UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2016

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: (855) 848-3280

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☒ No ☐

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

Large accelerated filer	☒		Accelerated filer	☐
Non-accelerated filer	☐	(Do not check if a smaller reporting company)	Smaller reporting company	☐

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

COMMON SHARES OUTSTANDING AT AUGUST 4, 2016 :

Sprint Corporation Common Stock	3,978,362,186

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PART I — FINANCIAL INFORMATION

Item 1. ***Financial Statements (Unaudited)***

SPRINT CORPORATION
CONSOLIDATED BALANCE SHEETS

	June 30, 2016	March 31, 2016
	(in millions, except share and per share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,780	$ 2,641
Short-term investments	1,304	—
Accounts and notes receivable, net of allowance for doubtful accounts and deferred interest of $44 and $39, respectively	1,113	1,099
Device and accessory inventory	816	1,173
Prepaid expenses and other current assets	1,949	1,920
Total current assets	8,962	6,833
Property, plant and equipment, net	19,715	20,297
Intangible assets		
Goodwill	6,575	6,575
FCC licenses and other	40,175	40,073
Definite-lived intangible assets, net	4,157	4,469
Other assets	811	728
Total assets	$ 80,395	$ 78,975
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,841	$ 2,899
Accrued expenses and other current liabilities	4,245	4,374
Current portion of long-term debt, financing and capital lease obligations	5,603	4,690
Total current liabilities	11,689	11,963
Long-term debt, financing and capital lease obligations	31,354	29,268
Deferred tax liabilities	14,006	13,959
Other liabilities	3,844	4,002
Total liabilities	60,893	59,192
Commitments and contingencies		
Stockholders' equity:		
Common stock, voting, par value $0.01 per share, 9.0 billion authorized, 3.975 billion issued	40	40
Paid-in capital	27,582	27,563
Treasury shares, at cost	—	(3)
Accumulated deficit	(7,680)	(7,378)
Accumulated other comprehensive loss	(440)	(439)
Total stockholders' equity	19,502	19,783
Total liabilities and stockholders' equity	$ 80,395	$ 78,975

See Notes to the Consolidated Financial Statements

SPRINT CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Three Months Ended June 30,	
	2016	2015
	(in millions, except per share amounts)	
Net operating revenues:		
Service	$ 6,516	$ 7,037
Equipment	1,496	990
	8,012	8,027
Net operating expenses:		
Cost of services (exclusive of depreciation and amortization included below)	2,099	2,393
Cost of products (exclusive of depreciation and amortization included below)	1,419	1,365
Selling, general and administrative	1,917	2,187
Severance and exit costs	16	13
Depreciation	1,680	1,241
Amortization	287	347
Other, net	233	(20)
	7,651	7,526
Operating income	361	501
Other (expense) income:		
Interest expense	(615)	(542)
Other income, net	8	4
	(607)	(538)
Loss before income taxes	(246)	(37)
Income tax (expense) benefit	(56)	17
Net loss	$ (302)	$ (20)
Basic net loss per common share	$ (0.08)	$ (0.01)
Diluted net loss per common share	$ (0.08)	$ (0.01)
Basic weighted average common shares outstanding	3,975	3,967
Diluted weighted average common shares outstanding	3,975	3,967
Other comprehensive (loss) income, net of tax:		
Net unrealized holding (losses) gains on securities and other	$ (2)	$ 2
Net unrecognized net periodic pension and other postretirement benefits	1	2
Other comprehensive (loss) income	(1)	4
Comprehensive loss	$ (303)	$ (16)

See Notes to the Consolidated Financial Statements

SPRINT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended June 30,	
	2016	2015
	(in millions)	
Cash flows from operating activities:		
Net loss	$ (302)	$ (20)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	1,967	1,588
Provision for losses on accounts receivable	93	163
Share-based and long-term incentive compensation expense	15	18
Deferred income tax expense (benefit)	46	(13)
Amortization of long-term debt premiums, net	(80)	(78)
Loss on disposal of property, plant and equipment	120	—
Contract terminations	96	—
Other changes in assets and liabilities:		
Accounts and notes receivable	(106)	(1,683)
Deferred purchase price from sale of receivables	(117)	1,184
Inventories and other current assets	(98)	(315)
Accounts payable and other current liabilities	(1,016)	(867)
Non-current assets and liabilities, net	(159)	83
Other, net	83	68
Net cash provided by operating activities	542	128
Cash flows from investing activities:		
Capital expenditures - network and other	(473)	(1,802)
Capital expenditures - leased devices	(405)	(544)
Expenditures relating to FCC licenses	(15)	(26)
Proceeds from sales and maturities of short-term investments	—	138
Purchases of short-term investments	(1,304)	(175)
Proceeds from sales of assets and FCC licenses	27	1
Other, net	(25)	(3)
Net cash used in investing activities	(2,195)	(2,411)
Cash flows from financing activities:		
Proceeds from debt and financings	3,255	346
Repayments of debt, financing and capital lease obligations	(294)	(26)
Debt financing costs	(175)	(1)
Other, net	6	14
Net cash provided by financing activities	2,792	333
Net increase (decrease) in cash and cash equivalents	1,139	(1,950)
Cash and cash equivalents, beginning of period	2,641	4,010
Cash and cash equivalents, end of period	$ 3,780	$ 2,060

See Notes to the Consolidated Financial Statements

SPRINT CORPORATION

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

(in millions)

	Common Stock			Treasury Shares				
	Shares	Amount	Paid-in Capital	Shares	Amount	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balance, March 31, 2016	3,974	$ 40	$ 27,563	1	$ (3)	$ (7,378)	$ (439)	$ 19,783
Net loss						(302)		(302)
Other comprehensive loss, net of tax							(1)	(1)
Issuance of common stock, net	1		—	(1)	3			3
Share-based compensation expense			15					15
Other, net			4					4
Balance, June 30, 2016	3,975	$ 40	$ 27,582	—	$ —	$ (7,680)	$ (440)	$ 19,502

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SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X for interim financial information. All normal recurring adjustments considered necessary for a fair presentation have been included. Certain disclosures normally included in annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) have been omitted. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes contained in our annual report on Form 10-K for the year ended March 31, 2016 . 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.

The preparation of the unaudited interim consolidated financial statements requires management of the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities at the date of the unaudited interim consolidated financial statements. These estimates are inherently subject to judgment and actual results could differ.

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

Note 2. New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued new authoritative literature, *Revenue from Contracts with Customers*. The issuance is part of a joint effort by the FASB and the International Accounting Standards Board (IASB) to enhance financial reporting by creating common revenue recognition guidance for U.S. GAAP and International Financial Reporting Standards and, thereby, improving the consistency of requirements, comparability of practices and usefulness of disclosures. The new standard will supersede much of the existing authoritative literature for revenue recognition. In July 2015, the FASB deferred the effective date of this standard. As a result, the standard and related amendments will be effective for the Company for its fiscal year beginning April 1, 2018, including interim periods within that fiscal year. Early application is permitted, but not before the original effective date of April 1, 2017. The FASB has subsequently issued additional guidance on several areas including the implementation of principal versus agent considerations and recognition of breakage for certain prepaid stored-value products requiring breakage of these liabilities to be accounted for consistent with the breakage guidance under this revenue standard. They have also clarified how an entity should evaluate when a promised good or service is distinct within the context of a contract and allowed entities to disregard goods or services that are immaterial in the context of a contract. Most recently, they have provided further guidance on the identification of performance obligations and licensing transactions. Entities are allowed to transition to the new standard by either retrospective application or recognizing the cumulative effect. The Company is currently evaluating the guidance, including which transition approach will be applied. We expect this guidance to have a material impact on our consolidated financial statements.

In January 2015, the FASB issued authoritative guidance on *Extraordinary and Unusual Items* , eliminating the concept of extraordinary items. The issuance is part of the FASB's initiative to reduce complexity in accounting standards. Under the current guidance, an entity is required to separately classify, present and disclose events and transactions that meet the criteria for extraordinary classification. Under the new guidance, reporting entities will no longer be required to consider whether an underlying event or transaction is extraordinary, however, presentation and disclosure guidance for items that are unusual in nature or occur infrequently was retained and expanded to include items that are both unusual in nature and infrequently occurring. The amendments are effective for the Company's fiscal year beginning April 1, 2016, and did not have a material effect on our consolidated financial statements.

In February 2015, the FASB issued authoritative guidance regarding *Consolidation* , which provides guidance to management when evaluating whether they should consolidate certain legal entities. The updated guidance modifies evaluation criteria of limited partnerships and similar legal entities, eliminates the presumption that a general partner should consolidate a limited partnership, and affects the consolidation analysis of reporting entities that are involved with variable interest entities, particularly those that have fee arrangements and related party relationships. All legal entities will be subject to reevaluation under the revised consolidation model. The standard is effective for the Company's fiscal year beginning

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April 1, 2016, including interim reporting periods within this fiscal year and did not have a material effect on our consolidated financial statements.

In July 2015, the FASB issued authoritative guidance regarding *Inventory* , which simplifies the subsequent measurement of certain inventories by replacing today's lower of cost or market test with a lower of cost and net realizable value test. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The standard will be effective for the Company's fiscal year beginning April 1, 2017, including interim periods within this fiscal year. The Company does not expect the adoption of this guidance to have a material effect on our consolidated financial statements.

In September 2015, the FASB issued authoritative guidance amending *Business Combinations,* which requires that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined, including the cumulative effect of the change in provisional amount as if the accounting had been completed at the acquisition date. The adjustments related to previous reporting periods since the acquisition date must be disclosed by income statement line item either on the face of the income statement or in the notes. The amendments are effective for the Company's fiscal year beginning April 1, 2016, including interim periods within this fiscal year and, will be applied, as necessary, to future business combinations. The amendments are to be applied prospectively to adjustments that occur after the effective date.

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 standard will be effective for the Company's fiscal year beginning April 1, 2018, including interim reporting periods within that fiscal year. The Company is currently evaluating the guidance and assessing the impact it will have on our consolidated financial statements.

In February 2016, the FASB issued authoritative guidance regarding *Leases.* The new standard will supersede much of the existing authoritative literature for leases. This guidance requires lessees, among other things, to recognize right-of-use assets and liabilities on their balance sheet for all leases with lease terms longer than twelve months. 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 application permitted. Entities are required to use modified retrospective application for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements with the option to elect certain transition reliefs. The Company is currently evaluating the guidance and expects it to have a material impact on our consolidated financial statements, however we are still assessing the overall impact.

In June 2016, 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. 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 is currently evaluating the guidance and assessing the impact it will have on our consolidated financial statements.

Note 3. Funding Sources

Our device leasing and installment billing programs require a greater use of operating cash flows in the earlier part of the device contracts as our subscribers will generally pay less upfront than traditional subsidized programs. The Accounts Receivable Facility and the Handset Sale-Leaseback Tranche 1 and 2 transactions described below were designed to mitigate the significant use of cash from purchasing devices from original equipment manufacturers (OEMs) to fulfill our installment billing and leasing programs. As described below, in April 2016, Sprint entered into a second transaction with Mobile Leasing Solutions, LLC (MLS) that provided $1.1 billion in cash proceeds in May 2016 to further mitigate the use of cash from

purchasing devices from OEMs. We also entered into a Network Equipment Sale-Leaseback transaction to sell and leaseback certain network equipment to unrelated bankruptcy-remote special purposes entities (SPEs) that provided $2.2 billion in cash proceeds. In addition, we have $3.0 billion of availability under our revolving bank credit facility and, in April 2016, Sprint Communications entered into a new unsecured financing facility providing for $2.0 billion of additional liquidity, which was subsequently increased to $2.5 billion in June 2016 (*see Note 8. Long-Term Debt, Financing and Capital Lease Obligations*).

Accounts Receivable Facility

Transaction Overview

Our accounts receivable facility (Receivables Facility), which provides us the opportunity to sell certain wireless service and installment receivables to unaffiliated third parties (the Purchasers), was amended in November 2015 to include future amounts due from customers who lease certain devices from us. The amendment also increased the maximum funding limit under the Receivables Facility to $4.3 billion and extended the expiration to November 2017. While it's at Sprint's election to decide how much cash it chooses to receive from each sale, the maximum amount of cash available to us varies based on a number of factors and currently represents approximately 50% of the total amount of the eligible receivables sold to the Purchasers. As of June 30, 2016 , the total amount available to be drawn was $36 million . The proceeds from the sale of these receivables are comprised of a combination of cash and a deferred purchase price receivable (DPP). The DPP is realized by us upon the ultimate collection of the underlying receivables sold to the Purchasers or until Sprint's election to receive additional advances in cash from the Purchasers subject to the total availability under the Receivables Facility.

Wireless service and installment receivables sold are treated as a sale of financial assets and Sprint derecognizes these receivables, as well as the related allowances, and recognizes the net proceeds received in cash provided by operating activities on the consolidated statements of cash flows. The fees associated with these sales are recognized in "Selling, general and administrative" in the consolidated statements of comprehensive loss. The sale of future lease receivables are treated as financing transactions. Accordingly, the proceeds received will be reflected as cash provided by financing activities on the consolidated statements of cash flows and the fees will be recognized as "Interest expense" in the consolidated statements of comprehensive loss.

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 SPEs. At Sprint's direction, the SPEs have sold, and will continue to sell, wireless service, installment and future lease receivables to 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.

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.

Sprint has no retained interest in the receivables sold, other than collection and administrative responsibilities and its right to the DPP. 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.

DPP

The DPP related to our wireless service and installment receivables, which amounted to approximately $1.3 billion as of June 30, 2016, is classified as a trading security within "Prepaid expenses and other current assets" in the consolidated balance sheets and is recorded at its estimated fair value. The fair value of the DPP is estimated using a discounted cash flow model, which relies principally on unobservable inputs such as the nature and credit class of the sold receivables and subscriber payment history, and, for installment receivables sold, the estimated timing of upgrades and upgrade payment amounts for those with upgrade options. Accretable yield on the DPP is recognized as interest revenue within net operating service revenue on the consolidated statements of comprehensive loss and other changes in the fair value

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of the DPP are recognized in "Selling, general and administrative" in the consolidated statements of comprehensive loss. Changes in the fair value of the DPP did not have a material impact on our statements of comprehensive loss for the three-month period ended June 30, 2016 . Changes to the unobservable inputs used to determine the fair value did not and are not expected to result in a material change in the fair value of the DPP.

During the quarter ended June 30, 2016, we remitted $185 million of funds to the Purchasers because the amount of cash proceeds received by us under the facility exceeded the maximum funding limit which increased the total amount of the DPP due to Sprint. We also elected to receive $40 million of cash which decreased the total amount of the DPP due to Sprint. In addition, during the quarter ended June 30, 2016, cash collections on previously sold receivables exceeded sales of new receivables such that the DPP decreased by $28 million .

Continuing Involvement

Sprint has continuing involvement in the receivables sold by the SPEs to the Purchasers because a subsidiary of Sprint services the receivables. Additionally, in accordance with the Receivables Facility, Sprint is required to repurchase aged receivables, or those that will be written off in accordance with Sprint's credit and collection policies, both of which result from subscriber non-payment. Sprint recognizes assets and liabilities, as applicable, with respect to its continuing involvement at fair value. Sprint's continuing involvement did not have a material impact on its financial statements as of June 30, 2016 .

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 service and installment receivables purchased by the Conduits, which is comprised of the DPP due to Sprint, is not considered variable because it consists of assets that represent less than 50% of the total activity of the Conduits.

Handset Sale-Leasebacks

In December 2015 and May 2016, we sold certain iPhone ® devices being leased by our customers to MLS, a company formed by a group of equity investors, including SoftBank Group Corp. (SoftBank), and then subsequently leased the devices back. Under the agreements, Sprint maintains the customer leases, continues to collect and record lease revenue from the customer and remits monthly rental payments to MLS during the leaseback periods.

Under the agreements, Sprint contributed the devices and the associated customer leases to wholly-owned consolidated bankruptcy-remote special purpose entities of Sprint (SPE Lessees). The SPE Lessees then sold the devices and transferred certain specified customer lease end rights and obligations, such as the right to receive the proceeds from customers who elect to purchase the device at the end of the customer lease term, to MLS in exchange for a combination of cash and DPP. Settlement for the DPP occurs near the end of the agreement and can be reduced to the extent that MLS experiences a loss on the device (either not returned or sold at an amount less than the expected residual value of the device), but only to the extent of the device's DPP balance. In the event that MLS sells the devices returned from our customers at a price greater than the expected device residual value, Sprint has the potential to share some of the excess proceeds.

The SPE Lessees retain all rights to the underlying customer leases, such as the right to receive the rental payments during the device leaseback period, other than the aforementioned certain specified customer lease end rights. Each SPE Lessee is a separate legal entity with its own separate creditors who will be entitled, prior to and upon the liquidation of the SPE Lessee, to be satisfied out of the SPE Lessee’s assets prior to any assets in the SPE Lessee becoming available to Sprint. Accordingly, the assets of the SPE Lessee are not available to pay creditors of Sprint or any of its affiliates. The SPE Lessees are obligated to pay the full monthly rental payments under each device lease to MLS regardless of whether our customers make lease payments on the devices leased to them or whether the customer lease is canceled. Sprint has guaranteed to MLS the performance of the agreements and undertakings of the SPE Lessees under the transaction documents.

Handset Sale-Leaseback Tranche 1 (Tranche 1)

In December 2015, Sprint transferred devices with a net book value of approximately $1.3 billion to MLS in exchange for cash proceeds totaling $1.1 billion and a DPP of $126 million . We recorded the sale, removed the devices from our balance sheet, and classified the leaseback as an operating lease. The difference between the fair value and the net book value of the devices sold was recognized as a loss on disposal of property, plant and equipment in the amount of $65 million

and is included in "Other, net" in the consolidated statements of comprehensive loss for the three-months ended December 31, 2015. The cash proceeds received in the transaction are reflected as cash provided by investing activities on the consolidated statements of cash flows and payments made to MLS under the leaseback are reflected as "Cost of products" in the consolidated statements of comprehensive loss. Rent expense related to MLS totaled $197 million during the three-month period ended June 30, 2016 and is reflected within cash flows from operations. The monthly rental payments for the devices leased backed by us are expected to approximate the amount of cash received from the associated customer leases during the weighted average 17 month leaseback period.

Handset Sale-Leaseback Tranche 2 (Tranche 2)

In May 2016, Sprint transferred devices with a net book value of approximately $1.3 billion to MLS in exchange for cash proceeds totaling $1.1 billion and a DPP of $186 million . Unlike Tranche 1, Tranche 2 was accounted for as a financing. Accordingly, the devices remain in "Property, plant and equipment, net" in the consolidated balance sheets and we continue to depreciate the assets to their estimated residual values over the respective customer lease terms. The proceeds received are reflected as cash provided by financing activities in the consolidated statements of cash flows and payments made to MLS will be reflected as principal repayments and interest expense over the respective terms. We have elected to account for the financing obligation at fair value. Accordingly, future changes in the fair value of the financing obligation will be recognized in "Other, net" in the consolidated statements of comprehensive loss over the course of the arrangement.

Tranche 2 primarily includes devices from our iPhone Forever Program, whereas these devices were specifically excluded from Tranche 1. The iPhone Forever Program provides our leasing customers the ability to upgrade their devices and to enter into a new lease agreement, subject to certain conditions, upon Apple's release of a next generation device. Upon a customer exercising their iPhone Forever upgrade right, Sprint has the option to terminate the existing leaseback by immediately remitting all unpaid device leaseback payments and returning the device to MLS. Alternatively, Sprint is required to transfer the title in the new devices to MLS in exchange for the title in the original devices (Exchange Option). If Sprint elects the Exchange Option, we are required to continue to pay existing device leaseback rental related to the original device, among other requirements.

To address the introduction of the upgrade feature into the sale-leaseback structure, among other factors, numerous contractual terms from Tranche 1 were modified, which shifted certain risks of ownership in the devices away from MLS to Sprint and resulted in Tranche 2 being accounted for as a financing. For instance, the device leaseback periods are generally longer in Tranche 2 as compared to Tranche 1, and the resulting amounts committed to be paid by the Company represent the initial proceeds received from MLS plus interest. This mitigates MLS's exposure to certain risks for non-returned and damaged devices, as well as to declines in device residual values.

Network Equipment Sale-Leaseback

In April 2016, Sprint sold and leased back certain network equipment to unrelated bankruptcy-remote special purpose entities (collectively, "Network LeaseCo"). The network equipment acquired by Network LeaseCo was used by them as collateral to raise approximately $2.2 billion in borrowings from external investors, including SoftBank. Sprint's payments to Network LeaseCo during the leaseback period will be used by them to service their debt.

Network LeaseCo is a variable interest entity for which Sprint is the primary beneficiary. As a result, Sprint is required to consolidate Network LeaseCo and our consolidated financial statements include Network LeaseCo's debt and the related financing cash inflows. The network assets included in the transaction, which had a net book value of approximately $3.0 billion and consisted primarily of equipment located at cell towers, will remain on Sprint's consolidated financial statements and will continue to be depreciated over their respective estimated useful lives. The proceeds received are reflected as cash provided by financing activities in the consolidated statements of cash flows and payments made to Network LeaseCo will be reflected as principal repayments and interest expense over the respective terms. Sprint has the option to purchase the equipment at the end of the leaseback term for a nominal amount. All intercompany transactions between Network LeaseCo and Sprint are eliminated in our consolidated financial statements. Principal and interest payments on the borrowings from the external investors will be repaid in staggered, unequal payments through January 2018 with the first principal payment of approximately $300 million to be paid in March 2017.

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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.

The carrying amount of cash and cash equivalents, accounts and notes receivable, and accounts payable approximates fair value. Short-term investments (consisting primarily of time deposits and commercial paper) are recorded at amortized cost, and the respective carrying amounts approximate fair value. Short-term investments totaled approximately $1.3 billion as of June 30, 2016 and Sprint did not hold any short-term investments as of March 31, 2016 . The fair value of marketable equity securities totaling $42 million and $46 million as of June 30, 2016 and March 31, 2016 , respectively, are measured on a recurring basis using quoted prices in active markets.

Except for our financing transaction with MLS, current and long-term debt and our other financings are carried at amortized cost. The Company elected to measure the financing obligation with MLS at fair value as a means to better reflect the economic substance of the arrangement. The Tranche 2 financing obligation, which amounted to approximately $889 million at June 30, 2016, is the only eligible financial instrument for which we have elected the fair value option.

The fair value of the financing obligation, which was determined at the outset of the arrangement using a discounted cash flow model, was derived by unobservable inputs such as customer churn rates, customer upgrade probabilities, and the likelihood that Sprint will elect the Exchange Option versus the termination option upon a customer upgrade. Any gains or losses resulting from changes in the fair value of the financing obligation are included in “Other, net” on the consolidated statements of comprehensive loss. During the three-month period ended June 30, 2016, the rental payments made to MLS under the leaseback totaled approximately $165 million . The change in the fair value of the financial obligation during the quarter was immaterial.

The estimated fair value of the majority of our current and long-term debt, excluding our credit facilities, future lease receivables and borrowings under our Network Equipment Sale-Leaseback and Tranche 2 transactions, 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:

		Estimated Fair Value Using Input Type			
	Carrying amount at June 30, 2016	Quoted prices in active markets	Observable	Unobservable	Total estimated fair value
		(in millions)			
Current and long-term debt	$ 36,266	$ 23,226	$ 4,558	$ 5,351	$ 33,135

		Estimated Fair Value Using Input Type			
	Carrying amount at March 31, 2016	Quoted prices in active markets	Observable	Unobservable	Total estimated fair value
		(in millions)			
Current and long-term debt	$ 33,645	$ 21,757	$ 4,474	$ 2,130	$ 28,361

Note 5. Property, Plant and Equipment

Property, plant and equipment consists primarily of network equipment and other long-lived assets used to provide service to our subscribers. Non-cash accruals included in property, plant and equipment (excluding leased devices) totaled $309 million and $1.2 billion as of June 30, 2016 and 2015 , respectively.

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The following table presents the components of property, plant and equipment and the related accumulated depreciation:

	June 30, 2016	March 31, 2016
	(in millions)	
Land	$ 260	$ 260
Network equipment, site costs and related software	21,493	21,500
Buildings and improvements	794	798
Non-network internal use software, office equipment, leased devices and other	6,858	6,182
Construction in progress	1,220	1,249
Less: accumulated depreciation	(10,910)	(9,692)
Property, plant and equipment, net	$ 19,715	$ 20,297

In September 2014, Sprint introduced a leasing program, 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 turn in their device, continue leasing their device, or purchase the device. As of June 30, 2016 , substantially all of our device leases were classified as operating leases. At lease inception, the devices leased through Sprint's direct channels are reclassified from inventory to property, plant and equipment. For those devices leased through indirect channels, Sprint purchases the device to be leased from the retailer at lease inception. 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:

	June 30, 2016	March 31, 2016
	(in millions)	
Leased devices	$ 5,576	$ 4,913
Less: accumulated depreciation	(1,810)	(1,267)
Leased devices, net	$ 3,766	$ 3,646

During the three-month periods ended June 30, 2016 and 2015 , there were non-cash transfers to leased devices of approximately $541 million and $808 million , respectively, along with a corresponding decrease in "Device and accessory inventory." Non-cash accruals included in leased devices totaled approximately $142 million and $207 million as of June 30, 2016 and 2015 , respectively, for devices purchased from indirect dealers that were leased to our subscribers. Depreciation expense incurred on all leased devices for the three-month periods ended June 30, 2016 and 2015 was $644 million and $276 million , respectively.

During the three-month period ended June 30, 2016 , we recorded $120 million of loss on disposal of property, plant and equipment, which is included in "Other, net" in our consolidated statements of comprehensive loss. These losses resulted 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. If customers continue to not return devices, we may continue to have similar losses in future periods.

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 June 30, 2016 , we held 1.9 GHz, 800 MHz 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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The following provides the activity of Indefinite-lived intangible assets within the consolidated balance sheets:

	March 31, 2016	Net Additions	June 30, 2016
		(in millions)	
FCC licenses [1]	$ 36,038	$ 102	$ 36,140
Trademarks	4,035	—	4,035
Goodwill	6,575	—	6,575
	$ 46,648	$ 102	$ 46,750

(1) FCC licenses includes net additions of $85 million of spectrum acquired from the Shentel transaction (see Note 8. Long-Term Debt, Financing and Capital Lease Obligations).

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. We did not record an impairment during the quarter ended June 30, 2016.

The stock price at June 30, 2016 of $4.53 was below the net book value per share of $4.91 . Subsequent to the balance sheet date, the stock price has increased to $6.17 at August 5, 2016. 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 and an estimated control premium.

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 and trade name impairment tests will prove to be an accurate prediction of the future. Continued, sustained declines in the Company's operating results, 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 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 comprehensive loss.

		June 30, 2016			March 31, 2016		
	Useful Lives	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
				(in millions)			
Customer relationships	4 to 8 years	$ 6,923	$ (4,320)	$ 2,603	$ 6,923	$ (4,045)	$ 2,878
Other intangible assets:							
Favorable spectrum leases	23 years	880	(119)	761	881	(110)	771
Favorable tower leases	3 to 7 years	589	(325)	264	589	(302)	287
Trademarks	34 years	520	(47)	473	520	(43)	477
Other	4 to 10 years	85	(29)	56	83	(27)	56
Total other intangible assets		2,074	(520)	1,554	2,073	(482)	1,591
Total definite-lived intangible assets		$ 8,997	$ (4,840)	$ 4,157	$ 8,996	$ (4,527)	$ 4,469

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Note 7. Accounts Payable

Accounts payable at June 30, 2016 and March 31, 2016 include liabilities in the amounts of $60 million and $66 million , respectively, for checks issued in excess of associated bank balances but not yet presented for collection.

Note 8. Long-Term Debt, Financing and Capital Lease Obligations

	Interest Rates	Maturities	June 30, 2016	March 31, 2016
			(in millions)	
Notes				
Senior notes				
Sprint Corporation	7.13 - 7.88%	2021 - 2025	$ 10,500	$ 10,500
Sprint Communications, Inc.	6.00 - 11.50%	2016 - 2022	9,280	9,280
Sprint Capital Corporation	6.88 - 8.75%	2019 - 2032	6,204	6,204
Guaranteed notes				
Sprint Communications, Inc.	7.00 - 9.00%	2018 - 2020	4,000	4,000
Secured notes				
Clearwire Communications LLC [(1)]	14.75%	2016	300	300
Exchangeable notes				
Clearwire Communications LLC [(1)]	8.25%	2040	629	629
Credit facilities				
Unsecured financing facility	4.69%	2017	—	—
Bank credit facility	3.69%	2018	—	—
Export Development Canada (EDC)	4.16 - 5.91%	2017 - 2019	550	550
Secured equipment credit facilities	2.03 - 2.88%	2017 - 2021	773	805
Financing obligations, capital lease and other obligations	2.04 - 10.63%	2016 - 2023	4,325	1,093
Net premiums and debt financing costs			396	597
			36,957	33,958
Less current portion			(5,603)	(4,690)
Long-term debt, financing and capital lease obligations			$ 31,354	$ 29,268

(1) Notes of Clearwire Communications LLC are also direct obligations of Clearwire Finance, Inc. and are guaranteed by certain Clearwire subsidiaries.

As of June 30, 2016 , Sprint Corporation, the parent corporation, had $10.5 billion in aggregate principal amount of senior notes outstanding. In addition, as of June 30, 2016 , the outstanding principal amount of senior notes issued by Sprint Communications, Inc. and Sprint Capital Corporation, guaranteed notes issued by Sprint Communications, Inc., exchangeable notes issued by Clearwire Communications LLC, the EDC agreement, the secured equipment credit facilities, the installment payment obligations, and the Network Equipment Sale-Leaseback and Handset Sale-Leaseback Tranche 2 financing obligations, collectively totaled $24.6 billion in principal amount of our long-term debt issued by 100% owned subsidiaries, was fully and unconditionally guaranteed by Sprint Corporation. The indenture governing the secured notes of Clearwire Communications LLC restricts the ability of it and its subsidiaries to distribute cash to its parent. Although certain financing agreements restrict the ability of Sprint Communications, Inc. 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, Inc. is generally not restricted.

Cash interest payments, net of amounts capitalized of $10 million and $15 million , totaled $626 million and $613 million during the three-month periods ended June 30, 2016 and 2015 , respectively.

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As of June 30, 2016 , our outstanding notes consisted of senior notes, guaranteed notes, and exchangeable notes, all of which are unsecured, as well as secured notes of Clearwire Communications LLC, which are secured solely by assets of Clearwire Communications LLC and certain of its subsidiaries. Cash interest on all of the notes is generally payable semi-annually in arrears. As of June 30, 2016 , $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 June 30, 2016 , $21.6 billion aggregate principal amount of our senior notes and guaranteed notes provide 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. As of June 30, 2016 , $300 million aggregate principal amount of Clearwire Communications LLC notes provide holders with the right to require us to repurchase the notes if a change of control occurs (as defined in the applicable indentures and supplemental indentures). If we are required to make such a change of control offer, we will offer a cash payment equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest.

Upon the close of the acquisition of Clearwire Corporation (Clearwire Acquisition), the Clearwire Communications, LLC 8.25% Exchangeable Notes due 2040 became exchangeable at any time, at the holder’s option, for a fixed amount of cash equal to $706.21 for each $1,000 principal amount of notes surrendered. As a result, $444 million , which is the total cash consideration payable upon an exchange of all $629 million principal amount of notes outstanding, is classified as a current debt obligation. The remaining carrying value of these notes is classified as a long-term debt obligation.

Credit Facilities

Unsecured Financing Facility

During the three-month period ended June 30, 2016, Sprint Communications entered into a new unsecured financing facility for $2.5 billion . The terms of this facility provide for covenant terms similar to those of the revolving bank credit facility, however, repayments of outstanding amounts cannot be re-drawn. Loans borrowed under the facility bear interest at a rate equal to the London Interbank Offered Rate (LIBOR) plus a percentage that varies depending on the timing of the draws, and matures in October 2017. Loans borrowed under the facility will be required to be repaid and commitments under the facility will be reduced by an amount equal to the proceeds from certain debt issuances or sales of equity securities or the sales of certain assets. As of June 30, 2016 , no amounts had been drawn on this facility.

Bank Credit Facility

The Company has a $3.3 billion unsecured revolving bank credit facility that expires in February 2018. Borrowings under the revolving bank credit facility bear interest at a rate equal to LIBOR plus a spread that varies depending on the Company’s credit ratings. As of June 30, 2016 , approximately $326 million in letters of credit were outstanding under this credit facility, including the letter of credit required by the Report and Order *(see Note 11. Commitments and Contingencies)* . As a result of the outstanding letters of credit, which directly reduce the availability of borrowings, the Company had approximately $3.0 billion of borrowing capacity available under the revolving bank credit facility as of June 30, 2016 . The required 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 credit facility (adjusted EBITDA), may not exceed 6.25 to 1.0 through the quarter ending December 31, 2016 and 6.0 to 1.0 each fiscal quarter ending thereafter through expiration of the facility. The facility allows us to reduce our total indebtedness for purposes of calculating the Leverage Ratio by subtracting from total indebtedness the amount of any cash contributed into a segregated reserve account, provided that, after such cash contribution, our cash remaining on hand for operations exceeds $2.0 billion . Upon transfer, the cash contribution will remain restricted until and to the extent it is no longer required for the Leverage Ratio to remain in compliance.

EDC Agreement

The unsecured EDC agreement provides for covenant terms similar to those of the revolving bank credit facility. However, under the terms of the EDC agreement, repayments of outstanding amounts cannot be re-drawn. As of June 30, 2016 , the total principal amount of our borrowings under the EDC facility was $550 million .

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Secured Equipment Credit Facilities

Eksportkreditnamnden (EKN)

The EKN secured equipment credit facility provides for covenant terms similar to those of the revolving bank credit facility. In 2013, we had fully drawn and began to repay the EKN secured equipment credit facility totaling $1.0 billion , which was used to finance certain network-related purchases from Ericsson. The balance outstanding at June 30, 2016 was $254 million .

Finnvera plc (Finnvera)

The Finnvera secured equipment credit facility provides us with the ability to borrow up to $800 million to finance network-related purchases from Nokia Solutions and Networks US LLC, USA. The facility, which initially could be drawn upon as many as three consecutive tranches, now has one tranche remaining and available for borrowing through October 2017. Such borrowings are contingent upon the amount and timing of Sprint's network-related purchases. The balance outstanding at June 30, 2016 was $196 million .

K-sure

The K-sure equipment credit facility provides for the ability to borrow up to $750 million to finance network-related purchases from Samsung Telecommunications America, LLC. The facility can be divided in up to three consecutive tranches of varying size with borrowings available until May 2018, contingent upon the amount of network-related purchases made by Sprint. During the three -month period ended June 30, 2016 , we made principal repayments totaling $32 million on the facility, resulting in a total principal amount of $291 million outstanding at June 30, 2016 .

Delcredere | Ducroire (D/D)

The D/D secured equipment credit facility provides for the ability to borrow up to $250 million to finance network equipment-related purchases from Alcatel-Lucent USA Inc. The balance outstanding at June 30, 2016 was $32 million .

Borrowings under the EKN, Finnvera, K-sure and D/D secured equipment credit facilities are each secured by liens on the respective equipment purchased pursuant to each facility's credit agreement. 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, Inc. and Sprint Corporation. The covenants under each of the four secured equipment credit facilities are similar to one another and to the covenants of our revolving bank credit facility and EDC agreement.

Financing Obligations

Financing of Future Lease Receivables

In the three-month period ended March 31, 2016, we sold approximately $1.2 billion in total of future amounts due from customers who lease certain devices from us in exchange for cash proceeds of $600 million through our Receivable Facility *(see Note 3. Funding Sources)* . The difference between the amount sold and the cash received represents additional collateral to the lenders. The sale was accounted for as a financing and the $600 million cash proceeds were, accordingly, reflected as debt in our consolidated balance sheets. The associated leased devices continue to be reported as part of our "Property, plant and equipment, net" in our consolidated balance sheets and continue to be depreciated over their estimated useful life.

During the three-month period ended June 30, 2016, we repaid $75 million to the Purchasers and reduced the amount owed. As of June 30, 2016 , the balance outstanding was $525 million .

Network Equipment Sale-Leaseback

In April 2016, Sprint sold and leased back certain network equipment to Network LeaseCo. The network equipment acquired by Network LeaseCo, which is consolidated by us, was used by them as collateral to raise approximately $2.2 billion in borrowings from external investors, including SoftBank. Principal and interest payments on the borrowings from the external investors will be repaid in staggered, unequal payments through January 2018 with the first principal payment of approximately $300 million to be paid in March 2017 *(see Note 3. Funding Sources).*

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Handset Sale-Leaseback Tranche 2

In April 2016, Sprint entered into a second transaction with MLS to sell and leaseback certain iPhone ® devices leased by our customers. Upon the transfer of devices with a net book value of approximately $1.3 billion to MLS, Sprint received cash proceeds of $1.1 billion . Unlike Tranche 1, the proceeds from Tranche 2 were accounted for as a financing *(see Note 3. Funding Sources)* . During the three-month period ended June 30, 2016 , we repaid $165 million to MLS, which reduced the amount of the financing obligation to approximately $889 million as of the end of the quarter.

Tower Financing

We have approximately 3,000 cell sites that we sold and subsequently leased back during 2008. 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.

Capital Lease and Other Obligations

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 include, among other things, 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 approximately $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. FCC licenses acquired from Shentel had a total value of approximately $85 million . Approximately $96 million of the total purchase was recorded in “Other, net” in the consolidated statements of comprehensive loss as a contract termination in the quarter ended June 30, 2016, which related to the termination of our pre-existing wholesale arrangement with nTelos. The remainder of our capital lease and other obligations 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 June 30, 2016 , 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 revolving bank credit facility and certain other agreements, 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 .

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.

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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:

	March 31, 2016	Net Expense	Cash Payments and Other	June 30, 2016
		(in millions)		
Lease exit costs	$ 338	$ 10 (1)	$ (38)	$ 310
Severance costs	150	4 (2)	(60)	94
Access exit costs	37	4 (3)	(9)	32
	$ 525	$ 18	$ (107)	$ 436

(1) For the three-month period ended June 30, 2016 , we recognized costs of $10 million (Wireless only).
(2) For the three-month period ended June 30, 2016 , we recognized costs of $4 million (Wireless only).
(3) For the three-month period ended June 30, 2016 , $2 million (solely attributable to Wireline) was recognized as "Cost of services" and $2 million (solely attributable to Wireless) was recognized 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, a major cost reduction initiative is underway, which may include headcount reductions, among other actions, 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.

