termination of Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or the occurrence of other events specified in such notice, in which case such notice may be revoked or extended by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of Commitments shall be permanent. Each reduction of Commitments of any Class shall be made ratably among the Lenders in accordance with their respective Commitments of such Class. In connection with any such termination and repayment in full of the facilities outstanding under this Agreement, if requested by the Borrower, the Administrative Agent shall enter into a payoff letter with the Borrower, which shall include customary per-diem provisions for extended termination events, in form and substance reasonably satisfactory to the Administrative Agent (and the Lenders hereby authorize the Administrative Agent to so enter into such letter).

(d) Increase of Revolving Credit Commitments; Addition of Incremental Term Loans .

(i) Requests for Incremental Facilities . The Borrower may, at any time, request that the existing Lenders or other lending entities (provided that in the case of other lending entities, such lending entity shall meet the eligibility requirements for an assignment to such lending entity under Section 9.04(b) as if it were taking an assignment of applicable Commitments or Loans) provide an increase to the Revolving Credit Commitments hereunder (which may include increases to the Maximum L/C Exposure of any Lender, if agreed by such Lender) (any such increase, an " Incremental Revolving Facility ") and/or add one or more term loan facilities hereunder (each, an " Incremental Term Facility "; any term loans thereunder, " Incremental Term Loans "; the Incremental Term Facilities, together with any Incremental Revolving Facility, the " Incremental Facilities "), (x) by having an existing Lender (each an " Increasing Lender ") agree to increase its then existing Revolving Credit Commitment or to provide Incremental Term Loans and/or (y) by adding as a new Lender hereunder (each an " Assuming Lender ") any Person which shall agree to provide a Revolving Credit Commitment or Incremental Term Loans hereunder, in each case with the consent of the Administrative Agent and, in the case of any Incremental Revolving Facility, each Issuing Bank. For avoidance of doubt, no existing Lender shall be required to agree to provide or participate in any Incremental Facility. Any request for an Incremental Facility shall be made by notice to the Administrative Agent given by the Borrower specifying the amount and type of the relevant Incremental Facility, the existing or new Lender or Lenders providing such Incremental Facility and the date on which such increase is to be effective (the " Incremental Date "), which shall be a Business Day at least three Business Days after delivery of such notice (or such shorter period of time as the Administrative Agent may agree); provided that:

(A) the minimum amount of Incremental Term Loans or the increase in Revolving Credit Commitments on any Incremental Date shall be $50,000,000 (and integral multiples of $25,000,000 in excess thereof);

(B) immediately after giving effect to any Incremental Facility, the (i) Applicable Debt Cap Test is satisfied and (ii) the aggregate principal balance of any Incremental Term Loans (other than the 2018 Incremental Term Loans) established under this Agreement does not exceed $2,000,000,000 (less the amount of 2018 Incremental Term Loans established on the 2018 Incremental Amendment Effective Date, such amount not to be less than $0);

(C) no Event of Default shall have occurred and be continuing on such Incremental Date or shall result from the proposed Incremental Facility;

(D) the representations and warranties contained in this Agreement shall be true and correct on and as of the Incremental Date as if made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date);

(E) the Borrower shall be in pro forma compliance with the Financial Covenants on and as of the Incremental Date (assuming, for calculating the Total

Indebtedness Ratio for this purpose, that any Incremental Revolving Facilities are fully drawn);

(F) (i) in the case of any Incremental Term Facility, the maturity date and weighted average life to maturity thereof shall be no earlier than or shorter than, respectively, the maturity date and weighted average life to maturity, respectively, of the Initial Term Loans and (ii) any Incremental Revolving Facility shall be on terms and pursuant to documentation applicable to the existing Revolving Credit Commitments (including the maturity date in respect thereof);

(G) Each Incremental Facility shall have the same collateral and guarantees from the same Loan Parties as the Revolving Credit Commitments and Term Loans hereunder and shall otherwise be pari passu in right of payment and security with the such facilities;

(H) the interest rates and amortization schedule (subject to clause (F)(i) above) applicable to any Incremental Term Facility shall be determined by the Borrower and the lenders thereunder; provided that with respect to any Incremental Term Facility incurred on or prior to the 12 month anniversary of the Effective Date, the all-in yield (whether in the form of interest rate margins, original issue discount, upfront fees or LIBO Rate or Base Rate floors (but excluding the effect of any arrangement, structuring, syndication or other fees payable in connection therewith that are not shared with all lenders or holders of such new indebtedness)) applicable to any Incremental Term Facility (determined, including with respect to the LIBO Rate or Base Rate, at the time such Incremental Term Facility is incurred) will not be more than 50 basis points higher than the corresponding all-in yield (calculated as set forth above) for the Initial Term Loans (determined, including with respect to the LIBO Rate or Base Rate, at the time the Incremental Term Facility is incurred), unless the interest rate margins with respect to the Initial Term Loans are increased by an amount equal to the difference between the all-in yield with respect to the Incremental Term Facility and the corresponding all-in yield on the Initial Term Loans minus 50 basis points (this clause (H), the " MFN Condition ");

(I) any Incremental Term Facility shall be on terms and pursuant to documentation to be determined, provided that (a) except to the extent permitted by clause (F)(i) or (H) above, to the extent such terms are not consistent with the terms in respect of the Initial Term Loans, they shall be no more restrictive, when taken as a whole, than those in respect of the Initial Term Loans (except for covenants or other provisions applicable only to periods after the latest final maturity date of the Initial Term Loans) and (b) to the extent such documentation is not consistent with the documentation in respect of the Initial Term Loans, it shall be reasonably satisfactory to the Administrative Agent

(ii) Effectiveness of Incremental Facilities . Each Assuming Lender, if any, shall become a Lender hereunder as of the Incremental Date; the Revolving Credit Commitment of each Increasing Lender and Assuming Lender shall be increased or effective, if and as applicable, on the Incremental Date; and each Increasing Lender and Assuming Lender shall be obligated to make Incremental Term Loans, if applicable, on the Incremental Date; in each case, provided that:

(x) the Administrative Agent shall have received on such Incremental Date a certificate of a Financial Officer of the Borrower stating that each of the applicable conditions to such Incremental Facilities set forth in this Section 2.08(d) has been satisfied; and

(y) with respect to each Assuming Lender and each Increasing Lender, the Administrative Agent shall have received, on such Incremental Date, an executed Incremental Agreement.

(iii) Recordation into Register . Upon its receipt of an agreement referred to in clause (ii)(y) above executed by an Assuming Lender or Increasing Lender, as applicable, together with the certificate referred to in clause (ii)(x) above, the Administrative Agent shall, if such agreement has been completed, (x) accept such agreement, (y) record the information contained therein in the Register and (z) give prompt notice thereof to the Borrower.

(iv) Adjustments of Borrowings upon Effectiveness of Incremental Facilities . If any Revolving Credit Loans shall be outstanding, the Borrower will borrow from each of the Increasing Lenders and Assuming Lenders providing the applicable Incremental Revolving Facility, and such Increasing Lenders and Assuming Lenders shall have made Revolving Credit Loans to the Borrower (in the case of Revolving Credit Eurodollar Loans, with Interest Period(s) ending on the date(s) of any then outstanding Interest Period(s)), and (notwithstanding the provisions in this Agreement requiring that borrowings and prepayments be made ratably in accordance with the principal amounts of the Loans of any Class held by the Lenders) the Borrower shall prepay the Revolving Credit Loans held by the other Revolving Credit Lenders (other than the Increasing Lenders and Assuming Lenders) in such amounts as may be necessary, together with any amounts payable under Section 2.15 as a result of such prepayment, so that after giving effect to such Revolving Credit Loans and prepayments, the Revolving Credit Loans (and Interest Period(s) of Revolving Credit Eurodollar Loan(s)) shall be held by the Revolving Credit Lenders pro rata in accordance with the respective amounts of their Revolving Credit Commitments (as modified hereby).

(v) Notwithstanding anything to the contrary in this Agreement (including Section 9.02), the Administrative Agent and the Borrower (without the consent of any other party hereto) may make amendments to this Agreement and the other Loan Documents as the Administrative Agent in its reasonable discretion determines are necessary or advisable to effect the provisions of this Section 2.08 and in any event may make changes to the terms of any existing Term Loans that are favorable (as determined by the Administrative Agent in its reasonable discretion) to the holders thereof in order to ensure any Incremental Term Facility is "fungible" with an applicable existing Class of Term Loans.

SECTION 2.09 Repayment of Loans: Evidence of Debt .

(a) Revolving Credit Loans . The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Revolving Credit Lender the then unpaid principal amount of such Lender's Revolving Credit Loans in full on the Revolving Credit Termination Date.

(b) Initial Term Loans . (i) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Original Initial Term Lender, the Original Initial Term Loans on the last Business Day of each March, June, September and December, beginning on the last Business Day of the first full fiscal quarter to occur after the Effective Date and ending with the last such day to occur prior to the Initial Term Loan Maturity Date, in an aggregate principal amount for each such date equal to 0.25% of the aggregate principal amount of the Original Initial Term Loans outstanding on the Effective Date (as such amount shall be adjusted for prepayments pursuant to the terms of this

Agreement). Additionally, the Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Original Initial Term Lender the principal of such Original Initial Term Lender's Original Initial Term Loans on the Initial Term Loan Maturity Date.

(ii) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each 2018 / 2019 Incremental Lender, the 2018 / 2019 Incremental Term Loans on the last Business Day of each March, June, September and December, beginning on the last Business Day of the first full fiscal quarter to occur after the 2018 Incremental Amendment Effective Date and ending with the last such day to occur prior to the Initial Term Loan Maturity Date, in an aggregate principal amount for each such date equal to 0.25% of the aggregate principal amount of the 2018 / 2019 Incremental Term Loans outstanding on the ~~2018~~ 2019 Incremental Amendment Effective Date (as such amount shall be adjusted for prepayments pursuant to the terms of this Agreement). Additionally, the Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each 2018 / 2019 Incremental Lender the principal of such 2018 / 2019 Incremental Lender's 2018 / 2019 Incremental Term Loans on the Initial Term Loan Maturity Date.

(c) Incremental Term Loans. The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of any Increasing Lender or Assuming Lender providing Incremental Term Loans the principal of the Incremental Term Loans on the applicable maturity date.

(d) Maintenance of Loan Accounts by Lenders. Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan held by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(e) Maintenance of Loan Accounts by Administrative Agent. The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan outstanding hereunder, the Class and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(f) Effect of Loan Accounts. The entries made in the accounts maintained pursuant to paragraph (d) or (e) of this Section 2.09 (and in the Register maintained pursuant to Section 9.04) shall be prima facie evidence of the existence and amounts of the obligations recorded therein, provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(g) Promissory Notes. Any Lender may request that Loans held by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender and its registered assigns and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the payee and its registered assigns.

SECTION 2.10 Prepayment of Loans.

(a) Optional Prepayment. The Borrower shall have the right at any time and from time to time to prepay any Borrowing of any Class (and in the case of Term Loans, the Original Initial Term Loans and/or the 2018 / 2019 Incremental Term Loans, as elected by the Borrower) in whole or in part, subject to prior notice in accordance with paragraph (c) of this Section 2.10, and if applicable, payment of the fee in the immediately following paragraph. Loans may be prepaid by the Borrower in aggregate amounts that are (x) in the case of Eurodollar Loans, an integral multiple of $1,000,000 and not less than $10,000,000 and (y) in the case of Adjusted Base Rate Loans, an integral multiple of $500,000 and not less than $5,000,000. Each voluntary prepayment of Term Loans shall be allocated to the installments thereof as directed by the Borrower.

Any (i) voluntary prepayment of the Initial Term Loans using proceeds of Indebtedness issued by Parent Guarantor or any of its Subsidiaries for which the all-in yield (but excluding the effect of any arrangement, structuring, syndication or other fees payable in connection therewith that are not shared with all lenders or holders of such new Indebtedness) payable thereon on the date of such prepayment is lower than the all-in yield on the date of such prepayment with respect to the Initial Term Loans subject to such prepayment and/or (ii) repricing of the Term Loans pursuant to an amendment to the Loan Documents resulting in the all-in yield payable thereon on the date of such amendment being lower than the all-in yield on the date immediately prior to such amendment with respect to the Initial Term Loans, shall, in each case, be accompanied by a prepayment fee equal to 1.0% of the aggregate principal amount of such prepayment (or, in the case of clause (ii) above, of the aggregate amount of Initial Term Loans affected by such repricing that are outstanding immediately prior to such amendment) if such event occurs on or prior to the six month anniversary of the 2018 Incremental Amendment Effective Date (with any Lender whose Initial Term Loans are required to be repaid or assigned as a result of the exercise of Section 2.18 as a result of not consenting to such amendment also entitled to such premium); provided that such prepayment fee shall not be payable in connection with any transaction that results in a Change of Control.

(b) Mandatory Prepayments. The Borrower shall prepay the Loans hereunder and the Commitments shall be subject to automatic reduction, as follows:

(i) Revolving Credit Loans. The Borrower shall from time to time prior to the Revolving Credit Termination Date prepay the Revolving Credit Loans (and/or provide cover for LC Exposure as specified in Section 2.04(i)) in such amounts as shall be necessary so that at all times the sum of the total Revolving Credit Exposures does not exceed the total Revolving Credit Commitments. Any prepayment pursuant to this paragraph shall be applied, first, to Revolving Credit Loans outstanding, and second, as cover for LC Exposure as specified in Section 2.04(i).

(ii) All Loans, etc. The Borrower shall prepay the Loans hereunder and, in the case of sub-clause (x) below, the Commitments shall be subject to automatic permanent reduction, as follows:

(x) Change in Control. Upon the occurrence of any Change of Control, unless the Required Lenders of the respective Class shall elect otherwise with respect to such Class, the Borrower shall prepay the Loans hereunder in full (and provide cover for LC Exposure as specified in Section 2.04(i)) plus any accrued and unpaid interest and fees thereon and any other amounts outstanding under the Loan Documentation, and the Commitments hereunder of such Class shall be automatically terminated.

(y) Asset Sales. Together with each delivery of financial statements pursuant to Section 5.01(a) or 5.01(b), the Borrower shall deliver to the Administrative Agent a statement (a "Net Cash Proceeds Statement") setting forth in reasonable detail the aggregate amount of Net Cash Proceeds received during the last fiscal quarter covered by such financial statements (the "Current Net Cash Proceeds"). If the aggregate amount of the Current Net Cash Proceeds when taken together with the aggregate amount of Net

Cash Proceeds received after the Effective Date in prior fiscal quarters as to which a prepayment of the Indebtedness hereunder (as set forth in clause (A) below) or other permitted Indebtedness for borrowed money secured by Liens on the Collateral on a pari passu basis with the Liens securing the Obligations pursuant to clause (B) below has not yet been made under this paragraph (other than as a result of proceeds pending reinvestment or repayment of Maturing Indebtedness pursuant to the proviso hereto) shall exceed $500,000,000 in the aggregate (such excess amount, the " Excess Disposition Proceeds ") then, not later than five Business Days after the delivery of the applicable Net Cash Proceeds Statement (or if such Net Cash Proceeds Statement shall not be delivered in conformity with the terms hereof, five Business Days after the date such Net Cash Proceeds Statement was required to be delivered), the Borrower shall apply an amount equal to 100% of such Excess Disposition Proceeds towards the prepayment of (A) the Loans as set forth in sub-clause (bb) of this paragraph (and/or provide cover for LC Exposure as specified in Section 2.04(i)) and (B) other permitted Indebtedness for borrowed money secured by Liens on the Collateral on a pari passu basis with the Liens securing the Obligations (but only to the extent required under the documentation governing such secured Indebtedness), pro rata based on their respective outstanding principal amount of loans thereunder as of the end of the period covered by the applicable financial statements (treating, for such purpose, as outstanding loans, the aggregate outstanding LC Exposure and the unused portion of the Commitments); provided that the Borrower shall not be required to make a prepayment under this sub-clause (y) with respect to any portion of Net Cash Proceeds (or an equivalent amount) that (x) (1) the Borrower states in the applicable Net Cash Proceeds Statement is to be reinvested (or has been reinvested) in any assets used or to be used by the Borrower and its Restricted Subsidiaries in its business, and (2) are or have been or will be in fact so applied to such reinvestment within eighteen months of the related Asset Sale or Recovery Event or (y) (1) the Borrower states in the applicable Net Cash Proceeds Statement is to be used to repay Maturing Indebtedness (or has been used to repay Maturing Indebtedness) and (2) are or have been or will be in fact so applied to such repayment within 18 months of the related Asset Sale or Recovery Event. Notwithstanding the foregoing, if the Total Indebtedness Ratio as of the most recently delivered financial statements pursuant to Section 5.01(a) or 5.01(b), recomputed on a pro forma basis for such Asset Sale or Recovery Event, is less than 2.00 to 1.00, the proceeds of such Asset Sale or Recovery Event will not be subject to or included in the calculation of amounts required to be prepaid pursuant to this sub-clause (y).

(z) Excess Cash Flow . In the event that for any fiscal year of the Borrower (commencing with the fiscal year ending March 31, 2018), there shall be Excess Cash Flow, the Borrower shall, on the relevant Excess Cash Flow Application Date (as defined below), prepay Loans in an aggregate amount equal to (i) the ECF Percentage of such Excess Cash Flow less (ii) the aggregate amount of optional prepayments of (x) Loans made pursuant to Section 2.10(a) during the applicable fiscal year (except prepayments of Revolving Credit Loans that are not accompanied by a corresponding permanent reduction of Revolving Credit Commitments) and (y) without duplication of any amounts deducted from Excess Cash Flow pursuant to clause (b)(iv) of the definition thereof, permitted Indebtedness for borrowed money secured by Liens on the Collateral on a pari passu basis with the Liens securing the Obligations (other than such revolving indebtedness unless accompanied by a corresponding permanent reduction of such commitments), in each case other than to the extent that any such prepayment is funded with the proceeds of Long-Term Indebtedness. The " Excess Cash Flow Application Date " for any such prepayment shall be a date no later than five Business Days after the date on which financial statements of the Borrower referred to in Section 5.01(a) for the fiscal year with respect to which such prepayment is made are delivered to the Administrative Agent (or if such financial statements shall not be delivered in conformity with the terms hereof, five Business Days after the date such financial statements were required to be delivered). Notwithstanding the foregoing, amounts required to prepay Loans under this sub-clause (z) may be shared (and to the extent shared shall reduce the prepayment requirement under this sub-clause (z)) with permitted Indebtedness for borrowed money secured by Liens on the Collateral on a pari passu basis with the Liens securing the Obligations (but only to the extent required under the documentation governing such secured Indebtedness), pro rata based on the respective outstanding principal amounts under this Agreement and of the loans thereunder as of the end of the period covered by the applicable financial statements (treating, for such purpose, as outstanding loans, the aggregate outstanding LC Exposure and the unused portion of the Commitments).

(aa) Indebtedness . Upon the incurrence by the Borrower or any Restricted Subsidiary of any Indebtedness, other than any Indebtedness permitted to be incurred under Section 6.01, the Borrower shall, within one Business Day of such incurrence, repay the Loans with the net cash proceeds thereof.

(bb) Application . All amounts to be applied in connection with prepayments and Commitment reductions hereunder made pursuant to sub-clause (x) of this paragraph shall be applied to (i) the repayment in full of any outstanding Term Loans and termination of any outstanding Commitments in respect of Term Loans and (y) the permanent reduction of the aggregate amount of the Revolving Credit Commitments whether or not any Revolving Credit Loans are outstanding (and to the extent that, after giving effect to such reduction, the sum of the total Revolving Credit Exposures would exceed the total Revolving Credit Commitments, the Borrower shall first, prepay Revolving Credit Loans, and second, provide cover for LC Exposure as specified in Section 2.04(i) in an aggregate amount equal to such excess). All amounts to be applied in connection with prepayments hereunder made pursuant to sub-clauses (y), (z) or (aa) shall be applied first to Term Loans and second to Revolving Credit Loans (without a corresponding reduction in the Revolving Credit Commitments). Unless a particular Class of Term Loans (or, if applicable Revolving Credit Loans) has agreed to accept a lower prepayment amount, prepayments made pursuant to sub-clauses (y), (z) or (aa) shall be allocated ratably among the outstanding Classes of Term Loans (or, if applicable, Classes of Revolving Credit Loans based on the outstanding amounts thereof). Each mandatory prepayment of Term Loans shall be allocated to the installments thereof as directed by the Borrower.

(c) Notification of Prepayments . The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy) of any prepayment under paragraph (a) of this Section 2.10 (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of prepayment or (ii) in the case of prepayment of a Base Rate Borrowing, not later than 11:00 a.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of Commitments as contemplated by Section 2.08, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.08. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders holding Loans of such Class of the contents thereof.

(d) Prepayments Accompanied by Interest. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.12 (plus any amounts owing pursuant to Section 2.10(a) (if any) and Section 2.15).

SECTION 2.11 Fees.

(a) Commitment Fee. The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the a rate per annum equal to the Applicable Rate, on the daily average unused amount of the Revolving Credit Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which such Revolving Credit Commitment terminates. Accrued commitment fees shall be payable in arrears on each Quarterly Date and on the date on which the Revolving Credit Commitments terminate, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) Letter of Credit Fees. The Borrower agrees to pay with respect to Letters of Credit outstanding hereunder the following fees:

(i) to the Administrative Agent for the account of each Revolving Credit Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at a rate per annum equal to the Applicable Rate used in determining interest on Revolving Credit Eurodollar Loans, on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Revolving Credit Commitment terminates and the date on which there shall no longer be any Letters of Credit outstanding hereunder; and

(ii) to each Issuing Bank (x) a fronting fee, which shall accrue at the rate of 0.15% per annum on the average daily amount of the LC Exposure of such Issuing Bank (determined for these purposes without giving effect to the participations therein of the Revolving Credit Lenders pursuant to paragraph (d) of Section 2.04, and excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date of termination of the Revolving Credit Commitments and the date on which there shall no longer be any Letters of Credit of such Issuing Bank outstanding hereunder, and (y) such Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder.

Accrued participation fees and fronting fees shall be payable in arrears on each Quarterly Date and on the date the Revolving Credit Commitments terminate, commencing on the first such date to occur after the date hereof, provided that any such fees accruing after the date on which the Revolving Credit Commitments terminate shall be payable on demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) Agency Fees. The Borrower agrees to pay to the Administrative Agent, for its own respective account, fees payable in the amounts and at the times separately agreed upon in writing upon between the Borrower and the Administrative Agent.

(d) Payment of Fees. All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution to the Lenders entitled thereto.

Fees paid shall not be refundable under any circumstances, absent manifest error in the determination thereof.

SECTION 2.12 Interest.

(a) Base Rate Borrowings. The Loans comprising each Base Rate Borrowing shall bear interest at a rate per annum equal to the Adjusted Base Rate plus the Applicable Rate.

(b) Eurodollar Borrowings. The Loans comprising each Eurodollar Borrowing shall bear interest at a rate per annum equal to the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) [Reserved].

(d) Default Interest. Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Obligors hereunder is not paid when due, whether at stated maturity, upon acceleration, by mandatory prepayment or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2.00% plus the rate otherwise applicable to such Loan as provided above, (ii) in the case of any interest on any Loan, 2.00% plus the rate applicable to the Loan in respect of which such interest is payable and (iii) in the case of any fee or other amount that does not relate to a Loan of a particular type, at a rate per annum equal to 2.00% plus the Adjusted Base Rate.

(e) Payment of Interest. Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan; provided that (i) interest accrued pursuant to paragraph (d) of this Section 2.12 shall be payable on demand, (ii) in the event of any repayment or prepayment of any Eurodollar Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment, (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion and (iv) all accrued interest on Revolving Credit Loans shall be payable upon termination of the Revolving Credit Commitments.

(f) Computation. All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Adjusted Base Rate at times when the Adjusted Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Adjusted Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.13 Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means (including, without limitation, by means of an Interpolated Rate) do not exist for ascertaining the Adjusted LIBO Rate for such Interest Period; or

(b) if such Borrowing is of a particular Class of Loans, the Administrative Agent is advised by the Required Lenders of such Class that the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their respective Loans (or its Loan) of such Class included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective and (ii) if any Borrowing Request requests a Eurodollar Borrowing, such Borrowing shall be made as a Base Rate Borrowing.

SECTION 2.14 Increased Costs .

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or Issuing Bank; or

(ii) impose on any Lender or Issuing Bank or the London interbank market any other condition affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) shall subject any Credit Party to any Taxes (other than (A) Indemnified Taxes indemnifiable under Section 2.16(c) and (B) Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender (or, in the case of (ii) to such Lender or Issuing Bank) of making or maintaining any Eurodollar Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or any Issuing Bank of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or such Issuing Bank hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements . If any Lender or Issuing Bank reasonably determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender’s or such Issuing Bank’s capital or on the capital of such Lender’s or Issuing Bank’s holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender’s or Issuing Bank’s holding company could have achieved but for such Change in Law (taking into consideration such Lender’s or Issuing Bank’s policies and the policies of such Lender’s or Issuing Bank’s holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank, or such Lender’s or Issuing Bank’s holding company, for any such reduction suffered.

(c) Certificates from Lenders. A certificate of a Lender or Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section 2.14 shall be delivered to the Borrower and shall be conclusive so long as it reflects a reasonable basis for the calculation of the amounts set forth therein and does not contain any manifest error. The Borrower shall pay such Lender or Issuing Bank the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or Issuing Bank to demand compensation pursuant to this Section 2.14 shall not constitute a waiver of such Lender's or Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or Issuing Bank pursuant to this Section 2.14 for any increased costs or reductions incurred more than six months prior to the date that such Lender or Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.15 Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice is permitted to be revocable and is revoked in accordance herewith) or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.18, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event.

In the case of a Eurodollar Loan, the loss to any Lender attributable to any such event shall be deemed to include an amount determined by such Lender to be equal to the excess, if any, of (i) the amount of interest that such Lender would pay for a deposit equal to the principal amount of such Loan for the period from the date of such payment, conversion, failure or assignment to the last day of the then current Interest Period for such Loan (or, in the case of a failure to borrow, convert or continue, the duration of the Interest Period that would have resulted from such borrowing, conversion or continuation) if the interest rate payable on such deposit were equal to the Adjusted LIBO Rate for such Interest Period, over (ii) the amount of interest that such Lender would earn on such principal amount for such period if such Lender were to invest such principal amount for such period at the interest rate that would be bid by such Lender (or an affiliate of such Lender) for U.S. dollar deposits from other banks in the eurodollar market at the commencement of such period. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.15 shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.16 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Obligors hereunder or under any other Loan Document shall be made free and clear of, and without deduction for any Indemnified Taxes; provided that if the applicable Withholding Agent shall be required to deduct any Indemnified Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.16) the Administrative Agent, Lender or Issuing Bank (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Obligors shall make such deductions and (iii) the Obligors shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) Other Taxes . In addition, the Obligors shall pay, or at the option of the Administrative Agent reimburse it for the payment of, any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Indemnification by Obligors . The Obligors shall indemnify the Administrative Agent, each Lender and each Issuing Bank, within 30 days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.16) payable or paid by the Administrative Agent, such Lender or Issuing Bank, as the case may be, or required to be withheld or deducted from a payment to the Administrative Agent, such Lender or Issuing Bank, as the case may be (in each case, including any penalties, interest and reasonable expenses, other than penalties, interest and expenses to the extent solely attributable to the gross negligence or willful misconduct of the Administrative Agent, the Issuing Bank, or such Lender, respectively, arising therefrom or with respect thereto during the period prior to the Obligors making the payment demanded under this paragraph (c)), whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Obligor Representative by a Lender or an Issuing Bank (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or an Issuing Bank, shall be conclusive absent manifest error.

(d) Indemnification of the Administrative Agent . Each Lender shall indemnify the Administrative Agent within 10 days after the demand thereof, for (i) the full amount of any Excluded Taxes attributable to such Lender (but only to the extent that any Obligor has not already indemnified the Administrative Agent for such Taxes and without limiting the obligation of the Obligors to do so) and (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(e)(i) relating to the maintenance of a Participant Register, in either case, that are payable or paid by the Administrative Agent, and together with all interest, penalties, reasonable costs and expenses arising therefrom or with respect thereto, whether or not such Excluded Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (d).

(e) Receipt for Payments . As soon as practicable after any payment of Indemnified Taxes by the Obligors to a Governmental Authority, the Obligor Representative shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(f) Forms Requirements .

(i) Each Foreign Lender (or assignee or Participant, as applicable) shall deliver to the Obligor Representative and the Administrative Agent (or, in the case of a Participant, to the Lender from which the related participation shall have been purchased) two copies of either U.S. Internal Revenue Service (“ IRS ”) Form W-8BEN, Form W-8BEN-E , Form W-8ECI, Form W-8EXP, or Form W-8IMY or successor thereto (together with any applicable underlying IRS forms), or, in the case of a Foreign Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of “portfolio interest”, a statement substantially in the form of Exhibit D and the applicable IRS Form W-8, or any subsequent versions of any applicable Form W-8 or successors thereto, properly completed and duly executed by such Foreign Lender claiming complete exemption from, or a reduced rate of, U.S. federal withholding tax on payments under this Agreement and the other Loan Documents. In the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, such Form W-8 shall establish an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, such Form W-8 shall establish an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty. Any such forms (and any other forms or documentation prescribed by law and reasonably requested by the Obligor Representative or the Administrative Agent to determine the amount of Tax (if any) required by law to be withheld) shall be delivered by each Foreign Lender on or before the date it becomes a party to this Agreement (or, in the case of any Participant, on or before the date such Participant purchases the related participation) and from time to time thereafter upon the request of the Obligor Representative or the Administrative Agent and at the time or times prescribed by applicable law. In addition, each Foreign Lender shall deliver such forms promptly upon the expiration, inaccuracy, obsolescence or invalidity of any form previously delivered by such Foreign Lender. Each Foreign Lender shall promptly notify the Obligor Representative and the Administrative Agent at any time it determines that it is no longer in a position to legally provide any previously delivered certificate to the Obligor Representative (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this paragraph, a Foreign Lender shall not be required to deliver any form pursuant to this paragraph that such Foreign Lender is not legally able to deliver.

(ii) Any Lender that is entitled to an exemption from or reduction of non-U.S. withholding tax under the law of the jurisdiction in which the Obligors are located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Obligor Representative (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Obligor Representative, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate; provided that such Lender is legally entitled to complete, execute and deliver such documentation and in such Lender’s judgment such completion, execution or submission would not materially prejudice the legal or commercial position of such Lender.

(iii) FATCA. If a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Obligor Representative and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Obligor Representative or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Obligor Representative or the Administrative Agent as may be necessary for the Obligor Representative and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (f)(iii), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

(iv) Each Lender that is a U.S. Person shall deliver to the Obligor Representative and the Administrative Agent on or before the date it becomes a party to this Agreement (or, in the case of any Participant, on or before the date such Participant purchases the related participation) and from time to time thereafter upon the request of the Obligor Representative or the Administrative Agent and at the time or times prescribed by applicable law, two duly and accurately completed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax.

(v) For purposes of Section 2.16(f), each of the terms "Lender" and "Foreign Lender" shall include any Issuing Bank.

(g) Treatment of Certain Refunds . If the Administrative Agent, a Lender or an Issuing Bank determines, in its reasonable discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by any Obligor or with respect to which any Obligor has paid additional amounts pursuant to this Section, it shall pay to such Obligor an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by such Obligor under this Section 2.16 with respect to the Indemnified or Other Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of the Administrative Agent, such Lender or such Issuing Bank, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that such Obligor, upon the request of the Administrative Agent, such Lender or such Issuing Bank, agree to repay the amount paid over to such Obligor (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent, such Lender or such Issuing Bank in the event the Administrative Agent, such Lender or such Issuing Bank is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require the Administrative Agent, any Lender or any Issuing Bank to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

SECTION 2.17 Payments Generally: Pro Rata Treatment: Sharing of Set-Offs .

(a) Payments by Obligors . The Obligors shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or under Section 2.14, 2.15 or 2.16, or otherwise) or under any other Loan Document prior to 12:00 noon, New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at such of its offices in New York City as shall be notified to the relevant parties from time to time, except payments to be made directly to an Issuing Bank as expressly provided herein and except that payments pursuant to Sections 2.14, 2.15, 2.16 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof, and the Obligors shall have no liability in the event timely or correct distribution of such payments is not so made. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in U.S. dollars.

(b) Application if Payments Insufficient. Subject to the terms of the Collateral Trust Agreement, if at any time insufficient funds are received by and available to the Administrative Agent to pay fully all Obligations then due hereunder, such funds shall be applied in the following order:

(i) First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts owing under Section 2.04) payable to the Administrative Agent in its capacity as such;

(ii) Second, to payment of that portion of the Obligations payable to the Lenders and any Issuing Bank in their capacity as such constituting accrued and unpaid fees with respect to Letters of Credit and interest on the Loans, interest on extensions of credit with respect to Letters of Credit and interest on other Obligations, ratably among the Lenders and any Issuing Bank in proportion to the respective amounts described in this clause Second payable to them;

(iii) Third, to (a) payment of that portion of the Obligations constituting (i) Secured Hedging Obligations and Secured Cash Management Obligations and (ii) unpaid principal of the Loans and extensions of credit with respect to Letters of Credit, and (b) the Administrative Agent for the account of any Issuing Bank, to cash collateralize that portion of LC Exposure comprised of the aggregate undrawn amount of Letters of Credit (in an amount required by Section 2.04), ratably among the Persons owed such amounts in proportion to the respective amounts described in this clause Third held by them;

(iv) Fourth, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (other than principal, interest and fees with respect to Loans and Letters of Credit) payable to the Lenders and any Issuing Bank in their capacity as such (including fees, charges and disbursements of counsel to the respective Lenders and respective Issuing Bank and amounts owing under Section 2.04), ratably among them in proportion to the respective amounts described in this clause Fourth payable to them;

(v) Fifth, to all other Obligations; and

(vi) Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by law.

Amounts used to cash collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as cash collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above. Notwithstanding the foregoing, no amounts received from any Guarantor shall be applied to any Excluded Swap Obligation of such Guarantor.

(c) Pro Rata Treatment. Except to the extent otherwise provided herein, (i) each Borrowing of a particular Class from the Lenders under Section 2.01 hereof shall be made from the relevant Lenders, each payment of commitment fees under Section 2.11 hereof in respect of Commitments of a particular Class shall be made for account of the relevant Lenders, and each termination or reduction of the amount of the Commitments of a particular Class under Section 2.08 hereof shall be applied to the respective Commitments of such Class of the relevant Lenders, pro rata according to the amounts of their respective Commitments of such Class; (ii) Eurodollar Loans of any Class having the same Interest Period shall be allocated pro rata among the relevant Lenders according to the amounts of their Commitments of such Class (in the case of the making of Loans) or their respective

Loans of such Class (in the case of conversions and continuations of Loans); (iii) each payment or prepayment by the Borrower of principal of Loans of a particular Class shall be made for account of the relevant Lenders pro rata in accordance with the respective unpaid principal amounts of the Loans of such Class held by them; (iv) each payment by the Borrower of interest on Loans of a particular Class shall be made for account of the relevant Lenders pro rata in accordance with the amounts of interest on such Loans then due and payable to the respective Lenders; and (v) each payment by the Borrower of participation fees in respect of Letters of Credit shall be made for the account of the Revolving Credit Lenders pro rata in accordance with the amount of participation fees then due and payable to the Revolving Credit Lenders.

(d) Sharing of Payments by Lenders. If, at any time after the occurrence and during the continuance of an Event of Default hereunder, any Lender shall, by exercising any right of set-off or counterclaim or otherwise (including through voluntary prepayment by the Borrower), obtain payment in respect of any principal of or interest on any of its Loans (or participations in LC Disbursements) of any Class resulting in such Lender receiving payment of a greater proportion of the aggregate principal amount of its Loans (and participations in LC Disbursements) of such Class and accrued interest thereon than the proportion of such amounts received by any other Lender of such Class or any other Class, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans (and LC Disbursements) of the other Lenders to the extent necessary so that the benefit of such payments shall be shared by all the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans (and participations in LC Disbursements); provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans (or participations in LC Disbursements) to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Obligors consent to the foregoing and agree, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Obligors' rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Obligors in the amount of such participation.

(e) Presumptions of Payment. Unless the Administrative Agent shall have received notice from the Obligor Representative prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or any Issuing Bank entitled thereto (the " Applicable Recipient ") hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Applicable Recipient the amount due. In such event, if the Borrower has not in fact made such payment, then each Applicable Recipient severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Applicable Recipient with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the Federal Funds Effective Rate.

(f) Certain Deductions by Administrative Agent. If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(d), 2.04(e), 2.06(b) or 2.17(e), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Section until all such unsatisfied obligations are fully paid.

SECTION 2.18 Mitigation Obligations: Replacement of Lenders.

(a) Designation of Different Lending Office . If any Lender requests compensation under Section 2.14, or if the Obligors are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, then such Lender shall, if requested by the Obligor Representative, use reasonable efforts to designate a different lending office for funding or booking its Loans (or participations in LC Disbursements) hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.14 or 2.16, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not cause such Lender and its lending office(s) to suffer any economic, legal or regulatory disadvantage; provided , that nothing in this Section shall affect or postpone any of the obligations of the Obligors or the rights or obligations of any Lender pursuant to Section 2.14 or 2.16. The Obligors hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders - Increased Costs. Etc. If any Lender requests compensation under Section 2.14, or if the Obligors are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, or if any Lender becomes a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent given by the Obligor Representative, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and, if a Revolving Credit Commitment is being assigned, each Issuing Bank), which consents shall not unreasonably be withheld or delayed, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans (and participations in LC Disbursements), accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Obligors (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.14 or payments required to be made pursuant to Section 2.16, such assignment will result in a reduction in such compensation or payments; provided, further, that until such time as such replacement shall be consummated, the Obligor shall pay all additional amounts (if any) required pursuant to Section 2.14 or 2.16, as the case may be. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply. No assignment pursuant to this Section 2.18(b) shall be deemed to impair any claim that the Borrower may have against any Lender that defaults in its obligation to fund Loans hereunder.

(c) Replacement of Lenders - Amendments . If, in connection with a request by the Borrower to obtain the consent of the Lenders to a waiver, amendment or modification of any of the provisions of this Agreement that requires the consent of all of the Lenders or all affected Lenders under Section 9.02 (or, as applicable, all or all affected Lenders of a Class), one or more Lenders (the " Declining Lenders ") having Loans, LC Exposure and unused Commitments representing not more than 50% of the sum of the total Loans, LC Exposure and unused Commitments (or those of a Class, if applicable) at such time have declined to agree to such request, then the Borrower may, at its sole expense and effort, upon notice to such Lender(s) and the Administrative Agent given by the Borrower, require all (but not less than all) of such Declining Lenders to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all their interests, rights and obligations under this Agreement to one or more assignees that shall assume such obligations (any of which assignees may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and, if a Revolving Credit Commitment is being assigned, each Issuing Bank), which consents shall not unreasonably be withheld or delayed and (ii) each such Declining Lender shall have received payment of an amount equal to the outstanding principal of its Loans (and participations in LC Disbursements), accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under any other Loan Document, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Obligors (in the case of all other amounts).

SECTION 2.19 Defaulting Lenders . Notwithstanding any provision of this Agreement to the contrary, if any Revolving Credit Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.11;

(b) the Commitment and Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether all Lenders or the Required Lenders (including of any Class) have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 9.02); provided , that this clause (b) shall not apply in the case of a waiver, amendment or modification requiring the consent of all Lenders or each Lender affected thereby (other than with respect to Section 9.02(b)(iii));

(c) if LC Exposure exists at the time a Lender becomes a Defaulting Lender then:

(i) all or any part of such LC Exposure shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent (x) the sum of all non-Defaulting Lenders' Revolving Credit Exposures plus such Defaulting Lender's LC Exposure does not exceed the total of all non-Defaulting Lenders' Revolving Commitments and (y) the conditions set forth in Section 4.02 are satisfied at the time such Lender becomes a Defaulting Lender and its LC Exposure is reallocated;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within one Business Day following notice by the Administrative Agent (which notice shall be promptly delivered by the Administrative Agent upon the failure of the reallocation in clause (i) above to be fully effected) cash collateralize such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above), which cash collateral shall be deposited into a cash collateral account in the name of and under the control of the Administrative Agent, in accordance with the procedures set forth in Section 2.04(i) for so long as such LC Exposure is outstanding;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to this Section 2.19(c), the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.11(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to Section 2.19(c), then the fees payable to the Lenders pursuant to Section 2.11(a) and Section 2.11(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; or

(v) if any Defaulting Lender's LC Exposure is neither cash collateralized nor reallocated pursuant to Section 2.19(c), then, without prejudice to any rights or remedies of the

Issuing Bank or any Lender hereunder, all commitment fees that otherwise would have been payable to such Defaulting Lender (solely with respect to the portion of such Defaulting Lender's Commitment that was utilized by such LC Exposure) and letter of credit fees payable under Section 2.11(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Bank until such LC Exposure is cash collateralized and/or reallocated;

(d) so long as any Revolving Credit Lender is a Defaulting Lender, the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that 100% of the related exposure will be covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.19(c), and participating interests in any such newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.19(c)(i) (and Defaulting Lenders shall not participate therein); and

(e) (i) if a Bankruptcy Event with respect to the Parent of any Revolving Credit Lender shall occur following the date hereof and for so long as such event shall continue or (ii) the Issuing Bank has a good faith belief that any Revolving Credit Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Revolving Credit Lender commits to extend credit, the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless the Issuing Bank shall have entered into arrangements with the Borrower or such Revolving Credit Lender, satisfactory to the Issuing Bank, to defease any risk to the Issuing Bank in respect of such Revolving Credit Lender hereunder.