Note 10. Income Taxes

The differences that caused our effective income tax rates to vary from the 35% U.S. federal statutory rate for income taxes were as follows:

	Three Months Ended June 30,	
	2016	2015
	(in millions)	
Income tax benefit at the federal statutory rate	$ 86	$ 13
Effect of:		
State income taxes, net of federal income tax effect	3	(1)
State law changes, net of federal income tax effect	—	21
Change in federal and state valuation allowance	(142)	(22)
Other, net	(3)	6
Income tax (expense) benefit	$ (56)	$ 17
Effective income tax rate	(22.8)%	45.9%

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. However, our history of annual losses reduces our ability to rely on expectations of future income in evaluating the ability to realize our deferred tax assets. Valuation allowances on deferred tax assets are recognized if it is determined that it is more likely than not that the asset will not be realized. As a result, the Company recognized income tax expense to increase the valuation allowance by $142 million and $22 million during the three -month periods ended June 30, 2016 and June 30, 2015 , respectively, on deferred tax assets primarily related to losses incurred during the period that were not currently realizable and expenses recorded during the period that were not currently deductible for income tax purposes. We do not expect to record significant tax benefits on future net operating losses until our circumstances justify the recognition of such benefits.

We believe it is more likely than not that our remaining deferred income tax assets, net of the valuation allowance, will be realized based on current income tax laws and expectations of future taxable income stemming from the reversal of existing deferred tax liabilities. Uncertainties surrounding income tax law changes, shifts in operations between state taxing jurisdictions and future operating income levels may, however, affect the ultimate realization of all or some of these deferred income tax assets.

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Income tax expense of $56 million for the three -month period ended June 30, 2016 was primarily attributable to taxable temporary differences from the tax amortization of FCC licenses. FCC licenses are amortized over 15 years for income tax purposes but, because these licenses have an indefinite life, they are not amortized for financial statement reporting purposes. These temporary differences result in net deferred income tax expense since they cannot be scheduled to reverse during the loss carryforward period. Income tax benefit of $17 million for the three -month period ended June 30, 2015 was primarily attributable to tax benefits recorded as a result of changes in state income tax laws.

As of June 30, 2016 and March 31, 2016 , we maintained unrecognized tax benefits of $167 million and $166 million , respectively. Cash paid for income taxes, net, was $21 million and $26 million for the three-month periods ended June 30, 2016 and 2015 , respectively.

In March 2016, the FASB issued authoritative guidance on *Compensation - Stock Compensation: Improvements to Employee Share-Based Payment Accounting* which, in part, eliminates the additional paid-in capital pools and requires excess tax benefits and tax deficiencies to be recorded in the income statement when the awards vest or are settled. The company has elected to early adopt this guidance effective April 1, 2016. The early adoption of this guidance did not have a material effect on our consolidated financial statements.

Note 11. Commitments and Contingencies

Litigation, Claims and Assessments

In March 2009, a stockholder brought suit, *Bennett v. Sprint Nextel Corp.* , in the U.S. District Court for the District of Kansas, alleging that Sprint Communications and three of its former officers violated Section 10(b) of the Exchange Act and Rule 10b-5 by failing adequately to disclose certain alleged operational difficulties subsequent to the Sprint-Nextel merger, and by purportedly issuing false and misleading statements regarding the write-down of goodwill. The district court granted final approval of a settlement in August 2015, which did not have a material impact to our financial statements. Five stockholder derivative suits related to this 2009 stockholder suit were filed against Sprint Communications and certain of its present and/or former officers and directors. The first, *Murphy v. Forsee* , was filed in state court in Kansas on April 8, 2009, was removed to federal court, and was stayed by the court pending resolution of the motion to dismiss the *Bennett* case; the second, *Randolph v. Forsee* , was filed on July 15, 2010 in state court in Kansas, was removed to federal court, and was remanded back to state court; the third, *Ross-Williams v. Bennett, et al.* , was filed in state court in Kansas on February 1, 2011; the fourth, *Price v. Forsee, et al.,* was filed in state court in Kansas on April 15, 2011; and the fifth, *Hartleib v. Forsee, et. al* ., was filed in federal court in Kansas on July 14, 2011. These cases were essentially stayed while the *Bennett* case was pending, and we have reached an agreement in principle to settle the matters, by agreeing to some governance provisions and by paying plaintiffs' attorneys fees in an immaterial amount. We are waiting for final approval by the court.

On April 19, 2012, the New York Attorney General filed a complaint alleging that Sprint Communications has 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 seeks recovery of triple damages under the 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 requires 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 have accrued $180 million during the year ended March 31, 2016 associated with this matter. We will continue to defend this matter vigorously and we do not expect the resolution of this matter to have a material adverse effect on our financial position or results of operations.

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 Communications, Inc. is also a defendant in a complaint filed by stockholders of Clearwire Corporation asserting claims for breach of fiduciary duty by Sprint Communications, and related claims and otherwise challenging the Clearwire Acquisition. *ACP Master, LTD, et al. v. Sprint Nextel Corp., et al.* , was filed April 26, 2013, in Chancery Court in Delaware. Our motion to dismiss the suit was denied, and discovery is substantially complete. All parties' summary judgment motions were denied. Plaintiffs in the *ACP Master, LTD* suit have also filed suit requesting an appraisal of the fair value of their Clearwire stock. Discovery in that case was consolidated with the breach of fiduciary duty case and is substantially complete. Trial is scheduled to begin in October 2016. Sprint Communications intends to defend the *ACP Master, LTD* cases vigorously. 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.

In October 2013, the FCC Enforcement Bureau began to issue notices of apparent liability (NALs) to other Lifeline providers, imposing fines for intracarrier duplicate accounts identified by the government during its audit function. Those audits also identified a small percentage of potentially duplicative intracarrier accounts related to our Assurance Wireless business. No NAL has yet been issued with respect to Sprint and we do not know if one will be issued. Further, we are not able to reasonably estimate the amount of any claim for penalties that might be asserted. However, based on the information currently available, if a claim is asserted by the FCC, Sprint does not believe that any amount ultimately paid would be material to the Company’s results of operations or financial position.

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.

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 is $2.8 billion under the Report and Order. We are, however, obligated to pay the full amount of the costs relating to the reconfiguration plan, even if those costs exceed $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 $256 million as of June 30, 2016 . Since the inception of the program, we have incurred payments of approximately $3.5 billion directly attributable to our performance under the Report and Order, including approximately $17 million during the three-month period ended June 30, 2016 . When incurred, substantially all costs are accounted for as additions to FCC licenses with the remainder as property, plant and equipment. Although costs incurred through June 30, 2016 have exceeded $2.8 billion , not all of those costs have been reviewed and accepted as eligible by the transition administrator.

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Completion of the 800 MHz band reconfiguration was initially required by June 26, 2008 and public safety reconfiguration is nearly complete across the country with the exception of the States of Arizona, California, Texas and New Mexico. The FCC continues to grant the remaining 800 MHz public safety licensees additional time to complete their band reconfigurations which, in turn, delays our access to our 800 MHz replacement channels in these areas. In the areas where band reconfiguration is complete, Sprint has received its replacement spectrum in the 800 MHz band and Sprint is deploying 3G CDMA and 4G LTE on this spectrum in combination with its spectrum in the 1.9 GHz and 2.5 GHz bands.

Note 12. Per Share Data

Basic net loss per common share is calculated by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted net loss per common share adjusts basic net loss per common share, computed using the treasury stock method, for the effects of potentially dilutive common shares, if the effect is not antidilutive. Outstanding options and restricted stock units (exclusive of participating securities) that had no effect on our computation of dilutive weighted average number of shares outstanding as their effect would have been antidilutive were approximately 88 million shares and 75 million shares as of the periods ended June 30, 2016 and 2015 , respectively, in addition to 62 million total shares issuable under warrants, of which 55 million relate to shares issuable under the warrant held by SoftBank. The warrant was issued to SoftBank at the close of the merger with SoftBank and is exercisable at $5.25 per share at the option of SoftBank, in whole or in part, at any time on or prior to July 10, 2018.

Note 13. 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 and equipment revenue from the sale of wireless devices (handsets and tablets) and accessories in the U.S., Puerto Rico and the U.S. Virgin Islands.
- Wireline primarily includes revenue from domestic and international wireline voice and data 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 (loss) income 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. Over the past several years, there has been an industry-wide trend of lower rates due to increased competition from other wireline and wireless communications companies, as well as cable and Internet service providers.

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Segment financial information is as follows:

Statement of Operations Information	Wireless	Wireline	Corporate, Other and Eliminations	Consolidated
			(in millions)	
Three Months Ended June 30, 2016				
Net operating revenues	$ 7,597	$ 412	$ 3	$ 8,012
Inter-segment revenues [1]	—	133	(133)	—
Total segment operating expenses	(5,157)	(526)	128	(5,555)
Segment earnings	$ 2,440	$ 19	$ (2)	2,457
Less:				
Depreciation				(1,680)
Amortization				(287)
Other, net [2]				(129)
Operating income				361
Interest expense				(615)
Other income, net				8
Loss before income taxes				$ (246)

Statement of Operations Information	Wireless	Wireline	Corporate, Other and Eliminations	Consolidated
			(in millions)	
Three Months Ended June 30, 2015				
Net operating revenues	$ 7,540	$ 483	$ 4	$ 8,027
Inter-segment revenues [1]	—	147	(147)	—
Total segment operating expenses	(5,466)	(621)	142	(5,945)
Segment earnings	$ 2,074	$ 9	$ (1)	2,082
Less:				
Depreciation				(1,241)
Amortization				(347)
Other, net [2]				7
Operating income				501
Interest expense				(542)
Other income, net				4
Loss before income taxes				$ (37)

Other Information	Wireless	Wireline	Corporate and Other	Consolidated
			(in millions)	
Capital expenditures for the three months ended June 30, 2016	$ 781	$ 20	$ 77	$ 878
Capital expenditures for the three months ended June 30, 2015	$ 2,184	$ 68	$ 94	$ 2,346

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

(2) Other, net for the three-month period ended June 30, 2016 consists of $16 million of severance and exit costs and $113 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. Losses totaling approximately $120 million relating to the write-off of leased devices associated with lease cancellations were excluded from Other, net and included within Wireless segment earnings. Other, net for the three-month period ended June 30, 2015 consists of $20 million of income resulting from a revision to our estimate of a previously recorded reserve, partially offset by $13 million of severance and exit costs.

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Operating Revenues by Service and Products	Wireless	Wireline	Corporate, Other and Eliminations (1)	Consolidated
		(in millions)		
Three Months Ended June 30, 2016				
Wireless services	$ 5,943	$ —	$ —	$ 5,943
Wireless equipment	1,496	—	—	1,496
Voice	—	181	(69)	112
Data	—	43	(22)	21
Internet	—	302	(41)	261
Other	158	19	2	179
Total net operating revenues	$ 7,597	$ 545	$ (130)	$ 8,012

Operating Revenues by Service and Products	Wireless	Wireline	Corporate, Other and Eliminations (1)	Consolidated
		(in millions)		
Three Months Ended June 30, 2015				
Wireless services	$ 6,351	$ —	$ —	$ 6,351
Wireless equipment	990	—	—	990
Voice	—	233	(82)	151
Data	—	49	(20)	29
Internet	—	328	(44)	284
Other	199	20	3	222
Total net operating revenues	$ 7,540	$ 630	$ (143)	$ 8,027

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

Note 14. Related-Party Transactions

Sprint has entered into various arrangements with SoftBank or its controlled affiliates (SoftBank Parties) or with third parties to which SoftBank Parties are also parties, including 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. We have provided a $1.0 billion credit line to Brightstar to facilitate certain of these arrangements. 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 agreements. However, we have no assurance that SoftBank will provide such support.

The supply chain and inventory management arrangement provides, among other things, that Brightstar would purchase inventory from the OEMs 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 three-month periods ended June 30, 2016 and 2015 , we incurred fees under these arrangements totaling $19 million and $33 million , respectively. We may also purchase new and used devices and accessories from Brightstar to be sold in our direct channels or to be used to fulfill service and repair needs.

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Amounts included in our consolidated financial statements associated with these arrangements with Brightstar were as follows:

Consolidated balance sheets:	June 30, 2016	March 31, 2016
	(in millions)	
Accounts receivable	$ 184	$ 197
Accounts payable	$ 70	$ 96

Consolidated statements of comprehensive loss:	Three Months Ended June 30,	
	2016	2015
	(in millions)	
Equipment revenues	$ 276	$ 375
Cost of products	$ 296	$ 418

SoftBank

In November 2015 and April 2016, Sprint entered into handset sale-leaseback transactions with MLS, a company formed by a group of equity investors, including SoftBank, to sell and leaseback certain devices, which are currently being leased by our customers, for total cash proceeds of approximately $2.2 billion . Softbank's equity investment in MLS totaled approximately $79 million . BrightStar will provide reverse logistics and remarketing services to MLS with respect to the devices.

In April 2016, Sprint sold and leased back certain network equipment to Network LeaseCo. The network equipment acquired by Network LeaseCo, which is consolidated by us, was used by them as collateral to raise approximately $2.2 billion in borrowings from external investors, including $250 million from SoftBank. Principal and interest payments on the borrowings from the external investors will be repaid in staggered, unequal payments through January 2018 (*See Note 3. Funding Sources*).

All other transactions under agreements with SoftBank Parties, in the aggregate, were immaterial through the period ended June 30, 2016 .

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Note 15. 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, Inc. (Subsidiary Guarantor), which is a 100 percent owned subsidiary of Sprint Corporation (Parent/Issuer). In connection with the foregoing, the registration rights agreements with respect to the notes required the Company and Sprint Communications, Inc. to use their reasonable best efforts to cause an offer to exchange the notes for a new issue of substantially identical exchange notes registered under the Securities Act of 1933. Accordingly, in November 2014, we completed an exchange offer for these notes in compliance with our registration obligations. 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, which are fully and unconditionally guaranteed by Sprint Communications, Inc.

During the three-month period ended June 30, 2016 , there was a non-cash equity contribution from the Subsidiary Guarantor to the non-guarantor subsidiaries as a result of organizational restructuring for tax purposes in the amount of $563 million .

Under the Subsidiary Guarantor's revolving bank credit facility and certain other finance agreements, the Subsidiary Guarantor is currently restricted from paying cash dividends to the Parent/Issuer 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 November 2015, Sprint also entered into the Tranche 1 transaction to sell and leaseback certain leased devices. In April 2016, Sprint entered into the Tranche 2 transaction to sell and leaseback certain leased devices and a Network Equipment Sale-Leaseback to sell and leaseback certain network equipment. In connection with the Receivables Facility, Tranches 1 and 2 and the Network Equipment Sale-Leaseback, Sprint formed certain wholly-owned consolidated bankruptcy-remote SPEs and SPE Lessees that are included in the non-guarantor subsidiaries condensed consolidated financial information. Each SPE and SPE Lessee is a separate legal entity with its own separate creditors who will be entitled, prior to and upon the liquidation of the SPE or SPE Lessee, to be satisfied out of the SPE or SPE Lessee’s assets prior to any assets in the SPE and SPE Lessee becoming available to Sprint *(see Note 3. Funding Sources)*.

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

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING BALANCE SHEET

	As of June 30, 2016				
	Parent/Issuer	*Subsidiary Guarantor*	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
			(in millions)		
ASSETS					
Current assets:					
Cash and cash equivalents	$ —	$ 3,338	$ 442	$ —	$ 3,780
Short-term investments	—	1,269	35	—	1,304
Accounts and notes receivable, net	196	—	1,113	(196)	1,113
Device and accessory inventory	—	—	816	—	816
Prepaid expenses and other current assets	—	15	1,934	—	1,949
Total current assets	196	4,622	4,340	(196)	8,962
Investments in subsidiaries	19,502	23,727	—	(43,229)	—
Property, plant and equipment, net	—	—	19,715	—	19,715
Due from consolidated affiliate	42	17,055	—	(17,097)	—
Note receivable from consolidated affiliate	10,381	272	—	(10,653)	—
Intangible assets					
Goodwill	—	—	6,575	—	6,575
FCC licenses and other	—	—	40,175	—	40,175
Definite-lived intangible assets, net	—	—	4,157	—	4,157
Other assets	—	197	614	—	811
Total assets	$ 30,121	$ 45,873	$ 75,576	$ (71,175)	$ 80,395
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ —	$ —	$ 1,841	$ —	$ 1,841
Accrued expenses and other current liabilities	238	571	3,632	(196)	4,245
Current portion of long-term debt, financing and capital lease obligations	—	3,045	2,558	—	5,603
Total current liabilities	238	3,616	8,031	(196)	11,689
Long-term debt, financing and capital lease obligations	10,381	11,447	9,526	—	31,354
Deferred tax liabilities	—	—	14,006	—	14,006
Note payable due to consolidated affiliate	—	10,381	272	(10,653)	—
Other liabilities	—	927	2,917	—	3,844
Due to consolidated affiliate	—	—	17,097	(17,097)	—
Total liabilities	10,619	26,371	51,849	(27,946)	60,893
Commitments and contingencies					
Total stockholders' equity	19,502	19,502	23,727	(43,229)	19,502
Total liabilities and stockholders' equity	$ 30,121	$ 45,873	$ 75,576	$ (71,175)	$ 80,395

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING BALANCE SHEET

	As of March 31, 2016				
	Parent/Issuer	*Subsidiary Guarantor*	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
			(in millions)		
ASSETS					
Current assets:					
Cash and cash equivalents	$ —	$ 2,154	$ 487	$ —	$ 2,641
Accounts and notes receivable, net	87	27	1,099	(114)	1,099
Device and accessory inventory	—	—	1,173	—	1,173
Prepaid expenses and other current assets	—	12	1,908	—	1,920
Total current assets	87	2,193	4,667	(114)	6,833
Investments in subsidiaries	19,783	23,129	—	(42,912)	—
Property, plant and equipment, net	—	—	20,297	—	20,297
Due from consolidated affiliate	50	19,518	—	(19,568)	—
Note receivable from consolidated affiliate	10,377	245	—	(10,622)	—
Intangible assets					
Goodwill	—	—	6,575	—	6,575
FCC licenses and other	—	—	40,073	—	40,073
Definite-lived intangible assets, net	—	—	4,469	—	4,469
Other assets	—	1,127	620	(1,019)	728
Total assets	$ 30,297	$ 46,212	$ 76,701	$ (74,235)	$ 78,975
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ —	$ —	$ 2,899	$ —	$ 2,899
Accrued expenses and other current liabilities	137	531	3,820	(114)	4,374
Current portion of long-term debt, financing and capital lease obligations	—	3,065	1,625	—	4,690
Total current liabilities	137	3,596	8,344	(114)	11,963
Long-term debt, financing and capital lease obligations	10,377	11,495	8,415	(1,019)	29,268
Deferred tax liabilities	—	—	13,959	—	13,959
Note payable due to consolidated affiliate	—	10,377	245	(10,622)	—
Other liabilities	—	961	3,041	—	4,002
Due to consolidated affiliate	—	—	19,568	(19,568)	—
Total liabilities	10,514	26,429	53,572	(31,323)	59,192
Commitments and contingencies					
Total stockholders' equity	19,783	19,783	23,129	(42,912)	19,783
Total liabilities and stockholders' equity	$ 30,297	$ 46,212	$ 76,701	$ (74,235)	$ 78,975

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE (LOSS) INCOME

	For the Three Months Ended June 30, 2016				
	Parent/Issuer	*Subsidiary Guarantor*	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
			(in millions)		
Net operating revenues	$ —	$ —	$ 8,012	$ —	$ 8,012
Net operating expenses:					
Cost of services (exclusive of depreciation and amortization included below)	—	—	2,099	—	2,099
Cost of products (exclusive of depreciation and amortization included below)	—	—	1,419	—	1,419
Selling, general and administrative	—	—	1,917	—	1,917
Severance and exit costs	—	—	16	—	16
Depreciation	—	—	1,680	—	1,680
Amortization	—	—	287	—	287
Other, net	—	—	233	—	233
	—	—	7,651	—	7,651
Operating income	—	—	361	—	361
Other income (expense):					
Interest income	198	28	3	(219)	10
Interest expense	(198)	(423)	(213)	219	(615)
(Losses) earnings of subsidiaries	(302)	94	—	208	—
Other expense, net	—	(1)	(1)	—	(2)
	(302)	(302)	(211)	208	(607)
(Loss) income before income taxes	(302)	(302)	150	208	(246)
Income tax expense	—	—	(56)	—	(56)
Net (loss) income	(302)	(302)	94	208	(302)
Other comprehensive (loss) income	(1)	(1)	1	—	(1)
Comprehensive (loss) income	$ (303)	$ (303)	$ 95	$ 208	$ (303)

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE (LOSS) INCOME

	For the Three Months Ended June 30, 2015				
	Parent/Issuer	*Subsidiary Guarantor*	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
			(in millions)		
Net operating revenues	$ —	$ —	$ 8,027	$ —	$ 8,027
Net operating expenses:					
Cost of services (exclusive of depreciation and amortization included below)	—	—	2,393	—	2,393
Cost of products (exclusive of depreciation and amortization included below)	—	—	1,365	—	1,365
Selling, general and administrative	—	—	2,187	—	2,187
Severance and exit costs	—	—	13	—	13
Depreciation	—	—	1,241	—	1,241
Amortization	—	—	347	—	347
Other, net	—	—	(20)	—	(20)
	—	—	7,526	—	7,526
Operating income	—	—	501	—	501
Other income (expense):					
Interest income	198	39	1	(235)	3
Interest expense	(198)	(407)	(172)	235	(542)
(Losses) earnings of subsidiaries	(20)	348	—	(328)	—
Other income, net	—	—	1	—	1
	(20)	(20)	(170)	(328)	(538)
(Loss) income before income taxes	(20)	(20)	331	(328)	(37)
Income tax benefit	—	—	17	—	17
Net (loss) income	(20)	(20)	348	(328)	(20)
Other comprehensive income (loss)	4	4	4	(8)	4
Comprehensive (loss) income	$ (16)	$ (16)	$ 352	$ (336)	$ (16)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

	For the Three Months Ended June 30, 2016				
	Parent/Issuer	*Subsidiary Guarantor*	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
			(in millions)		
Cash flows from operating activities:					
Net cash (used in) provided by operating activities	$ —	$ (337)	$ 943	$ (64)	$ 542
Cash flows from investing activities:					
Capital expenditures - network and other	—	—	(473)	—	(473)
Capital expenditures - leased devices	—	—	(405)	—	(405)
Expenditures relating to FCC licenses	—	—	(15)	—	(15)
Purchases of short-term investments	—	(1,269)	(35)	—	(1,304)
Change in amounts due from/due to consolidated affiliates	—	2,924	—	(2,924)	—
Proceeds from sales of assets and FCC licenses	—	—	27	—	27
Intercompany note advance to consolidated affiliate	—	(50)	—	50	—
Proceeds from intercompany note advance to consolidated affiliate	—	24	—	(24)	—
Other, net	—	—	(25)	—	(25)
Net cash provided by (used in) investing activities	—	1,629	(926)	(2,898)	(2,195)
Cash flows from financing activities:					
Proceeds from debt and financings	—	—	3,255	—	3,255
Repayments of debt, financing and capital lease obligations	—	—	(294)	—	(294)
Debt financing costs	—	(110)	(65)	—	(175)
Intercompany dividends paid to parent	—	—	(64)	64	—
Change in amounts due from/due to consolidated affiliates	—	—	(2,924)	2,924	—
Intercompany note advance from parent	—	—	50	(50)	—
Repayments of intercompany note advance from parent	—	—	(24)	24	—
Other, net	—	2	4	—	6
Net cash (used in) provided by financing activities	—	(108)	(62)	2,962	2,792
Net increase (decrease) in cash and cash equivalents	—	1,184	(45)	—	1,139
Cash and cash equivalents, beginning of period	—	2,154	487	—	2,641
Cash and cash equivalents, end of period	$ —	$ 3,338	$ 442	$ —	$ 3,780

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

	For the Three Months Ended June 30, 2015				
	Parent/Issuer	*Subsidiary Guarantor*	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
			(in millions)		
Cash flows from operating activities:					
Net cash (used in) provided by operating activities	$ —	$ (405)	$ 533	$ —	$ 128
Cash flows from investing activities:					
Capital expenditures - network and other	—	—	(1,802)	—	(1,802)
Capital expenditures - leased devices	—	—	(544)	—	(544)
Expenditures relating to FCC licenses	—	—	(26)	—	(26)
Proceeds from sales and maturities of short-term investments	—	118	20	—	138
Purchases of short-term investments	—	(135)	(40)	—	(175)
Change in amounts due from/due to consolidated affiliates	1	(1,498)	—	1,497	—
Proceeds from sales of assets and FCC licenses	—	—	1	—	1
Intercompany note advance to consolidated affiliate	—	(55)	—	55	—
Other, net	—	—	(3)	—	(3)
Net cash provided by (used in) investing activities	1	(1,570)	(2,394)	1,552	(2,411)
Cash flows from financing activities:					
Proceeds from debt and financings	—	—	346	—	346
Repayments of debt, financing and capital lease obligations	—	—	(26)	—	(26)
Debt financing costs	(1)	—	—	—	(1)
Change in amounts due from/due to consolidated affiliates	—	—	1,497	(1,497)	—
Intercompany note advance from parent	—	—	55	(55)	—
Other, net	—	4	10	—	14
Net cash (used in) provided by financing activities	(1)	4	1,882	(1,552)	333
Net (decrease) increase in cash and cash equivalents	—	(1,971)	21	—	(1,950)
Cash and cash equivalents, beginning of period	—	3,492	518	—	4,010
Cash and cash equivalents, end of period	$ —	$ 1,521	$ 539	$ —	$ 2,060

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

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.

Description of the Company

We are one of the largest wireless communications companies 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 and wireline subscribers differentiated products and services whether through the use of a single network or a combination of these networks.

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.

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. We offer these plans with subsidy, installment billing or leasing programs. The subsidy program requires a service contract and allows for a subscriber to either bring their handset or purchase one at a discount for a new line of service. Our installment billing program does not require a service contract and offers service plans at lower monthly rates compared to subsidy plans, but requires the subscriber to pay full or near full price for the handset over monthly installments. Our leasing program also does not require a service contract, provides for service plans at lower monthly rates compared to subsidy plans and allows qualified subscribers to lease a device and make payments for use of the device over the term of the lease. At the end of the lease term, the subscriber can either turn in the device, continue leasing the device or purchase the device.

Prepaid

Our prepaid portfolio currently includes multiple brands, each designed to appeal to specific subscriber uses and demographics. Sprint Prepaid primarily serves subscribers who want plans that are affordable, simple and flexible without a long-term commitment. Boost Mobile primarily serves subscribers with plans that offer unlimited text and talk with step pricing based on their preferred data usage. Virgin Mobile primarily serves subscribers through plans that offer control, flexibility and connectivity through various plan options. Virgin Mobile is also designated as a Lifeline-only Eligible Telecommunications Carrier in certain states and provides service for the Lifeline program under our Assurance Wireless brand. Assurance Wireless provides eligible subscribers, in certain states, who meet income requirements or are receiving government assistance, with a free wireless phone, 350 free local and long-distance voice minutes each month and unlimited free texts under the Lifeline Program. The Lifeline Program requires applicants to meet certain eligibility requirements and existing subscribers must recertify as to those requirements annually.

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.

We continue to support the open development of applications, content, and devices on the Sprint platform. 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.

Wireline

We provide a broad suite of wireline voice and data communication services to other communications companies and targeted business subscribers. 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.

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:

- Provide a network that delivers the consistent reliability, capacity and speed that customers demand;
- Achieve a more competitive cost position in the industry through simplification;
- Increase subscriber acquisition and retention and reduce churn;
- Create an alternative financial structure to fuel growth and maximize shareholder value;
- Attract and retain the best talent in the industry; and
- Deliver a simplified and improved customer experience.

To provide a network that delivers the consistent reliability, capacity and speed that customers demand, we expect to continue to optimize our 3G data network and invest in LTE deployment across all of our spectrum bands. We also expect to deploy new technologies that will help strengthen our competitive position, including the expected use of Voice over LTE, more extensive use of Wi-Fi and the use of small cells to further densify our network.

To achieve a more competitive cost position, we have established an Office of Cost Management with responsibility for identifying, operationalizing, and monitoring sustained improvements in operating costs and efficiencies. Also, we have deployed new cost management and planning tools across the entire organization to more effectively monitor expenditures.

We are focused on attracting and retaining subscribers by improving our sales and marketing initiatives. We have expanded our direct retail store presence through our relationship with RadioShack, as well as our Direct to You service that brings the Sprint store experience to our customers. We have demonstrated our value proposition through our new price plans, promotions, and payment programs and have deployed new local marketing and civic engagement initiatives in key markets.

Our current strategy consists of transactions that leverage our assets such as the Handset Sale-Leaseback Tranche 1 transaction we entered into in November 2015 as well as the Network Equipment Sale-Leaseback and the Handset Sale-Leaseback Tranche 2 transactions that were entered into in April 2016, described in more detail in "Liquidity and Capital Resources." In addition, we are identifying other funding sources such as the potential monetization of certain spectrum holdings. Cost reduction initiatives are underway to reduce operating expenses and improve our operating cash flows.

We seek to build a stronger management team by attracting outside talent with world class experience and credentials while retaining selected members of the incumbent management team. We recently began operating in a regional model that puts key leadership closer to customers and allows us to better serve them in four geographic areas comprised of seventeen regions.

To deliver a simplified and improved customer experience, we are focusing on key subscriber touch points, pursuing process improvements and deploying platforms to simplify and enhance the interactions between us and our customers. In addition, we have established a customer experience team to support our focus on net promoter score as an important key measure of customer satisfaction.

Network

We continue to increase coverage and capacity by densifying and optimizing our existing network. Densification, which includes increasing the number of small cells and antennas, is intended to enhance coverage and capacity across the network. We expect the densification efforts to cost significantly less than our historical macro cell site builds (i.e. adding traditional cell towers). We are also deploying new technologies, such as carrier aggregation. Carrier aggregation allows us to move more data at faster speeds over the same spectrum. Additionally, our introduction of tri-band devices, which support

each of our spectrum bands, 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.

Today, 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.

Overall, our densification and optimization efforts 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 coverage for both voice and data services. While circumstances may change in the future, we believe that our substantial spectrum holdings are sufficient to allow us to continue to provide consistent network reliability, capacity, and speed, as well as to provide current and future customers a highly competitive wireless experience. As we continue to refine our network strategy and evaluate other potential network initiatives, we may incur future material charges associated with lease and access exit costs, loss from asset dispositions or accelerated depreciation, among others.

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 include, among other things, 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 approximately $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. FCC licenses acquired from Shentel had a total value of approximately $85 million. Approximately $96 million of the total purchase was recorded in “Other, net” in the consolidated statements of comprehensive loss 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.

	Three Months Ended June 30,	
	2016	2015
	(in millions)	
Wireless segment earnings	$ 2,440	$ 2,074
Wireline segment earnings	19	9
Corporate, other and eliminations	(2)	(1)
Consolidated segment earnings	2,457	2,082
Depreciation	(1,680)	(1,241)
Amortization	(287)	(347)
Other, net	(129)	7
Operating income	361	501
Interest expense	(615)	(542)
Other income, net	8	4
Income tax (expense) benefit	(56)	17
Net loss	$ (302)	$ (20)

Depreciation Expense

Depreciation expense increased $439 million , or 35% , in the three-month period ended June 30, 2016 compared to the same period in 2015 , primarily due to increased depreciation on leased devices as a result of the device leasing program. Depreciation expense incurred on all leased devices for the three-month periods ended June 30, 2016 and 2015 was $644 million and $276 million , respectively. Depreciation expense also increased due to network asset additions, partially offset by a decrease due to assets being retired or fully depreciated.

Amortization Expense

Amortization expense decreased $60 million , or 17% , in the three-month period ended June 30, 2016 compared to the same period in 2015 , 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 will decline over time.

Other, net

The following table provides additional information regarding items included in "Other, net" for the three-month periods ended June 30, 2016 and 2015 .

	Three Months Ended June 30,	
	2016	2015
	(in millions)	
Severance and exit costs	$ (16)	$ (13)
Contract terminations	(113)	—
Revision to estimate of a previously recorded reserve	—	20
Total	$ (129)	$ 7

Other, net represented an expense of $129 million in the three-month period ended June 30, 2016 . During the three-month period ended June 30, 2016 , we recognized severance and exit costs of $16 million , which included $4 million of severance primarily associated with reductions in our work force and $14 million of lease and access exit costs primarily associated with tower leases and backhaul access contracts for which we will no longer be receiving any economic benefit, of which $2 million was recognized as "Cost of services" in the consolidated statements of comprehensive loss. During the three-month period ended June 30, 2016 , we recorded $113 million of contract terminations that was primarily related to the termination of our pre-existing wholesale arrangement with nTelos as a result of the Shentel transaction.

Other, net represented a benefit of $7 million in the three-month period ended June 30, 2015 . Severance and exit costs included $7 million of severance primarily associated with reductions in force and $5 million of lease exit costs primarily associated with tower and cell sites. In addition, we recognized $1 million of costs during the period 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. In addition, we revised our estimate of a previously recorded reserve, resulting in approximately $20 million of income.

Interest Expense

Interest expense increased $73 million , or 13% , in the three-month period ended June 30, 2016 compared to the same period in 2015 , primarily due to interest associated with the Network Equipment Sale-Leaseback, the Handset Sale-Leaseback Tranche 2 and the new unsecured financing facility. The effective interest rate, which includes capitalized interest, on the weighted average long-term debt balance of $36.1 billion and $33.8 billion was 6.9% and 6.6% for the three-month periods ended June 30, 2016 and 2015 , respectively. See “Liquidity and Capital Resources” for more information on the Company's financing activities.

Income Taxes

The income tax expense of $56 million and benefit of $17 million for the three-month periods ended June 30, 2016 and 2015 , respectively, represented consolidated effective tax rates of approximately (23)% and 46% , respectively. Income tax expense for the three-month period ended June 30, 2016 was primarily attributable to tax expense resulting from taxable temporary differences from amortization of FCC licenses. The income tax benefit of $17 million for the three-month period ended June 30, 2015 was primarily attributable to tax benefits recorded as a result of changes in state income tax laws.

Segment Earnings - Wireless

Wireless segment earnings are a function of wireless service revenue, the sale of wireless devices (handsets and tablets), broadband devices, connected devices and accessories, leasing wireless devices, in addition to costs to acquire subscribers and network and interconnection costs to serve those subscribers, as well as other Wireless segment operating expenses. The costs to acquire our subscribers include the cost at which we sell our devices, as well as the 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 three-month period ended June 30, 2016 . Within the Wireless segment, postpaid wireless services represent the most significant contributors to earnings, and is driven by the number of postpaid subscribers to our services, as well as average revenue per user (ARPU). The wireless industry is subject to competition to retain and acquire subscribers of wireless services. Most markets in which we operate have high rates of penetration for wireless services.

Device Financing Programs

In September 2013, we introduced an installment billing program that allows subscribers to purchase a device by paying monthly installments generally over 24 months. In September 2014, we introduced a leasing program, whereby qualified subscribers can lease a device for a contractual period of time.

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. As compared to our traditional subsidized programs, this results in better alignment of the equipment 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 the time value of money element related to the imputed interest on the installment receivable.

Under the leasing program, 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 turn in their device, continue leasing their device, or purchase the device. As of June 30, 2016 , substantially all of our device leases were classified as operating leases. As a result, at lease inception, the devices are reclassified from inventory to property, plant and equipment when leased through Sprint's direct channels. For leases in the indirect channel, we purchase the devices at lease inception from the dealer, which is then capitalized to property, plant and equipment. While a majority of the revenue associated with installment sales is recognized at the time of sale along with the related cost of products, 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. During the three-month periods ended June 30, 2016 and 2015 , we leased devices through our Sprint direct channels totaling approximately $541 million and $808 million , respectively. These devices were reclassified from inventory to property, plant and equipment and, as such, the cost of the device was not recorded as cost of products compared to when purchased under the installment billing or traditional subsidized programs, which resulted in a significant positive impact to Wireless segment earnings. Depreciation expense incurred on all leased devices for the three-month periods ended June 30, 2016 and 2015 , was $644 million and $276 million , respectively. 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. However, this benefit to Wireless segment earnings will be partially offset by the Handset Sale-Leaseback Tranche 1 transaction that was consummated in November 2015 whereby we sold and subsequently leased back certain devices leased to our customers (see *Handset Sale-Leaseback Tranche 1* in "Liquidity and Capital Resources" for further details). As a result, the cost to us of the devices sold to Mobile Leasing Solutions, LLC (MLS) under the Handset Sale-Leaseback Tranche 1 transaction is no longer recorded as depreciation expense, but rather recognized as rent expense within “Cost of products” in the consolidated statements of comprehensive loss during the leaseback periods.

Our device leasing and installment billing programs require a greater use of operating cash flows in the earlier part of the device contracts as our subscribers will generally pay less upfront than traditional subsidized programs. The Accounts Receivable Facility and the Handset Sale-Leaseback transactions (See *Accounts Receivable Facility* and *Handset Sale-Leaseback Tranche 1 and 2* in "Liquidity and Capital Resources" for further details) were designed to mitigate the significant

use of cash from purchasing devices from original equipment manufacturers (OEMs) to fulfill our installment billing and leasing 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 handset, pays the full or near full retail price of the handset, purchases the handset under our installment billing program, or leases their handset through our leasing program. As the adoption rates of these plans increase throughout our base of subscribers, we expect our postpaid ARPU to continue to decline as a result of lower pricing associated with our price plans offered in conjunction with device financing options as compared to our traditional subsidized programs, which reflect higher service revenue and lower equipment revenue; however, we also expect higher equipment revenue due to the installment billing and leasing programs to substantially offset these declines. Since inception, the combination of lower priced plans, and our installment billing and leasing programs have been accretive to Wireless segment earnings. We expect that trend to continue with the magnitude of the impact being dependent upon the rate of subscriber adoption.

We began to experience net losses of postpaid handset subscribers in mid-2013. Since the release of our price plans offered in conjunction with device financing options, results have shown improvement in trends of handset subscribers; however, there can be no assurance that this trend will continue. We have taken 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 are evaluating our cost model to operationalize a more effective cost structure.

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

	Three Months Ended June 30,	
Wireless Segment Earnings	**2016**	**2015**
	(in millions)	
Postpaid	$ 4,778	$ 4,964
Prepaid	1,165	1,300
Other [(1)]	—	87
Retail service revenue	5,943	6,351
Wholesale, affiliate and other	158	199
Total service revenue	6,101	6,550
Cost of services (exclusive of depreciation and amortization)	(1,784)	(2,005)
Service gross margin	4,317	4,545
Service gross margin percentage	71%	69%
Equipment revenue	1,496	990
Cost of products (exclusive of depreciation and amortization)	(1,419)	(1,365)
Selling, general and administrative expense	(1,834)	(2,096)
Loss on disposal of property, plant and equipment	(120)	—
Wireless segment earnings	$ 2,440	$ 2,074

(1) Represents service revenue primarily related to the acquisition of Clearwire on July 9, 2013.

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, directory assistance, roaming, equipment protection, late payment and early termination charges, 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 upon

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.

Retail service revenue decreased $408 million , or 6% , for the three-month period ended June 30, 2016 , compared to the same period in 2015 . The decrease was primarily due to a lower average revenue per postpaid and prepaid subscriber driven by an increase in subscribers on lower price plans, combined with a decrease in average prepaid subscribers driven by higher churn and the impact of the shutdown of the Clearwire WiMAX network on March 31, 2016. The decrease was partially offset by an increase in average postpaid subscribers.

Wholesale, affiliate and other revenues decreased $41 million , or 21% , for the three-month period ended June 30, 2016 , compared to the same period in 2015 , primarily due to a decrease in imputed interest associated with installment billing on handsets combined with the decline in prepaid resellers and the impact of the shutdown of the Clearwire WiMAX network, partially offset by growth in connected devices. Approximately 64% of our total wholesale and affiliate subscribers represent connected devices. These devices generate revenue from usage, which varies depending on the solution being utilized.

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 June 30, 2015 may be found in the tables on the following pages.

	Three Months Ended June 30,	
	2016	2015
	(subscribers in thousands)	
Average postpaid subscribers	30,900	30,173
Average prepaid subscribers	14,206	15,902
Average retail subscribers	45,106	46,075

The table below summarizes ARPU. Additional information about ARPU for each quarter since the quarter ended June 30, 2015 may be found in the tables on the following pages.

	Three Months Ended June 30,	
	2016	2015
ARPU [(1)]:		
Postpaid	$ 51.54	$ 55.31
Prepaid	$ 27.34	$ 28.18
Average retail	$ 43.92	$ 45.95

(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.

Postpaid ARPU for the three-month period ended June 30, 2016 decreased compared to the same period in 2015 primarily due to the impact of subscriber migration to our service plans associated with device financing options, resulting in lower service fees. We expect Sprint platform postpaid ARPU to continue to decline during fiscal year 2016 as a result of lower service fees associated with our price plans offered in conjunction with device financing options; however, as a result of our installment billing and leasing programs, we expect increasing equipment revenues to more than offset these declines. Prepaid ARPU decreased for the three-month period ended June 30, 2016 compared to the same period in 2015 primarily due to increased competition resulting in a decline in average subscribers primarily in the Virgin Mobile brand combined with the revenue impact of subscribers choosing lower priced plans in both the Virgin Mobile and Boost brands.

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, 2015.

	June 30, 2015	Sept 30, 2015	Dec 31, 2015	March 31, 2016	June 30, 2016
Net additions (losses) (in thousands) [1]					
Sprint platform [2]:					
Postpaid	310	378	501	56	180
Prepaid	(366)	(188)	(491)	(264)	(331)
Wholesale and affiliates	731	866	481	655	528
Total Sprint platform	675	1,056	491	447	377
Transactions:					
Postpaid	(60)	(70)	(238)	—	—
Prepaid	(66)	(64)	(231)	—	—
Wholesale	(22)	(12)	(241)	—	—
Total Transactions	(148)	(146)	(710)	—	—
Total retail postpaid	250	308	263	56	180
Total retail prepaid	(432)	(252)	(722)	(264)	(331)
Total wholesale and affiliate	709	854	240	655	528
Total Wireless	527	910	(219)	447	377
End of period subscribers (in thousands) [1]					
Sprint platform [2]:					
Postpaid [3][4]	30,016	30,394	30,895	30,951	30,945
Prepaid [3]	15,340	15,152	14,661	14,397	13,974
Wholesale and affiliates [3][4][5]	11,456	12,322	12,803	13,458	14,534
Total Sprint platform	56,812	57,868	58,359	58,806	59,453
Transactions [6]:					
Postpaid	308	238	—	—	—
Prepaid	295	231	—	—	—
Wholesale	253	241	—	—	—
Total Transactions	856	710	—	—	—
Total retail postpaid [3][4]	30,324	30,632	30,895	30,951	30,945
Total retail prepaid [3]	15,635	15,383	14,661	14,397	13,974
Total wholesale and affiliates [3][4][5]	11,709	12,563	12,803	13,458	14,534
Total Wireless	57,668	58,578	58,359	58,806	59,453
Supplemental data - connected devices					
End of period subscribers (in thousands) [4]					
Retail postpaid	1,439	1,576	1,676	1,771	1,822
Wholesale and affiliates	6,620	7,338	7,930	8,575	9,244
Total	8,059	8,914	9,606	10,346	11,066

(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 platform, or another service line within the same platform, 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) Sprint platform refers to the Sprint network that supports the wireless service we provide through our multiple brands.

(3) As part of the Shentel transaction, 186,000 and 92,000 subscribers were transferred from postpaid and prepaid, respectively, to affiliates. 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 quarter ended June 30, 2016.

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

(5) 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 1,111,000 subscribers at June 30, 2016 through these MVNO relationships have been inactive for at least six months, with no associated revenue during the six-month period ended June 30, 2016 .

(6) End of period transactions subscribers reflected postpaid, prepaid and wholesale subscribers acquired as a result of the acquisition of Clearwire. We had no remaining transaction subscribers primarily due to the shutdown of the WiMAX network on March 31, 2016.

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, 2015.

	June 30, 2015	Sept 30, 2015	Dec 31, 2015	March 31, 2016	June 30, 2016
Monthly subscriber churn rate [1]					
Sprint platform:					
Postpaid	1.56%	1.54%	1.62%	1.72%	1.56%
Prepaid	5.08%	5.06%	5.82%	5.65%	5.55%
Transactions [2]:					
Postpaid	6.07%	8.55%	NM	NM	NM
Prepaid	7.23%	8.51%	NM	NM	NM
Total retail postpaid	1.61%	1.61%	1.87%	1.72%	1.56%
Total retail prepaid	5.13%	5.12%	6.29%	5.65%	5.55%

(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) *Subscriber churn related to the acquisition of Clearwire.*

The following table shows our postpaid and prepaid ARPU as of the end of each quarterly period beginning with the quarter ended June 30, 2015.

	June 30, 2015	Sept 30, 2015	Dec 31, 2015	March 31, 2016	June 30, 2016
ARPU					
Sprint platform:					
Postpaid	$ 55.48	$ 53.99	$ 52.48	$ 51.68	$ 51.54
Prepaid	$ 27.81	$ 27.66	$ 27.44	$ 27.72	$ 27.34
Transactions [1]:					
Postpaid	$ 40.47	$ 40.62	$ 31.62	$ —	$ —
Prepaid	$ 46.10	$ 45.82	$ 34.61	$ —	$ —
Total retail postpaid	$ 55.31	$ 53.87	$ 52.41	$ 51.68	$ 51.54
Total retail prepaid	$ 28.18	$ 27.97	$ 27.49	$ 27.72	$ 27.34

(1) *Subscriber ARPU related to the acquisition of Clearwire.*

Subscriber Results

Sprint Platform Subscribers

Retail Postpaid — During the three-month period ended June 30, 2016 , net postpaid subscriber additions were 180,000 compared to 310,000 in the same period in 2015 . The lower net additions in the current quarter were driven by tablet subscriber losses, partially offset by higher phone net subscriber additions.

Retail Prepaid — During the three-month period ended June 30, 2016 , we lost 331,000 net prepaid subscribers compared to 366,000 in the same period in 2015 . The net losses in the quarter were primarily due to subscriber losses in Virgin Mobile and other prepaid brands primarily due to continued competition. Prepaid subscribers are 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 can be offered to qualifying subscribers to maintain ongoing service by providing up to an additional 150 days to make a replenishment.

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 14.5 million Sprint platform subscribers included in wholesale and affiliates, approximately 64% represent connected devices. Wholesale and affiliate subscriber net additions were 528,000 during the three-month period ended June 30, 2016 compared to 731,000 during the same period in 2015 , inclusive of net additions of connected devices totaling 667,000 and 788,000 , respectively. The decrease in net additions in the three-month period ended June 30, 2016 was primarily attributable to a decline in subscribers under the Lifeline programs and connected devices, partially offset by growth in subscribers through our prepaid resellers.

Transactions Subscribers

As part of the acquisition of Clearwire in July 2013, we acquired 788,000 postpaid subscribers (exclusive of Sprint platform wholesale subscribers acquired through our MVNO relationship with Clearwire that were transferred to postpaid subscribers within Transactions), 721,000 prepaid subscribers, and 93,000 wholesale subscribers. We have no remaining transaction subscribers due to the shutdown of the Clearwire WiMAX network on March 31, 2016.

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 of which generally consists of per-minute use fees charged by wireline providers for calls terminating on their networks, which fluctuate in relation to the level and duration of those terminating calls;
- long distance costs paid to the Wireline segment;
- costs to service and repair devices;
- 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.

Cost of services decreased $221 million , or 11% , for the three-month period ended June 30, 2016 , compared to the same period in 2015 , primarily due to decreases in roaming and other network costs such as rent, utilities, backhaul and labor associated with our network improvements and the shutdown of the WiMAX network on March 31, 2016.

Equipment Revenue and Cost of Products

We recognize equipment revenue and corresponding costs of devices when title and risk of loss passes to the indirect dealer or end-use subscriber, assuming all other revenue recognition criteria are met. Our devices are sold under the subsidy program, the installment billing program, or leased under the leasing program. Under the subsidy program, we offer certain incentives to retain and acquire subscribers such as new devices at discounted prices. The cost of these incentives is recorded as a reduction to equipment revenue upon activation of the device with a service contract. Under the installment billing program, the device is sold at or near full retail price and we recognize most of the future expected installment payments at the time of sale of the device

Cost of products includes equipment costs (primarily devices and accessories), order fulfillment related expenses, and write-downs of device and accessory inventory related to shrinkage and obsolescence. Additionally, cost of products is reduced by any rebates that are earned from the equipment manufacturers. Cost of products in excess of the net revenue generated from equipment sales is referred to in the industry as equipment net subsidy. As subscribers migrate from acquiring devices through our subsidy program to installment billing or choose to lease under our leasing program, 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. Those payments are recognized as selling, general and administrative expenses when the device is activated with a Sprint service plan because Sprint does not recognize any equipment revenue or cost of products for those transactions. (See Selling, General and Administrative Expense below.)

The net impact to equipment revenue and cost of products from the sale of devices under our installment billing program is relatively neutral except for the impact from the time value of money element related to the imputed interest on the installment receivables. Under the leasing program, lease revenue is recorded over the term of the lease. The cost of the leased device is depreciated to its estimated residual value generally over the lease term. During the three-month periods ended June 30, 2016 and 2015 , we leased devices through our Sprint direct channels totaling approximately $541 million and $808 million , respectively, which were reclassified from inventory to property, plant and equipment and, as such, the cost of the device was not recorded as cost of products compared to when purchased under the installment billing or traditional subsidized programs.

Equipment revenue increased $506 million , or 51% , for the three-month period ended June 30, 2016 , compared to the same period in 2015 . The increase in equipment revenue for the three-month period ended June 30, 2016 was primarily due to higher revenue from the leasing program, resulting in a decrease in postpaid handsets sold as more subscribers are

choosing to lease their device, combined with higher average sales price per postpaid handset sold. Cost of products increased $54 million , or 4% , for the three-month period ended June 30, 2016 , compared to the same period in 2015 primarily due to increased lease payments to MLS associated with Handset Sale-Leaseback Tranche 1, partially offset by a decrease in postpaid and prepaid handsets sold as a result of subscribers choosing to lease devices instead of purchasing them.

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. 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, strategic planning, and technology and product development.

Sales and marketing expense decreased $65 million , or 5% , for the three-month period ended June 30, 2016 , compared to the same period in 2015 primarily due to lower overall marketing spend as a result of cost reduction initiatives, partially offset by an increase in payments to OEMs for direct source handsets due to a higher volume of device sales.

General and administrative costs decreased $197 million , or 23% , for the three-month period ended June 30, 2016 , compared to the same period in 2015 primarily due to a decrease in bad debt expense and in customer care costs due to headcount reductions and lower call volumes.

Bad debt expense decreased $65 million , or 41% , for the three-month period ended June 30, 2016 , compared to the same period in 2015 primarily related to fewer accounts written off, lower average balance of accounts written off and improved installment billing reserve requirements due to lower reserve rate and fewer accounts. We reassess our allowance for doubtful accounts quarterly.

Loss on Disposal of Property, Plant and Equipment

For the three-month period ended June 30, 2016 , loss on the disposal of property, plant and equipment of approximately $120 million resulted 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. If customers continue to not return devices, we may continue to have similar losses in future periods. Similar losses are and have been incurred for devices sold under our subsidy program as equipment net subsidy.

Segment Earnings - Wireline

We provide a broad suite of wireline voice and data communications services to other communications companies and targeted business subscribers. In addition, we provide 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. 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), Session Initiated Protocol (SIP), and traditional voice services. 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 easier for businesses to adapt their network to changing business requirements. In addition to providing services to our business customers, the wireline network is carrying increasing amounts of voice and data traffic for our Wireless segment as a result of growing usage by our wireless subscribers.

We continue to assess the portfolio of services provided by our Wireline business and are focusing our efforts on IP-based data services and de-emphasizing stand-alone voice services and non-IP-based data services. We also continue to provide voice services primarily to business consumers. 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 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. Over the past several years, there has been an industry wide trend of lower rates due to increased competition from other wireline and wireless communications companies, as well as cable and Internet service providers. Declines in Wireline segment earnings related to intercompany pricing rates do not affect our consolidated results of operations as our Wireless segment benefits from an equivalent reduction in cost of service.

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

	Three Months Ended June 30,	
Wireline Segment Earnings	**2016**	**2015**
	(in millions)	
Voice	$ 181	$ 233
Data	43	49
Internet	302	328
Other	19	20
Total net service revenue	545	630
Cost of services (exclusive of depreciation)	(448)	(534)
Service gross margin	97	96
Service gross margin percentage	18%	15%
Selling, general and administrative expense	(78)	(87)
Wireline segment earnings	$ 19	$ 9

Wireline Revenue

Voice Revenues

Voice revenues for the three-month period ended June 30, 2016 decreased $52 million , or 22% , compared to the same period in 2015 . The decrease was driven by lower volume and overall rate declines primarily due to decreases in international hubbing volumes, combined with the decline in prices for the sale of services to our Wireless segment for the three-month period ended June 30, 2016 . Voice revenues generated from the sale of services to our Wireless segment represented 38% of total voice revenues for the three-month period ended June 30, 2016 , compared to 35% for the same period in 2015 .

Data Revenues

Data revenues reflect sales of data services, primarily private line and managed network services bundled with non-IP-based data access. Data revenues decreased $6 million , or 12% , for the three-month period ended June 30, 2016 , compared to the same period in 2015 as a result of customer churn primarily related to Private Line. Data revenues generated from the provision of services to the Wireless segment represented 51% of total data revenue for the three-month period ended June 30, 2016 and 41% for the same period in 2015 .

Internet Revenue

IP-based data services revenue reflects sales of Internet services, including MPLS, VoIP, SIP, and managed services bundled with IP-based data access. IP-based data services revenue decreased $26 million , or 8% , for the three-month period ended June 30, 2016 , compared to the same period in 2015 primarily due to fewer IP customers. In addition, revenue was also impacted by a decline in prices for the sale of services to our Wireless segment. Sale of services to our Wireless segment represented 14% of total Internet revenues for the three-month period ended June 30, 2016 , compared to 13% for the same period in 2015 .

Other Revenues

Other revenues, which primarily consist of sales of customer premises equipment, decreased $1 million , or 5% , in the three-month period ended June 30, 2016 , compared to the same period in 2015 .

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 equipment. Costs of services decreased $86 million , or 16% , in the three-month period ended June 30, 2016 , compared to the same period in 2015 . The decrease was primarily due to lower international voice volume and rates combined with lower access expense as the result of savings initiatives and declining voice and IP rate and volumes. Service gross margin percentage increased from 15% in the three-month period ended June 30, 2015 to 18% in the three-month period ended June 30, 2016 , primarily as a result of a decrease in cost of services, partially offset by a decrease in net service revenue.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased $9 million , or 10% , in the three-month period ended June 30, 2016 , compared to the same period in 2015 . The decrease was 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 services revenue was 14% for each of the three-month periods ended June 30, 2016 and 2015 .

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

	Three Months Ended June 30,	
	2016	2015
	(in millions)	
Net cash provided by operating activities	$ 542	$ 128
Net cash used in investing activities	$ (2,195)	$ (2,411)
Net cash provided by financing activities	$ 2,792	$ 333

Operating Activities

Net cash provided by operating activities of $542 million in the three -month period ended June 30, 2016 increased $414 million from the same period in 2015 . The increase was due to lower vendor and labor-related payments of $256 million which were primarily due to reduced operating costs resulting from the Company's ongoing cost reduction initiatives, as well as $158 million of increased cash received from customers . Cash activity related to our accounts receivable facility (Receivables Facility) included cash remitted to unaffiliated third parties (Purchasers) for receivables collected in the amount of $185 million and $500 million during the quarters ended June 30, 2016 and 2015, respectively. In addition, during the quarter ended June 30, 2016 we elected to receive $40 million related to our Receivables Facility.

Investing Activities

Net cash used in investing activities in the three -month period ended June 30, 2016 decreased by approximately $216 million compared to the same period in 2015 , primarily due to decreased network and other capital expenditures of $1.3 billion and decreased purchases of $139 million of leased devices from indirect dealers. These decreases were partially offset by increased net purchases of short-term investments of $1.3 billion.

Financing Activities

Net cash provided by financing activities was $2.8 billion during the three -month period ended June 30, 2016 , which was primarily due to cash receipts of $2.2 billion and $1.1 billion from the Network Equipment Sale-Leaseback and Handset Sale-Leaseback Tranche 2, respectively. These receipts were partially offset by repayments of $165 million and $75 million for the Handset Sale-Leaseback Tranche 2 and financing of future lease receivables, respectively. In addition, we paid a total of $175 million in debt finance costs for the unsecured financing facility and Network Equipment Sale-Leaseback.

Net cash provided by financing activities was $333 million during the three -month period ended June 30, 2015 , which was primarily due to draws of $185 million and $161 million on our Finnvera plc (Finnvera) and K-sure secured equipment credit facilities, respectively.

Working Capital

We had negative working capital of $2.7 billion and $5.1 billion as of June 30, 2016 and March 31, 2016 , respectively. The improvement in working capital is due to increased cash of $1.1 billion as discussed above . In addition, short-term investments increased $1.3 billion primarily due to purchases as a result of the proceeds from the Handset Sale-Leaseback Tranche 2 and Network Equipment Sale-Leaseback financings. Also contributing to the improvement was a decrease in accounts payable of $1.1 billion primarily due to declines associated with device vendors. The items contributing to the improvement in working capital were partially offset by the increase of $913 million in the current portion of long-term

debt, financing and capital lease obligations primarily due to the Handset Sale-Leaseback Tranche 2 and Network Equipment Sale-Leaseback financings and decreased device and accessory inventory of $357 million. 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 flows in the earlier part of the device contracts as our subscribers will generally pay less upfront than traditional subsidized programs. The Receivable Facility and the Handset Sale-Leaseback Tranche 1 and 2 transactions described below were designed to mitigate the significant use of cash from purchasing devices from OEMs to fulfill our installment billing and leasing programs.

Accounts Receivable Facility

Transaction Overview

Our Receivables Facility , which provides us the opportunity to sell certain wireless service and installment receivables to the Purchasers, was amended in November 2015 to include future amounts due from customers who lease certain devices from us. The amendment also increased the maximum funding limit under the Receivables Facility to $4.3 billion and extended the expiration to November 2017 . While it’s at Sprint's election to decide how much cash it chooses to receive from each sale, the maximum amount of cash available to us varies based on a number of factors and currently represents approximately 50% of the total amount of the eligible receivables sold to the Purchasers. As of June 30, 2016 , the total amount available to be drawn was $36 million . The proceeds from the sale of these receivables are comprised of a combination of cash and a deferred purchase price receivable (DPP). The DPP is realized by us upon the ultimate collection of the underlying receivables sold to the Purchasers or until Sprint's election to receive additional advances in cash from the Purchasers subject to the total availability under the Receivables Facility.

Wireless service and installment receivables sold are treated as a sale of financial assets and Sprint derecognizes these receivables, as well as the related allowances, and recognizes the net proceeds received in cash provided by operating activities on the consolidated statements of cash flows. The fees associated with these sales are recognized in "Selling, general and administrative" in the consolidated statements of comprehensive loss. The sale of future lease receivables are treated as financing transactions. Accordingly, the proceeds received will be reflected as cash provided by financing activities on the consolidated statements of cash flows and the fees will be recognized as "Interest expense" in the consolidated statements of comprehensive loss.

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 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.

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.

Sprint has no retained interest in the receivables sold, other than collection and administrative responsibilities and its right to the DPP. 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.

DPP

The DPP related to our wireless service and installment receivables, which amounted to approximately $1.3 billion as of June 30, 2016, is classified as a trading security within "Prepaid expenses and other current assets" in the consolidated balance sheets and is recorded at its estimated fair value. The fair value of the DPP is estimated using a discounted cash flow model, which relies principally on unobservable inputs such as the nature and credit class of the sold receivables and subscriber payment history, and, for installment receivables sold, the estimated timing of upgrades and upgrade payment amounts for those with upgrade options. Accretable yield on the DPP is recognized as interest revenue within net operating service revenue on the consolidated statements of comprehensive loss and other changes in the fair value

of the DPP are recognized in "Selling, general and administrative" in the consolidated statements of comprehensive loss. Changes in the fair value of the DPP did not have a material impact on our statements of comprehensive loss for the three-month period ended June 30, 2016 . Changes to the unobservable inputs used to determine the fair value did not and are not expected to result in a material change in the fair value of the DPP.

During the quarter ended June 30, 2016, we remitted $185 million of funds to the Purchasers because the amount of cash proceeds received by us under the facility exceeded the maximum funding limit which increased the total amount of the DPP due to Sprint. We also elected to receive $40 million of cash which decreased the total amount of the DPP due to Sprint. In addition, during the quarter ended June 30, 2016, cash collections on previously sold receivables exceeded sales of new receivables such that the DPP decreased by $28 million .

Handset Sale-Leasebacks

In December 2015 and May 2016, we sold certain iPhone ® devices being leased by our customers to MLS, a company formed by a group of equity investors, including SoftBank Group Corp. (SoftBank), and then subsequently leased the devices back. Under the agreements, Sprint maintains the customer leases, continues to collect and record lease revenue from the customer and remits monthly rental payments to MLS during the leaseback periods.

Under the agreements, Sprint contributed the devices and the associated customer leases to wholly-owned consolidated bankruptcy-remote special purpose entities of Sprint (SPE Lessees). The SPE Lessees then sold the devices and transferred certain specified customer lease end rights and obligations, such as the right to receive the proceeds from customers who elect to purchase the device at the end of the customer lease term, to MLS in exchange for a combination of cash and DPP. Settlement for the DPP occurs near the end of the agreement and can be reduced to the extent that MLS experiences a loss on the device (either not returned or sold at an amount less than the expected residual value of the device), but only to the extent of the device's DPP balance. In the event that MLS sells the devices returned from our customers at a price greater than the expected device residual value, Sprint has the potential to share some of the excess proceeds.

The SPE Lessees retain all rights to the underlying customer leases, such as the right to receive the rental payments during the device leaseback period, other than the aforementioned certain specified customer lease end rights. Each SPE Lessee is a separate legal entity with its own separate creditors who will be entitled, prior to and upon the liquidation of the SPE Lessee, to be satisfied out of the SPE Lessee’s assets prior to any assets in the SPE Lessee becoming available to Sprint. Accordingly, the assets of the SPE Lessee are not available to pay creditors of Sprint or any of its affiliates. The SPE Lessees are obligated to pay the full monthly rental payments under each device lease to MLS regardless of whether our customers make lease payments on the devices leased to them or whether the customer lease is canceled. Sprint has guaranteed to MLS the performance of the agreements and undertakings of the SPE Lessees under the transaction documents.

Handset Sale-Leaseback Tranche 1 (Tranche 1)

In December 2015, Sprint transferred devices with a net book value of approximately $1.3 billion to MLS in exchange for cash proceeds totaling $1.1 billion and a DPP of $126 million . We recorded the sale, removed the devices from our balance sheet, and classified the leaseback as an operating lease. The difference between the fair value and the net book value of the devices sold was recognized as a loss on disposal of property, plant and equipment in the amount of $65 million and is included in "Other, net" in the consolidated statements of comprehensive loss for the three-months ended December 31, 2015. The cash proceeds received in the transaction are reflected as cash provided by investing activities on the consolidated statements of cash flows and payments made to MLS under the leaseback are reflected as "Cost of products" in the consolidated statements of comprehensive loss. Rent expense related to MLS totaled $197 million during the three-month period ended June 30, 2016 and is reflected within cash flows from operations. The monthly rental payments for the devices leased backed by us are expected to approximate the amount of cash received from the associated customer leases during the weighted average 17 month leaseback period.

Handset Sale-Leaseback Tranche 2 (Tranche 2)

In May 2016, Sprint transferred devices with a net book value of approximately $1.3 billion to MLS in exchange for cash proceeds totaling $1.1 billion and a DPP of $186 million . Unlike Tranche 1, Tranche 2 was accounted for as a financing. Accordingly, the devices remain in "Property, plant and equipment, net" in the consolidated balance sheets and we continue to depreciate the assets to their estimated residual values over the respective customer lease terms. The proceeds received are reflected as cash provided by financing activities in the consolidated statements of cash flows and payments made to MLS will be reflected as principal repayments and interest expense over the respective terms. We have elected,to account for the financing obligation at fair value. Accordingly, future changes in the fair value of the financing obligation will be recognized in "Other, net" in the consolidated statements of comprehensive loss over the course of the arrangement.

Tranche 2 primarily includes devices from our iPhone Forever Program, whereas these devices were specifically excluded from Tranche 1. The iPhone Forever Program provides our leasing customers the ability to upgrade their devices and to enter into a new lease agreement, subject to certain conditions, upon Apple's release of a next generation device. Upon a customer exercising their iPhone Forever upgrade right, Sprint has the option to terminate the existing leaseback by immediately remitting all unpaid device leaseback payments and returning the device to MLS. Alternatively, Sprint is required to transfer the title in the new devices to MLS in exchange for the title in the original devices (Exchange Option). If Sprint elects the Exchange Option, we are required to continue to pay existing device leaseback rental related to the original device, among other requirements.

To address the introduction of the upgrade feature into the sale-leaseback structure, among other factors, numerous contractual terms from Tranche 1 were modified, which shifted certain risks of ownership in the devices away from MLS to Sprint and resulted in Tranche 2 being accounted for as a financing. For instance, the device leaseback periods are generally longer in Tranche 2 as compared to Tranche 1, and the resulting amounts committed to be paid by the Company represent the initial proceeds received from MLS plus interest. This mitigates MLS's exposure to certain risks for non-returned and damaged devices, as well as to declines in device residual values.

During the three-month period ended June 30, 2016, we repaid $165 million to the Purchasers and reduced the amount owed.

Network Equipment Sale-Leaseback

In April 2016, Sprint sold and leased back certain network equipment to unrelated bankruptcy-remote special purpose entities (collectively, "Network LeaseCo"). The network equipment acquired by Network LeaseCo was used by them as collateral to raise approximately $2.2 billion in borrowings from external investors, including SoftBank. Sprint's payments to Network LeaseCo during the leaseback period will be used by them to service their debt.

Network LeaseCo is a variable interest entity for which Sprint is the primary beneficiary. As a result, Sprint is required to consolidate Network LeaseCo and our consolidated financial statements include Network LeaseCo's debt and the related financing cash inflows. The network assets included in the transaction, which had a net book value of approximately $3.0 billion and consisted primarily of equipment located at cell towers, will remain on Sprint's consolidated financial statements and will continue to be depreciated over their respective estimated useful lives. The proceeds received are reflected as cash provided by financing activities in the consolidated statements of cash flows and payments made to Network LeaseCo will be reflected as principal repayments and interest expense over the respective terms. Sprint has the option to purchase the equipment at the end of the leaseback term for a nominal amount. All intercompany transactions between Network LeaseCo and Sprint are eliminated in our consolidated financial statements. Principal and interest payments on the borrowings from the external investors will be repaid in staggered, unequal payments through January 2018 with the first principal payment of approximately $300 million to be paid in March 2017.

Credit Facilities

Bank Credit Facility

Our revolving bank credit facility that expires in February 2018 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 credit facility (adjusted EBITDA), not to exceed 6.25 to 1.0 through the quarter ending December 31, 2016 and 6.0 to 1.0 each fiscal quarter ending thereafter through expiration of the facility. The facility allows us to reduce our total indebtedness for purposes of calculating the Leverage Ratio by subtracting from total indebtedness the amount of any cash contributed into a segregated reserve account, provided that, after such cash contribution, our cash remaining on hand for operations exceeds $2.0 billion. Upon transfer, the cash contribution will remain restricted until and to the extent it is no longer required for the Leverage Ratio to remain in compliance.

Export Development Canada (EDC) agreement

The unsecured EDC agreement provides for covenant terms similar to those of the revolving bank credit facility. However, under the terms of the EDC agreement, repayments of outstanding amounts cannot be re-drawn. As of June 30, 2016 , the total principal amount of our borrowings under the EDC facility was $550 million .

Unsecured Financing Facility

During the three-month period ended June 30, 2016, Sprint Communications entered into a new unsecured financing facility for $2.5 billion . The terms of this facility provide for covenant terms similar to those of the revolving bank credit facility, however, repayments of outstanding amounts cannot be re-drawn. Loans borrowed under the facility bear interest at a rate equal to LIBOR plus a percentage that varies depending on the timing of the draws, and matures in October

2017. Loans borrowed under the facility will be required to be repaid and commitments under the facility will be reduced by an amount equal to the proceeds from certain debt issuances or sales of equity securities or the sales of certain assets. As of June 30, 2016 , no amounts had been drawn on this facility.

Secured equipment credit facilities

Eksportkreditnamnden (EKN)

The EKN secured equipment credit facility provides for covenant terms similar to those of the revolving bank credit facility. In 2013, we had fully drawn and began to repay the EKN secured equipment credit facility totaling $1.0 billion , which was used to finance certain network-related purchases from Ericsson. The balance outstanding at June 30, 2016 was $254 million .

Finnvera plc (Finnvera)

The Finnvera secured equipment credit facility provides for the ability to borrow up to $800 million to finance network-related purchases from Nokia Solutions and Networks US LLC, USA. The facility, which initially could be drawn upon as many as three consecutive tranches, now has one tranche remaining and available for borrowing through October 2017. Such borrowings are contingent upon the amount and timing of Sprint's network-related purchases. The balance outstanding at June 30, 2016 was $196 million .

K-sure

The K-sure secured equipment credit facility provides for the ability to borrow up to $750 million to finance network-related purchases from Samsung Telecommunications America, LLC. The facility can be divided in up to three consecutive tranches of varying size with borrowings available until May 2018, contingent upon the amount of network-related purchases made by Sprint. During the three -month period ended June 30, 2016 , we made principal repayments totaling $32 million on the facility, resulting in a total principal amount of $291 million outstanding at June 30, 2016 .

Delcredere | Ducroire (D/D)

The D/D secured equipment credit facility provides for the ability to borrow up to $250 million to finance network equipment-related purchases from Alcatel-Lucent USA Inc. The balance outstanding at June 30, 2016 was $32 million .

Borrowings under the EKN, Finnvera, K-sure and D/D secured equipment credit facilities are each secured by liens on the respective equipment purchased pursuant to each facility's credit agreement. 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, Inc. and Sprint Corporation. The covenants under each of the four secured equipment credit facilities are similar to one another and to the covenants of our revolving bank credit facility and EDC agreement.

As of June 30, 2016 , our Leverage Ratio, as defined by the revolving bank credit facility, EDC Agreement and all other equipment credit facilities was 4.3 to 1.0 . Because our Leverage Ratio exceeded 2.5 to 1.0 at period end, we were restricted from paying cash dividends.

Liquidity and Capital Resources

As of June 30, 2016 , our liquidity, including cash and cash equivalents, short-term investments, available borrowing capacity under our revolving bank credit facility, available borrowing capacity under our unsecured financing facility and availability under our Receivables Facility was $10.6 billion . Our cash and cash equivalents and short-term investments totaled $5.1 billion as of June 30, 2016 compared to $2.6 billion as of March 31, 2016 . As of June 30, 2016 , we had availability of approximately $3.0 billion under the revolving bank credit facility and $2.5 billion under our new unsecured financing facility. Amounts available under our Receivables facility as of June 30, 2016 totaled $36 million .

In addition, we had a combined available borrowing capacity of $1.1 billion under our Finnvera, K-sure and D/D secured equipment credit facilities as of June 30, 2016 . However, utilization of these facilities is dependent upon the amount and timing of network-related purchases from the applicable suppliers, as well as the period of time remaining to complete any further borrowings available under each facility.

We offer device financing plans, including the installment billing program and our leasing program, 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 installment sales is recognized at the time of sale along with the related cost of products, 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, 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. However, this benefit to Wireless segment earnings will be partially offset by the Handset Sale-Leaseback Tranche 1 transaction that was consummated in December 2015 where we sold and subsequently leased back certain devices leased to our customers. As a result, our cost of the devices sold to MLS will no longer be recorded as depreciation expense, but rather recognized as rent expense within "Cost of products" during the leaseback periods. The installment billing and leasing programs will continue to require a greater use of operating cash flows in the earlier part of the contracts as the subscriber will generally pay less upfront than traditional subsidized programs because they are financing the device. The Receivables Facility and our relationship with MLS were established as mechanisms to mitigate the use of cash from purchasing devices from OEMs to fulfill our installment billing and leasing 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 the ability to issue debt and equity securities, the ability to access other forms of financing, including debt financing, proceeds from the sale of certain accounts receivable and future lease receivables under our Receivables Facility, proceeds from future sale-leaseback transactions, such as spectrum, devices, and equipment, and the borrowing capacity available under our credit facilities to support our short- and long-term liquidity requirements. During the quarter, we entered into the Network Equipment Sale-Leaseback to sell and leaseback certain network equipment for total cash proceeds of approximately $2.2 billion, the Handset Sale-Leaseback Tranche 2 for total cash proceeds of approximately $1.1 billion, and executed a new unsecured financing facility of $2.5 billion . 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. Possible future financing sources include additional handset and receivables financing transactions and a securitization involving a portion of our spectrum assets. In addition, we are pursuing extended payment terms with certain vendors. If we are unable to obtain external funding, execute on our cost reduction initiatives, or are not successful in attracting valuable subscribers such as postpaid handset subscribers, our operations would 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 (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 debt obligations, which in turn could result in the maturities being accelerated. Certain indentures and other agreements governing our debt obligations require compliance with various covenants, including covenants that limit the Company's ability to sell all or substantially all 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.

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, along with the success of initiatives such as our expectations of achieving a more competitive cost structure through cost reduction initiatives and increasing our postpaid handset subscriber base;
- cash needs related to our installment billing and device leasing programs;
- availability under the Receivables Facility, which terminates in November 2017;
- continued availability of our revolving bank credit facility, which expires in February 2018, in the amount of $3.3 billion less outstanding letters of credit;

- remaining availability of approximately $1.1 billion of our secured equipment credit facilities 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;
- anticipated levels and timing of capital expenditures, including assumptions regarding lower unit costs, the capacity additions and upgrading of our networks and the deployment of new technologies in our networks, FCC license acquisitions, and purchases of leased devices from our indirect dealers;
- any additional contributions we may make to our pension plan;
- any scheduled principal payments on debt, secured equipment credit facilities and EDC, including approximately $17.4 billion coming due over the next five years;
- estimated residual values of devices related to our device lease program; and
- other future contractual obligations and general corporate expenditures.

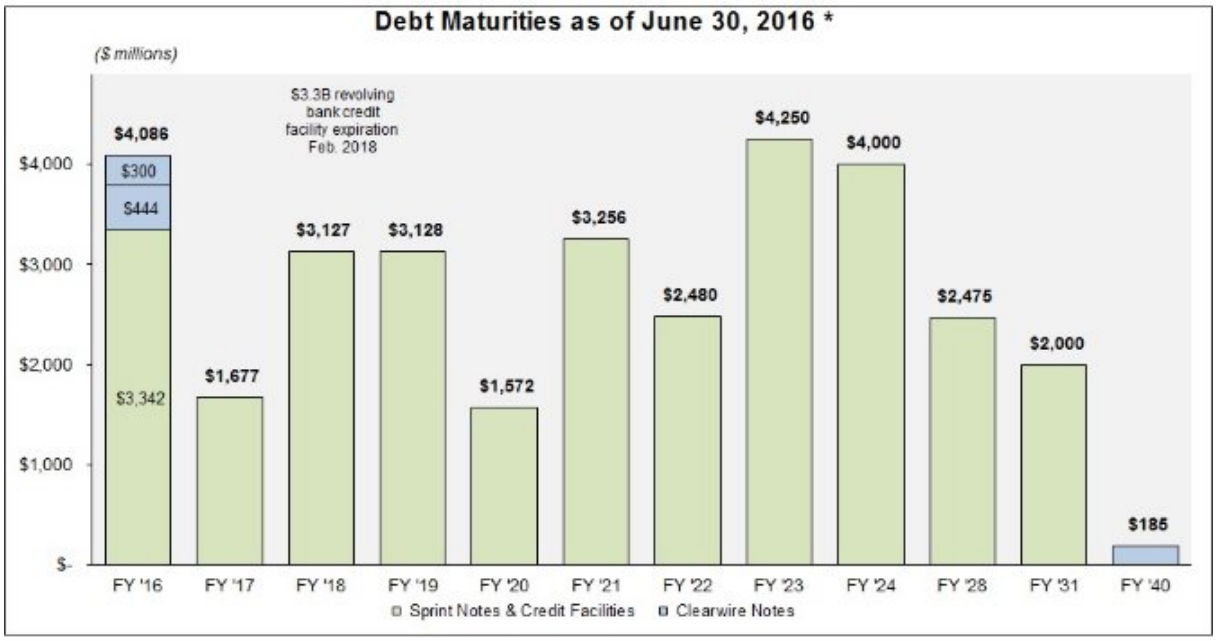
Our ability to fund our needs from external sources is ultimately affected by the overall capacity of, and financing terms available in the banking and securities markets, and the availability of other financing alternatives, as well as our performance and our credit ratings. Given our recent financial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

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	Bank Credit Facility	Outlook
Moody's	B3	Caa1	B1	Ba3	Stable
Standard and Poor's	B	B	BB-	BB-	Stable
Fitch	B+	B+	BB	BB	Stable

FUTURE CONTRACTUAL OBLIGATIONS

There have been no significant changes to our future contractual obligations as disclosed in our Annual Report on Form 10-K for the year ended March 31, 2016. Below is a graph depicting our future principal maturities of debt as of June 30, 2016 .