In the event that the Administrative Agent, the Borrower and each Issuing Bank each agrees that a Defaulting Lender has adequately remedied all matters that caused such Revolving Credit Lender to be a Defaulting Lender, then the LC Exposure of the Revolving Credit Lenders shall be readjusted to reflect the inclusion of such Revolving Credit Lender's Commitment and on such date such Revolving Credit Lender shall purchase at par such of the Revolving Credit Loans of the other Revolving Credit Lenders as the Administrative shall determine may be necessary in order for such Revolving Credit Lender to hold such Revolving Credit Loans in accordance with its Applicable Percentage.

SECTION 2.20 Replacement Financing .

(a) The Borrower may, subject to the terms hereof, at any time or from time to time after the Effective Date, enter into an amendment (a " Refinancing Amendment ") to effect a refinancing or replacement of all or any portion of the Term Loans or all or any portion of the Revolving Credit Loans (or unused Revolving Credit Commitments). Each such refinancing or replacement may, at the Borrower's option, be in the form of a new senior secured revolving credit facility, one or more series of senior secured loans or notes (each of which may be secured by the Collateral on a pari passu or junior basis to the Obligations), or with one or more series of unsecured loans or notes (collectively, the " Replacement Financing "); provided that (i) the commitments under any replacement revolving credit facility shall be documented under this Agreement and shall be utilized ratably with the remaining Revolving Credit Commitments (if any), (ii) the aggregate principal amount of such Replacement Financing shall not exceed the aggregate principal amount of such refinanced facilities, plus accrued interest, expenses, fees and premiums, plus amounts permitted to be incurred as Incremental Facilities (and for the avoidance of doubt any amount issued pursuant to the immediately preceding clause shall reduce availability under the Incremental Facilities on a dollar-for-dollar basis and be subject to the limitations applicable to such Incremental Facilities), (iii) any Replacement Financing (1) that is secured does not mature prior to, or have a weighted average life to maturity shorter than, the loans or commitments being refinanced and (2) that is unsecured does not mature prior to the date that is the 91st day following the maturity date of the loans or commitments being refinanced and the terms of such Indebtedness do not provide for any mandatory redemption (other than customary asset sale or event of loss, change of control mandatory offers to purchase and customary acceleration rights after an event of default) prior to the date that is the 91st day following the maturity date of the loans or notes being refinanced, (iv) any Replacement Financing in the form of pari passu first lien term loans shall be subject to the MFN Condition as if it were an Incremental Term Facility, (v) to the extent such Replacement Financing is secured, it shall be secured only by the Collateral and on a pari passu or junior basis with the Collateral, (vi) to the extent such Replacement Financing is secured, the parties to such Replacement Financing (or their authorized agent) and the Administrative Agent shall, as applicable, enter into an Intercreditor Agreement, (vii) the obligors in respect of any Replacement Financing shall be Loan Parties, (viii) the proceeds thereof shall be applied substantially simultaneously with the incurrence thereof to permanently repay the loans or commitments being refinanced, (ix) to the extent the terms of the Replacement Financing (other than fees, pricing and optional prepayment or optional redemption terms) are not consistent with the terms of the Class of Loans or Commitments being replaced, they shall be no more restrictive, when taken as a whole, than those under such replaced Loans or Commitments (except for covenants or other provisions applicable only to periods after the latest final maturity date of all then outstanding Loans or Commitments), (x) no Lender is obligated to participate in such Replacement Financing and (xi) Replacement Financing in the form of notes or of junior lien or unsecured loans shall be documented separately from the Loan Documentation as agreed between the Borrower and the Administrative Agent.

(b) The effectiveness of any Refinancing Amendment shall be subject to the satisfaction on the date thereof of each of the conditions set forth in Section 4.02 and, to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of legal opinions, board resolutions, officers' certificates and/or reaffirmation agreements consistent with those delivered on the Effective Date under Section 4.01 (other than changes to such legal opinions resulting from a change in law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent). Notwithstanding anything to the contrary in this Agreement (including Section 9.02), the Borrower and the Administrative Agent may enter into amendments to the Loan Documentation without the consent of any other parties hereto to effect the provisions of this Section 2.20, including without limitation, amendments to this Agreement to permit any Replacement Financing under the terms of the Loans Documents.

SECTION 2.21 NewCo Financing.

Notwithstanding anything to the contrary in any Loan Document, the Borrower shall be permitted to form wholly-owned passive holding company Restricted Subsidiaries (each, a "NewCo"), which shall not be required to be Guarantors. The Borrower may contribute the Equity Interests of Subsidiary Guarantors (and any other Subsidiaries that are direct or indirect subsidiaries of such Subsidiary Guarantors (and not direct subsidiaries of NewCo)) to a NewCo, however, this shall not impact the guaranty requirements set forth in this Agreement with respect to any such entities owned by a NewCo, and a NewCo itself (but not any entities it owns) shall be disregarded in calculating the guaranty requirement test set forth in Section 5.09(b). Any NewCo shall be a passive holding company and shall not own any material assets or conduct any material business other than the ownership of the Equity Interests of Subsidiary Guarantors (and their Subsidiaries) as set forth above, provided that a NewCo may incur unsecured Indebtedness (and may conduct activities related to such incurrence and maintenance of such Indebtedness) (a) that is not Guaranteed by or for which other credit support is provided by any other person other than an unsecured Guarantee from the Parent Guarantor, (b) the terms of which do not restrict the ability of the Secured Parties (or an agent on their behalf) under the Loan Documents (or under any Indebtedness that replaces or refinances any facilities under the Loan Documents) to realize on the value of the Guarantees and security with respect to such Subsidiary Guarantors, (c) which such Indebtedness shall not contain any restriction on dividends or similar distributions by NewCo or any of the entities owned directly or indirectly by NewCo, (d) which such indebtedness represents a refinancing or replacement of existing Indebtedness at the Parent Guarantor or the Borrower in an amount no greater than the principal amount of such refinanced or replaced indebtedness, plus amounts to pay accrued interest, fees and related expenses and (e) the other terms of which are reasonably satisfactory to the Administrative Agent (" NewCo Indebtedness ", the transfer of equity in Guarantors (and their Subsidiaries) to a NewCo as set forth above, a " NewCo Transfer "). Notwithstanding anything to the contrary in this Agreement (including Section 9.02), the Borrower and the Administrative Agent may enter into amendments to the Loan Documentation without the consent of any other parties hereto to effect the provisions of this Section 2.21.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lenders and the Administrative Agent, as to itself and each of its Subsidiaries, that:

SECTION 3.01 Organization: Powers . The Borrower is duly organized, validly existing and in good standing under the laws of the State of Kansas. Each Obligor is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, except where the failure to be in good standing or to be so qualified could not reasonably be expected to result in a Material Adverse Effect. Each Obligor has all requisite power and authority under its respective organizational documents to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

SECTION 3.02 Authorization; Enforceability . The Transactions are within the corporate or other equivalent power of each Obligor and have been duly authorized by all necessary corporate and, if required, stockholder or other action on the part of such Obligor. Each Loan Document to which any Obligor is a party has been duly executed and delivered by such Obligor and constitutes a legal, valid and binding obligation of such Obligor, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03 Governmental Approvals; No Conflicts . The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, (b) will not violate any applicable law, policy or regulation or the charter, by-laws or other organizational documents of any Obligor or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower, or any of its assets, or give rise to a right thereunder to require any payment to be made by the Borrower, (d) will not violate or result in a default under any material indenture, agreement or other instrument binding upon any Subsidiary Guarantor, or any of its assets, or give rise to a right thereunder to require any payment to be made by any Subsidiary Guarantor and (e) will not result in the creation or imposition of any Lien on any asset of the Loan Parties, other than Liens granted on the Effective Date and otherwise permitted pursuant to Section 6.02.

SECTION 3.04 Financial Condition; No Material Adverse Change .

(a) Financial Statements . The Borrower has heretofore delivered to the Lenders the following financial statements:

(i) the audited consolidated balance sheet and statements of comprehensive loss, changes in shareholders' equity and cash flows of the Parent Guarantor and its Subsidiaries as of and for the fiscal years ended March 31, 2015 and March 31, 2016, reported on by Deloitte, independent public accounts; and

(ii) the unaudited interim consolidated balance sheet and statements of comprehensive loss, changes in shareholders' equity and cash flows of the Parent Guarantor and its Subsidiaries as of and for the three- and six- -month periods ended June 30, 2016 and September 30, 2016, respectively, certified by a Financial Officer of the Borrower, prepared on an actual basis.

Such financial statements present fairly, in all material respects, the actual financial position and results of operations and cash flows of the Borrower and its Subsidiaries as of such dates and for such periods in each case in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of all interim balance sheets of the Borrower.

(b) No Material Adverse Change . Since March 31, 2016, there has been no material adverse change in the business, assets, operations or financial condition of the Borrower and its Subsidiaries, taken as a whole.

(c) No Material Undisclosed Liabilities . The Borrower does not have on the Effective Date any contingent liabilities, liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments in each case that are material, except as referred to or reflected or provided for in the audited financial statements as at March 31, 2016 referred to above and the footnotes thereto and unaudited financial statements for the six-month period ended September 30, 2016.

SECTION 3.05 Properties .

(a) Title Generally . The Borrower and the Subsidiary Guarantors have good title to, or valid leasehold or other property interests in, all of their real and personal property, except for defects in title that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) Intellectual Property . The Borrower and its Restricted Subsidiaries own, or are licensed to use, all of their trademarks, trade names, copyrights, patents and other intellectual property (collectively, " Intellectual Property "), except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, and the use thereof by the Borrower and its Restricted Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06 Litigation and Environmental Matters .

(a) Litigation Generally . There are no actions, suits, investigations or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its Restricted Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) or (ii) that involve any of the Loan Documents or the Transactions.

(b) Environmental Matters. Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or any obligation to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) is subject to any Environmental Liability, or (iii) has received written, or to the knowledge of the Borrower, oral notice of any claim with respect to any unsatisfied Environmental Liability or has received any ongoing inquiry, allegation, notice or other communication from any Governmental Authority concerning its compliance with any Environmental Law.

SECTION 3.07 Compliance with Laws and Agreements. The Borrower and its Restricted Subsidiaries and their respective ERISA Affiliates are in compliance with all laws, regulations, policies and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.08 Investment Company Status. Neither the Borrower nor any of its Restricted Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended.

SECTION 3.09 Taxes. The Borrower and its Restricted Subsidiaries have timely filed or caused to be filed all Tax returns and reports required to have been filed and have paid or caused to be paid all Taxes shown thereon to be due, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower has set aside on its books adequate reserves with respect thereto in accordance with GAAP or (b) to the extent that the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10 ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11 Disclosure. None of the reports, financial statements, certificates or other information (other than forward-looking statements, projections and statements of a general industry nature, as to which no representation or warranty is made) furnished by or on behalf of any Obligor to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or any amendment hereto or delivered hereunder or thereunder (as modified or supplemented by other information so furnished) taken together with any information contained in the public filings made by the Borrower with the Securities and Exchange Commission pursuant to the Exchange Act contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading.

SECTION 3.12 Subsidiaries. As of the Effective Date, set forth in Schedule 3.12 is a complete and correct list of all of the Subsidiaries together with, for each such Subsidiary, (i) the full and correct legal name, (ii) the type of organization, (iii) the jurisdiction of organization, (iv) if applicable, whether it is a Subsidiary Guarantor on the Effective Date, (v) if applicable, whether it is an Unrestricted Subsidiary on the Effective Date and (vi) each Person holding ownership interests in such Subsidiary and the percentage of ownership of such Subsidiary and voting rights with respect thereto represented by such ownership interest.

SECTION 3.13 Anti-Corruption Laws and Sanctions. The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the

Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective officers and directors and to the knowledge of the Borrower its employees, advisors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in the Borrower being designated as a Sanctioned Person. None of (a) the Borrower, any Subsidiary or any of their respective directors, officers or employees or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions.

SECTION 3.14 Collateral Matters .

(a) The Security Agreement, upon execution and delivery thereof by the parties thereto, will create in favor of the Collateral Trustee, for the benefit of the Secured Parties, a valid and enforceable security interest in the Collateral (as defined therein) and (i) when the Collateral (as defined therein) constituting certificated securities (as defined in the Uniform Commercial Code) is delivered to the Administrative Agent, together with instruments of transfer duly endorsed in blank, the security interest created under the Security Agreement will constitute a fully perfected security interest in all right, title and interest of the pledgors thereunder in such Collateral (as defined therein), prior and superior in right to any other Person (other than Permitted Encumbrances that by operation of law or contract would have priority over the Obligations), and (ii) when financing statements in appropriate form are filed in the applicable filing offices, the security interest created under the Security Agreement will constitute a fully perfected security interest in all right, title and interest of the Loan Parties in the remaining Collateral (as defined therein) to the extent perfection can be obtained by filing Uniform Commercial Code financing statements, prior and superior to the rights of any other Person (other than Liens permitted under Section 6.02).

(b) Each Mortgage, upon execution and delivery thereof by the parties thereto, will create in favor of the Collateral Trustee, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in all the applicable mortgagor’s right, title and interest in and to the Mortgaged Properties subject thereto and the proceeds thereof, and when the Mortgages have been filed in the jurisdictions specified therein, the Mortgages will constitute a fully perfected security interest in all right, title and interest of the mortgagors in the Mortgaged Properties and the proceeds thereof, prior and superior in right to any other Person, other than Liens permitted under Section 6.02.

(c) Upon the recordation of the Security Agreement (or a short-form security agreement in form and substance reasonably satisfactory to the Borrower and the Administrative Agent) with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, and the filing of the financing statements referred to in paragraph (a) of this Section 3.14, the security interest created under the Security Agreement will constitute a fully perfected security interest in all right, title and interest of the Loan Parties in the Intellectual Property (as defined in the Security Agreement) in which a security interest may be perfected by filing or recording in the United States of America, in each case prior and superior in right to any other Person, other than Liens permitted under Section 6.02 (it being understood and agreed that subsequent recordings in the United States Patent and Trademark Office or the United States Copyright Office may be necessary to perfect a security interest in such Intellectual Property acquired or developed by the Loan Parties after the Effective Date).

(d) Each Security Document, upon execution and delivery thereof by the parties thereto and the making of the filings and taking of the other actions provided for therein, will be effective under applicable law to create in favor of the Collateral Trustee, for the benefit of the Secured Parties, a valid and enforceable security interest in the Collateral subject thereto, and will constitute a fully perfected security interest in all right, title and interest of the Loan Parties in the Collateral subject thereto, prior and superior to the rights of any other Person, except for rights secured by Liens permitted under Section 6.02.

SECTION 3.15 Federal Reserve Regulations .

None of the Loan Parties or any Restricted Subsidiary is engaged or will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U of the Board), or extending credit for the purpose of purchasing or carrying margin stock. No part of the proceeds of the Loans or Letters of Credit will be used, directly or indirectly, for any purpose that entails a violation (including on the part of the Administrative Agent, any Issuing Bank or any Lender) of any of the regulations of the Board, including Regulations U and X. Not more than 25% of the value of the assets subject to any restrictions on the sale, pledge or other disposition of assets under this Agreement, any other Loan Document or any other agreement to which any Lender or Affiliate of a Lender is party will at any time be represented by margin stock (within the meaning of Regulation U of the Board).

SECTION 3.16 Solvency . Immediately after giving effect to the Transactions on the Effective Date, (i) the fair value of the property of the Borrower and its Subsidiaries, taken as a whole, is greater than the amount of the liabilities of the Borrower and its Subsidiaries, taken as a whole, as such value is established and liabilities evaluated for purposes of Section 101(32) of the Bankruptcy Code, (ii) the present fair saleable value of the assets and property of the Borrower and its Subsidiaries, taken as a whole, is not less than the amount that will be required to pay the probable liability of the Borrower and its Subsidiaries, taken as a whole, on their debts and other liabilities as they become absolute and matured, (iii) the Borrower and its Subsidiaries, taken as a whole, are able to pay their debts and other liabilities as they mature in the normal course of business, (iv) the Borrower and its Subsidiaries do not intend to, and do not believe that they will, incur debts or liabilities beyond their ability to pay as the debts and liabilities mature, and (v) the Borrower and its Subsidiaries, taken as a whole, are not engaged in a business or a transaction, and do not propose to engage in a business or a transaction, for which the property and assets of the Borrower and its Subsidiaries, taken as a whole, would constitute unreasonably small capital .

ARTICLE IV
CONDITIONS

SECTION 4.01 Effective Date . The effectiveness of this Agreement and of the obligations of the Lenders to make Loans, and of any Issuing Bank to issue Letters of Credit, hereunder is subject to the conditions precedent that each of the following conditions shall have been satisfied (or waived in accordance with Section 9.02):

(a) Counterparts of Loan Documents . The Administrative Agent (or Special Counsel) shall have received from the Borrower and each other Loan Party party thereto, from each Lender, if any, party thereto and from JPMorgan Chase Bank, N.A., as Administrative Agent, either (i) a counterpart of this Agreement, the Security Agreement, the Collateral Trust Agreement and each other Loan Document signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include an email or telecopy transmission of a signed signature page) that such party has signed a counterpart thereto.

(b) Opinion of Counsel to the Loan Parties. The Administrative Agent (or Special Counsel) shall have received favorable written opinions (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Jones Day and Polsinelli P.C., each as counsel to the Loan Parties, covering such matters relating to the Loan Parties, this Agreement, the other Loan Documents or the Transactions as the Administrative Agent shall request (and the Loan Parties hereby request such counsel to deliver such opinions).

(c) Corporate Matters. The Administrative Agent (or Special Counsel) shall have received such documents and certificates as the Administrative Agent or Special Counsel may reasonably request relating to the organization, existence and good standing of the Loan Parties and the authorization of the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent.

(d) Financial Officer Certificate; Solvency Certificate; Perfection Certificate. The Administrative Agent (or Special Counsel) shall have received (i) a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02, (ii) a solvency certificate, dated the Effective Date and signed by the chief financial officer (or other senior financial officer reasonably acceptable to the Administrative Agent) of the Borrower, documenting the solvency of the Borrower and its Subsidiaries, taken as a whole, immediately after giving effect to this Agreement and the transactions contemplated hereby, consistent with the representation in Section 3.16 and (iii) a completed Perfection Certificate signed by the President, a Vice President or a Financial Officer of the Borrower.

(e) Intercompany Indebtedness. The Administrative Agent shall have received the Subordination Agreement, duly executed and delivered by the Parent Guarantor, Borrower and each Restricted Subsidiary.

(f) Evidence of Repayment of Loans under Existing Credit Agreement. The Borrower shall have repaid in full the principal of and interest on all of the “Loans” outstanding under the Existing Credit Agreement and all other amounts owing thereunder and all commitments under the Existing Credit Agreement shall have been terminated and all letters of credit issued and outstanding under the Existing Credit Agreement shall have been continued hereunder (or backstopped in full).

(g) Fees and Expenses. The Lenders, the Administrative Agent and the Arrangers shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

(h) Patriot Act. The Administrative Agent shall have received, at least 5 days prior to the Effective Date, all documentation and other information required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the PATRIOT Act, in each case, requested at least 10 days prior to the Effective Date.

(i) Security. All actions necessary to establish that the Administrative Agent will have a perfected first priority security interest (subject to liens permitted under Section 6.02) in the Collateral shall have been taken.

SECTION 4.02 Each Extension of Credit . The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of any Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) Representations and Warranties . The representations and warranties of the Loan Parties set forth in the Loan Documents shall be true and correct on and as of the date of such Borrowing, or (as applicable) the date of issuance, amendment, renewal or extension of such Letter of Credit, both before and after giving effect thereto and to the use of the proceeds thereof (or, if any such representation or warranty is expressly stated to have been made as of a specific date, such representation or warranty shall be true and correct as of such specific date).

(b) No Defaults . At the time of and immediately after giving effect to such Borrowing, or (as applicable) the date of issuance, amendment, renewal or extension of such Letter of Credit, no Default shall have occurred and be continuing.

(c) Notice . Notice of such credit extension shall have been provided to the Administrative Agent or Issuing Bank, as applicable, in accordance with the terms of this Agreement.

Each Borrowing Request or request for issuance, amendment, renewal or extension of a Letter of Credit, shall be deemed to constitute a representation and warranty by the Borrower (both as of the date of such Borrowing Request, or request for issuance, amendment, renewal or extension, and as of the date of the related Borrowing or issuance, amendment, renewal or extension) as to the matters specified in paragraphs (a) and (b) of this Section 4.02.

ARTICLE V
AFFIRMATIVE COVENANTS

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed, the Borrower (and with respect to 5.13 the Parent Guarantor) covenants and agrees with the Lenders that:

SECTION 5.01 Financial Statements and Other Information . The Borrower will furnish to the Administrative Agent (which shall promptly furnish to the Lenders):

(a) within 75 days after the end of each fiscal year (beginning with the fiscal year ending March 31, 2017), the audited consolidated statements of operations, changes in stockholders' equity and cash flows of the Borrower and its Subsidiaries for such fiscal year, and the related audited consolidated balance sheet for the Borrower and its Subsidiaries as of the end of such fiscal year, setting forth in each case in comparative form the corresponding figures for the previous fiscal year, all reported on by Deloitte LLP, or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit), to the effect that such audited consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within 45 days after the end of the first three fiscal quarters of each fiscal year (beginning with June 30, 2017):

(i) the unaudited interim consolidated statements of operations of the Borrower and its Subsidiaries for such fiscal quarter (the " current fiscal quarter ") and for the then elapsed portion of the fiscal year,

(ii) the unaudited interim consolidated statements of changes in stockholders' equity and cash flows of the Borrower and its Subsidiaries for the then elapsed portion of the fiscal year, and

(iii) the unaudited interim consolidated balance sheet for the Borrower and its Subsidiaries as at the end of such fiscal quarter,

setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer of the Borrower as presenting fairly, in all material respects, the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in each case in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of all interim balance sheets of the Borrower;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Borrower substantially in the form of Exhibit H (with such modifications as reasonably agreed by the Administrative Agent):

(i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto;

(ii) setting forth reasonably detailed calculations of (w) the outstanding amount of Relevant Obligations and demonstrating compliance with the Applicable Debt Cap Test as of the last applicable date of incurrence thereunder, (x) if any Disposition of Spectrum occurred in the most recent applicable fiscal quarter covered thereby, calculations demonstrating compliance with the Spectrum Disposition Requirements and (y) the Total Indebtedness Ratio and Total Interest Coverage Ratio and (z) the amount and type of any Spectrum Invested in joint ventures during such period;

(iii) stating whether any change in GAAP or in the application thereof has occurred since the later of the date of the financial statements as at March 31, 2016 referred to in Section 3.04 and the date of the last certificate delivered pursuant to this clause (c) and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(iv) in the case of the financial statements under clause (a) above, starting with those for the fiscal year ended March 31, 2018, a reasonably detailed calculation of Excess Cash Flow for such fiscal year, along with a certification thereof;

(d) concurrently with any delivery of financial statements under clause (a) above, financial projections in a form substantially similar to the financial projections most recently delivered to the Administrative Agent prior to the Effective Date (collectively, the " Projections "), which Projections shall in each case be accompanied by a certificate of a Financial Officer stating that such Projections were prepared in good faith and based upon assumptions that were believed to be reasonable at the time such Projections were prepared;

(e) as soon as possible after the delivery of any compliance certificate required pursuant to 5.01(c), but no later than 30 days after the date a quarterly compliance certificate is required to be delivered and no later than 45 days after the date an annual compliance certificate is required to be delivered, reconciliation information relating to the Borrower and its Restricted Subsidiaries substantially in the form to be attached as Exhibit G (with such modifications as reasonably agreed by the Administrative Agent) and combined consolidated financial statements for the Spectrum Sale and Leaseback special purpose entities included in the reconciliation and required to be delivered pursuant to the terms of the Spectrum Sale and Leaseback transaction to the holders of the applicable Indebtedness thereunder;

(f) promptly after the same become publicly available, furnish all periodic and other reports, proxy statements and other materials filed by any Obligor with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission or distributed by such Obligor to the holders of its securities; and

(g) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of any Obligor, or compliance with the terms of this Agreement and other Loan Documents, as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request.

Documents required to be delivered pursuant to this Section 5.01 (to the extent any such documents are included in materials otherwise filed with the Securities and Exchange Commission) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto, on the Borrower's website; or (ii) on which such documents are posted on the Obligors' behalf on IntraLinks or another relevant website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent). Notwithstanding anything contained herein, in every instance (i) the Borrower shall be required to provide paper copies of the certificates required by Section 5.01(c) to the Administrative Agent and (ii) the Borrower shall notify any Lender when documents required to be delivered pursuant to this Section 5.01 have been delivered electronically to the extent that such Lender has requested the Borrower to be notified. Except for such certificates, the Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The financial statement and other related deliverable requirements set forth above in Sections 5.01(a), (b), (d) and (e) may be satisfied by delivering the corresponding information with respect to the Parent Guarantor (and as applicable its Subsidiaries) in lieu of the Borrower (and as applicable its Subsidiaries), provided that concurrently with such delivery the Borrower delivers a reconciliation setting forth in reasonable detail the differences between such information as it relates to the Parent Guarantor (and as applicable its Subsidiaries) on the one hand and the Borrower (and as applicable its Subsidiaries) on the other hand.

SECTION 5.02 Notices of Material Events . The Borrower will furnish to the Administrative Agent (which shall promptly notify the Lenders) prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any of its Subsidiaries that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect; and

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower or any of its Subsidiaries in an aggregate amount exceeding $100,000,000.

Each notice delivered under this Section 5.02 shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth a reasonable description of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03 Existence. The Borrower will do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution, sale or disposition of assets or other transactions permitted under Section 6.03. The Borrower will cause each of its Restricted Subsidiaries to do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, the rights, licenses, permits, privileges and franchises material to the conduct of its business; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution, sale or disposition of assets or other transactions permitted under Section 6.03. The Borrower and its Restricted Subsidiaries will do or cause to be done all things reasonably necessary to preserve, renew and keep in full force and effect in all material respects, their material FCC licenses and material rights in Spectrum.

SECTION 5.04 Payment of Obligations. The Borrower will, and will cause each of the Subsidiary Guarantors to, pay its obligations, including Tax liabilities, that, if not paid, could result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Borrower or such Subsidiary Guarantor has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05 Maintenance of Properties; Insurance. The Borrower will (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations. The Borrower will cause each of its Restricted Subsidiaries to (a) except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations. Each such policy of liability or casualty insurance maintained by or on behalf of Loan Parties shall (a) in the case of each liability insurance policy (other than workers' compensation, director and officer liability or other policies in which such endorsements are not customary), name the Collateral Trustee, on behalf of the Secured Parties, as an additional insured thereunder, (b) in the case of each casualty insurance policy, contain a lender's loss payable clause or endorsement that names the Collateral Trustee, on behalf of the Secured Parties, as the lender's loss payee thereunder and (c) provide for at least 30 days' (or such shorter number of days as may be agreed to by the Administrative Agent) prior written notice to the Administrative Agent of any cancellation of such policy. With respect to each Mortgaged Property that is located in an area determined by the Federal Emergency Management Agency to have special flood hazards, the applicable Loan Party has obtained, and will maintain, with financially sound and reputable insurance companies, such flood insurance as is required under applicable law, including Regulation H of the Board and Flood Insurance Laws.

SECTION 5.06 Books and Records; Inspection Rights . The Borrower will keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Borrower will cause each of its Restricted Subsidiaries to keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Borrower will, and will cause each of its Restricted Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

SECTION 5.07 Compliance with Laws . The Borrower will, and will cause each of its Restricted Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

SECTION 5.08 Use of Proceeds .

(a) Loans . The proceeds of the Loans hereunder will be used for general corporate purposes of the Borrower and its Subsidiaries.

(b) Regulations U and X . No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations U and X.

(c) Anti-Corruption and Sanctions . The Borrower will not request any Borrowing or Letter of Credit, and the Borrower shall not use, and shall ensure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing or Letter of Credit (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country to the extent such activities, business or transaction would be prohibited by Sanctions if conducted by a corporation incorporated in the United States or in a European Union member state or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 5.09 Certain Obligations with respect to Subsidiaries .

(a) In the event that (a) the Borrower or any of its Subsidiaries shall form or acquire any new Subsidiary (other than a Designated Subsidiary) or (b) any Subsidiary which is a Designated Subsidiary shall cease to be a Designated Subsidiary, in each such case, the Borrower will, and will cause each such Subsidiary to, promptly (and in any event within 30 days or such longer period that the Administrative Agent may approve) take such action to cause any such Subsidiary to:

(i) become a "Subsidiary Guarantor" hereunder pursuant to a Joinder Agreement and to satisfy the Collateral and Guaranty Requirement (including executing joinders to any applicable Loan Documents and with respect to any Equity Interests of such new Subsidiary Guarantor);

(ii) if not already party thereto, become a party to the Subordination Agreement pursuant to an Accession Agreement; and

(iii) deliver such proof of corporate action, incumbency of officers, opinions of counsel and other documents (A) as is consistent with those delivered by the Subsidiary Guarantors pursuant to Section 4 of the Credit Agreement on the Effective Date (unless waived by the Administrative Agent) or (B) as the Administrative Agent shall reasonably request;

It is understood and agreed that any Subsidiary of the Borrower that becomes obligated or provides credit support in respect of the SpectrumCo1 transaction, SpectrumCo2 transaction or any other Sale and Leaseback Transaction of Spectrum shall also be required to be a Subsidiary Guarantor and satisfy the Collateral and Guaranty Requirement.

(b) The Borrower covenants that if the total assets or revenues of the Borrower and the Subsidiary Guarantors on a consolidated basis represent less than 90% of the consolidated total assets or revenues of the Borrower and its Restricted Subsidiaries (excluding from the calculation of consolidated total assets or revenues for the purposes of this clause (b) of Section 5.09, the assets or revenues of any newly formed or acquired Subsidiary organized in the United States ("Acquired Entity") to the extent that (but only for so long as) it is prohibited from becoming a Subsidiary Guarantor pursuant to the terms of any agreement to which such Person is a party or such Person's organizational documents in effect prior to it becoming an Acquired Entity, and for the avoidance of doubt, such exclusion including entities such as special purpose vehicles formed for securitizations and similar financings permitted under the Loan Documents (including, as applicable, the MLS Financing, the RAN Financing, SpectrumCo1 (it being understood for the avoidance of doubt SpectrumCo1 is not a Subsidiary as of the Effective Date) and SpectrumCo2)), determined as of the end of (or, with respect to such revenues, for the period of four fiscal quarters ending with) the fiscal quarter or fiscal year most recently ended for which financial statements are available, the Borrower will cause Subsidiaries to become Subsidiary Guarantors as necessary to eliminate such deficiency. The Borrower may from time to time cause any Subsidiary to become a Subsidiary Guarantor.

Notwithstanding the foregoing, all Spectrum Owned or Leased by the Borrower and its Subsidiaries, other than Spectrum that is permitted to be subject to Sale and Leaseback Transactions pursuant to the Loan Documents, Permitted JV Transfers, Permitted Spectrum Swaps or Disposed of to non-Affiliate third parties, shall be required to be held in wholly-owned Domestic Restricted Subsidiaries of the Borrower, and such entities shall be required to be Subsidiary Guarantors; provided, however, that Spectrum may be contributed or leased to joint ventures, subject to the following limitations: (i) such joint ventures shall at all times be majority-owned and controlled by the Borrower, (ii) the aggregate of such Spectrum so contributed or leased shall not exceed (x) 1.8 billion MHz-POPs in the aggregate for all such joint ventures (including within the 48 contiguous states of the United States) and (y) 1.2 billion MHz-POPs in the aggregate for all joint ventures within the 48 contiguous states of the United States and (iii) other than with respect to Puerto Rico, the U.S. Virgin Islands and Hawaii, after giving pro forma effect to the contribution of Spectrum to a joint venture, the Borrower and the Subsidiary Guarantors shall maintain (x) all PCS 1.9GHz G-block licenses and (y) at least one additional block of PCS 1.9 GHz 5x5

MHz Spectrum licenses (including any such licenses acquired after the Effective Date) in each BTA where a PCS 1.9 GHz 5x5 MHz Spectrum license is owned currently or in the future by the Parent Guarantor, the Borrower or any of their Subsidiaries (for the avoidance of doubt, such restriction shall not apply to Spectrum that is leased, only contributions thereof) (the " Permitted JV Transfers ").

SECTION 5.10 Designation of Unrestricted Subsidiaries . The Borrower may at any time designate any Restricted Subsidiary as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary by delivering to the Administrative Agent a certificate of a Financial Officer of the Borrower specifying such designation and certifying that the conditions to such designation set forth in this Section 5.10 are satisfied; provided that:

(i) both immediately before and immediately after any such designation, no Default or Event of Default shall have occurred and be continuing;

(ii) the Total Indebtedness Ratio shall be less than 4.00 to 1.00 immediately after giving effect to such designation, based on the financial statements for the most recently ended four fiscal quarter period for which financial statements have been delivered pursuant to Section 5.01(a) or 5.01(b) , recomputed on a pro forma basis;

(iii) no Unrestricted Subsidiary shall be permitted to own or lease, directly or indirectly, any Spectrum; and

(iv) in the case of a designation of a Restricted Subsidiary as an Unrestricted Subsidiary, each Subsidiary of such Restricted Subsidiary has been, or concurrently therewith will be, designated as an Unrestricted Subsidiary in accordance with this Section 5.10.

The designation of any Unrestricted Subsidiary shall constitute an Investment by the Borrower in such Unrestricted Subsidiary on the date of designation in an amount equal to the fair market value of the Borrower's Investment therein. The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute the incurrence at the time of designation of any Indebtedness or Liens of such new Restricted Subsidiary existing at such time.

SECTION 5.11 Information Relating to Collateral .

(a) The Borrower will furnish to the Administrative Agent written notice, at least 20 Business Days (or such shorter period as the Administrative Agent may agree) in advance any change (i) in any Loan Party's legal name, as set forth in such Loan Party's organizational documents, (ii) in the jurisdiction of incorporation or organization of any Loan Party, (iii) in the form of organization of any Loan Party or (iv) in any Loan Party's organizational identification number, if any, or, with respect to a Loan Party organized under the laws of a jurisdiction that requires such information to be set forth on the face of a Uniform Commercial Code financing statement, the Federal Taxpayer Identification Number of such Loan Party.

(b) At the time of delivery of financial statements pursuant to Section 5.01(a), the Borrower shall deliver to the Administrative Agent a completed Supplemental Perfection Certificate, signed by a Financial Officer of the Borrower, (i) setting forth the information required pursuant to the Supplemental Perfection Certificate and indicating any changes in such information from the most recent Supplemental Perfection Certificate delivered pursuant to this Section 5.11 (or, prior to the first delivery of a Supplemental Perfection Certificate, from the Perfection Certificate delivered on the Effective Date) or (ii) certifying that there has been no change in such information from the most recent Supplemental Perfection Certificate.

SECTION 5.12 Further Assurances .

(a) General . The Borrower and each other Loan Party will execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), that may be required under any applicable law, or that the Administrative Agent may reasonably request, to cause the Collateral and Guarantee Requirement to be satisfied, all at the expense of the Loan Parties.

(b) After-Acquired Real Property . Each Loan Party shall grant to the Collateral Trustee for the benefit of the Secured Parties, within 60 days of the acquisition thereof (or such later date as the Administrative Agent may agree), a Mortgage on each parcel of real property located in the United States and owned in fee by such Loan Party as is acquired by such Loan Party after the Effective Date and that has an individual fair market value (together with any improvements thereon) in excess of $10,000,000, and shall cause clause (d) of the Collateral and Guarantee Requirement to be satisfied with respect to such real property and such Mortgage.

SECTION 5.13 Maintenance of Ratings . The Parent Guarantor will use commercially reasonable efforts to maintain Ratings in effect from S&P and Moody's.

SECTION 5.14 Certain Post-Closing Collateral Obligations . As promptly as practicable, and in any event within the time period after the Effective Date (or such longer time as the Administrative Agent may reasonably agree) set forth therein, the Borrower and each other Loan Party will deliver all documents and take all actions set forth on Schedule 5.14, subject to the definition of Collateral and Guarantee Requirement.

ARTICLE VI
NEGATIVE COVENANTS

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed, the Borrower (and as specified in Section 6.07, the Parent Guarantor) covenants and agrees with the Lenders that:

SECTION 6.01 Indebtedness . The Borrower will not, and will not permit any Restricted Subsidiary to create, incur, issue, assume or permit to exist any Indebtedness, except:

(a) Indebtedness hereunder (including, for avoidance of doubt, Incremental Facilities established pursuant to Section 2.08) and any Replacement Financing in respect thereof in the amount and subject to the terms set forth in Section 2.20;

(b) Indebtedness existing on the Effective Date and set forth in Schedule 6.01 (and any Refinancing Indebtedness in respect thereof);

(c) [Reserved];

(d) Indebtedness of any Receivables Entity pursuant to a Permitted Securitization and Indebtedness under any Standard Securitization Undertaking;

(e) Indebtedness incurred in connection with a Sale and Leaseback Transaction permitted pursuant to Section 6.09(c), (d) or (e).

(f) Indebtedness incurred to finance the acquisition, construction or improvement of any fixed or capital assets or inventory, including Capital Lease Obligations, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof; provided that such Indebtedness is incurred concurrently with or within 270 days after such acquisition or the completion of such construction or improvement;

(g) Intercompany Indebtedness, provided that (i) any Intercompany Indebtedness of a Loan Party owing to any Restricted Subsidiary of the Borrower which is required to be party to the Subordination Agreement is subordinated to the Obligations in accordance with the Subordination Terms and (ii) any Intercompany Indebtedness of a non-Loan Party owing to a Loan Party is permitted under Section 6.08;

(h) Indebtedness of Loan Parties in respect of the EDC Indebtedness in an aggregate principal amount not to exceed the amount of EDC Indebtedness outstanding on the Effective Date;

(i) [Reserved];

(j) Indebtedness of any Person that becomes a Restricted Subsidiary after the Effective Date, provided that such Indebtedness exists at the time such Person becomes a Restricted Subsidiary and is not created in contemplation of or in connection with such Person becoming a Restricted Subsidiary, and any Refinancing Indebtedness in respect thereof; provided that the aggregate principal amount of such Indebtedness outstanding at any time (when aggregated with the aggregate principal amount of Indebtedness outstanding under Section 6.01(o)) shall not exceed $1,000,000,000;

(k) Indebtedness of the Borrower and Guarantees by any Subsidiary Guarantor of the obligations of the Borrower under Hedging Agreements entered into in the ordinary course of business and not for speculative purposes;

(l) Indebtedness resulting from the endorsement of negotiable instruments in the ordinary course of business;

(m) Indebtedness, if any, in respect of surety, stay, customs and appeal bonds, performance bonds and performance and completion guarantees required in the ordinary course of business or in connection with the enforcement of rights or claims of the Borrower or its Restricted Subsidiaries or in connection with judgments that have not resulted in an Event of Default under clause (k) of Article VII;

(n) Indebtedness constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business in respect of workers compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance, other Indebtedness with respect to reimbursement-type obligations regarding workers compensation claims and other Indebtedness in respect of bankers' acceptance, letter of credit, warehouse receipts or similar facilities entered into in the ordinary course of business, provided that upon the drawing of such letters of credit or the incurrence of such Indebtedness, such obligations are reimbursed within five Business Days following such drawing or incurrence;

(o) other Indebtedness (including of joint ventures) in an aggregate principal amount (when aggregated with the aggregate principal amount of Indebtedness outstanding under Section 6.01(j)) that does not exceed $1,000,000,000 at any time outstanding (it being agreed any such Indebtedness in respect of term loans secured on a pari passu basis with the Liens securing the Obligations shall be subject to the MFN Condition as if it were an Incremental Term Facility);

(p) (i) unsecured Indebtedness at Loan Parties that do not Own or Lease Spectrum, or (ii) unsecured indebtedness of Loan Parties subordinated in right of payment to the Obligations on terms reasonably satisfactory to the Administrative Agent, in each case with respect to clauses (i) and (ii), subject to pro forma compliance with the Financial Covenants (whether or not in effect) immediately after giving effect to such Indebtedness, based on the financial statements most recently delivered pursuant to Section 5.01(a) or (b), recomputed on a pro forma basis;

(q) Permitted Unsecured Indebtedness at Loan Parties that Own or Lease Spectrum or are HQ Owners and any Refinancing Indebtedness in respect thereof, subject to pro forma compliance with the Applicable Debt Cap Test (" Senior Unsecured Restricted Debt ");

(r) Permitted First Priority Indebtedness and any Refinancing Indebtedness in respect thereof, subject to pro forma compliance with the Applicable Debt Cap Test, and, if such Indebtedness is in the form of term loans, the MFN Condition as if such Indebtedness were an Incremental Term Facility;

(s) Permitted Junior Priority Indebtedness and any Refinancing Indebtedness in respect thereof, subject to pro forma compliance with the Applicable Debt Cap Test (" Junior Priority Debt "); and

(t) NewCo Indebtedness of a NewCo.