* This table excludes (i) our unsecured revolving bank credit facility, which will expire in 2018 and has no outstanding balance, (ii) $326 million in letters of credit outstanding under the unsecured revolving bank credit facility, (iii) our $2.5 billion unsecured financing facility, which will expire in 2017 and has no outstanding balance, (iv) outstanding financing obligations of approximately $3.8 billion, (v) $492 million of capital lease and other obligations, and (vi) net premiums and debt financing costs.

OFF-BALANCE SHEET FINANCING

Sprint has a Receivables Facility providing for the sale of eligible wireless service, installment and certain future lease receivables, with a maximum funding limit of $4.3 billion and an expiration date of November 2017. In connection with the Receivables Facility, Sprint formed certain wholly-owned consolidated bankruptcy-remote SPEs. At Sprint's direction, the SPEs sell wireless service, installment and future lease receivables to unaffiliated third parties or to a bank agent. Sales of eligible receivables generally occur daily and are settled on a monthly basis. Sprint pays a fee for the drawn and undrawn portions of the Receivables Facility.

In November, 2015, Sprint also entered into a Handset Sale-Leaseback Tranche 1 agreement to sell and leaseback certain leased devices with MLS. In connection with the Handset Sale-Leaseback Tranche 1, Sprint formed certain wholly-owned consolidated bankruptcy-remote SPE Lessees. The SPE Lessees then sold the devices and transferred certain specified customer lease end rights and obligations to MLS in exchange for proceeds totaling $1.1 billion and a DPP of $126 million in December 2015. See the detailed *Accounts Receivable Facility* and *Handset Sale-Leaseback Tranche 1* discussions within "Liquidity and Capital Resources" above.

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. 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. Additional information regarding the Company's Critical Accounting Policies and Estimates is included in Item 7 of the Company's Annual Report on Form 10-K for the year ended March 31, 2016 .

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 report.

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:

- our ability to obtain additional financing, including monetizing certain of our assets, including a portion of our network or spectrum holdings, or to modify the terms of our existing financing, on terms acceptable to us, or at all;
- our ability to continue to receive the expected benefits of the Handset Sale-Leasebacks;
- our ability to retain and attract subscribers and to manage credit risks associated with our subscribers;
- the ability of our competitors to offer products and services at lower prices due to lower cost structures or otherwise;
- the effective implementation of our plans to improve the quality of our network, including timing, execution, technologies, costs, and performance of our network;
- 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 service plans, including installment billing and leasing programs;
- the ability to generate sufficient cash flow to fully implement our plans to improve and enhance the quality of our network and service plans, improve our operating margins, implement our business strategies, and provide competitive new technologies;
- 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 billing and leasing handsets; the impact of increased purchase commitments; 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;
- our ability to continue to access our spectrum and acquire additional spectrum capacity;
- 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, current economic conditions and our ability to access capital, including debt or equity;
- 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 any 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 Securities and Exchange Commission (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, but not limited to, compliance with the FCC's Report and Order to reconfigure the 800 MHz band and government regulation regarding "net neutrality";
- 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, including Part I, Item 1A. "Risk Factors" of our Annual Report on Form 10-K for the year ended March 31, 2016 .

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 3. ***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. There have been no material changes to our market risk policies or our market risk sensitive instruments and positions as described in our Annual Report on Form 10-K for the year ended March 31, 2016 .

Item 4. ***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 Securities Exchange Act of 1934, such as this Quarterly Report on Form 10-Q, 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 Quarterly Report on Form 10-Q as of June 30, 2016 , 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 June 30, 2016 in providing reasonable assurance that information required to be disclosed in reports we file or submit under the Securities Exchange Act of 1934 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.

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 quarter ended June 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. ***Legal Proceedings***

In March 2009, a stockholder brought suit, *Bennett v. Sprint Nextel Corp.* , in the U.S. District Court for the District of Kansas, alleging that Sprint Communications and three of its former officers violated Section 10(b) of the Exchange Act and Rule 10b-5 by failing adequately to disclose certain alleged operational difficulties subsequent to the Sprint-Nextel merger, and by purportedly issuing false and misleading statements regarding the write-down of goodwill. The district court granted final approval of a settlement in August 2015, which did not have a material impact to our financial statements. Five stockholder derivative suits related to this 2009 stockholder suit were filed against Sprint Communications and certain of its present and/or former officers and directors. The first, *Murphy v. Forsee* , was filed in state court in Kansas on April 8, 2009, was removed to federal court, and was stayed by the court pending resolution of the motion to dismiss the *Bennett* case; the second, *Randolph v. Forsee* , was filed on July 15, 2010 in state court in Kansas, was removed to federal court, and was remanded back to state court; the third, *Ross-Williams v. Bennett, et al.* , was filed in state court in Kansas on February 1, 2011; the fourth, *Price v. Forsee, et al.,* was filed in state court in Kansas on April 15, 2011; and the fifth, *Hartleib v. Forsee, et. al* ., was filed in federal court in Kansas on July 14, 2011. These cases were essentially stayed while the *Bennett* case was pending, and we have reached an agreement in principle to settle the matters, by agreeing to some governance provisions and by paying plaintiffs' attorneys fees in an immaterial amount. We are awaiting court approval.

Sprint Communications, Inc. is also a defendant in a complaint filed by stockholders of Clearwire Corporation asserting claims for breach of fiduciary duty by Sprint Communications, and related claims and otherwise challenging the Clearwire Acquisition. *ACP Master, LTD, et al. v. Sprint Nextel Corp., et al.* , was filed April 26, 2013, in Chancery Court in Delaware. Our motion to dismiss the suit was denied, and discovery is substantially complete. All parties' motions for summary judgment were denied. Plaintiffs in the *ACP Master, LTD* suit have also filed suit requesting an appraisal of the fair value of their Clearwire stock. Discovery in that case was consolidated with the breach of fiduciary duty case and is substantially complete. Trial is scheduled to begin in October 2016. Sprint Communications intends to defend the *ACP Master, LTD* cases vigorously. We do not expect the resolution of these matters 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. 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 quarter ended June 30, 2016 , there were no material developments in the status of these legal proceedings.

Item 1A. ***Risk Factors***

There have been no material changes to our risk factors as described in our Annual Report on Form 10-K for the year ended March 31, 2016 .

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

None

Item 3. ***Defaults Upon Senior Securities***

None

Item 4. ***Mine Safety Disclosures***

None

Item 5. ***Other Information***

Disclosure of Iranian Activities under Section 13(r) of the Securities Exchange Act of 1934

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 merger with SoftBank, SoftBank acquired control of Sprint. During the three-month period ended June 30, 2016 , 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 such period, 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 three-month period ended June 30, 2016 , SoftBank estimates that gross revenues and net profit generated by such services were both under $2,500. 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 three-month period ended June 30, 2016, 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 $1,000 and $200, 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.

Item 6. ***Exhibits***

The Exhibit Index attached to this Quarterly Report on Form 10-Q is hereby incorporated by reference.

SIGNATURE

Pursuant to the requirements 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/ PAUL W. SCHIEBER, JR.

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

Date: August 9, 2016

Exhibit Index

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed/Furnished Herewith
		Form	SEC File No.	Exhibit	Filing Date	
(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	
(10) Material Contracts						
10.1	Credit Agreement, dated as of February 28, 2013, by and among Sprint Nextel Corporation, as Borrower, JP Morgan Chase Bank, N.A., as Administrative Agent, and the lenders named therein					*
10.2	Employment Agreement, dated April 11, 2016 by and between Sprint Corporation and Jim Hyde					*
10.3	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					*
10.4	Form of Award Agreement (awarding restricted stock units) under the 2015 Omnibus Incentive Plan with covenants and restrictions to executive officers					*
10.5	Form of Award Agreement (awarding performance-based restricted stock units) under the 2015 Omnibus Incentive Plan with covenants and restrictions to executive officers					*
10.6	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					*
10.7	Form of Award Agreement (awarding stock options) under the 2015 Omnibus Incentive Plan with covenants and restrictions to executive officers without special compensation arrangements					*
10.8	Form of Award Agreement (awarding stock options) under the 2015 Omnibus Incentive Plan to executive officers with special compensation arrangements					*
(12) Statement re Computation of Ratios						
12	Computation of Ratio of Earnings to Fixed Charges					*
(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					*

Exhibit No.	Exhibit Description	Form	Incorporated by Reference			Filed/Furnished Herewith
			SEC File No.	Exhibit	Filing Date	
(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					*

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* Filed or furnished, as required.

Exhibit 10.1

CREDIT AGREEMENT

dated as of

February 28, 2013

SPRINT NEXTEL CORPORATION ,
as Borrower

J.P. MORGAN SECURITIES LLC
CITIGROUP GLOBAL MARKETS INC. ,
as Joint Lead Arrangers and Joint Bookrunners

BARCLAYS CAPITAL
CREDIT AGRICOLE CORPORATE & INVESTMENT BANK
DEUTSCHE BANK SECURITIES INC.
GOLDMAN SACHS BANK USA
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
RBC CAPITAL MARKETS ,
as Joint Bookrunners and

BANK OF AMERICA, N.A.
BARCLAYS BANK PLC
CREDIT AGRICOLE CORPORATE & INVESTMENT BANK
DEUTSCHE BANK AG NEW YORK BRANCH
GOLDMAN SACHS BANK USA
ROYAL BANK OF CANADA ,
as Co-Documentation Agents

CITIBANK, N.A. ,
as Syndication Agent

JPMORGAN CHASE BANK, N.A. ,
as Administrative Agent

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SCHEDULES:

EXHIBITS:

CREDIT AGREEMENT dated as of February 28, 2013 among SPRINT NEXTEL CORPORATION (the " Borrower "), 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 $2,800,000,000 (which amount may, subject to terms and conditions hereunder, be increased pursuant to Incremental Facilities (as defined below)) to provide funds for general corporate purposes of the Borrower and its 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 1
DEFINITIONS

SECTION 1.01 Defined Terms . As used in this Agreement, the following terms have the meanings specified below:

" 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(a).

" 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).

" 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 Federal Funds Effective 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 Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective 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.

" 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 Commitment.

" Applicable Rate " means (a) in the case of any Term Loan, for any day, the applicable rate per annum as may be agreed among the Borrower and Term Loan Lenders in the applicable Incremental Agreement and (b) 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 Rating 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	Rating	Base Rate Loans	Eurodollar Loans	Commitment Fee
Level I	≥ BB+ and Ba1	1.00%	2.00%	0.35%
Level II	≥ BB and Ba2 and not Level I	1.25%	2.25%	0.40%
Level III	≥ BB- and Ba3 and not Level I or II	1.50%	2.50%	0.45%
Level IV	≤ B+ or B1	2.00%	3.00%	0.50%

For the purposes of this Agreement, (i) any change in the Applicable Rate for any outstanding Loan by reason of a change in the Moody's Rating or the S&P Rating shall become effective on the date of announcement or publication by the respective rating agency of a change in such Rating or, in the absence of such announcement or publication, on the effective date of such changed Rating and (ii) at any time at which the S&P Rating differs from the Moody's Rating by one or more levels, the Applicable Rate shall be determined by reference to the lower of the two Ratings.

If the rating system of Moody's or S&P shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation.

" 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 J.P. Morgan Securities LLC and Citigroup Global Markets Inc.

" Asset Sale " means any Disposition of any property or assets by the Borrower or any of its Subsidiaries to any other Person that is not the Borrower or a Subsidiary after the Effective Date; provided that "Asset Sale" shall not include (i) any Disposition (or series of related Dispositions) of assets

having a fair market value of less than $20,000,000, (ii) Dispositions in connection with Sale and Leaseback Transactions, (iii) Dispositions in connection with Permitted Securitizations, (iv) Dispositions 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 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 and (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.

" 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).

" 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.

" 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; and (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.

" 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.

" 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 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.

" 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.

" Commitments " means the Revolving Credit Commitments.

" 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.

" 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.

" 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).

" 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, or (d) become the subject of a Bankruptcy Event.

" 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, assignment, conveyance, transfer or disposition thereof.

" Domestic Subsidiary " means any Subsidiary other than a Foreign Subsidiary.

" EBITDA " means, for any period, net income (or net loss) of the Borrower and its Subsidiaries (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 in accordance with GAAP for such period.

" 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.

" 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.

" 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, 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 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) 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 (g) 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 is in reorganization within the meaning of Section 4241 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).

" 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 Disposition Proceeds " has the meaning assigned to such term in sub-clause (y) of Section 2.10(b)(ii).

" Excess Funding Subsidiary Guarantor " has the meaning assigned to such term in Section 9.14(f).

" Excess Subsidiary 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 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 the United States of America or any similar tax imposed by any other jurisdiction in which any Obligor is located, (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 or inability to comply with Section 2.16(f) and (e) any United States federal withholding taxes imposed pursuant to FATCA.

" Existing Credit Agreement " means the Credit Agreement, dated as of May 21, 2010, as amended, among the Borrower, the lenders named therein, and JPMorgan Chase Bank, N.A., as administrative agent.

" Existing WiMax Indebtedness " means the Indebtedness of the WiMax Joint Venture Entities existing on the WiMax Acquisition Date and outstanding thereafter from time to time.

" 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 and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

" FCC " means the Federal Communications Commission or any United States Governmental Authority substituted therefor.

" Federal Funds Effective Rate " means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

" 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.

" 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.

" 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 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 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 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 (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness; provided , that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

" Guaranteed Parties " means, collectively, the Lenders (including as a counterparty (either such Lender or an Affiliate thereof) to any Hedging Agreement with any Obligor), the Issuing Banks and the Administrative Agent.

" 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 interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

" 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, and the Borrower and acknowledged by 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, 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; provided further that each Incremental Agreement may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of Section 2.08.

" 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 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, including any interest, additions to tax or penalties applicable hereto, other than (a) Excluded Taxes and Other Taxes and (b) amounts constituting penalties or interest imposed with respect to Excluded Taxes or Other Taxes.

" Indentures " means the Borrower's existing Indenture, dated as of October 1, 1998, the First Supplemental Indenture, dated as of January 15, 1999, the Second Supplemental Indenture, dated as of October 15, 2001, and any other indentures of the Borrower or its Subsidiaries in effect from time to time.

" Intellectual Property " has the meaning assigned to such term in Section 3.05(b).

" Intercompany Indebtedness " means Indebtedness of the Borrower owing to any of its Subsidiaries and of any Subsidiary owing to the Borrower or any other Subsidiary.

" 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.

" Issuing Banks " mean (a) JPMorgan Chase Bank, N.A., (b) Citibank, N.A., (c) 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 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.

" 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.

" 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 rate appearing on the LIBOR01 Page published by Reuters (or on any successor or substitute page, or service providing quotations of interest rates applicable to dollar deposits in the London interbank market comparable to those currently provided on such page, as determined by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for U.S. dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "LIBO Rate" with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which U.S. dollar deposits of $5,000,000, and for a maturity comparable to such Interest Period, are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

" 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, any promissory notes evidencing Loans hereunder, the Subordination Agreement, any Joinder Agreement, any Accession Agreement, and any amendment, waiver, supplement or other modification to any of the foregoing.

" Loans " means any loans made by the Lenders to the Borrower pursuant to this Agreement.

" Material Adverse Effect " means a material adverse effect on (a) the business, assets, operations, property or condition (financial or otherwise) of the Borrower and its Subsidiaries, taken as a whole, (b) the ability of the Borrower to perform any of its 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 Indebtedness " means (a) the EDC Indebtedness and (b) Indebtedness (other than the Loans or Letters of Credit) or obligations in respect of one or more Hedging Agreements, of the Borrower (or of any 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.

" Moody's " means Moody's Investors Service, Inc.

" Moody's Rating " means, as of any date of determination thereof, the rating most recently published by Moody's as the senior implied rating for the Borrower.

" 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 Entity, on the date on which such Person becomes a Subsidiary) 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 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).

" Non-Guarantor Subsidiary " means any Subsidiary of the Borrower that is not a Subsidiary Guarantor.

" 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 Guaranteed Party by the Borrower under this Agreement and any other Loan Document and from time to time owing to any Guaranteed Party by any Obligor under any of the Loan Documents (including any and all amounts in respect of Letters of Credit), and all other obligations of the Obligors under the Loan Documents (including the obligations of the Subsidiary Guarantors under Section 9.14) and (ii) at the election of the Obligor Representative, all obligations of the Obligors to any Guaranteed Party (or any Affiliate thereof) under any Hedging Agreement 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), 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 Obligor, 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.

" 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.

" Parent " means, with respect to any Lender, the Person as to which such Lender is, directly or indirectly, a subsidiary.

" 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.

" 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 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.

" Permitted Holder " means SOFTBANK CORP., a Japanese *kabushiki kaisha* , and its Affiliates, successors and assigns.

" Permitted Securitization " means any transaction or series of transactions that may be entered into by the Borrower or any of its Subsidiaries pursuant to which such Person may sell or convey Accounts to any Receivables Entity, provided that (i) there shall be no recourse under any such securitization to the Borrower or any of its Subsidiaries other than pursuant to Standard Securitization Undertakings and (ii) no Default shall have occurred and be continuing either immediately before or after giving effect to such securitization.

" 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.

" 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.

" Pro Rata Subsidiary 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).

" 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.

" Rating " means the Moody's Rating or the S&P Rating.

" Receivables Entity " means a special purpose Person that engages in no activities other than in connection with the financing of Accounts 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 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.

" 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 Indebtedness " means, as of any date of determination, the aggregate principal amount as of such date of (i) Revolving Credit Commitments then in effect, (ii) the outstanding principal balance of any Incremental Term Loans, (iii) Indebtedness outstanding under the EDC Credit Agreement, (iv) Existing WiMax Indebtedness then outstanding and (v) any other Indebtedness (assuming all relevant commitments to lend are fully drawn) incurred after the Effective Date pursuant to Section 6.01(p) then outstanding.

" Required Lenders " means Lenders having Revolving Credit Exposures, outstanding Term Loans (if any) 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.

" 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 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.

" 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 $2,800,000,000.

" 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 28, 2018 (or, if such date is not a Business Day, the next preceding Business Day).

" RF Emissions " means radio frequency emissions governed by FCC rules.

" S&P " means Standard & Poor's Rating Services, a Division of The McGraw-Hill Companies, Inc.

" S&P Rating " means, as of any date of determination thereof, the rating most recently published by S&P as the consolidated corporate credit rating for the Borrower.

" Sale and Leaseback Transaction " means any transaction or arrangement by the Borrower or any of its Subsidiaries, directly or indirectly, with any Person whereby such Borrower or such Subsidiary shall sell or transfer any property, real or personal, used or useful in the business of the Borrower or any 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.

" SCC " means Sprint Capital Corporation.

" Significant Subsidiary " means (a) any 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 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 and (b) each Subsidiary that directly or indirectly owns or controls any other Significant Subsidiary.

" SoftBank Acquisition " means the acquisition of the Borrower by SOFTBANK CORP. pursuant to the SoftBank Acquisition Agreement.

" SoftBank Acquisition Agreement " means that certain Agreement and Plan of Merger, dated as of October 15, 2012, by and among SOFTBANK CORP., Starburst I, Inc., Starburst II, Inc., Starburst III, Inc. and the Borrower.

" Special Counsel " means Simpson Thacher & Bartlett LLP, in its capacity as special counsel to the Administrative Agent and the Arrangers.

" Specified Indebtedness " means the Indebtedness of the Borrower, in an aggregate principal amount of $3,100,000,000, issued pursuant to the Bond Purchase Agreement, dated as of October 15, 2012 by and between the Borrower and Starburst II, Inc., a Delaware corporation.

" 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 non-recourse securitization transactions of comparable receivables.

" 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.

" Subordinated Indebtedness " means Indebtedness of the Borrower or any of its Subsidiaries that is subordinated in whole or in part to the Obligations.

" Subordination Agreement " means the Subordination Agreement, dated as of the date hereof, among the Borrower and each of its 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. Notwithstanding the foregoing, each of the WiMax Joint Venture Entities shall be deemed not to be a "Subsidiary" of the Borrower, unless and until such time as the WiMax Acquisition Date has occurred.

" 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 from the date of such release.

" 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.

" Syndication Agent " means Citibank, N.A. in its capacity as syndication agent.

" Taxes " means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

" Term Loan " means any Incremental Term Loans made pursuant to Section 2.08(b).

" Term Loan Lender " means the Lenders from time to time holding Term Loans, pursuant to any Incremental Term Facilities added in accordance with Section 2.08(d).

" Total Indebtedness " means, as of any day, the aggregate principal face amount of Indebtedness of the Borrower and its Subsidiaries, determined on a consolidated basis without duplication in accordance with GAAP; provided that any determination of Total Indebtedness shall exclude the

Specified Indebtedness until the earlier of (x) the abandonment or termination of the SoftBank Acquisition and (y) the "End Date" as defined in the SoftBank Acquisition Agreement.

" 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.

" 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.

" Total Interest Expense " means, for any period, interest expense of the Borrower and its Subsidiaries with respect to all outstanding Indebtedness of the Borrower and its Subsidiaries as determined on a consolidated basis in accordance with GAAP, minus interest income received by the Borrower or any Subsidiary in such period.

" 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 Subsidiaries of space on such towers.

" Transactions " means, with respect to the Obligors, the execution, delivery and performance by the each Obligor 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.

" 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).

" WiMax Acquisition Date " means the date on which the WiMax Joint Venture Entities become wholly owned (directly or indirectly) by the Borrower.

" WiMax Agreement " means the Equityholders' Agreement, dated November 28, 2008, among Clearwire Corporation, Sprint HoldCo, LLC, Eagle River Holdings, LLC, Intel Capital Wireless Investment Corporation 2009A, Intel Capital Wireless Investment Corporation 2008B, Intel Capital Wireless Investment Corporation 2008C, Intel Capital Corporation, Intel Capital (Cayman) Corporation, Middlefield Ventures, Inc., Comcast Wireless Investment I, Inc., Comcast Wireless Investment II, Inc., Comcast Wireless Investment III, Inc., Comcast Wireless Investment IV, Inc., Comcast Wireless Investment V, Inc., Google Inc., TWC Wireless Holdings I LLC, TWC Wireless Holdings II LLC, TWC Wireless Holdings III LLC, BHN Spectrum Investments, LLC.

" WiMax Joint Venture Entities " means each of Clearwire Corporation, Clearwire Communications LLC and any of their respective subsidiaries.

" 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.

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, (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 . 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 Statement of Financial Accounting Standards 159 (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.

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.

SECTION 1.06 Treatment of Hedging Agreements. For purposes hereof, it is understood that any obligations of the Borrower to a Person arising under a Hedging Agreement entered into at the time such Person (or an Affiliate thereof) is a "Lender" party to this Agreement shall nevertheless continue to constitute Obligations for purposes hereof (but only to the extent designated as "Obligations" by the Obligor Representative pursuant to the definition of such term), notwithstanding that such Person (or its Affiliate) may have assigned all of its Loans and other interests in this Agreement and, therefore, at the time a claim is to be made in respect of such obligations, such Person (or its Affiliate) is no longer a "Lender" party to this Agreement, provided that neither such Person nor any such Affiliate shall be entitled to the benefits of this Agreement (and such obligations shall not be Obligations hereunder) unless, at or prior to the time it ceased to be a Lender hereunder, it shall have notified the Administrative Agent in writing of the existence of such agreement.

ARTICLE II
THE CREDITS

SECTION 2.01 Commitments Revolving Credit Loans. Subject to the terms and conditions set forth herein, each Revolving Credit Lender agrees to make Revolving Credit Loans 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 Loans 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.

SECTION 2.02 Loans 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 Eurodollar 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 of 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 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 (reasonably 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 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) $1,200,000,000, 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 (provided that the amount of such sum shall be reduced by the face amount of letters of credit then cash collateralized pursuant to clause (A) of Section 6.02(k) but any such reduction shall not reduce the aggregate "Maximum LC Exposure" of Issuing Banks to an amount below $500,000,000), (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". 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.	$337,500,000
Citibank, N.A.	$337,500,000
Bank of America, N.A.	$250,000,000
Barclays Bank PLC	$200,000,000
Wells Fargo Bank, N.A.	$75,000,000

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). Concurrently with any reduction of the Revolving Credit Commitments pursuant to Section 2.10, the "Maximum LC Exposure" of each Issuing Bank shall be automatically reduced by an amount equal to such Issuing Bank's LC Applicable Percentage of the amount of such reduction.

(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 strictly 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 consequential 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;

(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; and

(iii) this sentence shall establish the standard of care to be exercised by an Issuing Bank when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof (and the parties hereto hereby waive, to the extent permitted by applicable law, any standard of care inconsistent with the foregoing).

(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 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.

(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.

(b) Voluntary Termination or Reduction . The Borrower may at any time terminate, or from time to time reduce, the Revolving Credit Commitments; provided that (i) each reduction of the Revolving Credit 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, in which case such notice may be revoked 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.

(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 provide additional revolving commitments hereunder (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; 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 sum of (i) the aggregate amount of increases in the Revolving Credit Commitments since the Effective Date and (ii) the outstanding principal balance of any Incremental Term Loans shall not exceed $2,300,000,000;

(C) no 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 set forth in Section 6.05 on and as of the Incremental Date; and

(F) (i) in the case of any Incremental Term Facility, the maturity date thereof shall not be earlier than 90 days following the Revolving Credit Termination Date and the amortization payable thereunder shall not exceed 1% per annum of the principal amount of the Incremental Term Loans thereunder and (ii) in the case of any Incremental Revolving Facility, the maturity date or commitment termination date thereof shall not be earlier than the Revolving Credit Termination Date and such Incremental Revolving Facility shall not require any scheduled commitment reductions prior to the Revolving Credit Termination Date (other than such reductions as are applicable to the Revolving Credit Loans as in effect prior to such Incremental Revolving Facility).

(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 or prior to 1:00 p.m., New York City time, 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 or prior to 1:00 p.m., New York City time, 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).

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) 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.

(c) [Reserved].

(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 the order of such Lender (or, if requested by such Lender, 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 order of the payee named therein (or, if such promissory note is a registered note, to such 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 in whole or in part, subject to prior notice in accordance with paragraph (c) of this Section 2.10. Revolving Credit 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.

(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 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, 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 thereon, 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 in prior fiscal quarters as to which a prepayment of the Indebtedness hereunder or the EDC Indebtedness has not yet been made under this paragraph (other than as a result of the proviso hereto or the requirement to only use 50% of Excess Disposition Proceeds to make prepayments) 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 50% of such Excess Disposition Proceeds towards the prepayment of (A) the Loans and the reduction of the Commitments as set forth in sub-clause (z) of this paragraph (and/or provide cover for LC Exposure as specified in Section 2.04(i)) and (B) the EDC Indebtedness (but only to the extent required under the EDC Credit Agreement), 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) to the extent that (1) the Borrower states in the applicable Net Cash Proceeds Statement that all or any portion of such Net Cash Proceeds (or an equivalent amount) is to be reinvested (or has been reinvested) in any assets used or to be used by the Borrower and its Subsidiaries in the same or similar or related line of business, and (2) such Net Cash Proceeds (or an equivalent amount) are or have been or will be in fact so applied to such reinvestment within twelve months of the related Asset Sale or Recovery Event.

(z) Application . All amounts to be applied in connection with prepayments and Commitment reductions hereunder made pursuant to sub-clause (x) and (y) of this paragraph shall be applied to the permanent reduction of the aggregate amount of the Revolving Credit Commitments whether or not any 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).

(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 2.15).

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 (i) in the case of a Revolving Credit Loan, the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate or (ii) in the case of an Incremental Term Facility, 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 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 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), 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 or Other Taxes (except to the extent that, after request by the Obligor Representative, the respective Lender, Administrative Agent or Issuing Bank shall have failed to deliver the documents referred to in paragraph (f) of this Section 2.16); provided that if the Obligors shall be required to deduct any Indemnified Taxes or Other 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 or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.16) paid by the Administrative Agent, such Lender or Issuing Bank, as the case may be (and 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 or Other 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, 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 the full amount of any Excluded Taxes attributable to such Lender 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.

(e) Receipt for Payments . As soon as practicable after any payment of Indemnified Taxes or Other 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-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 or Other 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 Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses 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. 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. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, to pay interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, to pay principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(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, 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 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, (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) and (iii) the Obligors shall have paid to each of the Lenders compensation in an amount equivalent (taking into account the total Commitments, LC Exposure and Loans of such other Lenders) to any compensation required to induce the assignees to take such assignment from the Declining Lenders.

SECTION 2.19 Defaulting Lenders . Notwithstanding any provision of this Agreement to the contrary, if any Revolving 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 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 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 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 Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Revolving 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 Lender, satisfactory to the Issuing Bank, to defease any risk to the Issuing Bank in respect of such Revolving 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 Lender to be a Defaulting Lender, then the LC Exposure of the Revolving Lenders shall be readjusted to reflect the inclusion of such Revolving Lender's Commitment and on such date such Revolving Lender shall purchase at par such of the Revolving Credit Loans of the other Revolving Lenders as the Administrative shall determine may be necessary in order for such Revolving Lender to hold such Revolving Credit Loans in accordance with its Applicable Percentage.

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 Obligors.

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 Borrower and its Subsidiaries as of and for the fiscal years ended December 31, 2010 and December 31, 2011, reported on by KPMG LLP, 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 Borrower and its Subsidiaries as of and for the three-, six- and nine-month periods ended March 31, 2012, June 30, 2012 and September 30, 2012, 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 December 31, 2011, 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 December 31, 2011 referred to above and the footnotes thereto and unaudited financial statements for the nine-month period ended September 30, 2012.

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 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 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 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 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 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 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 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 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 and (v) 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.

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 Agreement. The Administrative Agent (or Special Counsel) shall have received from the Borrower, from each Lender and from JPMorgan Chase Bank, N.A., as Administrative Agent, either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) Opinion of Counsel to the Borrower. 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 Shughart P.C., each as counsel to the Borrower, covering such matters relating to the Borrower, this Agreement, the other Loan Documents or the Transactions as the Administrative Agent shall request (and the Borrower hereby requests 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 Borrower and the authorization of the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent.

(d) Financial Officer Certificate; Solvency 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 and (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.

(e) Notes . The Administrative Agent (or Special Counsel) shall have received for each Lender that shall have requested a promissory note, a duly completed and executed promissory note for such Lender.

(f) Release by Issuing Banks . To the extent that any "Issuing Bank" under the Existing Credit Agreement is not an Issuing Bank hereunder, such "Issuing Bank" shall have unconditionally released each "Revolving Credit Lender" under the Existing Credit Agreement from any liability under such "Revolving Credit Lender's" participation in respect of each "Letter of Credit" under the Existing Credit Agreement, pursuant to an instrument in form satisfactory to the Administrative Agent.

(g) Intercompany Indebtedness . The Administrative Agent shall have received the Subordination Agreement, duly executed and delivered by each Obligor.

(h) 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.

(i) 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.

Notwithstanding the foregoing, the obligations of the Lenders to make Loans, and of the Issuing Banks to issue Letters of Credit, hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 9.02) at or prior to 3:00 p.m., New York City time, on March 22, 2013 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

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 Borrower as to itself and each other Obligor set forth in this Agreement 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.

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 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, 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 KPMG 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:

(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:

(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 demonstrating compliance with Sections 6.01(o), 6.01(p), 6.02(l) and 6.05; and

(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 December 31, 2011 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;

(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) 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

(f) 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.

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 $200,000,000.

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 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.

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 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.

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 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 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 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.

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.

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 that is a Domestic Subsidiary (such acquired Subsidiary, an " Acquired Entity ") or (b) any Domestic Subsidiary which is prohibited from guaranteeing the Obligations pursuant to the terms of any agreement to which such Person is a party on the Effective Date is released from the relevant restrictions, 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;

(ii) in the case of a newly-formed Subsidiary or an Acquired Entity, 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;

provided that an Acquired Entity shall not be required to take any of the foregoing actions to the extent it is prohibited from so doing pursuant to the terms of any agreement to which such Person is a party prior to it becoming an Acquired Entity, provided further that, in the event such Acquired Entity is released from the relevant restrictions, the Borrower will, and will cause each of its Subsidiaries to, take such

action to cause such Acquired Entity to become a "Subsidiary Guarantor" hereunder in accordance with this Section 5.09.

Notwithstanding anything to the contrary herein, the Borrower will, and will cause each WiMax Joint Venture Entity to, take such action to cause such WiMax Joint Venture Entity to become a "Subsidiary Guarantor" hereunder in accordance with this Section 5.09, no later than 30 days (or such longer period as the Administrative Agent may agree) following the earliest date upon which both (A) the WiMax Acquisition Date has occurred and (B)(i) such WiMax Joint Venture Entity has been released from restrictions that prohibited it from becoming a "Subsidiary Guarantor" pursuant to the terms of the agreements to which it was a party on the WiMax Acquisition Date or (ii) the outstanding principal amount of Existing WiMax Indebtedness is no greater than $100,000,000.

(b) The Borrower covenants that if the total assets (considering, for purposes of determining the total assets of the Subsidiary Guarantors, all unrestricted cash and cash equivalents held by the Borrower as assets of the Subsidiary Guarantors) or revenues of the Subsidiary Guarantors represent less than 80% of the consolidated total assets or revenues of the Borrower and its Subsidiaries (excluding from the calculation of consolidated net assets or revenues for the purposes of this clause (b) of Section 5.09, the assets or revenues of any 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 prior to it becoming an Acquired Entity), 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 Domestic 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.

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 covenants and agree with the Lenders that:

SECTION 6.01 Indebtedness . The Borrower will not permit any 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);

(b) Indebtedness existing on the Effective Date and set forth in Schedule 6.01 (and any extensions, renewals or refinancings thereof);

(c) Indebtedness of SCC existing on the Effective Date (which for the avoidance of doubt includes any such Indebtedness of SCC permitted pursuant to paragraph 6.01(b) and listed on Schedule 6.01) and any extensions, renewals or refinancings thereof, provided that any such extensions, renewals or refinancing of such Indebtedness shall be restricted to the Obligors who are obligated on the Indebtedness being extended, renewed or refinanced;

(d) Indebtedness of any Receivables Entity pursuant to a Permitted Securitization and Indebtedness under any Standard Securitization Undertaking;

(e) Indebtedness incurred in connection with Sale and Leaseback Transactions;

(f) Indebtedness incurred after the Effective Date 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 any Intercompany Indebtedness of an Obligor owing to any 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;

(h) Guarantees by any Subsidiary Guarantor of the EDC Indebtedness in an aggregate principal amount not to exceed the amount of EDC Indebtedness outstanding on the Effective Date;

(i) Indebtedness comprised of unsecured guarantees that are expressly subordinated to the Obligations hereunder, which guarantees are made by Subsidiary Guarantors in respect of other Indebtedness of the Borrower or its Subsidiaries in an aggregate amount not to exceed $6,000,000,000 at any time;

(j) Indebtedness of any Person that becomes a Subsidiary after the Effective Date, provided that such Indebtedness exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary;

(k) Guarantees by any Subsidiary Guarantor of the obligations of the Borrower under Hedging Agreements entered into with a Lender or any Affiliate of a Lender in the ordinary course of business and not for speculative purposes;

(l) Guarantees 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 Subsidiary Guarantors or their 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 in an aggregate principal amount that, taken together with the aggregate amount of obligations secured by the Liens permitted under Section 6.02(l) at the time

of incurrence thereof (or of any extension, renewal or refinancing thereof) and after giving effect thereto, does not exceed $250,000,000 at any time outstanding; and

(p) other Indebtedness (assuming all relevant commitments to lend are fully drawn) in an aggregate principal amount that does not exceed at any time the greater of (A) $2,000,000,000 (less the aggregate of any increase in the Revolving Credit Commitments and outstanding principal balance of any Incremental Term Loans, in each case, pursuant to Section 2.08(d) in excess of $300,000,000) and (B) solely in the event the SoftBank Acquisition is consummated and the WiMax Acquisition Date occurs, $8,000,000,000 less the amount of Relevant Indebtedness outstanding at such time;

provided that, notwithstanding the foregoing, if, on a cumulative basis, at any time Subsidiaries with assets or revenue greater than or equal to 5% of the consolidated total assets or revenues of the Borrower and its Subsidiaries (determined as of the end of the fiscal year most recently ended for which financial statements are available) have merged with or into, or have been consolidated with or into, SCC, then the amount of any Indebtedness described in clause 6.01(c) above which is then outstanding shall be deemed outstanding under Section 6.01(p); provided further that, notwithstanding anything to the contrary herein, after the WiMax Acquisition Date, any extension, renewal or refinancing of Existing WiMax Indebtedness shall be effected (i.e., created, incurred, issued or assumed) by an entity that is not a Subsidiary of the Borrower.

SECTION 6.02 Liens . The Borrower will not, nor will it permit any of its 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;

(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 Accounts pursuant to a Permitted Securitization and Liens resulting from the characterization of such sale as secured Indebtedness;

(e) Liens arising in connection with Sale and Leaseback Transactions;

(f) Liens created after the Effective Date on fixed or capital assets or inventory acquired, constructed or improved by the Borrower or any of its Subsidiaries after the Effective Date 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 Subsidiaries that secure such Indebtedness;

(g) any Lien existing on any property or asset of any Person that becomes a Subsidiary after the Effective Date prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such Person becoming a

Subsidiary and (ii) there are no Liens on any other property or assets of the Borrower or any of its Subsidiaries that secure the Indebtedness of such Person;

(h) 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 Subsidiaries to provide collateral to the depository institution or the commodity intermediary;

(i) Liens consisting of or arising under (i) agreements to dispose of any property in a Disposition permitted under Section 6.03 and (ii) earnest money deposits made by the Borrower or any of its Subsidiaries in connection with any letter of intent or purchase agreement;

(j) Liens on cash collateral in favor of the Administrative Agent securing LC Exposure of the Revolving Credit Lenders and Issuing Banks;

(k) Liens on cash collateral in favor of (A) the counterparty to bi-lateral letters of credit issued in respect of the FCC's Report and Order to reconfigure the 800 MHz band, or (B) any trustee or paying agent for purposes of satisfying any Indebtedness of the Borrower or any 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 $1,200,000,000 in the aggregate; and

(l) additional Liens (including any Liens securing financings permitted by Section 6.01(o)) covering property of the Borrower or any of its Subsidiaries (or securing obligations in an aggregate amount, at the time of incurrence thereof, that taken together with the Indebtedness incurred pursuant to Section 6.01(o), does not exceed $250,000,000 at any time outstanding.

SECTION 6.03 Fundamental Changes .

(a) Mergers and Consolidations . The Borrower will not, and will not permit any 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 Subsidiary of the Borrower in a transaction in which the surviving entity is a Subsidiary of the Borrower, provided that, if any such merger shall be between a Subsidiary Guarantor and a Non-Guarantor Subsidiary, the survivor shall be or become a Subsidiary Guarantor;

(iii) any 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

(iv) any Subsidiary (other than the Borrower) may merge into any other Person in order to effect a Disposition permitted by this Agreement.

(b) Disposition of Assets . The Borrower and its 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).

SECTION 6.04 Transactions with Affiliates . Except as expressly permitted by this Agreement, the Borrower will not, and will not permit any of its 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 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 Subsidiaries 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 to exceed the ratio set forth below opposite such fiscal quarter:

Fiscal Quarter	Total Indebtedness Ratio
March 31, 2013	6.25 to 1.00
June 30, 2013	6.25 to 1.00
September 30, 2013	6.25 to 1.00
December 31, 2013	6.25 to 1.00
March 31, 2014	6.25 to 1.00
June 30, 2014	6.25 to 1.00
September 30, 2014	6.00 to 1.00
December 31, 2014	6.00 to 1.00
March 31, 2015	5.50 to 1.00
June 30, 2015	5.50 to 1.00
September 30, 2015	5.25 to 1.00
December 31, 2015	5.00 to 1.00
March 31, 2016	4.75 to 1.00
June 30, 2016	4.50 to 1.00
September 30, 2016	4.25 to 1.00
December 31, 2016 and each fiscal quarter ending thereafter	4.00 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 to be less than the ratio set forth below opposite such fiscal quarter:

Fiscal Quarter	Interest Coverage Ratio
March 31, 2013	2.00 to 1.00
June 30, 2013	2.00 to 1.00
September 30, 2013	2.00 to 1.00
December 31, 2013	2.00 to 1.00
March 31, 2014	2.00 to 1.00
June 30, 2014	2.25 to 1.00
September 30, 2014	2.25 to 1.00
December 31, 2014	2.25 to 1.00
March 31, 2015	2.25 to 1.00
June 30, 2015	2.25 to 1.00
September 30, 2015	2.50 to 1.00
December 31, 2015	2.50 to 1.00
March 31, 2016	2.50 to 1.00
June 30, 2016	2.50 to 1.00
September 30, 2016	2.75 to 1.00
December 31, 2016 and each fiscal quarter ending thereafter	2.75 to 1.00

SECTION 6.06 Restricted Payments. The Borrower will not, nor will it permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except that:

(a) any Non-Guarantor Subsidiary may make Restricted Payments to the Borrower or any of its Subsidiaries;

(b) any Subsidiary of the Borrower may declare and pay dividends to any Obligor;

(c) the Borrower and any of its 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 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, for directors, management or employees of the Borrower and any of its Subsidiaries in the ordinary course of business;

(e) the Borrower and any of its Subsidiaries may declare and pay mandatory dividends on preferred stock;

(f) the Borrower and its 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 Subsidiaries;

(g) so long as no Default shall have occurred and be continuing, any Subsidiary that is not wholly-owned may make distributions payable to the other equity holders of such Subsidiary on a pro rata basis; provided that distributions payable by any Subsidiary that is not wholly-owned to other equity holders in order to comply with the terms of the WiMax Agreement do not have to be made on a pro rata basis;

(h) Restricted Payments resulting from the cashless exercise of stock options;

(i) the Borrower and its 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 Subsidiaries; and

(j) so long as no Default shall have occurred and be continuing or would result therefrom, the Borrower and any of its Subsidiaries may make other Restricted Payments in an aggregate amount not to exceed $100,000,000;

provided that, at any time that the Total Indebtedness Ratio is less than 2.50:1, the Borrower and its Subsidiaries may make any Restricted Payments so long as the Total Indebtedness Ratio on a pro forma basis after giving effect to such Restricted Payments remains less than 2.50:1; 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 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 Intercompany Indebtedness . The Borrower will not, and will not permit any of its 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, 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 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 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.

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 Obligor 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 5.03, 5.09 (but solely with respect to the requirements of any 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);

(e) the Borrower or any other Obligor 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 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 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) 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) 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) 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) 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) 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) 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; or

(m) the Guarantees under Section 9.14 by any Subsidiary Guarantor shall cease to be in full force and effect, or shall be asserted in writing by any Obligor not to be in effect or not to be legal, valid and binding obligations, other than pursuant to a release permitted under Section 9.02;

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.

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 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

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 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.

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.

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 Agent 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 Lenders hereunder.

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 Greg D. Block, Vice President and Treasurer
Telecopy No. 913-523-1911

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, Ops 2, Floor 03
Newark, DE, 19713-2107
Attention: Brian Lunger
brian.x.lunger@jpmorgan.com
Telephone No. 302-634-3103
Telecopy No. 302-634-3301

with back-up copy to it at:

500 Stanton Christiana Road, Ops 2, Floor 03
Newark, DE, 19713-2107
Attention: Charles Wambua
charles.k.wambua@jpmorgan.com
Telephone No. 302-634-3817
Telecopy No. 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.

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 Obligor 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 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, without the written consent of each Lender affected thereby;

(iv) change Section 2.17(c) or 2.17(d), without the written consent of each Lender affected thereby; or

(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;

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 affected Lender of such Class) shall be required to effect any of the changes referred to in clause (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), provided that in no event shall such "record date" be a date more than 10 days earlier than the date such waiver, amendment or modification is distributed to the Lenders for execution.

Anything in this Agreement to the contrary notwithstanding, (A) no waiver or modification of any provision of this Agreement that has the effect (either immediately or at some later time) 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, and (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 that expressly permits any action to be taken, or waiver to be given, by the Required Lenders.

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); provided that without the prior consent of each Lender, the Administrative Agent shall not release all or substantially all of the Subsidiary Guarantors from their guarantee obligations under Section 9.14; provided further that any Subsidiary Guarantor shall be automatically released from its guarantee obligations under Section 9.14 and all other obligations under the Loan Documents if such Subsidiary Guarantor ceases to be a Subsidiary as a result of a Disposition or other transaction permitted by this Agreement so long as (i) no Default or Event of Default shall have occurred and be continuing, (ii) no such release shall occur if such Subsidiary Guarantor continues to Guarantee the EDC Indebtedness or any other Indebtedness of the Borrower unless and until such Subsidiary Guarantor is (or is being simultaneously) released from its Guarantee of the EDC Indebtedness and any other Indebtedness of the Borrower and (iii) the Obligor Representative shall have given notice of such Disposition to the Administrative Agent. The Administrative Agent shall promptly take such actions as may be reasonably requested by the Obligor Representative to effect and evidence any release pursuant to the foregoing.

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, 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, 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) 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 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; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses 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.

(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 Obligors shall assert, and each Obligor 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 Affliate 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 that is a bank or another financial institution, 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 30 days after having acknowledged receiving notice thereof;

(B) the Administrative Agent, provided that no consent of the Administrative Agent shall be required for an assignment of any Incremental Term Facility to a Lender, an Affiliate of a Lender or an Approved Fund; 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 Commitments of any Class (including Loans of such Class), or Incremental Term Facility of any Class as to which there are no outstanding

Commitments, the amount of the Commitment or 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 or other financial institutions (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, 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 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 Borrower or any of its 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 shall be effective as delivery of a manually 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 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 Subsidiary Guarantors hereby unconditionally jointly and severally guarantee, as primary obligor and not merely as surety, to each of the Guaranteed 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 Subsidiary 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 Subsidiary 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 Subsidiary 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 Subsidiary 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 Subsidiary 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 Guaranteed 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 Guaranteed Parties of any of the Obligations;

(E) the giving by any of the Guaranteed 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 Guaranteed 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 Guaranteed Parties of any of their rights, remedies, powers and privileges under the Loan Documents, regardless of whether any of the Guaranteed 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 Subsidiary Guarantors and the rights, remedies, powers and privileges of the Guaranteed Parties hereunder shall not be affected, limited, reduced, discharged or terminated, and each Subsidiary 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 Subsidiary 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 Guaranteed 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 Subsidiary Guarantor under this Agreement, the Guaranteed 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 Guaranteed 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 Guaranteed 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 Guaranteed 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 Subsidiary Guarantor expressly waives, to the fullest extent permitted by law, for the benefit of each of the Guaranteed 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 Guaranteed 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 Subsidiary 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 Subsidiary Guarantor expressly waives, to the fullest extent permitted by law, for the benefit of each of the Guaranteed 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 Subsidiary 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 Subsidiary Guarantor; and

(C) to have its obligations hereunder be divided among the Subsidiary Guarantors, such that each Subsidiary Guarantor's obligation would be less than the full amount claimed.

(c) Reinstatement . The obligations of each Subsidiary 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 Subsidiary Guarantors jointly and severally agree that they will indemnify the Guaranteed 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 Subsidiary 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 Subsidiary Guarantor shall not exercise any right or remedy arising by reason of any performance by such Subsidiary 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 Subsidiary Guarantor agrees that, as between such Subsidiary Guarantor and the Guaranteed 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 Subsidiary Guarantor for purposes of said paragraph (a) of this Section 9.14.

(f) Rights of Contribution . The Subsidiary Guarantors hereby agree, as between themselves, that if any Subsidiary Guarantor shall become an Excess Funding Subsidiary Guarantor (as defined below) by reason of the payment by such Subsidiary Guarantor of any of the Obligations, each other Subsidiary Guarantor shall, on written demand of such Excess Funding Subsidiary Guarantor (but subject to the immediately following sentence), pay to such Excess Funding Subsidiary Guarantor an amount equal to such Subsidiary Guarantor's Pro Rata Subsidiary Guarantor Share (as defined below and determined, for this purpose, without reference to the properties, debts and liabilities of such Excess Funding Subsidiary Guarantor) of the Excess Subsidiary Guarantor Payment (as defined below) in respect of such Obligations. The payment obligation of a Subsidiary Guarantor to any Excess Funding Subsidiary 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 Subsidiary 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 Subsidiary Guarantor” means a Subsidiary Guarantor that has paid an amount in excess of its Pro Rata Subsidiary Guarantor Share of the Obligations, (ii) “Excess Subsidiary Guarantor Payment” means the amount paid by an Excess Funding Subsidiary Guarantor in excess of its Pro Rata Subsidiary Guarantor Share of the Obligations and (iii) “Pro Rata Subsidiary Guarantor Share” means, for any Subsidiary Guarantor, the ratio (expressed as a percentage) of (x) the amount by which the aggregate fair saleable value of all properties of such Subsidiary Guarantor (excluding any shares of stock of any other Subsidiary Guarantor) exceeds the amount of all the debts and liabilities of such Subsidiary Guarantor (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of such Subsidiary Guarantor hereunder and any obligations of any other Subsidiary Guarantor that have been Guaranteed by such Subsidiary Guarantor) to (y) the amount by which the aggregate fair saleable value of all properties of all of the Subsidiary Guarantors exceeds the amount of all the debts and liabilities of all of the Subsidiary Guarantors (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of the Subsidiary Guarantors under the Loan Documents), determined (A) with respect to any Subsidiary Guarantor that is a party hereto on the date hereof, as of the date hereof, and (B) with respect

to any other Subsidiary Guarantor, as of the date such Subsidiary Guarantor becomes a Subsidiary 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 Subsidiary 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 Subsidiary Guarantor, any Guaranteed 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.

[remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

SPRINT NEXTEL CORPORATION, as Borrower

By: /s/ Greg D. Block

Name: Greg D. Block

Title: Vice President and Treasurer

GUARANTORS:

ENTERPRISE COMMUNICATIONS PARTNERSHIP

By: SprintCom ECP I, L.L.C.,
its General Partner

By: /s/ Greg D. Block
Name: Greg D. Block
Title: Vice President and Treasurer

By: SprintCom ECP II, L.L.C.,
its General Partner

By: /s/ Greg D. Block
Name: Greg D. Block
Title: Vice President and Treasurer

PHILLIECO EQUIPMENT AND REALTY COMPANY, L.P.

By PhillieCo Sub, L.P.,
its General Partner

By: /s/ Greg D. Block
Name: Greg D. Block
Title. Vice President and Treasurer

C FON CORPORATION
UNITED TELECOMMUNICATIONS, INC.

By: /s/ Greg D. Block

Name: Greg D. Block
Title: Vice President and Assistant Treasurer

GUARANTORS CONTINUED:

ACI 900, Inc.
AGW Leasing Company, Inc.
AirGate PCS, Inc.
AirGate Service Company, Inc.
Alamosa (Delaware), Inc.
Alamosa (Wisconsin) Properties, LLC
Alamosa Delaware GP, LLC
Alamosa Holdings, Inc.
Alamosa Holdings, LLC
Alamosa Limited, LLC
Alamosa Missouri Properties, LLC
Alamosa Missouri, LLC
Alamosa PCS Holdings, Inc.
Alamosa PCS, Inc.
Alamosa Properties, LP
Alamosa Wisconsin GP, LLC
Alamosa Wisconsin Limited Partnership
American PCS Communications, LLC
American PCS, L.P.
American Personal Communications Holdings, Inc.
American Telecasting, Inc.
APC PCS, LLC
APC Realty and Equipment Company, LLC
ASC Telecom, Inc.
Assurance Wireless of South Carolina, LLC
Atlanta MDS Co., Inc.
Bluebottle USA Holdings L.P.
Bluebottle USA Investments L.P.
Boost Mobile, LLC
Boost Worldwide, Inc.
Caroline Ventures, Inc.
Dial Call Midwest, Inc.
Domestic USF Corp.

By: /s/ Greg D. Block

Name: Greg D. Block
Title: Vice President and Treasurer

GUARANTORS CONTINUED:

EQF Holdings, LLC
Falcon Administration, L.L.C.
FCI 900, Inc.
G & S Television Network, Inc.
Georgia PCS Leasing, LLC
Georgia PCS Management, L.L.C.
Gulf Coast Wireless Limited Partnership
Helio LLC
Independent Wireless One Corporation
Independent Wireless One Leased Realty Corporation
IWO Holdings, Inc.
LCF, Inc.
Los Angeles MDS Company, Inc.
Louisiana Unwired, LLC
Machine License Holding, LLC
MinorCo, L.P.
NCI 700, Inc.
NCI 900 Spectrum Holdings, Inc.
New York MDS, Inc.
Nextel 220 License Acquisition Corp.
Nextel 700 Guard Band Corp.
Nextel Boost Investment, Inc.
Nextel Boost of California, LLC
Nextel Boost of New York, LLC
Nextel Boost of Texas, LLC
Nextel Boost of the Mid-Atlantic, LLC
Nextel Boost South, LLC
Nextel Boost West, LLC
Nextel Broadband, Inc.
Nextel Communications of the Mid-Atlantic, Inc.
Nextel Communications, Inc.
Nextel Data Investments 1, Inc.
Nextel Finance Company
Nextel License Acquisition Corp.
Nextel License Holdings 1, Inc.
Nextel License Holdings 2, Inc.
Nextel License Holdings 3, Inc.

By: /s/ Greg D. Block

Name: Greg D. Block
Title: Vice President and Treasurer

GUARANTORS CONTINUED:

Nextel License Holdings 4, Inc.
Nextel of California, Inc.
Nextel of New York, Inc.
Nextel of Texas, Inc.
Nextel Operations, Inc.
Nextel Partners Equipment LLC
Nextel Partners of Upstate New York, Inc.
Nextel Partners Operating Corp.
Nextel Partners, Inc.
Nextel Retail Stores, LLC
Nextel South Corp.
Nextel Systems Corp.
Nextel Unrestricted Relocation Corp.
Nextel West Corp.
Nextel West Services, LLC
Nextel WIP Corp.
Nextel WIP Expansion Corp.
Nextel WIP Expansion Two Corp.
Nextel WIP Lease Corp.
Nextel WIP License Corp.
Northern PCS Services, LLC
NPCR, Inc.
NPFC, Inc.
PCS Leasing Co., L.P.
People's Choice TV Corp.
PhillieCo Partners I, L.P.
PhillieCo Partners II, L.P.
PhillieCo Sub, L.P.
PhillieCo, L.P.
Private Trans-Atlantic Telecommunications System (N.J.) Inc.
Private Transatlantic Telecommunications System, Inc.
San Francisco MDS, Inc.
SGV Corporation
SIHI New Zealand Holdco, Inc.
S-N GC GP, Inc.

By: /s/ Greg D. Block

Name: Greg D. Block
Title: Vice President and Treasurer

GUARANTORS CONTINUED:

S-N GC Holdco, LLC
S-N GC LP Holdco, Inc.
SN Holdings (BR I) LLC
SN UHC 1, Inc.
SN UHC 2, Inc.
SN UHC 3, Inc.
SN UHC 4, Inc.
SN UHC 5, Inc.
Southwest PCS Properties, LLC
Southwest PCS, L.P.
Sprint Asian American, Inc.
Sprint Capital Corporation
Sprint Communications Company L.P.
Sprint Communications Company of New Hampshire, Inc.
Sprint Communications Company of Virginia, Inc.
Sprint Corporation
Sprint Corporation (Inactive)
Sprint Credit General, Inc.
Sprint Credit Limited, Inc.
Sprint eBusiness, Inc.
Sprint Enterprise Mobility, Inc.
Sprint Enterprise Network Services, Inc.
Sprint Enterprises, L.P.
Sprint eWireless, Inc.
Sprint Global Venture, Inc.
Sprint Healthcare Systems, Inc.
Sprint HoldCo, LLC
Sprint International Communications Corporation
Sprint International Holding, Inc.
Sprint International Incorporated
Sprint International Network Company LLC
Sprint Iridium, Inc.
Sprint Licensing, Inc.
Sprint Mexico, Inc.
Sprint Nextel Aviation, Inc.
Sprint Nextel Holdings (ME) Corp.

By: /s/ Greg D. Block

Name: Greg D. Block
Title: Vice President and Treasurer

GUARANTORS CONTINUED:

Sprint PCS Assets, L.L.C.
Sprint PCS Canada Holdings, Inc.
Sprint PCS License, L.L.C.
Sprint Solutions, Inc.
Sprint Spectrum Equipment Company, L.P.
Sprint Spectrum Holding Company, L.P.
Sprint Spectrum L.P.
Sprint Spectrum Realty Company, L.P.
Sprint TELECENTERs Inc.
Sprint Telephony PCS, L.P.
Sprint Ventures, Inc.
Sprint Wavepath Holdings, Inc.
Sprint WBC of New York, Inc
Sprint/United Management Company
SprintCom ECP I, L.L.C.
SprintCom ECP II, L.L.C.
SprintCom Equipment Company L.P.
SprintCom, Inc
STE 14 Affiliate LLC
SWGP, L.L.C.
SWLP, L.L.C.
SWV Eight, Inc.
SWV Five, Inc.
SWV Four, Inc.
SWV One Telephony Partnership
SWV One, Inc.
SWV Seven, Inc.
SWV Six, Inc.
SWV Three Telephony Partnership
SWV Three, Inc.
SWV Two Telephony Partnership
SWV Two, Inc.
TDI Acquisition Corporation
Texas Telecommunications, LP
Texas Unwired
Tower Parent Corp.
Transworld Telecommunications, Inc.

By: /s/ Greg D. Block

Name: Greg D. Block
Title: Vice President and Treasurer

GUARANTORS CONTINUED:

UbiquiTel Inc.
UbiquiTel Leasing Company
UbiquiTel Operating Company
UCOM, Inc.
Unrestricted Extend America Investment Corp.
Unrestricted Subscriber Equipment Leasing Company, Inc.
Unrestricted Subsidiary Funding Company
Unrestricted UMTS Funding Company
US Telecom of New Hampshire, Inc.
US Telecom, Inc.
US Unwired Inc.
USST of Texas, Inc.
UT Transition Corporation
Utelcom, Inc.
Velocita Wireless Holding Corp.
Velocita Wireless Holding, LLC
Via/Net Companies
Virgin Mobile USA, Inc.
Virgin Mobile USA, L.P.
VMU GP, LLC
VMU GP1, LLC
Washington Oregon Wireless Properties, LLC
Washington Oregon Wireless, LLC
Wavepath Holdings, Inc.
Wireless Broadcasting Systems of America, Inc.
Wireless Cable of Florida, Inc.
Wireless Leasing Co., Inc.
WirelessCo, L.P.
Wireline Leasing Co., Inc.

By: /s/ Greg D. Block

Name: Greg D. Block
Title: Vice President and Treasurer

JPMORGAN CHASE BANK, N.A.,

as Administrative Agent, as Issuing Bank and as Lender

By: /s/ Tiny Ruyter

Name: Tiny Ruyter

Title: Executive Director

CITIBANK, N.A.,

as Issuing Bank and as Lender

By:

/s/ Maureen P. Maroney

Name: Maureen P. Maroney
Title: Vice President

BANK OF AMERICA, N.A.,

as Issuing Bank and as Lender

By: /s/ Christopher T. Ray

Name: Christopher T. Ray
Title: Director

BARCLAYS BANK PLC,

as Issuing Bank and as Lender

By:

/s/ Ronnie Glenn

Name: Ronnie Glenn

Title: Vice President

Credit Agricole Corporate and Investment Bank,

as Lender

By:

/s/ Tanya Grossley

Name: Tanya Crossley
Title: Managing Director

By:

/s/ Kestrina Budina

Name: Kestrina Budina
Title: Director

DEUTSCHE BANK AG NEY YORK BRANCH,

as Lender

By:

/s/ Virginia Cosenza

Name: Virginia Cosenza
Title: Vice President

By:

/s/ Ross Levitsky

Name: Ross Levitsky
Title: Managing Director

GOLDMAN SACHS BANK USA,

as Lender

By:

/s/ Mark Walton

Name: Mark Walton
Title: Authorized Signatory

Royal Bank of Canada,

as Lender

By:

/s/ Edward Valderrama

Name: Edward Valderrama
Title: Authorized Signatory

The Bank of Nova Scotia,

as Lender

By:

/s/ Thane Rattew

Name: Thane Rattew
Title: Managing Director

WELLS FARGO BANK, N.A.,

as Issuing Bank and as Lender

By:

/s/ Reginald M. Goldsmith III

Name: Reginald M. Goldsmith III

Title: Managing Director

Schedule 3.06

Disclosed Matters

1. Sprint Nextel has identified seven former manufactured gas plant sites in Nebraska, not currently owned or operated by it, that may have been owned or operated by entities acquired by Centel Corporation, formerly a subsidiary of Sprint Nextel and now a subsidiary of CenturyLink. Sprint Nextel and CenturyLink have agreed to share the environmental liabilities arising from these former manufactured gas plant sites. Three sites (Norfolk, Columbus and Beatrice) are part of ongoing settlement negotiations and are subject to administrative consent orders with the Environmental Protection Agency ("EPA"). The Norfolk site has had a remedy selected pursuant to an order with the EPA and a new order with the EPA is currently being negotiated. Centel has entered into agreements with other potentially responsible parties to share costs or allocate responsibilities in connection with five of the seven sites, including an agreement with Black Hills Energy pursuant to which Black Hills Energy has taken full responsibility for two sites (Blair and Plattsmouth) which have since been enrolled in the State of Nebraska's voluntary cleanup program. The two remaining sites have had no regulatory action by the EPA or the NDEQ. Sprint Nextel is working to assess the scope and nature of remaining potential responsibility, which is not expected to be material.

Schedule 3.12

Subsidiaries

Name	Jurisdiction and Type of Organization	Immediate Parent(s)	Guarantor?	Ownership Interest/Voting Rights of Immediate Parent (%)
Alamosa Holdings, Inc.	Delaware Corporation	Sprint Nextel Corporation	Yes	100
AirGate PCS, Inc.	Delaware Corporation	Alamosa Holdings, Inc.	Yes	100
AGW Leasing Company, Inc.	Delaware Corporation	AirGate PCS, Inc.	Yes	100
AirGate Service Company, Inc.	Delaware Corporation	AirGate PCS, Inc.	Yes	100
Alamosa PCS Holdings, Inc.	Delaware Corporation	Alamosa Holdings, Inc.	Yes	100
Alamosa (Delaware), Inc.	Delaware Corporation	Alamosa PCS Holdings, Inc.	Yes	100
Alamosa Holdings, LLC	Delaware Limited Liability Company	Alamosa (Delaware), Inc.	Yes	100
Alamosa PCS, Inc.	Delaware Corporation	Alamosa Holdings, LLC	Yes	100
Alamosa Wisconsin GP, LLC	Wisconsin Limited Liability Company	Alamosa PCS, Inc.	Yes	100
Alamosa (Wisconsin) Properties, LLC	Wisconsin Limited Liability Company	Alamosa Wisconsin Limited Partnership	Yes	100
Alamosa Limited, LLC	Delaware Limited Liability Company	Alamosa PCS, Inc.	Yes	100
Texas Telecommunications, LP	Texas Limited Partnership	Alamosa Limited, LLC/ Alamosa Delaware GP, LLC	Yes	99/1
Alamosa Properties, LP	Texas Limited Partnership	Texas Telecommunications, LP/ Alamosa Delaware GP, LLC	Yes	99/1
Alamosa Delaware GP, LLC	Delaware Limited Liability Company	Alamosa PCS, Inc.	Yes	100

Name	Jurisdiction and Type of Organization	Immediate Parent(s)	Guarantor?	Ownership Interest/Voting Rights of Immediate Parent (%)
Alamosa Wisconsin Limited Partnership	Wisconsin Limited Partnership	Alamosa PCS, Inc./ Alamosa Wisconsin GP, LLC	Yes	99/1
Alamosa Missouri, LLC	Missouri Limited Liability Company	Alamosa Holdings, LLC	Yes	100
Alamosa Missouri Properties, LLC	Missouri Limited Liability Company	Alamosa Missouri, LLC	Yes	100
Washington Oregon Wireless, LLC	Oregon Limited Liability Company	Alamosa Holdings, LLC	Yes	100
Washington Oregon Wireless Properties, LLC	Delaware Limited Liability Company	Washington Oregon Wireless, LLC	Yes	100
SWLP, L.L.C.	Oklahoma Limited Liability Company	Alamosa Holdings, LLC	Yes	100
Southwest PCS, L.P.	Oklahoma Limited Partnership	SWLP, L.L.C./SWGP, L.L.C.	Yes	99/1
Southwest PCS Properties, LLC	Delaware Limited Liability Company	Southwest PCS, L.P.	Yes	100
American Telecasting, Inc.	Delaware Corporation	Sprint Nextel Corporation	Yes	100
SN UHC 3, Inc.	Delaware Corporation	People's Choice TV Corp. [1]	Yes	54.55
Atlanta MDS Co., Inc.	Georgia Corporation	Sprint Nextel Corporation	Yes	100
SN UHC 2, Inc.	Delaware Corporation	Sprint WBC of New York, Inc. [2]	Yes	41.91
Caroline Ventures, Inc.	Delaware Corporation	Sprint Nextel Corporation	Yes	100
C FON Corporation	Delaware Corporation	Sprint Nextel Corporation	Yes	100

[1] American Telecasting, Inc. (29.06%)., People's Choice TV Corp. (54.55%), G & S Television Network, Inc. (1.38%), Sprint Wavepath Holdings, Inc. (3.34%), Transworld Telecommunications, Inc. (0.81%), Wavepath Holdings, Inc. (10.54%), Wireless Cable of Florida, Inc. (0.32%)

[2] Sprint WBC of New York, Inc. (41.91%), Atlanta MDS Co., Inc. (4.42%), Los Angeles MDS Company, Inc. (8.59%), New York MDS, Inc. (21.58%), San Francisco MDS, Inc. (4.18%), Via/Net Companies (19.32%)

Name	Jurisdiction and Type of Organization	Immediate Parent(s)	Guarantor?	Ownership Interest/Voting Rights of Immediate Parent (%)
Collie Acquisition Corp.	Delaware Corporation	Sprint Nextel Corporation	No	100
iPCS, Inc.	Delaware Corporation	Sprint Nextel Corporation	No	100
Bright PCS Holdings, Inc.	Delaware Corporation	iPCS, Inc.	No	100
Bright Personal Communications Services, LLC	Ohio Limited Liability Company	Bright PCS Holdings, Inc.	No	100
iPCS Wireless, Inc.	Delaware Corporation	iPCS, Inc.	No	100
iPCS Equipment, Inc.	Delaware Corporation	iPCS Wireless, Inc.	No	100
Horizon Personal Communications, Inc.	Ohio Corporation	iPCS, Inc.	No	100
IWO Holdings, Inc.	Delaware Corporation	Sprint Nextel Corporation	Yes	100
Independent Wireless One Corporation	Delaware Corporation	IWO Holdings, Inc.	Yes	100
Independent Wireless One Leased Realty Corporation	Delaware Corporation	Independent Wireless One Corporation	Yes	100
Los Angeles MDS Company, Inc.	California Corporation	Sprint Nextel Corporation	Yes	100
New York MDS, Inc.	Delaware Corporation	Sprint Nextel Corporation	Yes	100
Nextel Communications, Inc.	Delaware Corporation	Sprint Nextel Corporation	Yes	100
Dial Call Midwest, Inc.	Delaware Corporation	Nextel Communications, Inc.	Yes	100
NCI 900 Spectrum Holdings, Inc.	Delaware Corporation	Nextel Communications, Inc.	Yes	100
ACI 900, Inc.	Delaware Corporation	NCI 900 Spectrum Holdings, Inc.	Yes	100
Velocita Wireless Holding Corp.	Delaware Corporation	NCI 900 Spectrum Holdings, Inc.	Yes	100
Machine License Holding, LLC	Delaware Limited Liability Company	Velocita Wireless Holding Corp./ Velocita Wireless Holding, LLC	Yes	96.17/ 3.83

Name	Jurisdiction and Type of Organization	Immediate Parent(s)	Guarantor?	Ownership Interest/Voting Rights of Immediate Parent (%)
Velocita Wireless Holding, LLC	Delaware Limited Liability Company	Velocita Wireless Holding Corp.	Yes	100
Nextel Finance Company	Delaware Corporation	Nextel Communications, Inc.	Yes	100
FCI 900, Inc.	Delaware Corporation	Nextel Finance Company	Yes	100
Nextel of California, Inc.	Delaware Corporation	Nextel Finance Company	Yes	100
Boost Mobile, LLC	Delaware Limited Liability Company	Nextel of California, Inc.	Yes	100
Nextel Boost of California, LLC	Delaware Limited Liability Company	Nextel of California, Inc.	Yes	100
Nextel Communications of the Mid-Atlantic, Inc.	Delaware Corporation	Nextel Finance Company	Yes	100
Nextel Boost of the Mid-Atlantic, LLC	Delaware Limited Liability Company	Nextel Communications of the Mid-Atlantic, Inc.	Yes	100
Nextel License Acquisition Corp.	Delaware Corporation	Nextel Finance Company	Yes	100
Nextel of New York, Inc.	Delaware Corporation	Nextel Finance Company	Yes	100
Nextel Boost of New York, LLC	Delaware Limited Liability Company	Nextel of New York, Inc.	Yes	100
Nextel Operations, Inc.	Delaware Corporation	Nextel Finance Company	Yes	100
Nextel Retail Stores, LLC	Delaware Limited Liability Company	Nextel Operations, Inc.	Yes	100
Nextel South Corp.	Georgia Corporation	Nextel Finance Company	Yes	100
Nextel Boost South, LLC	Delaware Limited Liability Company	Nextel South Corp.	Yes	100
Nextel License Holdings 1, Inc.	Delaware Corporation	Nextel South Corp.	Yes	100
Nextel License Holdings 3, Inc.	Delaware Corporation	Nextel South Corp.	Yes	100
Nextel Systems Corp.	Delaware Corporation	Nextel Finance Company	Yes	100
Nextel of Texas, Inc.	Texas Corporation	Nextel Finance Company	Yes	100

Name	Jurisdiction and Type of Organization	Immediate Parent(s)	Guarantor?	Ownership Interest/Voting Rights of Immediate Parent (%)
Nextel Boost of Texas, LLC	Delaware Limited Liability Company	Nextel of Texas, Inc.	Yes	100
Nextel West Corp.	Delaware Corporation	Nextel Finance Company	Yes	100
Nextel Boost West, LLC	Delaware Limited Liability Company	Nextel West Corp.	Yes	100
Nextel West Services, LLC	Delaware Limited Liability Company	Nextel West Corp.	Yes	100
Nextel License Holdings 2, Inc.	Delaware Corporation	Nextel West Corp.	Yes	100
Nextel License Holdings 4, Inc.	Delaware Corporation	Nextel West Corp.	Yes	100
Nextel of Puerto Rico, Inc.	Puerto Rico Corporation	Nextel Finance Company	No	100
Nextel License Holdings 5, Inc.	Puerto Rico Corporation	Nextel of Puerto Rico, Inc.	No	100
Sprint Nextel Holdings (ME) Corp.	Delaware Corporation	Nextel Communications, Inc.	Yes	100
Tower Parent Corp.	Delaware Corporation	Nextel Communications, Inc.	Yes	100
Unrestricted Subsidiary Funding Company	Delaware Corporation	Nextel Communications, Inc.	Yes	100
Nextel 220 License Acquisition Corp.	Delaware Corporation	Unrestricted Subsidiary Funding Company	Yes	100
Nextel Broadband, Inc.	Delaware Corporation	Unrestricted Subsidiary Funding Company	Yes	100
Nextel Data Investments 1, Inc.	Delaware Corporation	Unrestricted Subsidiary Funding Company	Yes	100
Nextel Unrestricted Relocation Corp.	Delaware Corporation	Unrestricted Subsidiary Funding Company	Yes	100
Nextel 700 Guard Band Corp.	Delaware Corporation	Unrestricted Subsidiary Funding Company	Yes	100
SN UHC 1, Inc.	Delaware Corporation	Unrestricted Subsidiary Funding Company	Yes	100

Name	Jurisdiction and Type of Organization	Immediate Parent(s)	Guarantor?	Ownership Interest/Voting Rights of Immediate Parent (%)
Sprint HoldCo, LLC	Delaware Limited Liability Company	SN UHC 1, Inc. [3]	Yes	54.75
Unrestricted UMTS Funding Company	Delaware Corporation	Nextel Communications, Inc.	Yes	100
Domestic USF Corp.	Delaware Corporation	Nextel Communications, Inc.	Yes	100
Falcon Administration, L.L.C.	Washington Limited Liability Company	Domestic USF Corp.	Yes	100
Nextel WIP Corp.	Delaware Corporation	Domestic USF Corp.	Yes	100
Nextel Partners, Inc.	Delaware Corporation	Nextel WIP Corp.	Yes	100
Nextel Partners Operating Corp.	Delaware Corporation	Nextel Partners, Inc.	Yes	100
Nextel Partners of Upstate New York, Inc.	Delaware Corporation	Nextel Partners Operating Corp.	Yes	100
Nextel WIP Expansion Corp.	Delaware Corporation	Nextel Partners Operating Corp.	Yes	100
Nextel WIP Expansion Two Corp.	Delaware Corporation	Nextel Partners Operating Corp.	Yes	100
Nextel WIP Lease Corp.	Delaware Corporation	Nextel Partners Operating Corp.	Yes	100
Nextel WIP License Corp.	Delaware Corporation	Nextel Partners Operating Corp.	Yes	100
NPCR, Inc.	Delaware Corporation	Nextel Partners Operating Corp.	Yes	100
Nextel Partners Equipment LLC	Nevada Limited Liability Company	NPCR, Inc.	Yes	100
NPFC, Inc.	Nevada Corporation	Nextel Partners Operating Corp.	Yes	100
Nextel Boost Investment, Inc.	Delaware Corporation	Domestic USF Corp.	Yes	100

[3] SN UHC 1, Inc. (54.75%), SN UHC 3, Inc. (30.79%), SN UHC 2, Inc. (2.99%), SN UHC 4, Inc. (11.36%), SN UHC 5, Inc., (0.12%)

Name	Jurisdiction and Type of Organization	Immediate Parent(s)	Guarantor?	Ownership Interest/Voting Rights of Immediate Parent (%)
Boost Worldwide, Inc.	Delaware Corporation	Nextel Boost Investment, Inc.	Yes	100
NCI 700, Inc.	Delaware Corporation	Domestic USF Corp.	Yes	100
Sprint Nextel Aviation, Inc.	Delaware Corporation	Domestic USF Corp.	Yes	100
Unrestricted Extend America Investment Corp.	Delaware Corporation	Domestic USF Corp.	Yes	100
Unrestricted Subscriber Equipment Leasing Company, Inc.	Delaware Corporation	Domestic USF Corp.	Yes	100
People's Choice TV Corp.	Delaware Corporation	Sprint Nextel Corporation	Yes	100
G & S Television Network, Inc.	Michigan Corporation	People's Choice TV Corp.	Yes	100
Pin Drop Insurance, Ltd.	Bermuda limited company	Sprint Nextel Corporation	No	100
San Francisco MDS, Inc.	California Corporation	Sprint Nextel Corporation	Yes	100
S-N GC GP, Inc.	Delaware Corporation	Sprint Nextel Corporation	Yes	100
Gulf Coast Wireless Limited Partnership	Louisiana Limited Partnership	S-N GC HoldCo, LLC/ S-N GC GP, Inc.	Yes	98/2
S-N GC LP HoldCo, Inc.	Delaware Corporation	Sprint Nextel Corporation	Yes	100
S-N GC HoldCo, LLC	Delaware Limited Liability Company	S-N GC LP HoldCo, Inc./ S-N GC GP, Inc.	Yes	99/1
SPCS Caribe Inc.	Puerto Rico Corporation	Sprint Nextel Corporation	No	100
Sprint Asian American, Inc.	Kansas Corporation	Sprint Nextel Corporation	Yes	100
Sprint Capital Corporation	Delaware Corporation	Sprint Nextel Corporation	Yes	100
EQF Holdings, LLC	Delaware Limited Liability Company	Sprint Capital Corporation	Yes	100
SprintCom, Inc.	Kansas Corporation	Sprint Nextel Corporation	Yes	100
SprintCom ECP I, L.L.C.	Delaware Limited Liability Company	SprintCom, Inc.	Yes	100
Enterprise Communications Partnership	Georgia General Partnership	SprintCom ECP I, L.L.C./ SprintCom ECP II, L.L.C.	Yes	50/50