SECTION 6.02 Liens . The Borrower will not, nor will it permit any of its Restricted Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, except:

(a) Permitted Encumbrances;

(b) Liens existing on the Effective Date and set forth in Schedule 6.02; provided that (i) such Lien shall not apply to any other asset of the Borrower or any Restricted Subsidiary and (ii) such Lien shall secure only those obligations that it secures on the Effective Date and extensions, renewals, replacements and refinancings thereof so long as the principal amount of such extensions, renewals, replacements and refinancings does not exceed the principal amount of the obligations being extended, renewed, replaced or refinanced or, in the case of any such obligations constituting Indebtedness, that are permitted under Section 6.01(b) as Refinancing Indebtedness in respect thereof (it being understood that Liens described under Section 6.02(n) below shall be deemed outstanding under such Section 6.02(n) and not under this sub-clause (b));

(c) Liens securing judgments for the payment of money in an amount not resulting (whether immediately or with the passage of time) in an Event of Default under clause (k) of Article VII;

(d) Liens on the property of any Receivables Entity pursuant to a Permitted Securitization, and the sale of Receivables and Related Assets pursuant to a Permitted Securitization;

(e) Liens arising in connection with Sale and Leaseback Transactions pursuant to Section 6.09(c), (d) or (e); provided such Liens shall be limited to the property and assets related to such Sale and Leaseback Transaction (and for the avoidance of doubt, not on Spectrum or proceeds thereof);

(f) Liens securing the Obligations pursuant to the Loan Documents and any Replacement Financing in respect thereof in the amount and subject to the terms set forth in Section 2.20;

(g) Liens created on fixed or capital assets or inventory acquired, constructed or improved by the Borrower or any of its Restricted Subsidiaries and financed with Indebtedness permitted under Section 6.01(f); provided that (i) such Liens and the Indebtedness secured thereby are incurred prior to or within 270 days after such acquisition or the completion of such construction or improvement and (ii) there are no Liens on any other property or assets of the Borrower or any of its Restricted Subsidiaries that secure such Indebtedness;

(h) any Lien existing on any property or asset of any Person that becomes a Restricted Subsidiary after the Effective Date prior to the time such Person becomes a Restricted Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such Person becoming a Restricted Subsidiary and (ii) there are no Liens on any other property or assets of the Borrower or any of its Restricted Subsidiaries that secure the Indebtedness of such Person;

(i) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights and remedies as to deposit or commodity trading or brokerage accounts or other funds maintained with a creditor depository institution, provided that such accounts and funds are not primarily intended by the Borrower or any of its Restricted Subsidiaries to provide collateral to the depository institution or the commodity intermediary;

(j) Liens consisting of or arising under (i) agreements to dispose of any property in a Disposition permitted under Section 6.03 (to the extent such Liens apply to such property to be Disposed) and (ii) earnest money deposits made by the Borrower or any of its Restricted Subsidiaries in connection with any letter of intent or purchase agreement;

(k) Liens on cash collateral in favor of the Administrative Agent securing LC Exposure of the Revolving Credit Lenders and Issuing Banks;

(l) Liens on cash collateral in favor of the counterparty to bi-lateral letters of credit or any trustee or paying agent for purpose of satisfying any Indebtedness of the Borrower or any Restricted Subsidiary, to the extent securing any such letters of credit with an aggregate face amount, or obligations relating to such Indebtedness with a principal amount, not exceeding $50,000,000 in the aggregate;

(m) additional Liens (including any Liens securing financings permitted by Section 6.01(o)) covering property of the Borrower or any of its Restricted Subsidiaries (or securing obligations in an aggregate amount, at the time of incurrence thereof) that does not exceed $10,000,000 in the aggregate at any time outstanding; provided such Liens shall not be on cash or cash equivalents; provided further that in no event shall this clause (m) permit the incurrence of Liens that would result in an Equal and Ratable Trigger;

(n) Liens securing obligations of the Borrower and the Guarantors in respect of the operating lease payments owed to SpectrumCo1 and the related payment and performance undertaking, secured by the Collateral on a pari passu basis or junior basis with the Obligations and securing obligations in an aggregate outstanding amount not to exceed $3,500,000,000 at any time (such maximum amount, the "Spectrum Guarantee Cap"); provided that in no event shall this clause (n) permit the incurrence of Liens that would result in an Equal and Ratable Trigger;

(o) Liens on the Collateral, securing obligations of the Parent Guarantor, the Borrower and its Restricted Subsidiaries on a pari passu or junior basis to the Liens securing the Obligations and subject to an Intercreditor Agreement, subject to pro forma compliance with the Applicable Debt Cap Test; provided further that in no event shall this clause (o) permit the incurrence of Liens that would result in an Equal and Ratable Trigger;

(p) Liens securing Indebtedness of a joint venture; provided the aggregate amount of Indebtedness secured under this clause (p) does not exceed $325,000,000 and such Liens only extend to the assets of such joint venture;

(q) back-up Liens granted on customary terms in connection with agreements intended to be absolute assignments or true sales in connection with securitization Sale and Leaseback Transactions permitted hereunder (provided that, for the avoidance of doubt, such Liens are solely on the assets that are the subject of any such securitization Sale and Leaseback Transaction and such securitization Sale and Leaseback Transaction is permitted under this Agreement); and

(r) to the extent (and only to the extent) required by the applicable ratings agencies, as determined by the Borrower in good faith by consultation with the concerned rating agencies, in order to obtain ratings at the time such Liens are initially incurred of the higher of (a) the then existing ratings on the outstanding notes of SpectrumCo1 from Fitch or S&P or Moody's at the time such Liens are initially incurred (it being understood if such ratings are greater than the ratings in the following clause (b) and Liens are being incurred in reliance on this clause (a), such greater ratings cannot have resulted from additional contribution of assets or new credit support given, in each case after the 2018 Incremental Amendment Effective Date, to SpectrumCo1) and (b) BBB (with stable outlook) from Fitch or, BBB (with stable outlook) from S&P or Baa2 (with stable outlook) from Moody's with respect to the notes to be issued in connection with SpectrumCo2 (and not, for the avoidance of doubt, for the purpose of obtaining higher ratings than those specified in this clause (r)), Liens securing obligations of the Borrower and the Guarantors in respect of the operating lease payments owed to SpectrumCo2 and the related payment and performance undertaking, secured by the Collateral on a pari passu basis or junior basis with the Obligations and securing obligations in an aggregate outstanding amount not to exceed $3,500,000,000 at any time; provided that in no event shall this clause (r) permit the incurrence of Liens that would result in an Equal and Ratable Trigger.

SECTION 6.03 Fundamental Changes.

(a) Mergers and Consolidations. The Borrower will not, and will not permit any Restricted Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing:

(i) any Person may merge with or into the Borrower in a transaction in which (x) such Borrower is the surviving corporation or (y) the continuing or surviving entity shall have assumed all of the obligations of such Borrower hereunder pursuant to an instrument in form and substance satisfactory to the Administrative Agent and shall have delivered such proof of corporate action, incumbency of officers, opinions of counsel and other documents as is consistent with those delivered by the Borrower pursuant to Section 4.01 upon the Effective Date or as the Administrative Agent shall have requested and the net worth (determined on a consolidated basis in accordance with GAAP) of the continuing or surviving entity immediately after giving effect thereto shall be greater than or equal to the net worth (so determined) of such Borrower immediately prior to giving effect thereto;

(ii) any Person (other than the Borrower) may merge with or into any Restricted Subsidiary of the Borrower in a transaction in which the surviving entity is a Restricted Subsidiary of the Borrower, provided that, if any such merger shall be between a Subsidiary Guarantor and a Non-Guarantor Subsidiary (or another Person that is not a Subsidiary Guarantor), the survivor shall be or become a Subsidiary Guarantor;

(iii) any Restricted Subsidiary of the Borrower may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders (and if such Restricted Subsidiary in a Subsidiary Guarantor, any assets of such Subsidiary Guarantor are transferred to the Borrower or another Subsidiary Guarantor, or otherwise transferred to a Restricted Subsidiary in compliance with Section 6.08 (other than Section 6.08(n)); and

(iv) any Restricted Subsidiary (other than the Borrower) may merge into any other Person in order to effect a Disposition permitted by this Agreement.

Notwithstanding the foregoing, in no event shall the Borrower reorganize in a jurisdiction that is not a state of the United States of America or the District of Columbia.

(b) Disposition of Assets . The Borrower and its Restricted Subsidiaries, when taken as a whole, will not, sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of their assets (in each case, whether now owned or hereafter acquired).

Additionally, the Borrower and its Restricted Subsidiaries will not Dispose of any Spectrum except (a) pursuant to a Permitted JV Transfer or a Permitted Spectrum Swap, or (b) in a Sale and Leaseback Transaction or in a Disposition to a third party that is not an Affiliate of the Borrower, in each case, to the extent that, immediately after giving effect thereto on a pro forma basis, the Spectrum Disposition Requirements are satisfied with respect thereto.

Furthermore, the Borrower and its Restricted Subsidiaries shall not permit less than 100% of the Equity Interests in SpectrumCo1, SpectrumCo2 or any other special purpose vehicles that would be formed as part of and for the purpose of consummating a future Sale and Leaseback Transaction of Spectrum, to be owned (directly or indirectly) by the Borrower (other than voting Equity Interests owned directly or indirectly by the Parent Guarantor). Subject to Section 2.21, any Subsidiary of the Borrower (other than SpectrumCo1, SpectrumCo2 or any other special purpose vehicles that would be formed as part of and for the purpose of consummating a future Sale and Leaseback Transaction of Spectrum) that directly or indirectly owns any Equity Interests referred to in the immediately preceding sentence shall be Restricted Subsidiaries and Subsidiary Guarantors.

SECTION 6.04 Transactions with Affiliates . Except as expressly permitted by this Agreement, the Borrower will not, and will not permit any of its Restricted Subsidiaries to, sell, lease or otherwise transfer any cash or other property to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except:

(i) at prices and on terms and conditions not less favorable to the Borrower or such Restricted Subsidiary than could be obtained on an arm's-length basis from unrelated third parties or pursuant to agreements in effect on the Effective Date, and

(ii) transactions between or among the Borrower and its Subsidiary Guarantors not involving any other Affiliate or transactions between or among Restricted Subsidiaries that are not Guarantors not involving any other Affiliate.

SECTION 6.05 Financial Covenants .

(a) Total Indebtedness Ratio . The Borrower will not permit the Total Indebtedness Ratio as at the last day of any fiscal quarter of the Borrower to exceed the ratio set forth below opposite such fiscal quarter:

Fiscal Quarter	Total Indebtedness Ratio
March 31, 2017	6.00 to 1.00
June 30, 2017	6.00 to 1.00
September 30, 2017	6.00 to 1.00
December 31, 2017	6.00 to 1.00
March 31, 2018	4.75 to 1.00
June 30, 2018	4.75 to 1.00
September 30, 2018	4.75 to 1.00
December 31, 2018	4.75 to 1.00
March 31, 2019	3.75 to 1.00
June 30, 2019	3.75 to 1.00
September 30, 2019	3.75 to 1.00
December 31, 2019	3.75 to 1.00
March 31, 2020 and each fiscal quarter ending thereafter	3.50 to 1.00

(b) Total Interest Coverage Ratio . The Borrower will not permit the Total Interest Coverage Ratio as at the last day of any fiscal quarter of the Borrower to be less than the ratio set forth below opposite such fiscal quarter:

Fiscal Quarter	Total Interest Coverage Ratio
March 31, 2017	2.25 to 1.00
June 30, 2017	2.75 to 1.00
September 30, 2017	2.75 to 1.00
December 31, 2017	2.75 to 1.00
March 31, 2018	2.75 to 1.00
June 30, 2018	3.00 to 1.00
September 30, 2018	3.00 to 1.00
December 31, 2018	3.00 to 1.00
March 31, 2019	3.00 to 1.00
June 30, 2019 and each fiscal quarter ending thereafter	3.25 to 1.00

SECTION 6.06 Restricted Payments. The Borrower will not, nor will it permit any of its Restricted Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except that:

(a) any Non-Guarantor Restricted Subsidiary may make Restricted Payments to the Borrower or any of its Restricted Subsidiaries;

(b) any Restricted Subsidiary of the Borrower may declare and pay dividends to the Borrower or any Subsidiary Guarantor;

(c) the Borrower and any of its Restricted Subsidiaries may declare and pay dividends with respect to its capital stock at any time solely in additional shares of its common stock;

(d) the Borrower and any of its Restricted Subsidiaries may make Restricted Payments pursuant to and in accordance with (i) stock option plans or other benefit or compensation plans, (ii) agreements existing on the Effective Date and (iii) agreements entered into after the Effective Date, provided that payments under such future agreements do not exceed $5,000,000 in any fiscal year, in each case, for directors, management or employees of the Borrower and any of its Restricted Subsidiaries in the ordinary course of business;

(e) [reserved];

(f) the Borrower and its Restricted Subsidiaries may make cash payments in lieu of issuing fractional shares in connection with the exercise of Equity Rights convertible into or exchangeable for Equity Interests of the Borrower or its Restricted Subsidiaries;

(g) so long as no Default shall have occurred and be continuing, any Restricted Subsidiary that is not wholly-owned may make distributions payable to the other equity holders of such Restricted Subsidiary on a pro rata basis;

(h) Restricted Payments resulting from the cashless exercise of stock options;

(i) the Borrower and its Restricted Subsidiaries may issue Equity Interests in connection with the exercise of Equity Rights arising under Indebtedness not prohibited hereunder and convertible into or exchangeable for Equity Interests of the Borrower or its Restricted Subsidiaries; and

(j) so long as no Default shall have occurred and be continuing or would result therefrom, the Borrower and any of its Restricted Subsidiaries may make other Restricted Payments in an aggregate amount not to exceed $25,000,000 in any fiscal year of the Borrower, less such amounts, if any, used pursuant to Section 6.07(ii)(x) in such fiscal year;

provided that if the Total Indebtedness Ratio is less than 2.50:1.00 immediately after giving effect to such Restricted Payment, based on the most recent fiscal quarter of the Borrower for which financial statements have been delivered pursuant to Section 5.01(a) or (b), recomputed on a pro forma basis, the Borrower and its Restricted Subsidiaries may make additional Restricted Payments in cash; provided further, that, for avoidance of doubt, any extension, renewal or refinancing of debt securities that are convertible into or exchangeable for shares of capital stock (whether common or preferred), partnership interests, membership interests in a limited liability company (whether common or preferred), beneficial interests in a trust or other equity ownership interests, in each case, of the Borrower or any Restricted

Subsidiary, shall be permitted under this Section 6.06 so long as such extension, renewal or refinancing is not otherwise prohibited by this Agreement.

SECTION 6.07 Prepayments and Modifications of Indebtedness. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, purchase, redeem, retire or otherwise acquire for value, or set apart any money for a sinking, defeasance or other analogous fund for the purchase, redemption, retirement or other acquisition of, or make any voluntary payment or prepayment of the principal of or interest on, or any other amount owing in respect of, (i) any Intercompany Indebtedness except in the ordinary course of business and except repayments of Intercompany Indebtedness (x) owing to any Obligor, (y) by any Obligor to any of the Borrower's Restricted Subsidiaries to the extent that such Intercompany Indebtedness results from the receipt and application of cash proceeds from Accounts pursuant to the Borrower's and its Restricted Subsidiaries' ordinary cash management practices and is consistent in all material respects with past practice and (z) of any Foreign Subsidiary owing to any other Foreign Subsidiary and (ii) any Indebtedness for borrowed money (or Guarantees thereof) of the Borrower or its Restricted Subsidiaries that is unsecured, secured by Liens on a junior basis to the Liens securing the Obligations or that is contractually subordinated in right of payment to the Obligations other than Intercompany Indebtedness covered by clause (i) above (the Indebtedness above in this clause (ii), "Junior Indebtedness") other than, (u) regularly scheduled interest, fee and principal payments as and when due, other than, if applicable, payments prohibited by the subordination provisions thereof, (v) refinancings of Junior Indebtedness with the proceeds of Refinancing Indebtedness, (w) payments in respect of Maturing Indebtedness, (x) so long as no Default shall have occurred and be continuing or would result therefrom after giving pro forma effect thereto, payments in amounts that would be permitted as Restricted Payments pursuant to Section 6.06(j), provided such use shall reduce the amount available for Restricted Payments under Section 6.06(j) and (y) other payments in cash to the extent that the Total Indebtedness Ratio immediately after giving effect to such payment is less than 2.50:1.00, based on the most recent fiscal quarter of the Borrower for which financial statements have been delivered pursuant to Section 5.01(a) or (b), recomputed on a pro forma basis.

The Borrower shall not, and shall not permit its Restricted Subsidiaries to, amend, waive or modify any agreement, instrument or document evidencing Intercompany Indebtedness or Junior Indebtedness (including for this purpose any Maturing Indebtedness that would otherwise qualify as Junior Indebtedness), in a manner that would be materially adverse to the interest of the Lenders, taken as a whole. The Parent Guarantor will not, nor will it permit its Subsidiaries to amend, waive or modify any agreement, instrument or document evidencing the SpectrumCo1, SpectrumCo2 or other Sale and Leaseback Transaction relating to Spectrum in a manner that would be materially adverse to the interest of the Lenders, taken as a whole.

SECTION 6.08 Investments. None of the Borrower or any Restricted Subsidiary will purchase, hold, acquire, make or otherwise permit to exist any Investment in any other Person, except:

(a) Permitted Investments;

(b) (i) Investments existing on the Effective Date in Subsidiaries and (ii) other Investments existing on the Effective Date and set forth on Schedule 6.08;

(c) (i) additional Investments by the Borrower in any Subsidiary Guarantor and by any Subsidiary Guarantor in the Borrower or in another Subsidiary Guarantor, and (ii) Investments (including by way of capital contributions) by the Borrower and the Restricted Subsidiaries in their Restricted Subsidiaries; provided, in the case of clause (ii), that (x) any Equity Interests held by a Loan Party shall be pledged to the extent required pursuant to the terms of the Collateral and Guarantee Requirement and (y) the aggregate outstanding amount of Investments by Loan Parties in Restricted Subsidiaries that are not Loan Parties shall not exceed $2,000,000,000 less any other uses of this amount pursuant to the other sub-clauses set forth in this Section 6.08 (such amount, as reduced pursuant to usage thereof, the " Shared Investment Amount ");

(d) loans or advances made by the Borrower or any Restricted Subsidiary to any Restricted Subsidiary; provided that no loan or advance made by any Loan Party to a Restricted Subsidiary that is not a Loan Party shall be permitted pursuant to this Section 6.08(d) if, at the time of, and after giving effect to, the making of such loan or advance (and any substantially simultaneous use of the Shared Investment Amount) and the use of proceeds thereof, the Shared Investment Amount would be equal to or less than zero (it being understood Investments pursuant to this proviso shall constitute usage of the Shared Investment Amount);

(e) Guarantees by the Borrower or any Restricted Subsidiary of Indebtedness or Secondary Obligations of the Borrower or any Restricted Subsidiary (including any such Guarantees arising as a result of any such Person being a joint and several co-applicant with respect to any letter of credit or letter of guaranty); provided that (i) (A) a Restricted Subsidiary that has not Guaranteed the Obligations pursuant to this Agreement shall not Guarantee any Indebtedness or Secondary Obligation of any Loan Party and (B) any such Guarantee of Indebtedness or Secondary Obligation that is subordinated in right of payment or by way of Lien priority to the Obligations is subordinated to the Obligations on terms no less favorable to the Lenders than those of such subordinated Indebtedness, (ii) any such Guarantee constituting Indebtedness is permitted by Section 6.01 and (iii) no Guarantee by any Loan Party of Indebtedness or Secondary Obligation of any Restricted Subsidiary that is not a Loan Party shall be permitted pursuant to this Section 6.08(e) if, at the time of the making of, and after giving effect to, such Guarantee (and any substantially simultaneous use of the Shared Investment Amount), the Shared Investment Amount would be equal to or less than zero (it being understood Investments pursuant to this clause (iii) shall constitute usage of the Shared Investment Amount);

(f) (i) loans or advances to employees of the Borrower or any Restricted Subsidiary made in the ordinary course of business, including those to finance the purchase of Equity Interests of the Borrower (or the Parent Guarantor) pursuant to employee plans and (ii) payroll, travel, entertainment, relocation and similar advances to directors and employees of the Borrower or any Restricted Subsidiary to cover matters that are expected at the time of such advances to be treated as expenses of the Borrower or any Restricted Subsidiary for accounting purposes and that are made in the ordinary course of business;