Name	Jurisdiction and Type of Organization	Immediate Parent(s)	Guarantor?	Ownership Interest/Voting Rights of Immediate Parent (%)
SprintCom ECP II, L.L.C.	Delaware Limited Liability Company	SprintCom, Inc.	Yes	100
STE 14 Affiliate LLC	Delaware Limited Liability Company	SprintCom, Inc./ SprintCom Equipment Company L.P.	Yes	85/15
Sprint Corporation	Kansas Corporation	Sprint Nextel Corporation	Yes	100
Sprint Corporation (Inactive)	Missouri Corporation	Sprint Nextel Corporation	Yes	100
Sprint Credit General, Inc.	Kansas Corporation	Sprint Nextel Corporation	Yes	100
Sprint Credit Limited, Inc.	Kansas Corporation	Sprint Nextel Corporation	Yes	100
Sprint eBusiness, Inc.	Kansas Corporation	Sprint Nextel Corporation	Yes	100
Sprint Enterprise Mobility, Inc.	Delaware Corporation	Sprint Nextel Corporation	Yes	100
Sprint Enterprise Network Services, Inc.	Kansas Corporation	Sprint Nextel Corporation	Yes	100
Sprint eWireless, Inc.	Kansas Corporation	Sprint Nextel Corporation	Yes	100
Sprint Healthcare Systems, Inc.	Kansas Corporation	Sprint Nextel Corporation	Yes	100
Sprint International Holding, Inc.	Kansas Corporation	Sprint Nextel Corporation	Yes	100
SIHI Mexico S. de R.L. de C.V.	Mexican limited liability company	Sprint International Holding, Inc./ Sprint International Incorporated	No	99.9/0.1
SIHI New Zealand Holdco, Inc.	Kansas Corporation	Sprint International Holding, Inc.	Yes	100
Sprint International New Zealand	New Zealand unlimited liability company	SIHI New Zealand Holdco, Inc.	No	100
SIHI Scandinavia AB	Sweden limited liability company	Sprint International Holding, Inc.	No	100
Sprint Brasil Servicos de Telecomunicacoes Ltda.	Brazil limited liability company	Sprint International do Brasil Ltda./ Sprint International Holding, Inc.	No	>99.9/<. 01

Name	Jurisdiction and Type of Organization	Immediate Parent(s)	Guarantor?	Ownership Interest/Voting Rights of Immediate Parent (%)
Sprint Hong Kong Limited	Hong Kong private limited company	Sprint International Holding, Inc./ Sprint International Incorporated	No	50/50
Sprint International Argentina SRL	Argentina private limited company	Sprint International Holding, Inc./ Sprint International Incorporated	No	90/10
Sprint International Australia Pty. Limited	Australia limited company	Sprint International Holding, Inc.	No	100
Sprint International Austria GmbH	Austria limited liability company	Sprint International Holding, Inc.	No	100
Sprint International Chile Limitada	Chile limited liability partnership	Sprint International Holding, Inc./ Sprint International Incorporated	No	99.9/0.1
Sprint International Colombia Ltda.	Colombia limited liability company	Sprint International Holding, Inc./ Sprint International Incorporated	No	> 99.9/<0.1
Sprint International Communications Canada ULC	Nova Scotia Unlimited Liability Company	Sprint International Holding, Inc.	No	100
Sprint International Communications Singapore Pte. Ltd.	Singapore private limited company	Sprint International Holding, Inc.	No	100
Sprint International do Brasil Ltda.	Brazil limited liability company	Sprint International Holding, Inc./ Sprint International Incorporated	No	50/50
Sprint International Holding, Inc. – Japanese Branch Office	Japan (foreign JBO)	Sprint International Holding, Inc.	No	100
Sprint International Holding, Inc. – Shanghai Representative Office	China (foreign SRO)	Sprint International Holding, Inc.	No	100

Name	Jurisdiction and Type of Organization	Immediate Parent(s)	Guarantor?	Ownership Interest/Voting Rights of Immediate Parent (%)
Sprint International Japan Corp.	Japan corporation	Sprint International Holding, Inc.	No	100
Sprint International Korea	Korea limited liability company	Sprint International Holding, Inc.	No	100
Sprint International Norway AS	Norway private limited liability company	Sprint International Holding, Inc.	No	100
Sprint International Spain, S.L.	Spain limited liability company	Sprint International Holding, Inc./ Sprint International Incorporated	No	98/2
Sprint International Taiwan Limited	Taiwan private limited company	Sprint International Holding, Inc.	No	100
Sprint International Venezuela, S.R.L.	Venezuela limited liability company	Sprint International Holding, Inc.	No	100
Sprint Telecom India Private Limited	India Joint Venture	Sprint International Holding, Inc.	No	74
SprintLink Belgium BVBA	Belgium private limited liability company	Sprint International Holding, Inc./ Sprint International Incorporated	No	99.96/.04
SprintLink Denmark ApS	Denmark private limited liability company	Sprint International Holding, Inc.	No	100
SprintLink France SAS	France limited liability company	Sprint International Holding, Inc.	No	100
SprintLink Germany GmbH	Germany limited liability company	Sprint International Holding, Inc.	No	100
Sprintlink India Private Limited	India private limited liability company	Sprint International Holding, Inc./ Sprint International Incorporated	No	> 99.99/<.01

Name	Jurisdiction and Type of Organization	Immediate Parent(s)	Guarantor?	Ownership Interest/Voting Rights of Immediate Parent (%)
SprintLink International Philippines, Inc.	Philippines Corporation	Sprint International Holding, Inc	No	100
SprintLink International (Switzerland) GmbH	Switzerland limited liability company	Sprint International Holding, Inc./ Sprint International Incorporated	No	95/5
SprintLink Ireland Limited	Ireland limited company	Sprint International Holding, Inc.	No	100
SprintLink Italy S.r.l.	Italy limited liability company	Sprint International Holding, Inc./ Sprint International Incorporated	No	99/1
SprintLink Netherlands B.V.	Netherlands private limited liability company	Sprint International Holding, Inc.	No	100
Sprintlink Poland sp.z o.o	Poland limited liability company	Sprint International Holding, Inc.	No	99/1
SprintLink UK Limited	United Kingdom limited company	Sprint International Holding, Inc.	No	100
Sprint Mexico, Inc.	Kansas Corporation	Sprint Nextel Corporation	Yes	100
Sprint PCS Canada Holdings, Inc.	Kansas Corporation	Sprint Nextel Corporation	Yes	100
Sprint Solutions, Inc.	Delaware Corporation	Sprint Nextel Corporation	Yes	100
Sprint TELECENTERs, Inc.	Florida Corporation	Sprint Nextel Corporation	Yes	100
Sprint/United Management Company	Kansas Corporation	Sprint Nextel Corporation	Yes	100
Sprint Ventures, Inc.	Kansas Corporation	Sprint Nextel Corporation	Yes	100
Virgin Mobile USA, L.P.	Delaware Limited Partnership	Bluebottle USA Holdings L.P. [4]	Yes	52.6459
Sprint Wavepath Holdings, Inc.	Delaware Corporation	Sprint Nextel Corporation	Yes	100

[4] Bluebottle USA Holdings L.P. (52.6459%), Virgin Mobile USA, Inc.. (30.7028%), Sprint Ventures, Inc. (16.6508%), VMU GP1, LLC (.0005%) - each economic interest; VMU GP1 (100% voting interest)

Name	Jurisdiction and Type of Organization	Immediate Parent(s)	Guarantor?	Ownership Interest/Voting Rights of Immediate Parent (%)
Wavepath Holdings, Inc.	Delaware Corporation	Sprint Wavepath Holdings, Inc./ Transworld Telecommunications, Inc.	Yes	62.5/37.5
Sprint WBC of New York, Inc.	Delaware Corporation	Sprint Nextel Corporation	Yes	100
SWV Eight, Inc.	Delaware Corporation	Sprint Nextel Corporation	Yes	100
SWV Three Telephony Partnership	Delaware General Partnership	SWV Seven, Inc./SWV Eight, Inc.	Yes	78/22
Sprint Telephony PCS, L.P.	Delaware Limited Partnership	Sprint Spectrum Holding Company, L.P /SWV Three Telephony Partnership	Yes	59.2/40.8
Sprint PCS License, L.L.C.	Delaware LLC	Sprint Telephony PCS, L.P.	Yes	100
PCS Leasing Co., L.P.	Delaware Limited Partnership	Sprint Telephony PCS, L.P./ Sprint Spectrum Holding Company, L.P.	Yes	51/49
SWV Five, Inc.	Delaware Corporation	Sprint Nextel Corporation	Yes	100
PhillieCo Partners I, L.P.	Delaware Limited Partnership	Sprint Enterprises, L.P.	Yes	47.1
PhillieCo Sub, L.P.	Delaware Limited Partnership	PhillieCo Partners I, L.P./ PhillieCo Partners II, L.P.	Yes	99/1
PhillieCo, L.P.	Delaware Limited Partnership	PhillieCo Partners I, L.P./ PhillieCo Partners II, L.P.	Yes	99/1
PhillieCo Equipment & Realty Company, L.P.	Delaware Limited Partnership	PhillieCo Partners I, L.P./ PhillieCo Partners II, L.P.	Yes	99/1
PhillieCo Partners II, L.P.	Delaware Limited Partnership	Sprint Enterprises, L.P.	Yes	47.1
SWV Four, Inc.	Delaware Corporation	Sprint Nextel Corporation	Yes	100
SWV Two Telephony Partnership	Delaware General Partnership	SWV Four, Inc./ SWV Three, Inc.	Yes	99/1
MinorCo, L.P.	Delaware Limited Partnership	Sprint Enterprises, L.P.	Yes	40

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[5] Sprint Enterprises, L.P. (47.1%), SWV Five, Inc. (35.3%), SWV Four, Inc. (17.6%)
[6] Sprint Enterprises, L.P. (47.1%), SWV Five, Inc. (35.3%), SWV Four, Inc. (17.6%)
[7] SWV One Telephony Partnership (15%), SWV Two Telephony Partnership (15%), SWV Six, Inc. (30%), Sprint Enterprises, L.P. (40%)

Name	Jurisdiction and Type of Organization	Immediate Parent(s)	Guarantor?	Ownership Interest/Voting Rights of Immediate Parent (%)
American PCS Communications, LLC	Delaware Limited Liability Company	American PCS, L.P./ American Personal Communications Holdings, Inc.	Yes	> 99/<1
APC PCS, LLC	Delaware Limited Liability Company	American PCS Communications, LLC/ American Personal Communications Holdings, Inc.	Yes	> 99/<1
APC Realty and Equipment Company, LLC	Delaware Limited Liability Company	American PCS Communications, LLC/ American Personal Communications Holdings, Inc.	Yes	> 99/<1
American Personal Communications Holdings, Inc.	Delaware Corporation	American PCS, L.P.	Yes	100
Sprint Spectrum Equipment Company, L.P.	Delaware Limited Partnership	Sprint Spectrum L.P./MinorCo, L.P.	Yes	> 99/<1
Sprint Spectrum L.P.	Delaware Limited Partnership	Sprint Spectrum Holding Company, L.P./MinorCo, L.P.	Yes	> 99/<1
Northern PCS Services, LLC	Minnesota Limited Liability Company	Sprint Spectrum L.P.	Yes	100
Sprint Spectrum Realty Company, L.P.	Delaware Limited Partnership	Sprint Spectrum L.P./ MinorCo, L.P.	Yes	> 99/<1
WirelessCo, L.P.	Delaware Limited Partnership	Sprint Spectrum L.P./ MinorCo, L.P.	Yes	> 99/<1

Name	Jurisdiction and Type of Organization	Immediate Parent(s)	Guarantor?	Ownership Interest/Voting Rights of Immediate Parent (%)
American PCS, L.P.	Delaware Limited Partnership	Sprint Spectrum Holding Company, L.P./MinorCo, L.P.	Yes	> 99/<1
Wireless Leasing Co., Inc.	Delaware Corporation	SWV Six, Inc. [8]	Yes	30
SWV One, Inc.	Delaware Corporation	Sprint Nextel Corporation	Yes	100
SWV One Telephony Partnership (see SWV Two, Inc.)	Delaware General Partnership	SWV Two, Inc./SWV One, Inc.	Yes	99/1
SWV Seven, Inc.	Delaware Corporation	Sprint Nextel Corporation	Yes	100
SWV Six, Inc.	Colorado Corporation	Sprint Nextel Corporation	Yes	100
SWV Three, Inc.	Delaware Corporation	Sprint Nextel Corporation	Yes	100
SWV Two, Inc.	Delaware Corporation	Sprint Nextel Corporation	Yes	100
TDI Acquisition Corporation	Delaware Corporation	Sprint Nextel Corporation	Yes	100
SN UHC 4, Inc. (see SN UHC 4, Inc. subs below; see endnote)	Delaware Corporation	TDI Acquisition Corporation/ Wireless Broadcasting Systems of America, Inc.	Yes	95.04/4.96
Wireless Broadcasting Systems of America, Inc.	Delaware Corporation	TDI Acquisition Corporation	Yes	100
Transworld Telecommunications, Inc.	Pennsylvania Corporation	Sprint Nextel Corporation	Yes	100
UbiquiTel Inc .	Delaware Corporation	Sprint Nextel Corporation	Yes	100
UbiquiTel Operating Company	Delaware Corporation	UbiquiTel Inc .	Yes	100
UbiquiTel Leasing Company	Delaware Corporation	UbiquiTel Operating Company	Yes	100
UCOM, Inc.	Missouri Corporation	Sprint Nextel Corporation	Yes	100

[8] SWV Four, Inc. (14.85%), SWV One, Inc. (0.15%), SWV Six, Inc. (30%), SWV Three, Inc. (0.15%), SWV Two, Inc. (14.85%), UCOM, Inc. (19.60%), US Telecom, Inc. (20.40%)

SN UHC 5, Inc.	Delaware Corporation	US Telecom, Inc. [9]	Yes	58.98
Sprint Communications Company L.P.	Delaware Limited Partnership	US Telecom, Inc. [10]	Yes	58.98
Sprint Communications Company of New Hampshire, Inc.	New Hampshire Corporation	Sprint Communications Company L.P.	Yes	100
Sprint Communications Company of Virginia, Inc.	Virginia Corporation	Sprint Communications Company L.P.	Yes	100
Sprint Licensing, Inc.	Kansas Corporation	Sprint Communications Company L.P.	Yes	100
USST of Texas, Inc.	Texas Corporation	Sprint Communications Company L.P.	Yes	100
SprintCom Equipment Company L.P.	Delaware Limited Partnership	US Telecom, Inc./UbiquiTel Inc .	Yes	51/49
Sprint Enterprises, L.P.	Delaware Limited Partnership	US Telecom, Inc./UbiquiTel Inc .	Yes	51.01/48.99
Sprint Spectrum Holding Company, L.P.	Delaware Limited Partnership	Sprint Enterprises, L.P. [11]	Yes	40
Wireline Leasing Co., Inc. (see US Telecom, Inc.)	Delaware Corporation	US Telecom, Inc. [12]	Yes	58.98
SGV Corporation	Kansas Corporation	Sprint Global Venture, Inc.	Yes	100
US Telecom, Inc.	Kansas Corporation	Sprint Nextel Corporation	Yes	100
ASC Telecom, Inc.	Kansas Corporation	US Telecom, Inc.	Yes	100
LCF, Inc.	California Corporation	US Telecom, Inc.	Yes	100
Sprint Iridium, Inc.	Kansas Corporation	US Telecom, Inc.	Yes	100

[9] UCOM, Inc. (34.14%), US Telecom, Inc. (58.98%), Sprint International Communications Corporation (1.94%), Utelcom, Inc. (4.94%)
[10] UCOM, Inc. (34.14%), US Telecom, Inc. (58.98%), Sprint International Communications Corporation (1.94%), Utelcom, Inc. (4.94%)
[11] Sprint Enterprises, L.P. (40%), SWV Six, Inc. (30%), SWV One Telephony Partnership (15%), SWV Two Telephony Partnership (15%)
[12] UbiquiTel Inc. (34.14%), US Telecom, Inc. (58.98%), Sprint International Communications Corporation (1.94%), Utelcom, Inc. (4.94%)

United Telecommunications, Inc.	Delaware Corporation	US Telecom, Inc.	Yes	100
US Telecom of New Hampshire, Inc.	New Hampshire Corporation	US Telecom, Inc.	Yes	100
US Unwired Inc.	Louisiana Corporation	Sprint Nextel Corporation	Yes	100
Louisiana Unwired, LLC	Louisiana Limited Liability Company	US Unwired Inc.	Yes	100
Georgia PCS Management, L.L.C.	Georgia Limited Liability Company	Louisiana Unwired, LLC	Yes	100
Georgia PCS Leasing, LLC	Georgia Limited Liability Company	Georgia PCS Management, L.L.C.	Yes	100
Texas Unwired (see US Unwired Inc.)	Louisiana General Part	Louisiana Unwired, LLC/ US Unwired Inc.	Yes	80/20
UT Transition Corporation (Inactive)	Delaware Corporation	Sprint Nextel Corporation	Yes	100
Utelcom, Inc.	Kansas Corporation	Sprint Nextel Corporation	Yes	100
Private TransAtlantic Telecommunications System, Inc.	Delaware Corporation	Utelcom, Inc.	Yes	100
Private Trans-Atlantic Telecommunications System (N.J.) Inc.	New Jersey Corporation	Private TransAtlantic Telecommunications System, Inc.	Yes	100
Sprint International Incorporated	Delaware Corporation	Utelcom, Inc.	Yes	100
Sprint Global Venture, Inc. (see UCOM, Inc.)	Kansas Corporation	Sprint International Incorporated	Yes	86
Sprint International Caribe, Inc.	Puerto Rico corporation	Sprint International Incorporated	No	100

[13] Sprint International Incorporated (86%), Sprint International Communications Corporation (13%), UCOM, Inc., US Telecom, Inc. and Utelcom, Inc. (<1%)

Sprint International Communications Corporation	Delaware Corporation	Sprint International Incorporated	Yes	100
Sprint International Network Company LLC	Delaware Limited Liability Company	Sprint International Communications Corporation	Yes	100
Sprint International Incorporated – Beijing Representative Office	China (foreign BRO)	Sprint International Incorporated	No	100
Via/Net Companies	Nevada Corporation	Sprint Nextel Corporation	Yes	100

Virgin Mobile USA, Inc.	Delaware Corporation	Sprint Nextel Corporation	Yes	100
VMU GP, LLC	Delaware Limited Liability Company	Virgin Mobile USA, Inc.	Yes	100
Bluebottle USA Investments L.P.	Delaware Limited Partnership	Virgin Mobile USA, Inc. [14]	Yes	99.999
Bluebottle USA Holdings L.P.	Delaware Limited Partnership	Bluebottle USA Investments L.P. [15]	Yes	99.470
VMU GP1, LLC	Delaware Limited Liability Company	Bluebottle USA Holdings L.P.	Yes	100
Assurance Wireless of South Carolina, LLC	Delaware Limited Liability Company	Virgin Mobile USA, L.P.	Yes	100
Helio LLC	Delaware Limited Liability Company	Virgin Mobile USA, L.P.	Yes	100
Wireless Cable of Florida, Inc.	Florida Corporation	Sprint Nextel Corporation	Yes	100
SWGP, L.L.C.	Oklahoma Limited Liability Company	Alamosa Holdings, LLC	Yes	100

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[14] Virgin Mobile USA, Inc. (99.999%), VMU GP, LLC (.001%) - economic interests; VMU GP, LLC (100% voting interest)
[15] Bluebottle USA Investments L.P. (99.470%), Virgin Mobile USA, Inc. (0.53%) - economic interests; Bluebottle USA Investments L.P. (100% voting interest)

SN Holdings (BR I) LLC	Delaware Limited Liability Company	Sprint International Holding, Inc.	Yes	100
Sprint PCS Assets, L.L.C.	Delaware Limited Liability Company	Sprint Telephony PCS, L.P.	Yes	100
STC One LLC	Delaware Limited Liability Company	Sprint PCS Assets, L.L.C.	No	100
STC Two LLC	Delaware Limited Liability Company	SprintCom, Inc./Sprintcom Equipment CompanyL.P.	No	75/25
STC Three LLC	Delaware Limited Liability Company	APC Realty and Equipment Company, LLC	No	100
STC Four LLC	Delaware Limited Liability Company	PhillieCo, L.P.	No	100
STC Five LLC	Delaware Limited Liability Company	Sprint Spectrum Equipment Company, L.P.	No	100
STC Six Company	Delaware Statutory Trust	STC Five LLC	No	100

Schedule 6.01

Existing Subsidiary Indebtedness as of the Effective Date

Obligor	Description	Maturity	Amount ($ Millions)
Subsidiary Guarantors	Guarantee of Sprint Nextel Corporation 9.000% Notes	11/15/2018	3,000
Subsidiary Guarantors	Guarantee of Sprint Nextel Corporation 7.000% Notes	3/1/2020	1,000
Sprint Capital Corporation	6.900% Senior Notes	5/1/2019	1,729
Sprint Capital Corporation	6.875% Senior Notes	11/15/2028	2,475
Sprint Capital Corporation	8.750% Senior Notes	3/15/2032	2,000
iPCS, Inc.	First Lien Sr. Secured Fl. R. Notes	5/1/2013	300
iPCS, Inc.	Second Lien Sr. Secured Fl. R. Notes	5/1/2014	181
Various Subsidiaries	EKN Secured Equipment Facility	3/30/2017	429
Various Subsidiaries	Capital Leases and Other		72
Various Subsidiaries	Accounting Adjustments (Premiums, Discounts, Etc.)		(27)
	Total Existing Subsidiary Indebtedness:		**$11,159**
Various Subsidiaries	Tower Financing Obligation	1/15/2030	697
Various Subsidiaries	Tower Transaction Leases - Deferred Rental Income		745

Schedule 6.02

Existing Liens as of the Effective Date

Description	Maturity	Amount ($ Millions)
EKN Secured Equipment Facility	3/30/2017	429
Capital Leases		71
Mortgage (UbiquiTel)		1
Tower Financing Obligation	1/15/2030	697
iPCS, Inc. First Lien Sr. Secured Fl. R. Notes	5/1/2013	300
iPCS, Inc. Second Lien Sr. Secured Fl. R. Notes	5/1/2014	181
Total Existing Liens:		**$1,679**

EXHIBIT A

[Form of Assignment and Assumption]

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the " Assignment and Assumption ") is dated as of the Effective Date set forth below and is entered into by and between [Insert name of Assignor] (the " Assignor ") and [Insert name of Assignee] (the " Assignee "). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (the " Credit Agreement "), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit and guarantees included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the " Assigned Interest "). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____

2. Assignee: _____
[and is an Affiliate/Approved Fund of [identify Lender] [1]]

3. Borrower: Sprint Nextel Corporation

4. Administrative Agent: JPMorgan Chase Bank, N.A., as the administrative agent under the Credit Agreement

5. Credit Agreement: The Credit Agreement dated as of February [28], 2013 among Sprint Nextel Corporation, the Lenders parties thereto and JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders, and the other agents parties thereto

[1] Select as applicable.

6. Assigned Interest:

Facility Assigned	Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned [2]	Percentage Assigned of Commitment/Loans [3]	CUSIP Number (if any)
Revolving Credit Commitment	$	$	%	
Term Loan	$	$	%	

[7. Trade Date: _____] [4]

Effective Date: _____ __, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

[2] Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and Effective Date.
[3] Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.
[4] To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

Assignment and Assumption

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By:

Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By:

Title:

Consented to and Accepted:

JPMORGAN CHASE BANK, N.A. as
Administrative Agent

By:

Title:

Consented to:

SPRINT NEXTEL CORPORATION,
as Borrower

By:

_____

Title:

[Add consents of Issuing Banks, if applicable]

ANNEX 1 to Assignment and Assumption

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties .

1.1 Assignor . The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made by any Obligor in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee . The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements, if any, to be an Assignee eligible under the Credit Agreement to acquire the Assigned Interest (subject to receipt of such consents as may be required under the Credit Agreement), (iii) it is not a Defaulting Lender, (iv) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (v) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements of Sprint Nextel Corporation delivered thereunder, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (vi) if it is a Lender, attached to the Assignment and Assumption is properly completed and executed documentation prescribed by applicable law as will permit payments to be made under the Credit Agreement without withholding or at a reduced rate; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments . From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions . This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and

Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

Assignment and Assumption

EXHIBIT B

[Form of Joinder Agreement]

JOINDER AGREEMENT

JOINDER AGREEMENT (this "Agreement") dated as of _____ __, ____ by [NAME OF SUBSIDIARY], a _____ [corporation/limited liability company/ partnership] (the " Additional Guarantor "), in favor of JPMORGAN CHASE BANK, N.A., as administrative agent under the Credit Agreement referred to below (in such capacity, together with its successors in such capacity, the " Administrative Agent ").

Sprint Nextel Corporation (" Sprint Nextel "), the Subsidiary Guarantors and Lenders parties thereto and JPMorgan Chase Bank, N.A., as Administrative Agent, are parties to a Credit Agreement dated as of February [28], 2013 (as amended, supplemented or otherwise modified and in effect from time to time, the " Credit Agreement ").

As contemplated by Section 5.09 of the Credit Agreement, to induce the Lenders to enter into the Credit Agreement, and to extend credit thereunder, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Additional Guarantor has agreed to become a party to the Credit agreement as a "Subsidiary Guarantor" thereunder and to guarantee the Obligations.

Accordingly, the parties hereto agree as follows:

Section 1. Definitions . Except as otherwise defined in this Agreement, terms defined in the Credit Agreement are used herein as defined therein.

Section 2. Joinder . As of the date hereof, the Additional Guarantor hereby agrees that it shall become a "Subsidiary Guarantor" under and for all purposes of the Credit Agreement and will be bound by all terms, conditions and duties applicable to a Subsidiary Guarantor under the Credit Agreement and the other Loan Documents, and without limiting the generality of the foregoing and in furtherance thereof, the Additional Guarantor hereby:

(a) unconditionally jointly and severally with the other Subsidiary Guarantors guarantees, as primary obligor and not merely as surety, to each of the Guarantied 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 all Obligations in the same manner and to the same extent as is provided in Section 9.14 of the Credit Agreement; and

(b) agrees to be bound by all covenants, agreements and obligations of a Subsidiary Guarantor pursuant to the Credit Agreement and all other Loan Documents to which it is or becomes a party.

Section 3. Representations and Warranties . Sprint Nextel hereby represents and warrants to the Lenders and the Administrative Agent that the representations and warranties set forth in Article III of the Credit Agreement are true and correct on the date hereof with respect to the Additional Guarantor and obligations of the Additional Guarantor under this Agreement, as if each reference in such Article to the Loan Documents included reference to this Agreement.

Section 4. Miscellaneous . This Agreement shall constitute a "Loan Document" for all purposes of the Credit Agreement and the other Loan Documents. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart. Delivery of a counterpart by electronic transmission shall be effective as delivery of a manually executed counterpart hereof. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

Joinder Agreement

IN WITNESS WHEREOF, Sprint Nextel and the Additional Guarantor have caused this Joinder Agreement to be duly executed and delivered as of the day and year first above written.

[NAME OF SUBSIDIARY]

By:

_____

Name:
Title:

SPRINT NEXTEL CORPORATION

By:

_____

Name:
Title:

Accepted and agreed by:

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By:

Name:
Title:

Joinder Agreement

EXHIBIT C

[Form of Subordination Agreement]

SUBORDINATION AGREEMENT

SUBORDINATION AGREEMENT dated as of February [28], 2013 among SPRINT NEXTEL CORPORATION (" Sprint Nextel ") (the " Borrower ") and each entity listed under "SUBSIDIARIES" on the signature pages hereto.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Definitions.

1.01. Defined Terms . Capitalized terms used but not otherwise defined herein have the meanings given to them in the Credit Agreement dated as of February [28], 2013 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among the Borrower, the Subsidiary Guarantors parties thereto, the Lenders parties thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, together with its successors in such capacity, the "Administrative Agent"). In addition, the following terms shall have the following meanings:

" Obligor " has the meaning assigned to that term in the Credit Agreement.

" Senior Default " means a "Default" as pursuant to clause (a), (b), (g), (h), (i) (j) or (k) of Article VII of the Credit Agreement or an "Event of Default" pursuant to clause (c), (d), (e), (f), (1) or (m) of Article VII of the Credit Agreement.

" Senior Obligations " means all principal, premium, interest, fees, expenses and other obligations of the Obligors outstanding and owed from time to time to the Guaranteed Parties under the Credit Agreement and the other Loan Documents, including without limitation any interest accruing after the commencement of the proceedings referred to in Section 2.02 below, whether or not such interest is an allowed claim in such proceeding.

" Sprint Party " means each party to this Agreement from time to time (excluding, for the avoidance of doubt, the Administrative Agent, which is an express third party beneficiary of this Agreement).

" Sprint Party Representative " means the Borrower, in its capacity as Sprint Party Representative pursuant to Section 1.03.

" Subordinated Creditor " has the meaning assigned to such term in Section 2.01.

" Subordinated Indebtedness " has the meaning assigned to such term in Section 2.01.

" Subordinated Loan Documents " has the meaning assigned to such term in Section 2.01.

" Subordination Terms " has the meaning assigned to such term in Section 2.01.

1.02. 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, (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 Sections and Exhibits shall be construed to refer to Sections of, and Exhibits 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.

1.03. Appointment of the Borrower as Sprint Party Representative . For purposes of this Agreement, each Sprint Party (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 for the benefit of such Sprint Party and (ii) authorizes the Administrative Agent and each Lender to treat such requests, notices, certificates or consents made, given or furnished by the Borrower to have been made, given or furnished by the applicable Sprint Party for purposes of this Agreement. 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 Sprint Party Representative pursuant to the provisions of this Agreement as being made, given or furnished on behalf of, and with the effect of irrevocably binding, such Sprint Party. Each warranty, covenant, agreement and undertaking made on its behalf by the Sprint Party Representative shall be deemed for all purposes to have been made by each Sprint Party and shall be binding upon and enforceable against each Sprint Party to the same extent as if the same had been made directly by each Sprint Party.

Section 2. Subordination Terms . The Sprint Parties hereby agree as follows:

2.01. Subordination . All principal, premium (if any), interest, fees, expenses and other indebtedness or obligations of any Obligor outstanding and owed from time to time to any Sprint Party (collectively, "Subordinated Indebtedness"), as the documentation evidencing such Subordinated Indebtedness shall from time to time be successively amended, extended, renewed, increased, modified, restated, supplemented or refinanced (the "Subordinated Loan Documents") is subordinated and subject in right of payment to the Senior Obligations, such that the holders of the Senior Obligations shall be entitled to receive payment in full in cash of the amounts constituting the Senior Obligations before any holder from time to time of Subordinated Indebtedness (together with its successors, transferees and assigns, each a "Subordinated Creditor") is entitled to receive any payment on account of the Subordinated Indebtedness and, in that connection, unless and until the principal of, premium, and interest on, and all other amounts in respect of, all Senior Obligations shall have been paid in full in cash:

(a) no payment on account of the principal of, premium or interest on, or any other amount in respect of, this Agreement, any Subordinated Loan Document or any judgment with respect hereto or thereto (and no payment on account of the purchase or redemption or other acquisition in respect of the Subordinated Indebtedness) shall be made by or on behalf of the Obligor; and

(b) no Subordinated Creditor shall (i) ask, demand, sue for, accelerate or take or receive from any Obligor, by set-off or in any other manner, any payment on account of the principal of, premium or interest on, or any other amount in respect of, this Agreement or the

Subordinated Loan Documents or (ii) seek any other remedy allowed at law or in equity against any Obligor for breach of such Obligor's obligations hereunder or thereunder;

provided that, notwithstanding anything to the contrary set forth in the provisions of this Section 2.01 (these " Subordination Terms "), so

long as no Senior Default has occurred and is continuing the Obligors may make, and each Subordinated Creditor shall be entitled to receive and retain from time to time, payments of Subordinated Indebtedness to the extent permitted under Section 6.07 of the Credit Agreement.

2.02. Actions upon Dissolution . In the event of any dissolution or winding up or total or partial liquidation or reorganization of any Obligor, whether voluntary or involuntary or in bankruptcy, insolvency, receivership or other proceedings, then upon any payment or distribution of assets of any Obligor of any kind or character, whether in cash, property or securities, to any of its creditors (including without limitation a Subordinated Creditor) of any amounts (including without limitation interest, indemnities and fees) due or to become due, all Senior Obligations shall first be paid in full in cash before the holders of the Subordinated Indebtedness shall be entitled to retain any assets so paid or distributed in respect of the Subordinated Indebtedness (for principal, premium, interest or otherwise) and, to that end, the holders of the Senior Obligations shall be entitled to receive for application in payment thereof any payment or distribution of any kind or character, whether in cash or property or securities that would, but for these Subordination Terms, be paid or delivered to a Subordinated Creditor. If a Subordinated Creditor shall have failed to file claims or proofs of claim with respect to the Subordinated Indebtedness at least 30 days prior to the deadline for any such filing, the Administrative Agent (on behalf of the Lenders) is hereby irrevocably authorized to vote and file proofs of claim and otherwise to act with respect to the Subordinated Indebtedness as the Administrative Agent may deem appropriate in its reasonable discretion. Each Subordinated Creditor shall provide to the Administrative Agent (on behalf of the Lenders) all information and documents necessary to present claims or seek enforcement as aforesaid and will duly and promptly take such action as the Administrative Agent (on behalf of the Lenders) may request to collect the Subordinated Indebtedness for the account of the Administrative Agent (on behalf of the Lenders) and to file appropriate claims or proofs of claim with respect thereto. If the Administrative Agent (on behalf of the Lenders) does not exercise its right to vote the Subordinated Indebtedness or otherwise act in any such reorganization proceeding as set forth in this Section 2.02 (including the right to vote to accept or reject any plan of partial or complete liquidation, reorganization, arrangement, composition or extension), no Subordinated Creditor shall take any action or vote in any way so as to contest (a) the validity or enforceability of any of the Loan Documents, (b) the rights and duties of the Administrative Agent and the Lenders established in any of the Loan Documents or (c) the validity or enforceability of the subordination provisions set forth in this Agreement.

2.03. Subrogation . Subject to the payment in full in cash of all Senior Obligations (or with respect to any Senior Obligations constituting Letters of Credit, such Letters of Credit having been cash collateralized in accordance with Section 2.04 of the Credit Agreement), each Subordinated Creditor shall be subrogated to the rights of the Administrative Agent (on behalf of the Lenders) to receive payments and distributions of cash, property and securities applicable to the Senior Obligations until the principal of, and interest on, and all other amounts in respect of, the Subordinated Indebtedness shall be paid in full. For purposes of such subrogation, no payments or distributions to the Administrative Agent or the Lenders of any cash, property or securities to which the Subordinated Creditor would be entitled except for these Subordination Terms, and no payments over pursuant to these Subordination Terms to the Administrative Agent or the Lenders by a Subordinated Creditor, shall, as between such Subordinated Creditor, its creditors (other than the Administrative Agent and the Lenders), and the Obligors, be deemed to be a payment or distribution by any Obligor to or on account of the Senior Indebtedness.

2.04. Turnover by Subordinated Creditors . If any payment or distribution of any character, whether in cash, securities or other property, in respect of this Agreement or the Subordinated Loan Documents shall be received by a Subordinated Creditor in contravention of these Subordination Terms, such payment or distribution shall be held in trust for the benefit of, and shall be paid over or delivered to, (i) the holders of the Senior Obligations (or their representatives) and (ii) the lender under the EDC Credit Agreement, ratably according to the respective aggregate amounts remaining unpaid thereon, to the extent necessary to pay all Senior Obligations and all obligations under the EDC Credit Agreement in full in cash.

2.05. No Petition . So long as any Senior Obligation is outstanding, no Subordinated Creditor shall commence, or join with any creditor (other than any Person to whom Senior Obligations are owed) in commencing, or directly or indirectly cause any Obligor to commence, or assist any Obligor in commencing, any proceeding referred to in Section 2.02 above.

2.06. No Effect . These Subordination Terms shall not be affected by (i) any amendment or modification of, or addition or supplement to, the Credit Agreement or any other Loan Document, (ii) any exercise or non-exercise of any right, power or remedy under or in respect of the Credit Agreement or any other Loan Document or (iii) any waiver, consent, release, extension, renewal, modification, delay, or other action, inaction or omission in respect of the Credit Agreement or any other Loan Document.

2.07. Continuation . The provisions of these Subordination Terms constitute a continuing agreement and shall (i) remain in full force and effect until the Credit Agreement has been terminated and all Senior Obligations have been paid in full in cash (or with respect

to any Senior Obligations constituting Letters of Credit, such Letters of Credit having been cash collateralized in accordance with Section 2.04 of the Credit Agreement), (ii) be binding upon each Subordinated Creditor, the Obligors and the other parties hereto and their respective successors, transferees and assignees and (iii) inure to the benefit of, and be enforceable by, the Administrative Agent (on behalf of the Lenders). These Subordination Terms and this Agreement shall automatically, and without further action, terminate and have no further force or effect as to each Sprint Party when the Credit Agreement has been terminated and the Senior Obligations have been paid in full in cash (or with respect to any Senior Obligations constituting Letters of Credit, such Letters of Credit have been cash collateralized in accordance with Section 2.04 of the Credit Agreement).

2.08. No Impairment; Automatic Restoration. The foregoing provisions are solely for the purpose of defining the relative rights of the holders of the Senior Obligations on the one hand and the Subordinated Creditors on the other hand, and nothing herein shall impair, as between the Obligors and the Subordinated Creditors, the obligations of the Obligors, which are unconditional and absolute, to pay to the Subordinated Creditors the principal of and interest owing hereunder in accordance with the terms hereof. These Subordination Terms shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Obligor in respect of the Senior Obligations is rescinded or must be otherwise restored by any holder of any of the Senior Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise.

2.09. Legend. Until the Senior Obligations have been paid in full in cash, each of the Subordinated Loan Documents at all times shall contain in a conspicuous manner a legend substantially in the following form:

THE OBLIGATIONS OF [____] UNDER THIS AGREEMENT ARE SUBJECT AND SUBORDINATED TO THE OBLIGATIONS OF THE OBLIGORS UNDER THE CREDIT AGREEMENT DATED AS OF FEBRUARY [28], 2013 (AS AMENDED, EXTENDED, RENEWED,

INCREASED, MODIFIED, RESTATED, SUPPLEMENTED OR REFINANCED FROM TIME TO TIME) AMONG SPRINT NEXTEL CORPORATION, AS BORROWER, THE SUBSIDIARY GUARANTORS PARTIES THERETO, THE LENDERS PARTIES THERETO AND JPMORGAN CHASE BANK, N.A. AS ADMINISTRATIVE AGENT, AND THE OTHER LOAN DOCUMENTS RELATING THERETO.

2.10. Amendment. Without the prior written consent of the Administrative Agent, these Subordination Terms may not be amended, supplemented or otherwise modified.

2.11. Successors Bound. If any Subordinated Creditor assigns or otherwise transfers any Subordinated Indebtedness to any person or entity, such Subordinated Creditor shall cause such assignee or transferee to agree to, and be bound by, these Subordination Terms.

Section 3. Representations. Each of the parties hereto represents and warrants, as to itself, that it has duly authorized, executed and delivered this Agreement and that this Agreement is the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the enforcement of creditor's rights and subject to general equitable principles.

Section 4. Assignment. This Agreement may not be assigned by any party hereto to any other entity without the prior written consent of the Administrative Agent, and any such assignment without such consent shall be deemed null and void.

Section 5. Effective Date; Entire Agreement. This Agreement shall be effective on and from the date of execution of the Agreement; provided that, if applicable law requires approval of this Agreement by a governmental agency or commission before it can become effective, upon such approval this Agreement shall become effective as heretofore provided. Once this Agreement becomes effective, it shall constitute the entire agreement between the parties and shall supersede, replace and terminate any and all previous agreements between the parties relating to the subject matter of this Agreement.

In the event that all of the capital stock or other Equity Interests of any Sprint Party is sold or otherwise disposed of or liquidated in compliance with the Credit Agreement, such Sprint Party shall be released from these Subordination Terms and this Agreement automatically and without further action, and these Subordination Terms and this Agreement shall, as to each such Sprint Party, terminate and have no further force or effect (it being understood and agreed that the sale of one or more Persons that own, directly or indirectly, all of the Equity Interests of any Sprint Party shall be deemed to be a sale of such Sprint Party for purposes of this Section 5).

Section 6. Governing Law; Submission to Jurisdiction; Venue; Waiver of Jury Trial.

6.01. Governing Law; Submission to Jurisdiction. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN THE COURTS OF (I) THE STATE OF NEW YORK IN THE

COUNTY OF NEW YORK, (II) THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK OR (III) THE UNITED STATES FOR THE DISTRICT OF COLUMBIA, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PARTY HERETO HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS AND FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE

AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO SUCH PARTY, AT ITS ADDRESS PURSUANT TO SECTION 10, SUCH SERVICE TO BECOME EFFECTIVE FIVE DAYS AFTER SUCH MAILING. NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE OBLIGORS IN ANY OTHER COURT OR TRIBUNAL HAVING JURISDICTION.

6.02. Venue . EACH PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS OR ANY LOAN DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN THE FOREGOING SECTION 6.01 AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

6.03. Waiver of Jury Trial . EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS OR ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY.

Section 7. Amendment. Except as otherwise provided herein, this Agreement can be modified only by a written amendment duly signed by persons authorized to sign agreements on behalf of the parties and by the Administrative Agent, and shall not be modified by any courses of dealing or trade usage.

Section 8. Waiver. No failure on the part of the Administrative Agent to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Administrative Agent of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

Section 9. Severability . Each party hereto expressly agrees that it is not the intention of any party hereto to violate public policy or state or federal statutory or common laws and applicable regulations and that if any sentence, paragraph, clause or combination thereof in this Agreement is in violation of the same or is required to be changed to comply with same, such paragraph, clause or sentence, or combination of the same shall be inoperative and the remainder of this Agreement shall remain binding upon the parties herein.

Section 10. Notices.

10.01. 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:

(a) if to the Sprint Party Representative, to it at 6200 Sprint Parkway, Overland Park, Kansas, Attention: Greg D. Block, Vice President and Treasurer (Telecopy No. 913-794-1530),

with a copy to it at 6200 Sprint Parkway, Overland Park, Kansas 66251, Attention: General Counsel (Telecopy No. 913-523-9802); and

(b) if to the Administrative Agent, to:

JPMorgan Chase Bank, N.A., Loan and Agency Services

500 Stanton Christiana Road, Ops 2, Floor 03
Newark, DE, 19713-2107
Attention: Brian Lunger
brian.x.lunger@jpmorgan.com
Telephone No. 302-634-3103
Telecopy No. 302-634-3301

with back-up copy to it at:

500 Stanton Christiana Road, Ops 2, Floor 03
Newark, DE, 19713-2107
Attention: Charles Wambua
charles.k.wambua@jpmorgan.com
Telephone No. 302-634-3817
Telecopy No. 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

10.02 . Electronic Notification . Notices and other communications to the Administrative Agent or the Sprint Party Representative may be delivered or furnished by electronic communications pursuant to procedures approved by it. The Administrative Agent or the Sprint Party 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.

10.03. 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. 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.

Section 11. Obligations of Obligors Unaffected . The obligations of the Borrowers and the Subsidiary Guarantors under the Loan Documents are absolute and shall be unaffected by this Agreement.

Section 12. Successors and Assigns . The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Subordination Agreement

Section 13. Third Party Beneficiary . The parties hereto hereby agree that the Administrative Agent shall be an express third party beneficiary of the agreements contained in this Agreement and the Administrative Agent shall have the right to enforce any of the rights granted to it hereunder.

Section 14. Accession Agreement . If, after the date of this Agreement, any Person becomes a Subsidiary of the Borrower, then the Borrower shall cause such Person to execute and deliver to the Administrative Agent (a) an Accession Agreement in the form of Exhibit A hereto and (b) such other documentation as the Administrative Agent may reasonably request to evidence the due authorization, execution and delivery of such Accession Agreement by such Person.

Subordination Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Subordination Agreement to be signed by their duly authorized officers on the date first set forth above.

SPRINT NEXTEL CORPORATION

By: _____

Name:

Title:

Subordination Agreement

EACH OF THE "SUBSIDIARIES"
LISTED ON SCHEDULE I
ATTACHED HERETO

By: _____

Name:
Title:

Schedule I

Other Subsidiaries

Subordination Agreement

Acknowledged and Agreed by :

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By:

_____

Name:
Title:

EXHIBIT A

FORM OF ACCESSION AGREEMENT

ACCESSION AGREEMENT dated as of _____, _____ is entered into by [NAME OF NEW SUBSIDIARY], a _____ [corporation/limited liability company/partnership] (the " Joining Party "), and acknowledged by Sprint Nextel Corporation (" Sprint Nextel ").

Reference is made to that certain Subordination Agreement dated as of February [28], 2013 (as amended, supplemented or otherwise modified from time to time, the " Subordination Agreement ") among Sprint Nextel and the Subsidiaries of Sprint Nextel parties thereto. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Subordination Agreement. This Agreement is an Accession Agreement referred to in the Subordination Agreement.

Accordingly, the Joining Party hereby acknowledges, agrees and confirms that:

1. By its execution of this Agreement, the Joining Party will be deemed to be a Subsidiary party to the Subordination Agreement and, from and after the date hereof, shall have all of the obligations of a "Sprint Party" thereunder as if it had executed the Subordination Agreement. The Joining Party hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions applicable to a "Sprint Party" contained in the Subordination Agreement.

2. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute one contract.

3. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York.

Accession to Subordination Agreement

IN WITNESS WHEREOF, the Joining Party has caused this Accession Agreement to be duly executed by its authorized representative, and each of the parties have caused the same to be accepted by its authorized representative, as of the day and year first above written.

[NAME OF NEW SUBSIDIARY]

By: _____
Name:
Title:

SPRINT NEXTEL CORPORATION

By: _____
Name:
Title:

Acknowledged by :

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____
Name:
Title:

Accession to Subordination Agreement

EXHIBIT D

[Form of Foreign Lender Exemption Statement]

U.S. TAX COMPLIANCE CERTIFICATE
(*For Foreign Lenders That Are Not Partnerships for U.S. Federal Income Tax Purposes*)

Reference is hereby made to the Credit Agreement dated as of February [28], 2013 (as amended, supplemented or otherwise modified from time to time, the " Credit Agreement "), among Sprint Nextel Corporation (the " Borrower "), the Lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent.

Pursuant to the provisions of Section 2.16(f)(i) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any promissory note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended, (the " Code "), (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code and (v) the interest payments in question are not

effectively connected with the undersigned's conduct of a U.S. trade or business.

The undersigned has furnished the Borrower and the Administrative Agent with a certificate of its non-U.S. person status on U.S. Internal Revenue Service Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: _____ __, 20[ ]

Accession to Subordination Agreement

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE
(*For Foreign Lenders That Are Partnerships for U.S. Federal Income Tax Purposes*)

Reference is hereby made to the Credit Agreement dated as of February [28], 2013 (as amended, supplemented or otherwise modified from time to time, the " Credit Agreement "), among Sprint Nextel Corporation (the " Borrower "), the Lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent.

Pursuant to the provisions of Section 2.16(f)(i) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any promissory note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any promissory note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended, (the " Code "), (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code, and (vi) the interest payments in question are not effectively connected with the undersigned's or its direct or indirect partners/members' conduct of a U.S. trade or business.

The undersigned has furnished the Borrower and the Administrative Agent with U.S. Internal Revenue Service Form W-8IMY accompanied by a U.S. Internal Revenue Service Form W-8BEN from each of its partners/members claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: _____ __, 20[ ]

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE
(*For Foreign Participants That Are Not Partnerships for U.S. Federal Income Tax Purposes*)

Reference is hereby made to the Credit Agreement dated as of February [28], 2013 (as amended, supplemented or otherwise modified from time to time, the " Credit Agreement "), among Sprint Nextel Corporation (the " Borrower "), the Lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent.

Pursuant to the provisions of Section 2.16(f)(i) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended, (the " Code "), (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code, and (v) the interest payments in question are not effectively connected with the undersigned's conduct of a U.S. trade or business.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. person status on U.S. Internal Revenue Service Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: _____ __, 20[ ]

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE
(*For Foreign Participants That Are Partnerships for U.S. Federal Income Tax Purposes*)

Reference is hereby made to the Credit Agreement dated as of February [28], 2013 (as amended, supplemented or otherwise modified from time to time, the " Credit Agreement "), among Sprint Nextel Corporation (the " Borrower "), the Lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent.

Pursuant to the provisions of Section 2.16(f)(i) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended, (the " Code "), (iv) none of its direct or indirect

partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code, and (vi) the interest payments in question are not effectively connected with the undersigned's or its direct or indirect partners/members' conduct of a U.S. trade or business.

The undersigned has furnished its participating Lender with U.S. Internal Revenue Service Form W-8IMY accompanied by a U.S. Internal Revenue Service Form W-8BEN from each of its partners/members claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: _____ __, 20[ ]

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into as of April 11, 2016 (the "Effective Date"), by and between Sprint Corporation, a Delaware corporation (the "Company") on behalf of itself and any of its subsidiaries, affiliates and related entities, and Jim Hyde (the "Executive") (the Company and the Executive, collectively, the "Parties," and each, a "Party"). Certain capitalized terms are defined in Section 29.

WITNESSETH :

WHEREAS, the Company desires to employ the Executive as President Prepaid and Wholesale and the Executive desires to accept such employment; and

WHEREAS, the Executive and the Company desire to enter into this Agreement.

NOW, THEREFORE, in consideration of the premises and of the covenants and agreements set forth herein and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Company and the Executive agree as follows:

1. Employment .

(a) The Company will employ the Executive and the Executive will be employed by the Company upon the terms and conditions set forth herein.

(b) The employment relationship between the Company and the Executive shall be governed by the general employment policies and practices of the Company, including without limitation, those relating to the Company's Code of Conduct, confidential information and avoidance of conflicts, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

2. Term . Subject to termination under Section 9, the Executive's employment shall be for an initial term of 24 months commencing on the Effective Date and shall continue through the second anniversary of the Effective Date (the "Initial Employment Term"). At the end of the Initial Employment Term and on each succeeding anniversary of the Effective Date, the Employment Term will be automatically extended by an additional 12 months (each, a "Renewal Term"), unless, not less than 12 months prior to the end of the Initial Employment Term or any Renewal Term, either the Executive or the Company has given the other written notice (in accordance with Section 20) of nonrenewal. The Executive shall provide the Company with written notice of his intent to terminate employment with the Company at least 30 days prior to the effective date of such termination.

3. Position and Duties of the Executive.

(a) The Executive shall serve as President Prepaid and Wholesale of the Company, and agrees to serve as an officer of any enterprise and/or agrees to be an employee of any Subsidiary as may be requested from time to time by the Board of Directors of the Company (the "Board"), any committee or person delegated by the

Board or the Chief Executive Officer of the Company (the "Chief Executive Officer"). In such capacity, the Executive shall report directly to the Chief Executive Officer of the Company or such other officer of the Company as may be designated by the Chief Executive Officer. The Executive shall have such duties, responsibility and authority as may be assigned to the Executive from time to time by the Chief Executive Officer, the Board or such other officer of the Company as may be designated by the Chief Executive Officer or the Board.

(b) During the Employment Term, the Executive shall, except as may from time to time be otherwise agreed to in writing by the Company, during reasonable vacations (as set forth in Section 7 hereof) and authorized leave and except as may from time to time otherwise be permitted pursuant to Section 3(c), devote his best efforts, full attention and energies during his normal working time to the business of the Company, to any duties as may be delineated in the Company's Bylaws for the Executive's position and title and such other related duties and responsibilities as may from time to time be reasonably prescribed by the Board, any committee or person designated by the Board, or the Chief Executive Officer, in each case, within the framework of the Company's policies and objectives.

(c) During the Employment Term, and provided that such activities do not contravene the provisions of Section 3(a) or (b) or Sections 10, 11, 12 or 13 hereof and, provided further , the Executive does not engage in any other substantial business activity for gain, profit or other pecuniary advantage which materially interferes with the performance of his duties hereunder, the Executive may participate in any governmental, educational, charitable or other community affairs and, subject to the prior approval of the Chief Executive Officer serve as a member of the governing board of any such organization or any private or public for-profit company. The Executive may retain all fees and other compensation from any such service, and the Company shall not reduce his compensation by the amount of such fees. For avoidance of doubt, the Executive must resign his position as Chairman of the Board of Fastback Networks before December 31, 2016, or immediately if serving in this position creates a conflict with the Company's Code of Conduct.

4. Compensation .

(a) Base Salary . During the Employment Term, the Company shall pay to the Executive an annual base salary of $500,000 (the "Base Salary"), which Base Salary shall be payable at the times and in the manner consistent with the Company's general policies regarding compensation of the Company's senior executives. The Base Salary will be reviewed periodically by the Compensation Committee and may be increased (but not decreased, except for across-the-board reductions generally applicable to the Company's senior executives) from time to time in the Compensation Committee's sole discretion.

(b) Incentive Compensation . The Executive will be eligible to participate in any short-term and long-term incentive compensation plans, annual bonus plans and such other management incentive programs or arrangements of the Company

approved by the Board that are generally available to the Company's senior executives, including, but not limited to, the STIP and the LTSIP. Incentive compensation shall be paid in accordance with the terms and conditions of the applicable plans, programs and arrangements.

(i) Annual Performance Bonus. During the Employment Term, the Executive shall be entitled to participate in the STIP, with such opportunities as may be determined by the Compensation Committee in its sole discretion ("Target Bonuses") provided, however, that for the Company's fiscal year ending March 31, 2017 ("FY 2016"), the Executive will participate on a prorated basis for the period of FY 2016 in which he is employed by the Company at an annual Target Bonus opportunity equal to 100 percent of his Base Salary. The Executive's Target Bonus may be increased (but not decreased, except for across-the-board reductions generally applicable to the Company's senior executives) from time to time, and the Executive shall be entitled to receive full payment of any award under the STIP, determined pursuant to the STIP (a "Bonus Award").

(ii) Long-Term Performance Bonus. During the Employment Term, the Executive shall be entitled to participate in the LTSIP with such opportunities, if any, as may be determined by the Compensation Committee ("LTSIP Target Award Opportunities"); provided, however, that the Executive's LTSIP Target Award Opportunity for the period of FY 2016 shall be $1,000,000.

(iii) Incentive bonuses, if earned, shall be paid when incentive compensation is customarily paid to the Company's senior executives in accordance with the terms of the applicable plans, programs or arrangements.

(iv) Pursuant to the Company's applicable incentive or bonus plans as in effect from time to time, the Executive's incentive compensation during the term of this Agreement may be determined according to criteria intended to qualify as performance-based compensation under Section 162(m) of the Code.

(c) Equity Compensation. The Executive shall be eligible to participate in such equity incentive compensation plans and programs as the Company generally provides to its senior executives, including, but not limited to, the LTSIP. During the Employment Term, the Compensation Committee may, in its sole discretion, grant equity awards to the Executive, which would be subject to the terms of the respective award agreements evidencing such grants and the applicable plan or program.

(d) Sign-on Compensation

(i) The Executive shall receive a sign-on bonus of $600,000 (the "Sign-on Bonus"), less applicable tax withholdings and other authorized deductions, with $300,000 payable as soon as administratively practicable after the Effective Date, $150,000 payable as soon as administratively practicable after April 4, 2017, and $150,000 payable as soon as administratively practicable after October 4, 2017. Executive agrees to repay any such payment in full if he is no

longer employed by the Company (unless Executive's employment is terminated by the Company without Cause, or is due to Executive's death or Disability) through the first anniversary of that payment date.

(ii) The Executive shall receive 312,500 restricted stock units subject to the terms and conditions specified in the form of Evidence of Award attached as Exhibit A.

5. Benefits.

(a) During the Employment Term, the Company shall make available to the Executive, subject to the terms and conditions of the applicable plans, participation for the Executive and his eligible dependents in: (i) Company-sponsored group health, major medical, dental, vision, pension and profit sharing, 401(k) and employee welfare benefit plans, programs and arrangements (the "Employee Plans") and such other usual and customary benefits in which senior executives of the Company participate from time to time, and (ii) such fringe benefits and perquisites as may be made available to senior executives of the Company as a group.

(b) The Executive acknowledges that the Company may change its benefit programs from time to time, which may result in certain benefit programs being amended or terminated for its senior executives generally.

6. Expenses. The Company shall pay or reimburse the Executive for reasonable and necessary business expenses incurred by the Executive in connection with his duties on behalf of the Company in accordance with the Company's Enterprise Financial Services-Employee Travel and Expense Policy, as may be amended from time to time, or any successor policy, plan, program or arrangement thereto and any other of its expense policies applicable to senior executives of the Company, following submission by the Executive of reimbursement expense forms in a form consistent with such expense policies.

7. Vacation. In addition to such holidays, sick leave, personal leave and other paid leave as is allowed under the Company's policies applicable to senior executives generally, the Executive shall be entitled to participate in the Company's vacation policy in accordance with the Company's policy generally applicable to senior executives. The duration of such vacations and the time or times when they shall be taken will be determined by the Executive in consultation with the Company.

8. Place of Performance. In connection with his employment by the Company, the Executive shall be based at the principal executive offices of the Company in the vicinity of Overland Park, Kansas (the "Place of Performance"), except for travel reasonably required for Company business. The Executive will relocate his residence to the area surrounding the Executive's initial Place of Performance no later than June 30, 2016. If the Company relocates the Executive's Place of Performance more than 50 miles from his Place of Performance prior to such relocation, the Executive shall relocate to a residence within the greater of (a) 50 miles of such relocated Place of Performance or (b) such total miles that do not exceed the total number of miles the Executive commuted to his Place of Performance prior to relocation of the

Executive's Place of Performance. To the extent the Executive relocates his residence as provided in this Section 8, the Company will pay or reimburse the Executive's relocation expenses in accordance with the Company's relocation program applicable to senior executives, except as provided in the following two sentences. In lieu of the established home value limit of $1,200,000 in Section 4.02 of the relocation program (the application of which with respect to his current residence results in the Executive's ineligibility for Section 4, Home Selling Benefits), the limit shall be increased to $2,000,000. In addition, the Executive will receive an additional $4,000 (less applicable withholdings) per month from June 1, 2016 through September 30, 2016 to assist with extended interim living expenses.

9. Termination .

(a) Termination by the Company for Cause or Resignation by the Executive Without Good Reason . If, during the Employment Term, the Executive's employment is terminated by the Company for Cause, or if the Executive resigns without Good Reason, the Executive shall not be eligible to receive Base Salary or to participate in any Employee Plans with respect to future periods after the date of such termination or resignation except for the right to receive accrued but unpaid cash compensation and vested benefits under any Employee Plan in accordance with the terms of such Employee Plan and applicable law.

(b) Termination by the Company Without Cause or Resignation by the Executive for Good Reason outside of the CIC Severance Protection Period . If, during the Employment Term, the Executive's employment is terminated by the Company without Cause or the Executive terminates for Good Reason prior to, or following expiration of, the CIC Severance Protection Period and such termination constitutes a Separation from Service or the Executive is entitled to severance compensation and benefits under this Section 9(b) pursuant to the provisions of Section 9(c), the Executive shall be entitled to receive from the Company: (1) the Executive's accrued, but unpaid, Base Salary through the date of termination of employment, payable in accordance with the Company's normal payroll practices and any vested benefits under any Employee Plan in accordance with the terms of such Employee Plan and applicable law, and (2) conditioned upon the Executive executing a Release within the Release Consideration Period and delivering it to the Company with the Release Revocation Period expired without revocation, and in full satisfaction of the Executive's rights and any benefits the Executive might be entitled to under the Separation Plan and this Agreement and any requirements of the Worker Adjustment and Retraining Notification Act or similar law, unless otherwise specified herein:

(i) periodic payments equal to his Base Salary in effect prior to the termination of his employment, which payments shall be paid to the Executive in equal installments on the regular payroll dates under the Company's payroll practices applicable to the Executive on the date of this Agreement for the Payment Period, except that if the Executive is a Specified Employee, with respect to any amount payable by reason of the Separation from Service that constitutes deferred compensation within the meaning of Code Section 409A, such installments shall not commence until after the end of the six continuous

month period following the date of the Executive's Separation from Service, in which case, the Executive shall be paid a lump-sum cash payment equal to the aggregate amount of missed installments during such period on the first day of the seventh month following the date of the Executive's Separation from Service;

(ii) (A) receive a pro rata payment of the Bonus Award for the portion of the Company's current fiscal year prior to the date of termination of his employment; (B) receive a pro rata payment of the Capped Bonus Award for the portion of the Company's current fiscal year following the date of termination of his employment; and (C) receive for the next fiscal year following the fiscal year during which his termination of employment occurs, a pro rata portion of the Capped Bonus Award; provided , however , that to the extent the Executive's employment is terminated for Good Reason due to a reduction of the Executive's Target Bonus, in accordance with Section 29(x)(ii), the Executive's Target Bonus for the purposes of this Section 9(b)(ii) shall be the Executive's Target Bonus immediately prior to such reduction; and provided, further , that any pro rata payment shall be determined based on the methodology for determining pro rated awards under the STIP and each such payment shall be payable in accordance with the provisions of the STIP in the fiscal year in which the Bonus Award or each Capped Bonus Award, as applicable, is determined, and in all events, not later than March 31 st of the fiscal year in which each such award is determined;

(iii) continue from the date of Separation from Service for the number of months equal to the period of continuation coverage the Executive would be entitled to pursuant to Section 4980B of the Code participation in the Company's group health plans at then-existing participation and coverage levels comparable to the terms in effect from time to time for the Company's senior executives, including any co-payment and premium payment requirements, for which the Company shall deduct from each payment payable to the Executive pursuant to Section 9(b)(i) the amount of any employee contributions necessary to maintain such coverage for such period, except that (A) following such period, the Executive shall retain any rights to continue coverage under the Company's group health plans under the benefits continuation provisions pursuant to Section 4980B of the Code by paying the applicable premiums of such plans; and (B) the Executive shall no longer be eligible to receive the benefits otherwise receivable pursuant to this Section 9(b)(iii) as of the date that the Executive becomes eligible to receive comparable benefits from a new employer;

(iv) continue for the Payment Period participation in the Company's employee life insurance plans at then-existing participation and coverage levels, comparable to the terms in effect from time to time for the Company's senior executives, including any premium payment requirements, for which the Company shall deduct from each payment payable to the Executive pursuant to Section 9(b)(i) the amount of any employee contributions necessary to maintain such coverage for such period, except that the Executive shall no longer be eligible to receive the benefits otherwise receivable pursuant to this Section

9(b)(iv) as of the date that the Executive becomes eligible to receive comparable benefits from a new employer; and

(v) receive outplacement services by a firm selected by the Company at its expense in an amount not to exceed $35,000; provided , however , that all such outplacement services must be completed, and all payments by the Company must be made, by December 31 st of the second calendar year following the calendar year in which the Executive's Separation from Service occurs.

Notwithstanding anything in this Section 9(b) to the contrary, to the extent the Executive has not executed the Release within the Release Consideration Period and delivered it to the Company, or has revoked the executed Release within the Release Revocation Period, as determined at the end of such Release Revocation Period, the Executive will forfeit any right to receive the payments and benefits specified in this Section 9(b) (other than any accrued but unpaid payments and benefits through the date of termination of employment).

(c) Termination by the Company Without Cause or Resignation by the Executive for Good Reason During the CIC Severance Protection Period . Subject to (i)-(iv) below, if the Executive's employment is terminated by the Company without Cause, or the Executive terminates employment for Good Reason, before the Employment Term expires and during the CIC Severance Protection Period, and the termination constitutes a Separation from Service, subject to the terms of the CIC Severance Plan, the Executive will become entitled to severance compensation and benefits under the CIC Severance Plan as of (x) the date the Separation from Service occurs, or (y) in the event of a Pre-CIC Termination, the date the Change in Control occurs, as of which date all rights to severance benefits under this Agreement will cease.

(i) The CIC Severance Plan will not apply and the Executive will be entitled to severance compensation and benefits under Section 9(b) of this Agreement if the Executive (x) as of his Separation from Service is not a Participant in, or (y) is otherwise not entitled to severance compensation and benefits under, the CIC Severance Plan.

(ii) If the Executive is entitled to severance benefits under the CIC Severance Plan as a result of a Pre-CIC Termination, any benefits payable before the Change in Control will be paid under this Agreement and any additional benefits payable after the Change in Control will be paid under the CIC Severance Plan.

(iii) In no event may there be duplication of benefits under this Agreement and the CIC Severance Plan.

(iv) The terms "Change in Control" and "Pre-CIC Termination" are defined in the CIC Severance Plan.

(d) Termination by Death . If the Executive dies during the Employment Term, the Executive's employment will terminate and the Executive's beneficiary or if none, the Executive's estate, shall be entitled to receive from the

Company, the Executive's accrued, but unpaid, Base Salary through the date of termination of employment and any vested benefits under any Employee Plan in accordance with the terms of such Employee Plan and applicable law.

(e) Termination by Disability . If the Executive becomes Disabled prior to the expiration of the Employment Term, the Executive's employment will terminate, and provided that such termination constitutes a Separation from Service, the Executive shall be entitled to:

(i) receive from the Company periodic payments equal to his Base Salary in effect prior to the termination of his employment (reduced by any amounts paid on a monthly basis under any long-term disability plan (the "LTD Plan") now or hereafter sponsored by the Company), which payments shall be paid to the Executive commencing on the Separation from Service date for 12 months in equal installments on the regular payroll dates under the Company's payroll practices applicable to the Executive on the date of this Agreement; provided , however , that in the event that the Executive is a Specified Employee, with respect to any amount payable by reason of the Executive's Separation from Service that constitutes deferred compensation within the meaning of Code Section 409A, such installments shall not commence until the earlier to occur of (A) the first business day of the seventh month following the date of the Executive's Separation from Service and (B) death, in which case the Executive (or the Executive's estate in the event of Executive's death) shall be paid on the earlier of (1) the first day of the seventh month following the date of the Executive's Separation from Service and (2) the Executive's death a lump-sum cash payment equal to the aggregate amount of any such payments that constitutes deferred compensation within the meaning of Code Section 409A that the Executive would have been entitled to receive during such period following the Executive's Separation from Service; and

(ii) continue participation in the Company's group health plans at then-existing participation and coverage levels for 12 months (measured from the Executive's Separation from Service), comparable to the terms in effect from time to time for the Company's senior executives, including any co-payment and premium payment requirements, and the Company shall deduct from each payment payable to the Executive pursuant to Section 9(e)(i), the amount of any employee contributions necessary to maintain such coverage for such period; except that following such period, the Executive shall retain any rights to continue coverage under the Company's group health plans under the benefits continuation provisions pursuant to Code Section 4980B by paying the applicable premiums of such plans.

(f) No Mitigation Obligation . No amounts paid under Section 9 will be reduced by any earnings that the Executive may receive from any other source. The Executive's coverage under the Company's medical, dental, vision and employee life insurance plans will terminate as of the date that the Executive is eligible for comparable

benefits from a new employer. The Executive shall notify the Company within 30 days after becoming eligible for coverage of any such benefits.

(g) Forfeiture . Notwithstanding the foregoing, any right of the Executive to receive termination payments and benefits hereunder shall be forfeited to the extent of any amounts payable after any breach of Section 10, 11, 12, 13 or 15 by the Executive.

10. Confidential Information; Statements to Third Parties.

(a) During the Employment Term and on a permanent basis upon and following termination of the Executive's employment, the Executive acknowledges that:

(i) all information, whether or not reduced to writing (or in a form from which information can be obtained, translated, or derived into reasonably usable form) or maintained in the mind or memory of the Executive and whether compiled or created by the Company, any of its Subsidiaries or any affiliates of the Company or its Subsidiaries (collectively, the "Company Group"), which derives independent economic value from not being readily known to or ascertainable by proper means by others who can obtain economic value from the disclosure or use of such information, of a proprietary, private, secret or confidential (including, without exception, inventions, products, processes, methods, techniques, formulas, compositions, compounds, projects, developments, sales strategies, plans, research data, clinical data, financial data, personnel data, computer programs, customer and supplier lists, trademarks, service marks, copyrights (whether registered or unregistered), artwork, and contacts at or knowledge of customers or prospective customers) nature concerning the Company Group's business, business relationships or financial affairs (collectively, "Proprietary Information") shall be the exclusive property of the Company Group;

(ii) the Proprietary Information of the Company Group gained by the Executive during the Executive's association with the Company Group was or will be developed by and/or for the Company Group through substantial expenditure of time, effort and money and constitutes valuable and unique property of the Company Group;

(iii) reasonable efforts have been put forth by the Company Group to maintain the secrecy of its Proprietary Information;

(iv) such Proprietary Information is and will remain the sole property of the Company Group; and

(v) any retention or use by the Executive of Proprietary Information after the termination of the Executive's services for the Company Group will constitute a misappropriation of the Company Group's Proprietary Information.

(b) The Executive further acknowledges and agrees that he will take all affirmative steps reasonably necessary or required by the Company to protect the Proprietary Information from inappropriate disclosure during and after his employment with the Company.

(c) The Executive further agrees that all files, letters, memoranda, reports, records, data, sketches, drawings, laboratory notebooks, program listings, or other written, photographic, electronic, or other tangible material containing or constituting Proprietary Information, whether created by the Executive or others, which shall come into his custody or possession, regardless of medium, shall be and are the exclusive property of the Company to be used by him only in the performance of his duties for the Company. All such materials or copies thereof and all tangible things and other property of the Company Group in the Executive's custody or possession shall be delivered to the Company (to the extent the Executive has not already returned) in good condition, on or before five business days subsequent to the earlier of: (i) a request by the Company or (ii) the Executive's termination of employment for any reason or Cause, including for nonrenewal of this Agreement, Disability, termination by the Company or termination by the Executive. After such delivery, the Executive shall not retain any such materials or portions or copies thereof or any such tangible things and other property and shall execute any statements or affirmations of compliance under oath that the Company may require.

(d) The Executive further agrees that his obligation not to disclose or to use information and materials of the types set forth in Sections 10(a), 10(b) and 10(c) above, and his obligation to return materials and tangible property, set forth in Section 10(c) above, also extends to such types of information, materials and tangible property of customers of the Company Group, consultants for the Company Group, suppliers to the Company Group, or other third parties who may have disclosed or entrusted the same to the Company Group or to the Executive.

(e) The Executive further acknowledges and agrees that **he** will continue to keep in strict confidence, and will not, directly or indirectly, at any time, disclose, furnish, disseminate, make available, use or suffer to be used in any manner any Proprietary Information of the Company Group without limitation as to when or how the Executive may have acquired such Proprietary Information and that he will not disclose any Proprietary Information to any person or entity other than appropriate employees of the Company or use the same for any purposes (other than in the performance of his duties as an employee of the Company) without written approval of the Board, either during or after his employment with the Company.

(f) Further the Executive acknowledges that his obligation of confidentiality will survive, regardless of any other breach of this Agreement or any other agreement, by any party hereto, until and unless such Proprietary Information of the Company Group has become, through no fault of the Executive, generally known to the public. In the event that the Executive is required by law, regulation, or court order to disclose any of the Company Group's Proprietary Information, the Executive will promptly notify the Company prior to making any such disclosure to facilitate the

Company seeking a protective order or other appropriate remedy from the proper authority. The Executive further agrees to cooperate with the Company in seeking such order or other remedy and that, if the Company is not successful in precluding the requesting legal body from requiring the disclosure of the Proprietary Information, the Executive will furnish only that portion of the Proprietary Information that is legally required, and the Executive will exercise all legal efforts to obtain reliable assurances that confidential treatment will be accorded to the Proprietary Information.

(g) The Executive's obligations under this Section 10 are in addition to, and not in limitation of, all other obligations of confidentiality under the Company's policies, general legal or equitable principles or statutes.

(h) During the Employment Term and following his termination of employment:

(i) the Executive shall not, directly or indirectly, make or cause to be made any statements, including but not limited to, comments in books or printed media, to any third parties criticizing or disparaging the Company Group or commenting on the character or business reputation of the Company Group. Without the prior written consent of the Board, unless otherwise required by law, the Executive shall not (A) publicly comment in a manner adverse to the Company Group concerning the status, plans or prospects of the business of the Company Group or (B) publicly comment in a manner adverse to the Company Group concerning the status, plans or prospects of any existing, threatened or potential claims or litigation involving the Company Group;

(ii) the Company shall comply with its policies regarding public statements with respect to the Executive and any such statements shall be deemed to be made by the Company only if made or authorized by a member of the Board or a senior executive officer of the Company; and

(iii) nothing herein precludes honest and good faith reporting by the Executive to appropriate Company or legal enforcement authorities.

(i) The Executive acknowledges and agrees that a violation of the foregoing provisions of this Section 10 would cause irreparable harm to the Company Group, and that the Company's remedy at law for any such violation would be inadequate. In recognition of the foregoing, the Executive agrees that, in addition to any other relief afforded by law or this Agreement, including damages sustained by a breach of this Agreement and any forfeitures under Section 9(g), and without the necessity or proof of actual damages, the Company shall have the right to enforce this Agreement by specific remedies, which shall include, among other things, temporary and permanent injunctions, it being the understanding of the undersigned parties hereto that damages, the forfeitures described above and injunctions shall all be proper modes of relief and are not to be considered as alternative remedies.

11. Non-Competition . In consideration of the Company entering into this Agreement,

for a period commencing on the Effective Date and ending on the expiration of the Restricted Period:

(a) The Executive covenants and agrees that the Executive will not, directly or indirectly, engage in any activities on behalf of or have an interest in any Competitor of the Company Group, whether as an owner, investor, executive, manager, employee, independent consultant, contractor, advisor, or otherwise. The Executive's ownership of less than one percent (1%) of any class of stock in a publicly traded corporation shall not be a breach of this paragraph.

(b) A "Competitor" is any entity doing business directly or indirectly (e.g., as an owner, investor, provider of capital or otherwise) in the United States including any territory of the United States (the "Territory") that provides wireless products and/or services that are the same or similar to the wireless products and/or services that are currently being provided at the time of Executive's termination or that were provided by the Company Group during the two-year period prior to the Executive's separation from service with the Company Group.

(c) The Executive acknowledges and agrees that due to the continually evolving nature of the Company Group's industry, the scope of its business and/or the identities of Competitors may change over time. The Executive further acknowledges and agrees that the Company Group markets its products and services on a nationwide basis, encompassing the Territory and that the restrictions imposed by this covenant, including the geographic scope, are reasonably necessary to protect the Company Group's legitimate interests.

(d) The Executive covenants and agrees that should a court at any time determine that any restriction or limitation in this Section 11 is unreasonable or unenforceable, it will be deemed amended so as to provide the maximum protection to the Company Group and be deemed reasonable and enforceable by the court.

12. Non-Solicitation . In consideration of the Company entering into this Agreement, for a period commencing on the Effective Date and ending on the expiration of the Restricted Period, the Executive hereby covenants and agrees that he shall not, directly or indirectly, individually or on behalf of any other person or entity do or suffer any of the following:

(a) hire or employ or assist in hiring or employing any person who was at any time during the last 18 months of the Executive's employment an employee, representative or agent of any member of the Company Group or solicit, aid, induce or attempt to solicit, aid, induce or persuade, directly or indirectly, any person who is an employee, representative, or agent of any member of the Company Group to leave his or her employment with any member of the Company Group to accept employment with any other person or entity;

(b) induce any person who is an employee, officer or agent of the Company Group, or any of its affiliated, related or subsidiary entities to terminate such relationship;

(c) solicit any customer of the Company Group, or any person or entity whose business the Company Group had solicited during the 180-day period prior to termination of the Executive's employment for purposes of business which is competitive to the Company Group within the Territory; or

(d) solicit, aid, induce, persuade or attempt to solicit, aid, induce or persuade any person or entity to take any action that would result in a Change in Control of the Company or to seek to control the Board in a material manner.