(g) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, or consisting of securities acquired in connection with the satisfaction or enforcement of claims due or owing to the Borrower or any Restricted Subsidiary, in each case in the ordinary course of business;

(h) Permitted Acquisitions;

(i) Investments held by a Restricted Subsidiary acquired after the Effective Date or of a Person merged or consolidated with or into the Borrower or a Restricted Subsidiary after the Effective Date, in each case as permitted hereunder, to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger or consolidation and were in existence on the date of such acquisition, merger or consolidation;

(j) Investments by the Borrower or any Restricted Subsidiary that result solely from the receipt by the Borrower or such Restricted Subsidiary from any of its Subsidiaries of a dividend or other Restricted Payment in the form of Equity Interests, evidences of Indebtedness or other securities (but not any additions thereto made after the date of the receipt thereof);

(k) Investments in the form of Hedging Agreements entered into in the ordinary course of business to hedge or mitigate risks to which the Borrower or any Restricted Subsidiary has actual exposure;

(l) Investments by any Restricted Subsidiary that is not a Subsidiary Guarantor in any other Restricted Subsidiary that is not a Subsidiary Guarantor;

(m) Investments consisting of (i) extensions of trade credit, (ii) deposits made in connection with the purchase of goods or services or the performance of leases, licenses or contracts, in each case, in the ordinary course of business, (iii) notes receivable of, or prepaid royalties and other extensions of credit to, customers and suppliers that are not Affiliates of the Borrower and that are made in the ordinary course of business and (iv) Guarantees made in the ordinary course of business in support of obligations of the Borrower or any of its Restricted Subsidiaries not constituting Indebtedness for borrowed money, including operating leases and obligations owing to suppliers, customers and licensees (it being understood any obligations in respect of Spectrum Sale and Leaseback Transactions shall be included in the definition of Relevant Obligations as set forth therein);

(n) mergers and consolidations permitted under Section 6.03 that do not involve any Person other than the Borrower and wholly-owned Restricted Subsidiaries;

(o) intercompany Investments, reorganizations and other activities relating to tax planning and reorganization, so long as, after giving effect thereto the Liens for the benefit of the Secured Parties in the Collateral, taken as a whole, are not materially impaired; provided that no Investment may be made by any Loan Party in a Restricted Subsidiary that is not a Loan Party or by the Borrower or any Restricted Subsidiary in an Unrestricted Subsidiary if, at the time of the making of, and after giving effect to, such Investment (and any substantially simultaneous use of the Shared Investment Amount), the Shared Investment Amount would be less than or equal to zero (it being understood such Investments pursuant to this proviso shall constitute usage of the Shared Investment Amount);

(p) other Investments (including with respect to joint ventures), provided such Investments shall utilize the Shared Investment Amount and after giving effect to such usage, the Shared Investment Amount shall not be less than or equal to zero;

(q) Investments consisting of Guarantees in the ordinary course of business to support the obligations of any Restricted Subsidiary under its worker's compensation and general insurance agreements;

(r) other Investments (including with respect to joint ventures), provided the Total Indebtedness Ratio immediately after giving effect to such Investment is less than 3.00:1.00, based on the most recent fiscal quarter of the Borrower for which financial statements have been delivered pursuant to Section 5.01(a) or (b), recomputed on a pro forma basis; provided further , that at the time any such Investment is made pursuant to this clause (r), no Default shall have occurred and be continuing or would result therefrom;

(s) any NewCo Transfer;

(t) any Guarantees by the Borrower or a Subsidiary Guarantor of obligations of the Parent Guarantor, the Borrower or Subsidiary Guarantors under operating leases (and not under any Indebtedness) in respect of a Spectrum Sale and Leaseback Transaction permitted pursuant to Section 6.09(a);

(u) Investments pursuant to a securitization of assets (other than Spectrum) otherwise permitted by this Agreement (including as a result of replenishing the assets that are the subject of such transaction with new assets of the corresponding type);

(v) Permitted JV Transfers and Permitted Spectrum Swaps;

(w) to the extent constituting Investments, Sale and Leaseback Transactions permitted pursuant to Section 6.09; and

(x) Investments received as non-cash consideration for a Disposition permitted under this Agreement;

Notwithstanding the foregoing, any Investments that involve the transfer (including by acquisition) of Spectrum to a Person other than the Borrower or a Subsidiary Guarantor shall be required to be (a) a Permitted JV Transfer or a Permitted Spectrum Swap, or (b) pursuant to a Sale and Leaseback Transaction or a Disposition to a third party that is not an Affiliate of the Borrower permitted pursuant to Section 6.03(b).

SECTION 6.09 Sale and Leaseback Transactions. None of the Borrower or any Restricted Subsidiary will enter into any Sale and Leaseback Transaction except:

(a) Sale and Leaseback Transactions in respect of SpectrumCo1, SpectrumCo2 or other Sale and Leaseback Transactions with respect to Spectrum similar to the SpectrumCo1 Sale and Leaseback Transaction (or, to the extent not similar to the SpectrumCo1 Sale and Leaseback, such difference shall not be adverse to the Lenders), if immediately after giving effect thereto on a pro forma basis, the Spectrum Disposition Requirements are satisfied;

(b) Sale and Leaseback Transactions with respect to purchase money financings (and not with respect to Spectrum) permitted under Section 6.01(f) and 6.02(g);

(c) Sale and Leaseback Transactions with respect to real property constituting HQ Properties;

(d) additional Sale and Leaseback Transactions (not with respect to Spectrum) the aggregate obligations in respect of which do not exceed $250,000,000 at any time outstanding; provided that, the net cash proceeds thereof are applied in compliance with the Special Disposition Requirements; and

(e) Sale and Leaseback Transactions with respect to assets (other than Spectrum) of the type which are subject to Sale and Leaseback Transactions as of the Effective Date (including RAN Financings); provided that RAN Financings shall be required to be outstanding in reliance on this Section 6.09(e) and the aggregate outstanding obligations in respect of RAN Financings shall not exceed $2,700,000,000 at any time outstanding.

ARTICLE VII
EVENTS OF DEFAULT

If any of the following events (" Events of Default ") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay (i) any interest on any Loan, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three or more Business Days or (ii) any fee or any other amount (other than an amount referred to in clause (a) or (b)(i) of this Article VII) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five or more Business Days;

(c) any representation or warranty made or deemed made by or on behalf of any Loan Party in or in connection with this Agreement or any of the other Loan Documents or any amendment or modification hereof or thereof (or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement, any of the other Loan Documents or any amendment or modification hereof or thereof) shall prove to have been incorrect when made or deemed made in any material respect;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Sections 5.02(a), 5.03, 5.09 (but solely with respect to the requirements of any Restricted Subsidiary that would constitute a Significant Subsidiary for the purposes of clause (a) thereof to deliver a Joinder Agreement, Accession Agreement or proof of corporation action, incumbency opinions or other documents contemplated therein) or Article VI (other than Section 6.04); provided that any failure to comply with Section 6.05 shall not constitute an Event of Default with respect to any Term Loans unless and until the Administrative Agent or the Revolving Credit Lenders representing the Required Lenders of the Class of Revolving Credit Loans shall have terminated the Revolving Credit Commitments or exercised remedies with respect to outstanding Revolving Credit Loans and Letters of Credit pursuant to the penultimate paragraph of this Article VII;

(e) the Borrower or any other Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b), (c) or (d) of this Article VII, but including Section 5.09(a) with respect to any Restricted Subsidiary that would not constitute a Significant Subsidiary) or any other Loan Document, and such failure shall continue unremedied for a period of thirty or more days after notice thereof from the Administrative Agent (given at the request of any Lender) to the Borrower;

(f) the Borrower (or any Restricted Subsidiary of the Borrower, other than an Excluded Subsidiary) shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable, and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Material Indebtedness;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, but without any further lapse of time) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower (or any Significant Subsidiary that is a Restricted Subsidiary) or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower (or any Significant Subsidiary that is a Restricted Subsidiary) or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower (or any Significant Subsidiary that is a Restricted Subsidiary) shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article VII, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower (or any Significant Subsidiary that is a Restricted Subsidiary) or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Borrower (or any Significant Subsidiary that is a Restricted Subsidiary) shall become unable, admit in writing or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of $250,000,000 shall be rendered against the Borrower (or any Significant Subsidiary that is a Restricted Subsidiary) and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower (or any Significant Subsidiary) to enforce any such judgment;

(l) an ERISA Event shall have occurred that could reasonably be expected to result in a Material Adverse Effect;

(m) the Guarantees under Section 9.14 by the Parent Guarantor, Borrower or any Subsidiary Guarantor shall cease to be in full force and effect, or shall be asserted in writing by any Loan Party not to be in effect or not to be legal, valid and binding obligations, other than pursuant to a release permitted under Section 9.16 or any subordination provision in any Intercreditor Agreement required to be outstanding hereunder shall cease to be in full force and effect, or shall be asserted in writing by any Loan Party not to be in effect or not to be legal, valid and binding obligations;

(n) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted by any Loan Party not to be, a valid and perfected Lien on any Collateral having, individually or in the aggregate, a fair value in excess of $100,000,000, with the priority required by the applicable Security Document, except as a result of (i) the sale or other Disposition of the applicable Collateral in a transaction permitted under the Loan Documents or (ii) the release thereof as provided in the applicable Security Document or Section 9.16; or

(o) a Notice of Event of Default or Notice of Acceleration (each as defined in the Collateral Trust Agreement) has been delivered to the Collateral Trustee (and has not been rescinded) and an enforcement action is continuing with respect to the obligations the subject of such Notice of Event of Default or Notice of Acceleration;

then, and in every such event (other than an event with respect to any Obligor described in clause (h) or (i) of this Article VII), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to any Obligor described in clause (h) or (i) of this Article VII, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder (including without limitation, the obligation to provide cash collateral for Letters of Credit as set forth in Section 2.04(i)), shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; provided , however , that upon the occurrence and during the continuance of any Event of Default attributable to a failure to comply with any Financial Covenant, (x) actions pursuant to clauses (i) and (ii) may be taken by the Required Lenders of the Class of Revolving Credit Loans only (without the requirement for Required Lender action) or by the Administrative Agent at the direction of such Lenders, and (y) only if action has been taken in respect of such Event of Default under clause (i) and (ii) (with respect to the Revolving Credit Loans) by the Required Lenders of the Class of Revolving Credit Loans or by the Administrative Agent at the direction of such Lenders, then such Event of Default will be deemed to be an Event of Default with respect to all Lenders hereunder and the remedies set forth above can be exercised in respect of all Loans.

In addition to the foregoing, at any time after the occurrence and during the continuance of an Event of Default, the Issuing Bank(s) in respect of any Letter of Credit may at the request of the Required Lenders (or, if applicable as set forth above, the Required Lenders with respect to the Class of Revolving Credit Loans) send a notice of termination to the beneficiary under such Letter of Credit to the extent permitted under the terms of such Letter of Credit.

ARTICLE VIII
THE ADMINISTRATIVE AGENT AND THE COLLATERAL TRUSTEE

Each of the Lenders and each Issuing Bank hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such actions and powers as are reasonably incidental thereto.

JPMorgan Chase Bank, N.A. shall have the same rights and powers in its capacity as a Lender hereunder as any other Lender and may exercise the same as though JPMorgan Chase Bank, N.A. were not the Administrative Agent, and any bank serving in the capacity of Administrative Agent from time to time and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate of any thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth in this Agreement and the other Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by this Agreement and the other Loan Documents that the Administrative Agent is required to exercise in writing by the Required Lenders, and (c) except as expressly set forth herein and in the other Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as the Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders or, if provided herein, with the consent or at the request of the Required Lenders of a particular Class, or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall not be deemed to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or the other Loan Documents, (ii) the contents of any certificate, report or other document delivered hereunder or under any of the other Loan Documents or in connection herewith of therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or in any other Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, the other Loan Documents or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall not be required to initiate or conduct any litigation or collection proceedings hereunder or under any other Loan Document.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. The Administrative Agent shall be fully justified in failing or refusing to take any action under any Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, where unanimous consent of the Lenders is expressly required hereunder, such Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under any Loan Document in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

The Administrative Agent may perform any and all of its duties, and exercise its rights and powers, by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Administrative Agent.

The Administrative Agent hereby appoints each of the other Lenders to serve as bailee to perfect the Administrative Agent's Liens in any Collateral in the possession of any such other Lender and each Lender possessing any such Collateral agrees to so act as bailee for the Administrative Agent in accordance with the terms and provisions hereof.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders, each Issuing Bank and the Obligor Representative. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor Administrative Agent. If no successor shall have been so appointed and shall have accepted such appointment within 30 days after such retiring Administrative Agent gives notice of its resignation, then such retiring Administrative Agent may, on behalf of the Lenders and the Issuing Banks, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of such retiring Administrative Agent, and such retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article VIII and Section 9.03 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent. Notwithstanding the foregoing, in the event no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders, the Issuing Banks and the Borrower, whereupon, on the date of effectiveness of such resignation stated in such notice, (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents, and (b) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent; provided that (i) all payments required to be made hereunder or under any other Loan Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (ii) all notices and other communications required or contemplated to be given or made to the Administrative Agent shall also directly be given or made to each Lender and each Issuing Bank.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, any Issuing Bank or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, any Issuing Bank or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement and the other Loan Documents, any related agreement or any document furnished hereunder or thereunder.

Anything herein to the contrary notwithstanding, none of the bookrunners, lead arrangers, syndication agents or documentation agents listed on the cover page hereof shall have any duties or responsibilities under this Agreement, except in their capacity, if any, as the Administrative Agent, Lenders or Issuing Banks hereunder.

It is hereby agreed acknowledges that the provisions of this Article VIII shall apply to the Issuing Bank, in its capacity as issuer of any Letter of Credit, in the same manner as such provisions are expressly stated to apply to the Administrative Agent.

Except with respect to the exercise of setoff rights of any Lender in accordance with Section 9.08 or with respect to a Lender's right to file a proof of claim in an insolvency proceeding, no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce any Guarantee of the Obligations, it being understood and agreed that all powers, rights and remedies under the Loan Documents may be exercised solely by the Collateral Trustee on behalf of the Secured Parties in accordance with the terms thereof. In the event of a foreclosure by the Collateral Trustee on any of the Collateral pursuant to a public or private sale or other disposition, the Collateral Trustee or any Lender may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition, and the Collateral Trustee, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless the Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Loan Document Obligations as a credit on account of the purchase price for any collateral payable by the Collateral Trustee on behalf of the Secured Parties at such sale or other disposition.

In furtherance of the foregoing and not in limitation thereof, no Hedging Agreement or Cash Management Agreement, the obligations under which constitute Secured Hedging Obligations or Secured Cash Management Obligations will create (or be deemed to create) in favor of any Secured Party that is a party thereto any rights in connection with the management or release of any Collateral or of the obligations of any Loan Party under this Agreement or any other Loan Document. By accepting the benefits of the Collateral, each Secured Party that is a party to any such Hedging Agreement or Cash Management Agreement shall be deemed to have appointed the Administrative Agent to serve as administrative agent, the Collateral Trustee to serve as collateral trustee, under the Loan Documents and agreed to be bound by the Loan Documents as a Secured Party thereunder, subject to the limitations set forth in this paragraph.

The Secured Parties irrevocably authorize the Collateral Trustee, at its option and in its discretion, to subordinate any Lien on any property granted to or held by the Collateral Trustee under any Loan Document to the holder of any Lien on such property that is permitted to be prior to the Liens securing the Obligations pursuant to Section 6.02 and to release any Guarantee or Lien pursuant to the terms of Section 9.16. The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Collateral Trustee's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

In case of the pendency of any proceeding with respect to any Loan Party under any Federal, State or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Loan or any LC Disbursement shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Loan Parties) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(y) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, LC Exposure and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Banks, the Administrative Agent and the Collateral Trustee allowed in such judicial proceeding; and

(z) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such proceeding is hereby authorized by each Lender, each Issuing Bank and each other Secured Party to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, the Issuing Banks or the other Secured Parties, to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, under the Loan Documents (including under Section 9.03).

The provisions of this Article VIII are solely for the benefit of the Administrative Agent, the Collateral Trustee, the Lenders and the Issuing Banks, and, except solely to the extent of the Borrower's rights to consult pursuant to and subject to the conditions set forth in this Article VIII, none of the Loan Parties or any Subsidiary shall have any rights as a third party beneficiary of any such provisions. Each Secured Party, whether or not a party hereto, will be deemed, by its acceptance of the benefits of the Collateral and the Guarantees of the Obligations provided under the Loan Documents, to have agreed to the provisions of this Article VIII.

ARTICLE IX
MISCELLANEOUS

SECTION 9.01 Notices .

(a) Notices Generally . Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Borrower (as Borrower or Obligor Representative), to:

6200 Sprint Parkway
Overland Park, Kansas 66251
Attention: Janet Duncan, Vice President and Treasurer
Telecopy No. 913-523-1911
Email: TreasuryProcessing@sprint.com and Janet.Duncan@sprint.com

with a copy to it at:

6200 Sprint Parkway
Overland Park, Kansas 66251
Attention: General Counsel
Telecopy No. 913-523-9802

(ii) if to the Administrative Agent, to:

500 Stanton Christiana Road, NCC5, Floor 1
Newark, DE, 19713-2107
Attention: Eugene Tull
eugene.h.tulliii@chase.com
Group Fax - 302-634-3301

and with a copy to it at:

383 Madison Avenue, Floor 24
New York, NY, 10179
Attention: Tina Ruyter
Telephone No. 212-270-4676
Telecopy No. 212-270-5127

(iii) if to any Lender (including any Lender in its capacity as an Issuing Bank hereunder), to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

(b) Electronic Notification . Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Obligor Representative may, in their discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Modifications to Notice Provisions . Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto (or, in the case of any such change by a Lender, by notice to the Borrower and the Administrative Agent). All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

(d) Platform . The Borrower, Issuing Banks and Lenders agree that the Administrative Agent may, but shall not be obligated to, make any communication hereunder (a " Communication ") by posting such Communications on Debt Domain, Intralinks, Syndtrak or a similar electronic transmission system (the " Platform "). The Platform is provided "as is" and "as available". Neither the Administrative Agent nor any of its Related Parties warrants, or shall be deemed to warrant, the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made, or shall be deemed to be made, by the Administrative Agent or any of its Related Parties in connection with the Communications or the Platform.

SECTION 9.02 Waivers: Amendments.

(a) No Deemed Waivers; Remedies Cumulative. No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 9.02, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or the respective Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Amendments to this Agreement. Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall:

(i) increase any Commitment of any Lender without the written consent of such Lender;

(ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly and adversely affected thereby;

(iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of reduction or expiration of any Commitment, or extend the expiration date of any Letter of Credit beyond the Revolving Credit Termination Date, without the written consent of each Lender directly and adversely affected thereby;

(iv) change Section 2.17(b), 2.17(c), 2.17(d) or Section 3.4 of the Collateral Trust Agreement, without the written consent of each Lender directly and adversely affected thereby;

(v) change any of the provisions of this Section 9.02 or the percentage set forth in the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or under any other Loan Document or make any determination or grant any consent hereunder or thereunder, without the written consent of each Lender;

(vi) release all or substantially all of the Guarantors from their guarantee obligations under Section 9.14 or release all or substantially all of the Collateral, in each case, subject to Section 9.16, without the written consent of each Lender;

(vii) modify the currency in which a Loan or Commitment is denominated, without the written consent of each Lender holding such Loan or Commitment;

provided further that (A) no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or any Issuing Bank hereunder without the prior written consent of the Administrative Agent or Issuing Bank, as the case may be and (B) no consent, other than the Required Lenders of a Class (and of each directly and adversely affected Lender, or if applicable, each Lender, of such Class) shall be required to effect any of the changes referred to in clauses (i), (ii) or (iii) above with respect to such Class.

In connection with any waiver, amendment or other modification to this Agreement, the Administrative Agent shall be permitted to establish a "record date" to determine which Lenders are to be entitled to participate in consenting to such waiver, amendment or modification (it being understood that Persons that become "Lenders" under this Agreement after such "record date" pursuant to an assignment in accordance with Section 9.04 shall not be entitled to participate in such consent).

Anything in this Agreement to the contrary notwithstanding, (A) no waiver or modification of any provision of this Agreement that has the effect of enabling the Borrower to satisfy a condition precedent to the making of a Loan of any Class shall be effective against the Lenders of such Class, unless the Required Lenders of the affected Class shall have concurred with such waiver or modification (it being understood only the Required Lenders of such affected Class shall be required to consent to such waiver or modification), (B) no waiver or modification of any provision of this Agreement or any other Loan Document that could reasonably be expected to adversely affect the Lenders of any Class disproportionately when compared to the Lenders of all other Classes shall be effective against the Lenders of such Class unless the Required Lenders of such Class shall have concurred with such waiver or modification, provided that nothing in this clause (B) shall override any provision in this Agreement or the other Loan Documents (other than, for the avoidance of doubt, this Section 9.02) that expressly permits any action to be taken, or waiver to be given, by the Required Lenders and (C) the Financial Covenants (and related defined terms as unused therein) may be (and may only be) amended, waived or modified with the consent of the Required Lenders of the Class of Revolving Credit Loans has been obtained (and the Borrower).

For purposes of this Section, the "scheduled date of payment" of any amount shall refer to the date of payment of such amount specified in this Agreement, and shall not refer to a date or other event specified for the mandatory or optional prepayment of such amount. In addition, whenever a waiver, amendment or modification requires the consent of a Lender "affected" thereby, such waiver, amendment or modification shall, upon consent of such Lender, become effective as to such Lender whether or not it becomes effective as to any other Lender, so long as the Required Lenders (or, as applicable, the Required Lenders of the relevant Class) consent to such waiver, amendment or modification as provided above.

Except as otherwise provided in this Section 9.02(b) with respect to this Agreement, the Administrative Agent may, with the prior consent of the Required Lenders (but not otherwise), consent to any modification, supplement or waiver under any of the Loan Documents (other than this Agreement).

Notwithstanding anything in this Agreement (including, without limitation, this Section 9.02(b)) or any other Loan Document to the contrary, (i) this Agreement and the other Loan Documents may be amended to effect an incremental facility, refinancing facility or NewCo Financing pursuant to Section 2.08, 2.20 or 2.21 (and the Administrative Agent and the Borrower may effect such amendments to this Agreement and the other Loan Documents without the consent of any other party as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the terms thereof); (ii) no Lender or Issuing Bank consent is required to effect any amendment or supplement to any intercreditor agreement, collateral trust agreement or arrangement permitted under this Agreement that is for the purpose of adding the holders of any Indebtedness as expressly contemplated by the terms of such intercreditor agreement, collateral trust agreement or arrangement permitted under this Agreement, as applicable or to make sure other amendment or supplement or such other changes to such applicable agreement as, in the good faith determination of the Administrative Agent, required to effectuate the foregoing or to the extent such other changes are not adverse, in any material respect, to the interests of the Lenders); provided , further, that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder or under any other Loan Document without the prior written consent of the Administrative Agent; (iii) any provision of this Agreement or any other Loan Document may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent to cure any ambiguity, omission, mistake, defect or inconsistency, it being agreed the Administrative Agent may (but shall not be required to) provide the Lenders at least three (3) Business Days' prior written notice of such amendment, and any such amendment shall be deemed approved by the Lenders unless the Administrative Agent shall have received, within three (3) Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment; and (iv) guarantees, collateral documents and related documents executed by Loan Parties in connection with this Agreement may be in a form reasonably determined by the Administrative Agent and may be, together with any other Loan Document, entered into, amended, supplemented or waived, without the consent of any other person, by the applicable Loan Party or Loan Parties and the Administrative Agent in its sole discretion, to (A) effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the Secured Parties, (B) as required by local law to give effect to, or protect any security interest for the benefit of the Secured Parties, in any property or so that the security interests therein comply with applicable requirements of law, or (C) to cure ambiguities, omissions, mistakes or defects or to cause such guarantee, collateral security document or other document to be consistent with this Agreement and the other Loan Documents.

SECTION 9.03 Expenses: Indemnity: Damage Waiver .

(a) Costs and Expenses . The Borrower agrees to pay, or reimburse the Administrative Agent for paying, (i) all reasonable out-of-pocket expenses incurred by the Arrangers and the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of Special Counsel, a single FCC counsel and of one local counsel in any relevant jurisdiction of the Borrower or any Loan Party, the preparation of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all out-of-pocket expenses incurred by any Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (iii) all out-of-pocket expenses incurred by the Administrative Agent, any Issuing Bank or any Lender, including the fees, charges and disbursements of one counsel acting on behalf of all indemnified persons and one FCC counsel (and, in the event of any conflict of interest, of additional counsel for all affected indemnified persons and, if necessary, of one local counsel in any relevant jurisdiction (and in the event of a conflict of interest, local conflicts counsel)) the Administrative Agent, Issuing Bank or Lender, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section 9.03, or in connection with the Loans made or Letters of Credit issued hereunder, including in connection with any workout, restructuring or negotiations in respect thereof and (iv) to the extent not already reimbursed pursuant to Section 2.16(b), all transfer, stamp, documentary or other similar taxes, assessments or charges levied by any governmental or revenue authority in respect of this Agreement or any of the other Loan Documents or any other document referred to herein or therein.

(b) Indemnification by Borrower . The Borrower agrees to indemnify the Administrative Agent, the Arrangers, each Issuing Bank, each syndication agent and each documentation agent identified on the cover hereto, and each Lender, and each Related Party of any of the foregoing

Persons (each such Person being called an " Indemnitee ") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, the other Loan Documents or any agreement or instrument contemplated hereby, the performance by the parties hereto and thereto of their respective obligations hereunder or thereunder or the consummation of the Transactions or any other transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit) or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto (and regardless of whether or not brought by the Borrower or another Person); provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (a) arise from a dispute solely among the Indemnitees and not arising from any act or omission of the Borrower or its Affiliates (other than disputes against any agent or arranger in its capacity as such or in fulfilling its role as such) or (b) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. Notwithstanding the foregoing, this Section 9.03(b) shall not apply with respect to Taxes other than any Taxes that represent losses or damages arising from any non-Tax claim. No Indemnitee referred to above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby, except to the extent such damages result from the gross negligence or willful misconduct of such Indemnitee as determined by a court of competent jurisdiction by final and nonappealable judgment.

(c) Reimbursement by Lenders . To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent under paragraph (a) or (b) of this Section 9.03, each Lender severally agrees to pay to the Administrative Agent such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent in its capacity as such. To the extent that the Borrower fails to pay any amount required to be paid by it to any Issuing Bank under paragraph (a) or (b) of this Section 9.03, each Revolving Credit Lender severally agrees to pay to such Issuing Bank such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Issuing Bank in its capacity as such. Nothing herein shall be deemed to limit the obligations of the Borrower under paragraph (b) above to reimburse the Lenders for any payment made under this paragraph (c).

(d) Waiver of Consequential Damages, Etc. To the extent permitted by applicable law, none of the Loan Parties shall assert, and each Loan Party hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, the other Loan Documents or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(e) Payments . All amounts due under this Section 9.03 shall be payable promptly after written demand therefor.

SECTION 9.04 Successors and Assigns.

(a) Assignments Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby including any Affiliate of the Issuing Bank that issues any Letter of Credit, except that (i) Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 9.04. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby including any Affiliate of any Issuing Bank that issues any Letter of Credit, Participants (to the extent provided in paragraph (c) of this Section 9.04) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Banks and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders.

(i) Assignments Generally. Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments, and the Loans, at the time held by it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Borrower, provided that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender (in the case of Revolving Credit Commitments, that is a bank, another financial institution or any other entity that is engaged in making bank loans or similar extensions of credit in the ordinary course of its business), an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee; provided, further, that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within 7 Business Days after receiving request for such consent;

(B) the Administrative Agent; and

(C) each Issuing Bank, in the case of an assignment of all or a portion of a Revolving Credit Commitment or any Revolving Credit Lender's obligations in respect of its LC Exposure.

(ii) Certain Conditions to Assignments. Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund, or an assignment of the entire remaining amount of the assigning Lender's Revolving Credit Commitments of any Class (including Revolving Credit Loans of such Class), the amount of the Revolving Credit Commitment or Revolving Credit Loans of such Class of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent and treating related Approved Funds as one assignee for this purpose) shall not be less than $5,000,000 unless the Borrower and the Administrative Agent otherwise consent, provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) no assignments may be made to (i) any natural person or (ii) any other Person that the Administrative Agent reasonably determines is maintained primarily for the purpose of holding or managing investments for the benefit of any natural person and/or any immediate family members or heirs thereof, in each case unless otherwise agreed by each of the Administrative Agent and the Borrower in its sole discretion;

(D) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; and

(E) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire and all applicable tax forms required pursuant to Section 2.16(f).

(iii) Effectiveness of Assignments. Subject to acceptance and recording thereof pursuant to paragraph (c) of this Section 9.04, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.14, 2.15, 2.16 (subject to the requirements of Section 2.16) and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (e) of this Section 9.04.

(c) Maintenance of Register by Administrative Agent. The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of (and stated interest on) the Loans and LC Disbursements held by, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent, the Issuing Banks and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, any Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Acceptance of Assignments by Administrative Agent. Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section 9.04, any written consent to such assignment required by said paragraph (b) and all applicable tax forms required pursuant to Section

2.16(f), the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(e) Participations .

(i) Participations Generally . Any Lender may, without the consent of the Borrower, the Administrative Agent or any Issuing Bank, sell participations to one or more banks, other financial institutions or any other entity that is engaged in making, purchasing, holding or investing in bank loans or similar extensions of credit in the ordinary course of its business (and not to any Person prohibited from taking an assignment pursuant to Section 9.04(b)(ii)(C)) (a " Participant ") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans held by it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent, the Issuing Banks and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Subject to paragraph (e)(ii) of this Section 9.04, the Borrower agrees that each Participant shall be entitled to the benefits of, and subject to the limitations and requirements of, Sections 2.14, 2.15 and 2.16 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section 9.04. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided that such Participant agrees to be subject to Section 2.17(d) as though it were a Lender. Each Lender that sells a participation, acting solely for tax purposes as a non-fiduciary agent of the Borrower, shall maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the " Participant Register "); provided , however , that no Lender shall have any obligation to disclose all or any portion of the Participant Register to the Borrower or any other Person without such Lender's prior written consent (including, without, limitation, the identity of any participant or any information relating to such participant's participating interest) except to the extent that such disclosure is necessary to establish that a Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender, each Obligor and the Administrative Agent shall treat each person whose name is recorded in the Participant Register pursuant to the terms hereof as the owner of such participation for all purposes of this Agreement, notwithstanding notice to the contrary.

(ii) Limitations on Rights of Participants . A Participant shall not be entitled to receive any greater payment under Section 2.14, 2.15 or 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant shall not be entitled to the benefits of Section 2.16 unless the Borrower is notified of the participation sold to such Participant and such Participant complies with Section 2.16(f) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank (or any central bank having jurisdiction over such Lender), and this Section 9.04 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto.

(g) No Assignments or Participations to Borrower or Affiliates. Anything in this Section 9.04 to the contrary notwithstanding, no Lender may assign or participate any interest in any Loan or LC Disbursement held by it hereunder to the Parent Guarantor, Borrower or any of their Affiliates or Subsidiaries without the prior consent of each Lender.

SECTION 9.05 Survival. All covenants, agreements, representations and warranties made by the Obligors herein and in the other Loan Documents, and in the certificates or other instruments delivered in connection with or pursuant to this Agreement and the other Loan Documents, shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the other Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect so long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or the other Loan Documents is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Section 2.14, 2.15, 2.16 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, any assignment or participation pursuant to Section 9.04 (with respect to matters arising prior to such assignment or participation), the repayment of the Loans and the payment of any other obligations under this Agreement or any other Loan Document, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic means (including electronic mail) shall be effective as delivery of an original executed counterpart of this Agreement.

SECTION 9.07 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, the Issuing Bank and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of the Obligors against any of and all the obligations of the Obligors now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured. The rights of each Lender under this Section 9.08 are in addition to any other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09 Governing Law: Jurisdiction; Consent to Service of Process.

(a) Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Submission to Jurisdiction. Each party hereto (other than any Lender that is an agency of a Governmental Authority) hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court (or, to the extent permitted by law, in such Federal court). Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Obligor or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any court referred to in paragraph (b) of this Section 9.09. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER

PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.10.

SECTION 9.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12 Confidentiality. Each of the Administrative Agent, the Issuing Banks and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates, directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to any pledgee referred to in Section 9.04(f) or any direct or indirect contractual counterparty in swap agreements (or to such pledgee or contractual counterparty's professional advisor), so long as such pledgee or contractual counterparty (or such professional advisor) agrees to be bound by the provisions of this Section 9.12, (c) to the extent requested by any regulatory authority or self-regulatory body, (d) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (e) to any other party to this Agreement, (f) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (g) subject to the execution and delivery of an agreement containing provisions substantially the same as those of this Section 9.12, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, (i) with the consent of the Obligors or (j) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 9.12 or (ii) becomes available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis from a source other than the Obligors. Unless specifically prohibited by applicable law or court order, each Lender and the Administrative Agent shall, prior to disclosure thereof, notify the Obligor Representative of any request for disclosure of any Information (A) by any governmental agency or representative thereof (other than any such request in connection with an examination of the financial condition of such Lender by such governmental agency) or (B) pursuant to legal process (including agency subpoenas) and, at the expense of the Obligors, will cooperate with reasonable efforts by the Obligors to seek a protective order or other assurances that confidential treatment will be accorded such Information.

For the purposes of this Section 9.12, " Information " means all information received from the Obligor Representative relating to the Obligors or their business, other than any such information that is available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by the Borrower; provided that, in the case of information received from the Obligors after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 9.12 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.13 USA PATRIOT Act. Each Lender hereby notifies the Obligors that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), it may be required to obtain, verify and record information that identifies the Obligors, which information includes the names and addresses of the Obligors and other information that will allow such Lender to identify the Obligors in accordance with said Act. The U.S. Federal Tax Identification No. of the Borrower is 48-0457967.

SECTION 9.14 Guarantee.

(a) The Guarantee. The Guarantors hereby unconditionally jointly and severally guarantee, as primary obligor and not merely as surety, to each of the Secured Parties and their respective successors and assigns the prompt performance and payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Obligations. The Guarantors hereby further unconditionally jointly and severally agree that (i) if the Borrower shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Obligations, the Guarantors will promptly pay the same upon receipt of written demand for payment thereof, without any other demand or notice whatsoever, and (ii) in the case of any extension of time of payment or renewal of any of the Obligations, the Obligations will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal. This is a continuing guaranty and is a guaranty of payment and not merely of collection, and shall apply to all Obligations whenever arising.

(b) Acknowledgments, Waivers and Consents. Each Guarantor agrees that its obligations under this Section 9.14 shall, to the fullest extent permitted by applicable law, be primary, absolute, irrevocable and unconditional under any and all circumstances and shall apply to any and all Obligations now existing or in the future arising. Without limiting the foregoing, each Guarantor agrees that:

(i) Guarantee Absolute. The occurrence of any one or more of the following shall not affect, limit, reduce, discharge or terminate the liability of such Guarantor hereunder, which shall remain primary, absolute, irrevocable and unconditional as described above:

(A) Any modification or amendment (including by way of amendment, extension, renewal or waiver), or any acceleration or other change in the manner or time for payment or performance, of the Obligations, any Loan Document or any other agreement or instrument whatsoever relating to the Obligations, or any modification of the Commitments;

(B) any release, termination, waiver, abandonment, lapse, expiration, subordination or enforcement of any other guaranty of or insurance for any of the Obligations, or the non-perfection or release of any collateral for any of the Obligations;

(C) any application by any of the Secured Parties of the proceeds of any other guaranty of or insurance for any of the Obligations to the payment of any of the Obligations;

(D) any settlement, compromise, release, liquidation or enforcement by any of the Secured Parties of any of the Obligations;

(E) the giving by any of the Secured Parties of any consent to the merger or consolidation of, the sale of substantial assets by, or other restructuring or termination of the corporate existence of, any Obligor or any other Person, or to any disposition of any shares by any Obligor or any other Person;

(F) any proceeding by any of the Secured Parties against any Obligor or any other Person or in respect of any collateral for any of the Obligations, or the exercise by any of the Secured Parties of any of their rights, remedies, powers and privileges under the Loan Documents, regardless of whether any of the Secured Parties shall have proceeded against or exhausted any collateral, right, remedy, power or privilege before proceeding to call upon or otherwise enforce this Agreement;

(G) the entering into any other transaction or business dealings with any Obligor, or any other Person; or

(H) any combination of the foregoing.

(ii) Waiver of Defenses . The liability of the Guarantors and the rights, remedies, powers and privileges of the Secured Parties hereunder shall not be affected, limited, reduced, discharged or terminated, and each Guarantor hereby expressly waives to the fullest extent permitted by law any defense now or in the future arising, by reason of:

(A) the illegality, invalidity or unenforceability of any of the Obligations, any Loan Document or any other agreement or instrument whatsoever relating to any of the Obligations;

(B) any disability or other defense with respect to any of the Obligations, including the effect of any statute of limitations, that may bar the enforcement thereof or the obligations of such Guarantor relating thereto;

(C) the illegality, invalidity or unenforceability of any other guaranty of or insurance for any of the Obligations or any lack of perfection or continuing perfection or failure of the priority of any Lien on any collateral for any of the Obligations;

(D) the cessation, for any cause whatsoever, of the liability of any Obligor with respect to any of the Obligations (other than, subject to paragraph (c) of this Section 9.14, by reason of the payment thereof);

(E) any failure of any of the Secured Parties to marshal assets, to exhaust any collateral for any of the Obligations, to pursue or exhaust any right, remedy, power or privilege it may have against any Obligor or any other Person, or to take any action whatsoever to mitigate or reduce the liability of any Guarantor under this Agreement, the Secured Parties being under no obligation to take any such action notwithstanding the fact that any of the Obligations may be due and payable and that any Obligor may be in default of its obligations under any Loan Document;

(F) any counterclaim, set-off or other claim which any Obligor has or claims with respect to any of the Obligations;

(G) any failure of any of the Secured Parties to file or enforce a claim in any bankruptcy, insolvency, reorganization or other proceeding with respect to any Person;

(H) any bankruptcy, insolvency, reorganization, winding-up or adjustment of debts, or appointment of a custodian, liquidator or the like of it, or similar proceedings commenced by or against any Obligor or any other Person, including any discharge of, or bar, stay or injunction against collecting, any of the Obligations (or any interest on any of the Obligations) in or as a result of any such proceeding;

(I) any action taken by any of the Secured Parties that is authorized by this paragraph (b) or otherwise in this Agreement or by any other provision of any Loan Document, or any omission to take any such action;

(J) any law, regulation, decree or order of any jurisdiction, or any other event, affecting any of the Obligations or any Secured Party's rights with respect thereto; or

(K) any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor.

(iii) Waiver of Set-off and Counterclaim, Etc . Each Guarantor expressly waives, to the fullest extent permitted by law, for the benefit of each of the Secured Parties, any right of set-off and counterclaim with respect to payment of its obligations hereunder, and all diligence, presentment, demand for payment or performance, notice of nonpayment or nonperformance, protest, notice of protest, notice of dishonor and all other notices or demands whatsoever, and any requirement that any of the Secured Parties exhaust any right, remedy, power or privilege or proceed against any Obligor under this Agreement or any other Loan Document or other agreement or instrument referred to herein or therein, or against any other Person, and all notices of acceptance of this Agreement or of the existence, creation, incurring or assumption of new or additional Obligations. Each Guarantor further expressly waives the benefit of any and all statutes of limitation, to the fullest extent permitted by applicable law.

(iv) Other Waivers . Each Guarantor expressly waives, to the fullest extent permitted by law, for the benefit of each of the Secured Parties, any right to which it may be entitled:

(A) that the assets of any Obligor first be used, depleted and/or applied in satisfaction of the Obligations prior to any amounts being claimed from or paid by such Guarantor;

(B) to require that any Obligor be sued and all claims against such Obligor be completed prior to an action or proceeding being initiated against such Guarantor; and

(C) to have its obligations hereunder be divided among the Guarantors, such that each Guarantor's obligation would be less than the full amount claimed.

(c) Reinstatement . The obligations of each Guarantor under this Section 9.14 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Obligors or any other Person in respect of the Obligations is rescinded or must otherwise be restored by any holder of any of the Obligations, whether as a result of any bankruptcy, insolvency or reorganization proceeding or otherwise, and the Guarantors jointly and severally agree that they will indemnify the Secured Parties on demand for all out-of-pocket costs and expenses (including out-of-pocket fees of counsel) incurred by them in connection with such rescission or restoration, including any such out-of-pocket costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or the like under any bankruptcy, insolvency, reorganization or similar law.

(d) Subrogation . Each Guarantor agrees that, until the final payment in full of all Obligations and the expiration or termination of the Commitments and all Letters of Credit under this Agreement, such Guarantor shall not exercise any right or remedy arising by reason of any performance by such Guarantor of its obligations hereunder, whether by subrogation, reimbursement, contribution or otherwise, against any Obligor or any other Person or any collateral for any of the Obligations.

(e) Remedies. Each Guarantor agrees that, as between such Guarantor and the Secured Parties, the obligations of any Obligor under this Agreement and the other Loan Documents may be declared to be forthwith due and payable as provided therein (and shall become automatically due and payable in the circumstances provided therein) for purposes of paragraph (a) of this Section 9.14, notwithstanding any bar, stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against such Obligor, and that, in the event of such declaration (or such obligations becoming automatically due and payable), such obligations shall forthwith become due and payable by such Guarantor for purposes of said paragraph (a) of this Section 9.14.

(f) Rights of Contribution. The Guarantors hereby agree, as between themselves, that if any Guarantor shall become an Excess Funding Guarantor (as defined below) by reason of the payment by such Guarantor of any of the Obligations, each other Guarantor shall, on written demand of such Excess Funding Guarantor (but subject to the immediately following sentence), pay to such Excess Funding Guarantor an amount equal to such Guarantor's Pro Rata Guarantor Share (as defined below and determined, for this purpose, without reference to the properties, debts and liabilities of such Excess Funding Guarantor) of the Excess Guarantor Payment (as defined below) in respect of such Obligations. The payment obligation of a Guarantor to any Excess Funding Guarantor under this paragraph (f) shall be subordinate and subject in right of payment to the prior payment in full of the Obligations and such Excess Funding Guarantor shall not exercise any right or remedy with respect to such excess until payment in full of all of the Obligations.

For purposes of this paragraph (f), (i) "Excess Funding Guarantor" means a Guarantor that has paid an amount in excess of its Pro Rata Guarantor Share of the Obligations, (ii) "Excess Guarantor Payment" means the amount paid by an Excess Funding Guarantor in excess of its Pro Rata Guarantor Share of the Obligations and (iii) "Pro Rata Guarantor Share" means, for any Guarantor, the ratio (expressed as a percentage) of (x) the amount by which the aggregate fair saleable value of all properties of such Guarantor (excluding any shares of stock of any other Guarantor) exceeds the amount of all the debts and liabilities of such Guarantor (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of such Guarantor hereunder and any obligations of any other Guarantor that have been Guaranteed by such Guarantor) to (y) the amount by which the aggregate fair saleable value of all properties of all of the Guarantors exceeds the amount of all the debts and liabilities of all of the Guarantors (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of the Guarantors under the Loan Documents), determined (A) with respect to any Guarantor that is a party hereto on the date hereof, as of the date hereof, and (B) with respect to any other Guarantor, as of the date such Guarantor becomes a Guarantor hereunder.

(g) General Limitation on Guarantee Obligations. In any action or proceeding involving any state corporate law, or any state or Federal bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Guarantor under paragraph (a) of this Section 9.14 would otherwise, taking into account the provisions of paragraph (f) of this Section 9.14, be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under paragraph (a) of this Section 9.14, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Secured Party or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

(h) Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Guarantor to honor all of its obligations under this Guarantee in respect of Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 9.14 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 9.14, or otherwise under this Guaranty, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section 9.14 shall remain in full force and effect until the termination of the Commitments and payment in full of all Obligations (other than (x) obligations under Hedge Agreements not yet due and payable and (y) contingent indemnification obligations not yet accrued and payable) and the expiration or termination or cash collateralization of all Letters of Credit. Each Qualified ECP Guarantor intends that this Section 9.14 constitute, and this Section 9.14 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Obligor for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

SECTION 9.15 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

SECTION 9.16 Release of Liens and Guarantees.

(a) General. A Subsidiary Guarantor shall automatically be released from its obligations under the Loan Documents, and all security interests created by the Security Documents in Collateral owned by such Subsidiary Guarantor shall be automatically released, upon the consummation of any transaction permitted by this Agreement as a result of which such Subsidiary Guarantor ceases to be a Subsidiary (or, subject to compliance with Section 5.09(b), becomes a Designated Subsidiary); provided that, if so required by this Agreement, the Required Lenders shall have consented to such transaction and the terms of such consent shall not have provided otherwise; provided further that as of any date upon which a Subsidiary Guarantor becomes a Designated Subsidiary, the Borrower shall be deemed to have made an Investment in a Person that is not a Subsidiary Guarantor in an amount equal to the fair market value of the assets (net of third-party liabilities) of such Subsidiary as of such date (as determined reasonably and in good faith by a Financial Officer of the Borrower).

Upon any sale or other transfer by any Loan Party (other than to any other Loan Party) of any Collateral in a transaction permitted under this Agreement, or upon the effectiveness of any written consent to the release of the security interest created under any Security Document in any Collateral pursuant to Section 9.02, the security interests in such Collateral created by the Security Documents shall be automatically released. Additionally, upon the Date of Full Satisfaction, the Secured Parties hereby authorize the Administrative Agent to release the security interests in the Collateral created by the Security Documents and confirm termination of the applicable Guarantees of the Obligations. In connection with any termination or release pursuant to this Section 9.16(a), the Administrative Agent shall execute and deliver to any Loan Party, at such Loan Party's expense, all documents that such Loan Party shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 9.16(a) shall be without recourse to or warranty by the Administrative Agent. Each of the Secured Parties irrevocably authorizes the Administrative Agent, at its option and in its discretion, to effect the releases set forth in this Section 9.16(a).

(b) Ratings Release of Collateral .

In the event that that the Ratings are both at least Baa2 from Moody's and at least BBB from S&P (in each case with a stable or better outlook), the Borrower may provide a certification thereof (and of the satisfaction of the following conditions) to the Administrative Agent along with a request that the Liens on the Collateral securing the Obligations be released, and such Liens shall be automatically released subject to the following conditions: (i) no Default shall have occurred and be continuing as of the date of such release, and (ii) any Liens and collateral are simultaneously released with respect to any other secured indebtedness or other obligations of the Loan Parties that had been secured by any Collateral (including any Relevant Obligations). In the event that (i) the Ratings cease to satisfy the ratings requirements set forth in the immediately preceding sentence or (ii) any collateral is subsequently granted or re-granted with respect to any indebtedness or obligations of the type described in clause (ii) of the immediately preceding sentence (including any such indebtedness or obligations incurred subsequent to the initial release), the Loan Parties shall be required to re-grant Liens on the Collateral to the Administrative Agent on terms consistent with such Liens immediately prior to such release pursuant to timing and procedures reasonably agreed to by the Administrative Agent in consultation with the Borrower. In connection with any termination or release pursuant to this Section 9.16(b), the Administrative Agent shall execute and deliver to any Loan Party, at such Loan Party's expense, all documents that such Loan Party shall reasonably request to evidence such termination or release. Additionally, the Secured Parties hereby authorize the Administrative Agent to enter into any documentation to evidence the re-granting of any security interests pursuant to the terms of this Section 9.16(b). Any execution and delivery of documents pursuant to this Section 9.16 shall be without recourse to or warranty by the Administrative Agent. Each of the Secured Parties irrevocably authorizes the Administrative Agent, at its option and in its discretion, to effect the releases and, if applicable, re-granting set forth in this Section 9.16(b).

(c) Intercreditor Agreements . The Administrative Agent is authorized to enter into any intercreditor, subordination or collateral trust agreement contemplated hereby with respect to Indebtedness or any other obligation that is (i) required or permitted to be subordinated hereunder or that otherwise is to be subject to an intercreditor, subordination or collateral trust arrangement and/or (ii) secured by Liens and which Indebtedness or obligation contemplates an intercreditor, subordination or collateral trust agreement (any such intercreditor, subordination or collateral trust agreement, including the Collateral Trust Agreement, an " Additional Agreement "), and the Secured Parties acknowledge that any Additional Agreement is binding upon them. Each Secured Party (a) hereby agrees that it will be bound by, and will not take any action contrary to, the provisions of any Additional Agreement and (b) hereby authorizes and instructs the Administrative Agent to enter into any Additional Agreement, to subject the Liens on the Collateral securing the Obligations to the provisions thereof, to take such actions as it deems appropriate in furtherance of the intent and purposes of such Additional Agreement, including exercising its rights or obligations (or those of the Secured Parties) thereunder (including directing the Collateral Trustee under the Collateral Trust Agreement) and providing any indemnities to the trustee or similar agent thereunder on behalf of the Secured Parties in order for such trustee or agent to take any applicable action thereunder. The Secured Parties agree that in the event of a conflict between the Loan Documents (other than any Additional Agreement) and the Additional Agreement, the Additional Agreement shall control. References in any Loan Document relating to the delivery of collateral to or collateral held by the Administrative Agent (or references of similar effect), shall as applicable be deemed to be references to the Collateral Trustee or such other Person designated by the Administrative Agent to hold the Liens securing the Obligations pursuant to any Additional Agreement, as applicable.

SECTION 9.17 Non-Public Information.

(a) Each Lender acknowledges that all information, including requests for waivers and amendments, furnished by the Borrower or the Administrative Agent pursuant to or in connection with, or in the course of administering, this Agreement will be syndicate-level information, which may contain MNPI. Each Lender represents to the Borrower and the Administrative Agent that (i) it has developed compliance procedures regarding the use of MNPI and that it will handle MNPI in accordance with such procedures and applicable law, including Federal, State and foreign securities laws, and (ii) it has identified in its administrative questionnaire a credit contact who may receive information that may contain MNPI in accordance with its compliance procedures and applicable law, including Federal, State and foreign securities laws.

(b) The Borrower and each Lender acknowledge that, if information furnished by or on behalf of the Borrower pursuant to or in connection with this Agreement is being distributed by the Administrative Agent through the Platform, (i) the Administrative Agent may post any information that the Borrower has indicated as containing MNPI solely on that portion of the Platform designated for Private Side Lender Representatives and (ii) if the Borrower has not indicated whether any information furnished by it pursuant to or in connection with this Agreement contains MNPI, the Administrative Agent reserves the right to post such information solely on that portion of the Platform as is designated for Private Side Lender Representatives. The Borrower agrees to clearly designate all information provided to the Administrative Agent by or on behalf of the Borrower that is suitable to be made available to Public Side Lender Representatives, and the Administrative Agent shall be entitled to rely on any such designation by the Borrower without liability or responsibility for the independent verification thereof.

SECTION 9.18 No Fiduciary Relationship. Each Loan Party, on behalf of itself and its subsidiaries, agrees that in connection with all aspects of the transactions contemplated hereby, the Loan Parties, their Subsidiaries and their respective Affiliates, on the one hand, and the Administrative Agent, the syndication agents and the documentation agents listed on the cover hereto, the Arrangers, the Lenders, the Issuing Banks and their respective Affiliates, on the other hand (the “Applicable Persons”), the arranging and other services regarding this Agreement provided by the Applicable Persons and the transactions contemplated by the Loan Documents does not create, by implication or otherwise, any fiduciary duty on the part of the Applicable Persons, and no such duty will be deemed to have arisen in connection with any such transactions or communications. The Applicable Persons may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of the Loan Parties, their Subsidiaries and their respective Affiliates, and none of the Applicable Persons has any obligation to disclose any of such interests to the Loan Parties, their Subsidiaries or any of their respective Affiliates. Each Loan Party agrees, on behalf of itself and its subsidiaries, that it will not assert a claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Loan Party, in connection with such transaction or the process leading thereto.

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Exhibit 21

SPRINT CORPORATION
SUBSIDIARIES OF REGISTRANT

Sprint Corporation is the parent. The subsidiaries of Sprint Corporation are as follows:

SUBSIDIARY	STATE/COUNTRY
Alda Wireless Holdings, LLC	Delaware
American Telecasting Development, LLC	Delaware
American Telecasting of Anchorage, LLC	Delaware
American Telecasting of Columbus, LLC	Delaware
American Telecasting of Denver, LLC	Delaware
American Telecasting of Fort Myers, LLC	Delaware
American Telecasting of Ft. Collins, LLC	Delaware
American Telecasting of Green Bay, LLC	Delaware
American Telecasting of Lansing, LLC	Delaware
American Telecasting of Lincoln, LLC	Delaware
American Telecasting of Little Rock, LLC	Delaware
American Telecasting of Louisville, LLC	Delaware
American Telecasting of Medford, LLC	Delaware
American Telecasting of Michiana, LLC	Delaware
American Telecasting of Monterey, LLC	Delaware
American Telecasting of Redding, LLC	Delaware
American Telecasting of Santa Barbara, LLC	Delaware
American Telecasting of Seattle, LLC	Delaware
American Telecasting of Sheridan, LLC	Delaware
American Telecasting of Yuba City, LLC	Delaware
APC Realty and Equipment Company, LLC	Delaware
Assurance Wireless of South Carolina, LLC	Delaware
ATI Sub, LLC	Delaware
Boost Worldwide, LLC	Delaware
Broadcast Cable, LLC	Delaware
Clear Wireless LLC	Nevada
Clearwire Communications LLC	Delaware
Clearwire Corporation	Delaware
Clearwire Hawaii Partners Spectrum, LLC	Nevada
Clearwire International, LLC	Washington
Clearwire IP Holdings LLC	New York
Clearwire Legacy LLC	Delaware
Clearwire Spectrum Holdings II LLC	Nevada
Clearwire Spectrum Holdings III LLC	Nevada
Clearwire Spectrum Holdings LLC	Nevada

Clearwire XOHM LLC	Delaware
Fixed Wireless Holdings, LLC	Delaware
Fresno MMDS Associates, LLC	Delaware
Independent Wireless One Leased Realty Corporation	Delaware
Kennewick Licensing, LLC	Delaware
MinorCo, LLC	Delaware
Nextel Communications of the Mid-Atlantic, Inc.	Delaware
Nextel of New York, Inc.	Delaware
Nextel of Puerto Rico, Inc.	Puerto Rico
Nextel Retail Stores, LLC	Delaware
Nextel South Corp.	Georgia
Nextel Systems, LLC	Delaware
Nextel West Corp.	Delaware
NSAC, LLC	Delaware
PCTV Gold II, LLC	Delaware
PCTV Sub, LLC	Delaware
People’s Choice TV of Houston, LLC	Delaware
People’s Choice TV of St. Louis, LLC	Delaware
PRWireless HoldCo, LLC - *55% ownership*	Delaware
SFE 1, LLC	Delaware
SFE 2, LLC	Delaware
SIHI Mexico S. de R.L. de C.V.	Mexico
SIHI Scandinavia AB	Sweden
SIHI New Zealand Holdco, Inc.	Kansas
SN Holdings (BR I) LLC	Delaware
SN UHC 1, Inc.	Delaware
SN UHC 3, Inc.	Delaware
SN UHC 4, Inc.	Delaware
Speedchoice of Detroit, LLC	Delaware
Speedchoice of Phoenix, LLC	Delaware
Sprint (Bay Area), LLC	Delaware
Sprint Brasil Servicos de Telecomunicacoes Ltda.	Brazil
Sprint Capital Corporation	Delaware
Sprint Communications Company L.P.	Delaware
Sprint Communications Company of New Hampshire, Inc.	New Hampshire
Sprint Communications Company of Virginia, Inc.	Virginia
Sprint Communications, Inc. (formerly Sprint Nextel Corporation)	Kansas
Sprint Connect LLC	Kansas
Sprint Corporation	Kansas
Sprint Corporation (Inactive)	Missouri
Sprint eBusiness, Inc.	Kansas
Sprint Enterprise Mobility, LLC	Delaware
Sprint Enterprise Network Services, Inc.	Kansas
Sprint eWireless, Inc.	Kansas
Sprint Federal Management LLC	Delaware
Sprint Federal Operations LLC	Delaware

Sprint HoldCo, LLC	Delaware
Sprint Intermediate HoldCo LLC	Delaware
Sprint Intermediate HoldCo II LLC	Delaware
Sprint Intermediate HoldCo III LLC	Delaware
Sprint Hong Kong Limited	Hong Kong
Sprint International Argentina SRL	Argentina
Sprint International Australia Pty. Limited	Australia
Sprint International Austria GmbH	Austria
Sprint International Caribe LLC	Puerto Rico
Sprint International Chile Limitada	Chile
Sprint International Colombia Ltda.	Colombia
Sprint International Communications Canada ULC	Canada
Sprint International Communications Corporation	Delaware
Sprint International Communications Singapore Pte. Ltd.	Singapore
Sprint International Czech Republic S.R.O.	Czech Republic
Sprint International do Brasil Ltda.	Brazil
Sprint International Holding, Inc.	Kansas
Sprint International Hungary Korlátolt Felelõsségû Társaság	Hungary
Sprint International Incorporated	Delaware
Sprint International Japan Corp.	Japan
Sprint International Korea	Korea
Sprint International Network Company LLC	Delaware
Sprint International New Zealand	New Zealand
Sprint International Norway AS	Norway
Sprint International Spain, S.L.	Spain
Sprint International Taiwan Limited	Taiwan
Sprint International Venezuela, S.R.L.	Venezuela
Sprint PCS Assets, L.L.C.	Delaware
Sprint Puerto Rico Holdings LLC	Delaware
Sprint RUS LLC	Russia
Sprint Solutions, Inc.	Delaware
Sprint Spectrum Co LLC	Delaware
Sprint Spectrum Co II LLC	Delaware
Sprint Spectrum Co III LLC	Delaware
Sprint Spectrum Depositor LLC	Delaware
Sprint Spectrum Depositor II LLC	Delaware
Sprint Spectrum Depositor III LLC	Delaware
Sprint Spectrum Holding Company, LLC	Delaware
Sprint Spectrum L.P.	Delaware
Sprint Spectrum License Holder LLC	Delaware
Sprint Spectrum License Holder II LLC	Delaware
Sprint Spectrum License Holder III LLC	Delaware
Sprint Spectrum PledgeCo LLC	Delaware
Sprint Spectrum PledgeCo II LLC	Delaware
Sprint Spectrum PledgeCo III LLC	Delaware
Sprint Spectrum Realty Company, LLC	Delaware

Sprint Telecom India Private Limited	India
Sprint (Thailand) Limited	Thailand
Sprint/United Management Company	Kansas
SprintCom, Inc.	Kansas
SprintLink Belgium BVBA	Belgium
SprintLink Denmark ApS	Denmark
SprintLink France SAS	France
SprintLink Germany GmbH	Germany
Sprintlink India Private Limited	India
SprintLink International (Switzerland) GmbH	Switzerland
Sprintlink International Malaysia SDN. BHD.	Malaysia
Sprintlink International Philippines, Inc.	Philippines
SprintLink Ireland Limited	Ireland
SprintLink Italy S.r.l.	Italy
SprintLink Netherlands B.V.	Netherlands
Sprintlink Poland sp. z o.o	Poland
SprintLink UK Limited	United Kingdom
STC Five LLC	Delaware
STC Four LLC	Delaware
STC One LLC	Delaware
STC Six Company	Delaware
STC Three LLC	Delaware
STC Two LLC	Delaware
SWV Six, Inc.	Colorado
TDI Acquisition Sub, LLC	Delaware
Transworld Telecom II, LLC	Delaware
US Telecom, Inc.	Kansas
USST of Texas, Inc.	Texas
Utelcom LLC	Kansas
Virgin Mobile USA - Evolution, LLC	Delaware
Virgin Mobile USA, Inc.	Delaware
Virgin Mobile USA, L.P.	Delaware
VMU GP, LLC	Delaware
WBS of America, LLC	Delaware
WBS of Sacramento, LLC	Delaware
WBSY Licensing, LLC	Delaware
WCOF, LLC	Delaware
Wireless Broadband Services of America, LLC	Delaware
Wireline Leasing Co., Inc.	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Post-Effective Amendment No. 1 to Registration Statement Nos. 333-124189, 333-127426, 333-130277, 333-142702, and 333-159330 on Form S-8, Registration Statement No. 333-214473 on Form S-8, and Registration Statement No. 333-222977 on Form S-3 of our report dated May 29, 2019 , relating to the consolidated financial statements of Sprint Corporation and subsidiaries (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the Company’s adoption of Accounting Standard Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*) and the effectiveness of Sprint Corporation and subsidiaries' internal control over financial reporting appearing in the Annual Report on Form 10-K of Sprint Corporation for the year ended March 31, 2019 .

/s/ DELOITTE & TOUCHE LLP

Kansas City, Missouri
May 29, 2019

Exhibit 31.1

CERTIFICATION

I, Michel Combes, certify that:

1. I have reviewed this Annual Report on Form 10-K of Sprint Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 29, 2019

/s/ Michel Combes

Michel Combes
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Andrew Davies, certify that:

1. I have reviewed this Annual Report on Form 10-K of Sprint Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 29, 2019

/s/ Andrew Davies

Andrew Davies
Chief Financial Officer

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Sprint Corporation (the “Company”) on Form 10-K for the period ended March 31, 2019 , as filed with the Securities and Exchange Commission (the “Report”), I, Michel Combes, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 29, 2019

/s/ Michel Combes

Michel Combes
Chief Executive Officer

Exhibit 32.2

Certification Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Sprint Corporation (the “Company”) on Form 10-K for the period ended March 31, 2019 , as filed with the Securities and Exchange Commission (the “Report”), I, Andrew Davies, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 29, 2019

/s/ Andrew Davies

Andrew Davies
Chief Financial Officer