(e) For purposes of this Section 12, the term "solicit or persuade" includes, but is not limited to, (i) initiating communications with an employee of the Company Group relating to possible employment, (ii) offering bonuses or additional compensation to encourage an employee of the Company Group to terminate his employment, (iii) referring employees of the Company Group to personnel or agents employed by competitors, suppliers or customers of the Company Group, and (iv) initiating communications with any person or entity relating to a possible Change in Control.

13. Developments.

(a) The Executive acknowledges and agrees that he will make full and prompt disclosure to the Company of all inventions, improvements, discoveries, methods, developments, software, mask works, and works of authorship, whether patentable or copyrightable or not, (i) which relate to the Company's business and have heretofore been created, made, conceived or reduced to practice by the Executive or under his direction or jointly with others, and not assigned to prior employers, or (ii) which have utility in or relate to the Company's business and are created, made, conceived or reduced to practice by the Executive or under his direction or jointly with others during his employment with the Company, whether or not during normal working hours or on the premises of the Company (all of the foregoing of which are collectively referred to in this Agreement as "Developments").

(b) The Executive further agrees to assign and does hereby assign to the Company (or any person or entity designated by the Company) all of the Executive's rights, title and interest worldwide in and to all Developments and all related patents, patent applications, copyrights and copyright applications, and any other applications for registration of a proprietary right. This Section 13(b) shall not apply to Developments that the Executive developed entirely on his own time without using the Company's equipment, supplies, facilities, or Proprietary Information and that does not, at the time of conception or reduction to practice, have utility in or relate to the Company's business, or actual or demonstrably anticipated research or development. The Executive understands that, to the extent this Agreement shall be construed in accordance with the laws of any Territory which precludes a requirement in an employee agreement to assign certain classes of inventions made by an employee, this Section 13(b) shall be interpreted not to apply to any invention which a court rules or the Company agrees falls within such classes.

(c) The Executive further agrees to cooperate fully with the Company, both during and after his employment with the Company, with respect to the procurement, maintenance and enforcement of copyrights, patents and other intellectual property rights (both in the United States and other countries) relating to Developments. The Executive shall not be required to incur or pay any costs or expenses in connection with the rendering of such cooperation. The Executive will sign all papers, including, without limitation, copyright applications, patent applications, declarations, oaths, formal assignments, assignments of priority rights, and powers of attorney, and do all things that the Company may reasonably deem necessary or desirable in order to protect its rights and interests in any Development.

(d) The Executive further acknowledges and agrees that if the Company is unable, after reasonable effort, to secure the Executive's signature on any such papers, any executive officer of the Company shall be entitled to execute any such papers as the Executive's agent and attorney-in-fact, and the Executive hereby irrevocably designates and appoints each executive officer of the Company as his agent and attorney-in-fact to execute any such papers on the Executive's behalf, and to take any and all actions as the Company may deem necessary or desirable in order to protect its rights and interests in any Development, under the conditions described in this sentence.

14. Remedies . The Executive and the Company agree that the covenants contained in Sections 10, 11, 12 and 13 are reasonable under the circumstances, and further agree that if in the opinion of any court of competent jurisdiction any such covenant is not reasonable in any respect, such court will have the right, power and authority to sever or modify any provision or provisions of such covenants as to the court will appear not reasonable and to enforce the remainder of the covenants as so amended. The Executive acknowledges and agrees that the remedy at law available to the Company for breach of any of the Executive's obligations under Sections 10, 11, 12 and 13 would be inadequate and that damages flowing from such a breach may not readily be susceptible to being measured in monetary terms. Accordingly, the Executive acknowledges, consents and agrees that, in addition to any other rights or remedies that the Company may have at law, in equity or under this Agreement, upon adequate proof of the Executive's violation of any such provision of this Agreement, the Company will be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach, without the necessity of proof of actual damage. Without limiting the applicability of this Section 14 or in any way affecting the right of the Company to seek equitable remedies hereunder, in the event that the Executive breaches any of the provisions of Sections 10, 11, 12 or 13 or engages in any activity that would constitute a breach save for the Executive's action being in a state where any of the provisions of Sections 10, 11, 12, 13 or this Section 14 is not enforceable as a matter of law, then the Company's obligation to pay any remaining severance compensation and benefits that has not already been paid to Executive pursuant to Section 9 shall be terminated and within ten days of notice of such termination of payment, the Executive shall return all severance compensation and the value of such benefits, or profits derived or received from such benefits.

15. Continued Availability and Cooperation.

(a) Following termination of the Executive's employment, the Executive shall cooperate fully with the Company and with the Company's counsel in connection with any present and future actual or threatened litigation, administrative proceeding or investigation involving the Company that relates to events, occurrences or conduct occurring (or claimed to have occurred) during the period of the Executive's employment by the Company. Cooperation will include, but is not limited to:

(i) making himself reasonably available for interviews and discussions with the Company's counsel as well as for depositions and trial testimony;

(ii) if depositions or trial testimony are to occur, making himself reasonably available and cooperating in the preparation therefore, as and to the extent that the Company or the Company's counsel reasonably requests;

(iii) refraining from impeding in any way the Company's prosecution or defense of such litigation or administrative proceeding; and

(iv) cooperating fully in the development and presentation of the Company's prosecution or defense of such litigation or administrative proceeding.

(b) The Company will reimburse the Executive for reasonable travel, lodging, telephone and similar expenses, as well as reasonable attorneys' fees (if independent legal counsel is necessary), incurred in connection with any cooperation, consultation and advice rendered under this Agreement after the Executive's termination of employment.

16. Dispute Resolution .

(a) In the event that the Parties are unable to resolve any controversy or claim arising out of or in connection with this Agreement or breach thereof, either Party shall refer the dispute to binding arbitration, which shall be the exclusive forum for resolving such claims. Such arbitration will be administered by Judicial Arbitration and Mediation Services, Inc. ("JAMS") pursuant to its Employment Arbitration Rules and Procedures and governed by Kansas law. The arbitration shall be conducted by a single arbitrator selected by the Parties according to the rules of JAMS. In the event that the Parties fail to agree on the selection of the arbitrator within 30 days after either Party's request for arbitration, the arbitrator will be chosen by JAMS. The arbitration proceeding shall commence on a mutually agreeable date within 90 days after the request for arbitration, unless otherwise agreed by the Parties, and in the location where the Executive worked during the six months immediately prior to the request for arbitration if that location is in Kansas or Virginia, and if not, the location will be Kansas, unless the Parties agree otherwise.

(b) The Parties agree that each will bear their own costs and attorneys' fees. The arbitrator shall not have authority to award attorneys' fees or costs to any Party.

(c) The arbitrator shall have no power or authority to make awards or orders granting relief that would not be available to a Party in a court of law. The arbitrator's award is limited by and must comply with this Agreement and applicable federal, state, and local laws. The decision of the arbitrator shall be final and binding on the Parties.

(d) Notwithstanding the foregoing, no claim or controversy for injunctive or equitable relief contemplated by or allowed under applicable law pursuant to Sections 10, 11, 12 and 13 of this Agreement will be subject to arbitration under this Section 16, but will instead be subject to determination in a court of competent jurisdiction in Kansas, which court shall apply Kansas law consistent with Section 21 of this Agreement, where either Party may seek injunctive or equitable relief.

17. Other Agreements . No agreements (other than the agreements evidencing any grants of equity awards) or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or other agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, pertaining to the subject matter hereof, which are not embodied herein, and that no prior and/or contemporaneous agreement, statement or promise pertaining to the subject matter hereof that is not contained in this Agreement shall be valid or binding on either party.

18. Withholding of Taxes . The Company will withhold from any amounts payable under this Agreement all federal, state, city or other taxes as the Company is required to withhold pursuant to any law or government regulation or ruling.

19. Successors and Binding Agreement.

(a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including without limitation any persons acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor shall thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company, except that the Company may assign and transfer this Agreement and delegate its duties thereunder to a wholly owned Subsidiary.

(b) This Agreement will inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 19(a) and 19(b). Without limiting the generality or effect of the foregoing, the Executive's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest, or otherwise, other than by a transfer by the Executive's will or by the laws of descent and distribution and, in the event of any attempted assignment or transfer contrary to this Section 19(c), the Company shall have no liability to pay any amount so attempted to be assigned, transferred or delegated.

20. Notices . All communications, including without limitation notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof confirmed), or five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or three business days after having been sent by a nationally recognized overnight courier service such as Federal Express or UPS, addressed to the Company (to the attention of the General Counsel of the Company) at its principal executive offices and to the Executive at his principal residence, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address shall be effective only upon receipt.

21. Governing Law and Choice of Forum.

(a) This Agreement will be construed and enforced according to the laws of the State of Kansas, without giving effect to the conflict of laws principles thereof.

(b) To the extent not otherwise provided for by Section 16 of this Agreement, the Executive and the Company consent to the jurisdiction of all state and federal courts located in Overland Park, Johnson County, Kansas, as well as to the jurisdiction of all courts of which an appeal may be taken from such courts, for the purpose of any suit, action, or other proceeding arising out of, or in connection with, this Agreement or that otherwise arise out of the employment relationship. Each Party hereby expressly waives any and all rights to bring any suit, action, or other proceeding in or before any court or tribunal other than the courts described above and covenants that it shall not seek in any manner to resolve any dispute other than as set forth in this paragraph. Further, the Executive and the Company hereby expressly waive any and all objections either may have to venue, including, without limitation, the inconvenience of such forum, in any of such courts. In addition, each of the Parties consents to the service of process by personal service or any manner in which notices may be delivered hereunder in accordance with this Agreement.

22. Validity/Severability . If any provision of this Agreement or the application of

any provision is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal. To the extent any provisions held to be invalid, unenforceable or otherwise illegal cannot be reformed, such provisions are to be stricken herefrom and the remainder of this Agreement will be binding on the parties and their successors and assigns as if such invalid or illegal provisions were never included in this Agreement from the first instance.

23. Survival of Provisions . Notwithstanding any other provision of this Agreement, the parties' respective rights and obligations under Sections 10, 11, 12, 13, 14, 15, 16, 18, 22 and 26 will survive any termination or expiration of this Agreement or the termination of the Executive's employment.

24. Representations and Acknowledgements.

(a) The Executive hereby represents that he is not subject to any restriction of any nature whatsoever on his ability to enter into this Agreement or to perform his duties and responsibilities hereunder, including, but not limited to, any covenant not to compete with any former employer, any covenant not to disclose or use any non-public information acquired during the course of any former employment or any covenant not to solicit any customer of any former employer.

(b) The Executive hereby represents that, except as he has disclosed in writing to the Company, he is not bound by the terms of any agreement with any previous employer or other party to refrain from using or disclosing any trade secret or confidential or proprietary information in the course of the Executive's employment with the Company or to refrain from competing, directly or indirectly, with the business of such previous employer or any other party.

(c) The Executive further represents that, to the best of his knowledge, his performance of all the terms of this Agreement and as an employee of the Company does not and will not breach any agreement with another party, including without limitation any agreement to keep in confidence proprietary information, knowledge or data the Executive acquired in confidence or in trust prior to his employment with the Company, and that he will not knowingly disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or others.

(d) The Executive acknowledges that he will not be entitled to any consideration or reimbursement of legal fees in connection with execution of this Agreement.

(e) The Executive hereby represents and agrees that, during the Restricted Period, if the Executive is offered employment or the opportunity to enter into any business activity, whether as owner, investor, executive, manager, employee, independent consultant, contractor, advisor or otherwise, the Executive will inform the

offeror of the existence of Sections 10, 11, 12 and 13 of this Agreement and provide the offeror a copy thereof. The Executive authorizes the Company to provide a copy of the relevant provisions of this Agreement to any of the persons or entities described in this Section 24(e) and to make such persons aware of the Executive's obligations under this Agreement.

25. Compliance with Code Section 409A . With respect to reimbursements or in-kind benefits provided under this Agreement: (a) the Company will not provide for cash in lieu of a right to reimbursement or in-kind benefits to which the Executive has a right under this Agreement, (b) any reimbursement or provision of in-kind benefits made during the Executive's lifetime (or such shorter period prescribed by a specific provision of this Agreement) shall be made not later than December 31 st of the year following the year in which the Executive incurs the expense, and (c) in no event will the amount of expenses so reimbursed, or in-kind benefits provided, by the Company in one year affect the amount of expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year. Each payment, reimbursement or in-kind benefit made pursuant to the provisions of this Agreement shall be regarded as a separate payment and not one of a series of payments for purposes of Section 409A of the Code. It is intended that any amounts payable under this Agreement and the Company's and the Executive's exercise of authority or discretion hereunder shall comply with the provisions of Section 409A of the Code and the Treasury regulations relating thereto so as not to subject the Executive to the payment of the additional tax, interest and any tax penalty which may be imposed under Section 409A of the Code. In furtherance of this interest, to the extent that any provision hereof would result in the Executive being subject to payment of the additional tax, interest and tax penalty under Section 409A of the Code, the parties agree to amend this Agreement in order to bring this Agreement into compliance with Section 409A of the Code; and thereafter interpret its provisions in a manner that complies with Section 409A of the Code. Reference to Section 409A of the Code is to Section 409A of the Internal Revenue Code of 1986, as amended, and will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of Treasury or the Internal Revenue Service. Notwithstanding the foregoing, no particular tax result for the Executive with respect to any income recognized by the Executive in connection with the Agreement is guaranteed, and the Executive shall be responsible for any taxes, penalties and interest imposed on him under or as a result of Section 409A of the Code in connection with the Agreement.

26. Amendment; Waiver . Except as otherwise provided herein, this Agreement may not be modified, amended or waived in any manner except by an instrument in writing signed by both Parties hereto. No waiver by either Party at any time of any breach by the other Party hereto or compliance with any condition or provision of this Agreement to be performed by such other Party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

27. Counterparts . This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same agreement.

28. Headings . Unless otherwise noted, the headings of sections herein are included solely for convenience of reference and shall not control the meaning or interpretation of any of

the provisions of this Agreement.

29. Defined Terms .

(a) "Agreement" has the meaning set forth in the preamble.

(b) "Base Salary" has the meaning set forth in Section 4(a).

(c) "Board" has the meaning set forth in Section 3(a).

(d) "Bonus Award" has the meaning set forth in Section 4(b)(i).

(e) "Bylaws" means the Amended and Restated Sprint Corporation Bylaws, as may be amended from time to time.

(f) "Capped Bonus Award" shall mean the lesser of the annual Target Bonus or actual performance for such fiscal year in accordance with the then existing terms of the STIP, which shall not be payable until the Compensation Committee has determined that any incentive targets have been achieved and the subsequent designated payout date has arrived.

(g) "Cause" shall mean:

(i) any act or omission constituting a material breach by the Executive of any provisions of this Agreement; provided however, that, for avoidance of doubt, the failure of the Executive to timely relocate his residence to the area surrounding the Executive's initial Place of Performance as required under Section 8 shall constitute "Cause";

(ii) the willful failure by the Executive to perform his duties hereunder (other than any such failure resulting from the Executive's Disability), after demand for performance is delivered by the Company that identifies the manner in which the Company believes the Executive has not performed his duties, if, within 30 days of such demand, the Executive fails to cure any such failure capable of being cured;

(iii) any intentional act or misconduct materially injurious to the Company or any Subsidiary, financial or otherwise, or including, but not limited to, misappropriation, fraud including with respect to the Company's accounting and financial statements, embezzlement or conversion by the Executive of the Company's or any of its Subsidiary's property in connection with the Executive's duties or in the course of the Executive's employment with the Company;

(iv) the conviction (or plea of no contest) of the Executive for any felony or the indictment of the Executive for any felony including, but not limited to, any felony involving fraud, moral turpitude, embezzlement or theft in connection with the Executive's duties or in the course of the Executive's employment with the Company;

(v) the commission of any intentional or knowing violation of any antifraud provision of the federal or state securities laws;

(vi) the Board reasonably believes in its good faith judgment that the Executive has committed any of the acts referred to in this Section 29(g)(v);

(vii) a final, non-appealable order in a proceeding before a court of competent jurisdiction or a final order in an administrative proceeding finding that the Executive committed any willful misconduct or criminal activity (excluding minor traffic violations or other minor offenses) which commission is materially inimical to the interests of the Company or any Subsidiary, whether for his personal benefit or in connection with his duties for the Company or any Subsidiary;

(viii) current alcohol or prescription drug abuse affecting work performance;

(ix) current illegal use of drugs; or

(x) violation of the Company's Code of Conduct, with written notice of termination by the Company for Cause in each case provided under this Section 29(g).

For purposes of this Agreement, no act or failure to act on the part of the Executive shall be deemed "intentional" if it was due primarily to an error in judgment or negligence, but shall be deemed "intentional" only if done or omitted to be done by the Executive not in good faith and without reasonable belief that the Executive's action or omission was in the best interest of the Company.

(h) "Change in Control" has the meaning set forth in the CIC Severance Plan.

(i) "Chief Executive Officer" has the meaning set forth in Section 3(a).

(j) "CIC Severance Plan" means the Company's Change in Control Severance Plan, as may be amended from time to time, or any successor plan, program or arrangement thereto.

(k) "CIC Severance Protection Period" has the meaning set forth in the CIC Severance Plan.

(l) "Certificate of Incorporation" means the Amended and Restated Articles of Incorporation of Sprint Corporation, as may be amended from time to time.

(m) "Code" means the Internal Revenue Code of 1986, as amended from time to time, including any rules and regulations promulgated thereunder, along with Treasury and IRS Interpretations thereof. Reference to any section or subsection of

the Code includes reference to any comparable or succeeding provisions of any legislation that amends, supplements or replaces such section or subsection.

(n) "Company" has the meaning set forth in the preamble.

(o) "Company Group" has the meaning set forth in Section 10(a)(i).

(p) "Compensation Committee" means the Compensation Committee of the Board.

(q) "Competitor" has the meaning set forth in Section 11(b).

(r) "Developments" has the meaning set forth in Section 13(a).

(s) "Disability" or "Disabled" shall mean:

(i) the Executive's incapacity due to physical or mental illness to substantially perform his duties and the essential functions of his position, with or without reasonable accommodation, on a full-time basis for six months as determined by the Board in its reasonable discretion, and within 30 days after a notice of termination is thereafter given by the Company, the Executive shall not have returned to the full-time performance of the Executive's duties; and, further,

(ii) the Executive becomes eligible to receive benefits under the LTD Plan;

provided , however , if the Executive shall not agree with a determination to terminate his employment because of Disability, the question of the Executive's disability shall be subject to the certification of a qualified medical doctor agreed to by the Company and the Executive. The costs of such qualified medical doctor shall be paid for by the Company.

(t) "Effective Date" has the meaning set forth in the preamble.

(u) "Employee Plans" has the meaning set forth in Section 5(a).

(v) "Employment Term" means the Initial Employment Term and any Renewal Term.

(w) "Executive" has the meaning set forth in the preamble.

(x) "Good Reason" means the occurrence of any of the following without the Executive's written consent, unless within 30 days of the Executive's written notice of termination of employment for Good Reason, the Company cures any such occurrence:

(i) the Company's material breach of this Agreement;

(ii) a material reduction in the Executive's Base Salary or Target Bonus (that is not agreed to by the Executive), as compared to the corresponding circumstances in place on the Effective Date as may be increased pursuant to Section 4, except for across-the-board reductions generally applicable to all senior executives; or

(iii) relocation of the Executive's Place of Performance more than 50 miles without the Executive's consent.

Any occurrence of Good Reason shall be deemed to be waived by the Executive unless the Executive provides the Company written notice of termination of employment for Good Reason within 60 days of the event giving rise to Good Reason.

(y) "Initial Employment Term" has the meaning set forth in Section 2.

(z) "JAMS" has the meaning set forth in Section 16.

(aa) "LTD Plan" has the meaning set forth in Section 9(e).

(bb) "LTSIP" means the Company's 2015 Omnibus Incentive Plan, effective August 7, 2015, as may be amended from time to time, or any successor plan, program or arrangement thereto.

(cc) "LTSIP Target Award Opportunities" has the meaning set forth in Section 4(b)(ii).

(dd) "Participant" has the meaning set forth in the CIC Severance Plan.

(ee) "Parties" has the meaning set forth in the preamble.

(ff) "Party" has the meaning set forth in the preamble.

(gg) "Payment Period" means the period of 12 continuous months, as measured from the Executive's Separation from Service.

(hh) "Place of Performance" has the meaning set forth in Section 8.

(ii) "Proprietary Information" has the meaning set forth in Section 10(a)(i).

(jj) "Release" means a release of claims in a form provided to the Executive by the Company in connection with the payment of benefits under this Agreement.

(kk) "Release Consideration Period" means the period of time pursuant to the terms of the Release afforded the Executive to consider whether to sign it.

(ll) "Release Revocation Period" means the period pursuant to the terms of an executed Release in which it may be revoked by the Executive.

(mm) "Renewal Term" has the meaning set forth in Section 2.

(nn) "Restricted Period" means the 12-month period following the Executive's date of termination of employment with the Company for any reason or Cause, including for nonrenewal of this Agreement, Disability, termination by the Company or termination by the Executive.

(oo) "Separation from Service" means "separation from service" from the Company and its subsidiaries as described under Code Section 409A and the guidance and Treasury regulations issued thereunder. Separation from Service will occur on the date on which the Executive's level of services to the Company decreases to 21 percent or less of the average level of services performed by the Executive over the immediately preceding 36-month period (or if providing services for less than 36 months, such lesser period) after taking into account any services that the Executive provided prior to such date or that the Company and the Executive reasonably anticipate the Executive may provide (whether as an employee or as an independent contractor) after such date. For purposes of the determination of whether the Executive has had a Separation from Service, the term "Company" shall mean the Company and any affiliate with which the Company would be considered a single employer under Code Section 414(b) or 414(c), provided that in applying Code Sections 1563(a)(1), (2), and (3) for purposes of determining a controlled group of corporations under Code Section 414(b), the language "at least 50 percent" is used instead of "at least 80 percent" each place it appears in Code Sections 1563(a)(1), (2) and (3), and in applying Treasury Regulation Section 1.414(c)-2 for purposes of determining trades or businesses (whether or not incorporated) that are under common control for purposes of Code Section 414(c), "at least 50 percent" is used instead of "at least 80 percent" each place it appears in Treasury Regulation Section 1.414(c)-2. In addition, where the use of such definition of "Company" for purposes of determining a Separation from Service is based upon legitimate business criteria, in applying Code Sections 1563(a)(1), (2), and (3) for purposes of determining a controlled group of corporations under Code Section 414(b), the language "at least 20 percent" is used instead of "at least 80 percent" at each place it appears in Code Sections 1563(a)(1), (2) and (3), and in applying Treasury Regulation Section 1.414(c)-2 for purposes of determining trades or businesses (whether or not incorporated) that are under common control for purposes of Code Section 414(c), "at least 20 percent" is used instead of "at least 80 percent" at each place it appears in Treasury Regulation Section 1.414(c)-2.

(pp) "Separation Plan" means the Company's Separation Plan, as may be amended from time to time, or any successor plan, program, arrangement or agreement thereto.

(qq) "Specified Employee" shall mean an Executive who is a "specified employee" for purposes of Code Section 409A, as administratively determined by the Board in accordance with the guidance and Treasury regulations issued under Code Section 409A.

(rr) "STIP" means the Company's short-term incentive plan under Section 8 of the Company's 2015 Omnibus Incentive Plan, effective August 7, 2015, as may be amended from time to time, or any successor plan, program or arrangement thereto.

(ss) "Subsidiary" shall mean any entity, corporation, partnership (general or limited), limited liability company, entity, firm, business organization, enterprise, association or joint venture in which the Company directly or indirectly controls ten percent (10%) or more of the voting interest. Notwithstanding the foregoing, for purposes of Section 3(a), "Subsidiary" shall mean any affiliate with which the Company would be considered a single employer as described in the definition of Separation from Service.

(tt) "Target Bonuses" has the meaning set forth in Section 4(b)(i).

(uu) "Territory" has the meaning set forth in Section 11(b).

Signature Page Follows

IN WITNESS WHEREOF, the Company has caused this Agreement to be signed by an officer pursuant to the authority of its Board, and the Executive has executed this Agreement, as of the day and year first written above.

SPRINT CORPORATION

By: /s/ Sandy Price
Sandra J. Price
Senior Vice President - Human Resources

EXECUTIVE

/s/ Jim Hyde
Jim Hyde

Exhibit 10.3

Under Section 5(a) of the Amended and Restated Employment Agreement effective as of August 11, 2015 (the "Employment Agreement") by and between Sprint Corporation (the "Company") and Marcelo Claure, the Company's Chief Executive Officer, Mr. Claure is allowed up to six hours of flight time on the Company's aircraft for one or more round-trip domestic or international flights per month for Mr. Claure and his family and/or guests (which hours to the extent unused will be carried over to the next month). On May 13, 2016, the Compensation Committee of the Company approved six additional flight hours under this provision for six months, increasing the amount of such flight time allowance to twelve hours per month for June 2016 through November 2016. On December 1, 2016, Mr. Claure's flight time allowance will revert to the six hours per month as provided in the Employment Agreement.

Exhibit 10.4

Evidence of Award
Long-term Incentive Plan
Restricted Stock Units

Throughout this Evidence of Award, we sometimes refer to Sprint Corporation (the "Corporation") and its subsidiaries as "we" or "us."

1. Award of Restricted Stock Units

On <_____> (the "Date of Grant"), the Section 16 Sub-Committee of the Compensation Committee of the Board of Directors granted you an Award of <_____> Restricted Stock Units (the "RSUs") under the terms of the Sprint Corporation 2015 Omnibus Incentive Plan (the "Plan"). Subject to the terms and conditions of the Plan and this Evidence of Award, an RSU represents the right for you to receive from us one share of Common Stock.

2. Restriction Period

Subject to the terms and conditions of this Award, your RSUs will vest on the earlier of (a) <_____> or and (b) the date vesting is accelerated as described in paragraph 3 below (the "Vested RSUs"), conditioned on you continuously serving as our employee to such date (the "Vesting Date").

3 . Acceleration of Vesting

Unvested RSUs may vest before the time at which they would normally become vested - that is, the vesting of RSUs may accelerate. Your RSUs will vest fully, except as noted below, on your Separation from Service under the following circumstances:

Event	***Condition for Vesting Acceleration***
Death	Your death.
Disability	You have a termination of employment that constitutes a Separation from Service under circumstances that make you eligible for benefits under the Sprint Long-Term Disability Plan.
Change in Control Involuntary Termination	You have a termination of employment that constitutes a Separation from Service during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor), the CIC Severance Plan, or your employment agreement (if applicable).
Non-Change in Control Involuntary Termination*	You have a termination of employment that constitutes a Separation from Service other than during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor), the CIC Severance Plan or your employment agreement (if applicable).*
Normal Retirement*	You have any other termination of employment without Cause that constitutes a Separation from Service on or after the later of your 65 th birthday and the second anniversary of the Date of Grant.*

*The number of your RSUs that vest is your RSUs times the factor based on the period of your employment from Date of Grant, inclusive, through your Separation from Service in

relation to the period of Date of Grant, inclusive, through <_____>, with the remainder of your RSUs forfeited as of your Separation from Service.

Separation from Service is defined in the Plan. Generally, it means the last day of your relationship with us as a common-law employee as reflected on our payroll records.

CIC Severance Plan means the Sprint Change in Control Severance Plan, as it may be amended from time to time, or any successor plan.

CIC Severance Protection Period is defined in the Plan. Generally, it means the time period commencing on the date of the first occurrence of a "Change in Control" and continuing until the earlier of (i) the 18-month anniversary of such date or (ii) the Participant's death. For purposes of the RSUs under this Award, the CIC Severance Protection Period applies only with respect to a Change in Control occurring after the Date of Grant.

4. Forfeiture of RSUs

You will forfeit as of your Separation from Service RSUs that are not vested pursuant to the foregoing paragraphs. In addition, you will forfeit undelivered RSUs if (a) you breach a restrictive covenant in your employment agreement during the Restricted Period as defined in your employment agreement, or (b) if you do not have an employment agreement, you breach your obligation to refrain from Detrimental Activity as described in Exhibit A.

5. Dividends

If cash dividends are paid on the Common Stock underlying RSUs, which you hold on the dividend record date, you will receive a cash payment equal to the amount of the dividend that would be paid on such Common Stock, subject to the vesting provisions (including any applicable proration) with respect to, and delivery at the same time as the shares underlying, your RSUs.

If non-cash dividends are paid on the Common Stock underlying your RSUs, and you hold the RSUs on the dividend record date, the Board of Directors of the Corporation, or a sub-committee thereof, in its sole discretion, may (1) adjust your RSUs as described in paragraph 9 of this Evidence of Award, or (2) provide for distribution of the property distributed in the non-cash dividend. The additional RSUs or property distributed is subject to vesting provisions (including any applicable proration) with respect to, and delivery at the same time as the shares underlying, the original RSUs.

6. Delivery Date; Market Value Per Share

The Delivery Date (the date as of which we distribute to you the Common Stock underlying your Vested RSUs) is the Vesting Date, or the day after the Six-Month Payment Delay if that delay applies to your RSUs. We calculate your taxable income on the Delivery Date using the Market Value Per Share on the immediately preceding trading day, but we use the average of the high and low reported prices of our Common Stock instead of the closing price. We will distribute the Common Stock underlying your Vested RSUs as soon as practicable after the Delivery Date, but in no event later than 45 days after the Delivery Date. Six-Month Payment Delay is defined in the Plan to mean

the required delay in payment to a Participant who is a "specified employee" of amounts subject to Section 409A of the Internal Revenue Code (the "Code") that are paid upon Separation from Service.

7. Transfer of your RSUs and Designation of Beneficiaries

Your RSUs represent a contract between the Corporation and you, and your rights under the contract are not assignable to any other party during your lifetime nor do they give you a preferred claim to any particular assets or shares of the Corporation. Upon your death, shares of Common Stock underlying your RSUs will be delivered in accordance with the terms of the Award to any beneficiaries you name in a beneficiary designation or, if you make no designation, to your estate.

8. Plan Terms

All capitalized terms used in this Evidence of Award that are not defined in this Evidence of Award have the same meaning as those terms have in the Plan. The terms of the Plan are hereby incorporated by this reference. The Plan is available on Sprint's intranet.

9. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, spin-off, reorganization, separation, liquidation, stock split, stock dividend, combination of shares or any other change in our corporate structure or shares of our Common Stock, an appropriate adjustment will be made consistent with applicable provisions of the Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding Awards and any other adjustments as the Board deems appropriate.

10. Amendment; Discretionary Nature of Plan

This Evidence of Award is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Evidence of Award may not be materially impaired by any amendment or termination of the Plan approved after the Date of Grant without your written consent. You acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by us, in our sole discretion, at any time. The grant of RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of RSUs, other types of grants under the Plan, or benefits in lieu of such grants in the future. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of RSUs granted, the payment of dividend equivalents, and vesting provisions.

11. Data Privacy

By accepting this Award, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us such information and data as we request in order to facilitate the grant of the RSUs and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

12. Governing Law and Exclusive Forum

This Evidence of Award will be governed by the laws of the State of Delaware and any dispute in connection therewith may only be brought in the state or federal courts in Delaware. No shares of Common Stock will be delivered to you upon the vesting of the RSUs unless our counsel is satisfied that such delivery will be in compliance with all applicable laws.

13. Severability

The various provisions of this Evidence of Award are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

14. Taxes

You are liable for any and all taxes, including withholding taxes, arising out of this grant or the issuance of the Common Stock on vesting of RSUs. We are authorized to deduct the amount of the tax withholding from the amount payable to you upon settlement of the RSUs. We will withhold from the total number of shares of Common Stock you are to receive a number of shares the value of which is sufficient to satisfy any such withholding obligation at the minimum applicable withholding rate. In addition, if you become subject to FICA or Medicare tax, but you are not yet entitled to delivery of the shares of Common Stock underlying the RSUs, you hereby authorize us to withhold the resulting FICA or Medicare tax from other income payable to you.

15. Clawback

We may recover any compensation related to this Long-Term Incentive Plan award to the extent the Board of Directors of the Corporation determines that the value of that compensation is based on financial results or operating objectives impacted by your knowing or intentional fraudulent or illegal conduct and that such forfeiture or recovery is appropriate, or as may be required under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

16. Entire Understanding

You hereby acknowledge that you have read the Sprint Corporation 2015 Omnibus Incentive Plan Information Statement dated <_____> (the “Information Statement”) available on Sprint’s intranet. To the extent not inconsistent with the provisions of this Evidence of Award, the terms of the Information Statement and the Plan are hereby incorporated by reference. This Evidence of Award, along with the Information Statement and the Plan, contain the entire understanding of the parties.

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

Exhibit A - Obligation to Refrain from Detrimental Activities

If you have an employment agreement with us, the restrictive covenants in that agreement are incorporated by reference in this Evidence of Award, and your obligations to refrain from Detrimental Activities will be governed by your employment agreement rather than the obligations described in this Exhibit A.

If you do not have an employment agreement, in consideration of receiving the Award, you, the Participant, agree to the following obligations:

1. Noncompetition

(a) During the period of your employment with us, and for a period ending twelve (12) months following a termination of your employment with us for any reason, you shall not, without the prior written consent of the Senior Vice President, Human Resources of the Corporation (or his or her designee) directly or indirectly, engage in activities for or on behalf of a Competitor that are the same or similar in form or function to the services you provided in the last year of your employment to the Company or have an interest in any Competitor of the Company Group, whether as an owner, investor, executive, manager, employee, independent consultant, contractor, advisor, or otherwise. Your ownership of less than one percent (1%) of any class of stock in a publicly traded corporation shall not be a breach of this paragraph. “Company Group” means the Corporation, any of its subsidiaries or any affiliates of the Corporation or its subsidiaries.

This paragraph (a) shall not prohibit you from engaging in the practice of law as an in-house counsel, sole practitioner or as a partner in (or as an employee of or counsel to) a corporation or law firm in accordance with applicable legal and professional standards. However, this exception does not apply to you if you are providing services to any person, partnership, firm, corporation, institution or other entity that is a Competitor, if such engagement or services being provided are not primarily the practice of law.

(b) A “Competitor” is any entity doing business directly or indirectly (e.g., as an owner, investor, provider of capital or otherwise) in the United States including any territory of the United States (the “Territory”) that provides wireless products and/or services that are the same or similar to the wireless products and/or services that are currently being provided at the time of your termination or that were provided by the Company Group during the two-year period prior to your separation from service with the Company Group.

(c) You acknowledge and agree that due to the continually evolving nature of the Company Group’s industry, the scope of its business and/or the identities of Competitors may change over time. You further acknowledge and agree that the Company Group markets its products and services on a nationwide basis, encompassing the Territory and that the restrictions imposed by this covenant, including the geographic scope, are reasonably necessary to protect the Company Group’s legitimate interests.

(d) You covenant and agree that should a court at any time determine that any restriction or limitation in this Section 1 is unreasonable or unenforceable, it will be deemed

amended so as to provide the maximum protection to the Company Group and be deemed reasonable and enforceable by the court.

2. Non-Solicitation

(a) During the period of your employment with us, and for a period ending twelve (12) months following a termination of your employment with us for any reason, you shall not, without the prior written consent of the Senior Vice President, Human Resources of the Corporation (or his or her designee) directly or indirectly, individually or on behalf of any other person or entity do or suffer any of the following:

(1) hire or employ or assist in hiring or employing any person who was at any time during the last 18 months of the Executive's employment an employee, representative or agent of any member of the Company Group or solicit, aid, induce or attempt to solicit, aid, induce or persuade, directly or indirectly, any person who is an employee, representative, or agent of any member of the Company Group to leave his or her employment with any member of the Company Group to accept employment with any other person or entity;

(2) induce any person who is an employee, officer or agent of the Company Group, or any of its affiliated, related or subsidiary entities to terminate such relationship;

(3) solicit any customer of the Company Group, or any person or entity whose business the Company Group had solicited during the 180-day period prior to termination of the Executive's employment for purposes of business which is competitive to the Company Group within the Territory; or

(4) solicit, aid, induce, persuade or attempt to solicit, aid, induce or persuade any person or entity to take any action that would result in a Change in Control of the Company or to seek to control the Board in a material manner.

(5) For purposes of this Section 12, the term "solicit or persuade" includes, but is not limited to, (i) initiating communications with an employee of the Company Group relating to possible employment, (ii) offering bonuses or additional compensation to encourage an employee of the Company Group to terminate his employment, (iii) referring employees of the Company Group to personnel or agents employed by competitors, suppliers or customers of the Company Group, and (iv) initiating communications with any person or entity relating to a possible Change in Control

3. Agreement to Refrain from Detrimental Activities.

You shall indicate your agreement to the noncompetition and non-solicitation obligations in this Exhibit A in accordance with the instructions provided in the on-line grant acceptance process on the UBS One Source website (https://onesource.ubs.com/CEFSWebApp/callpage.do?bookCode=S&page=login_header_new), and your acceptance of the Award shall include your acceptance of these

obligations. You and the Corporation hereby expressly agree that the use of electronic media to indicate confirmation, consent, signature, acceptance, agreement and delivery shall be legally valid and have the same legal force and effect as if you and executed the agreement in paper form.

Exhibit 10.5

Evidence of Award
Long-term Incentive Plan
Performance-Based Restricted Stock Units

Throughout this Evidence of Award, we sometimes refer to Sprint Corporation (the "Corporation") and its subsidiaries as "we" or "us."

1. Award of Restricted Stock Units

On <_____> (the "Date of Grant"), the Section 16 Sub-Committee of the Compensation Committee of the Board of Directors of the Corporation granted you an Award of <_____> Restricted Stock Units (the "RSUs") under the terms of the Sprint Corporation 2015 Omnibus Incentive Plan (the "Plan"). Subject to the terms and conditions of the Plan and this Evidence of Award, an RSU represents the right for you to receive from us one share of Common Stock.

2. Performance Adjustment

Your RSUs are allocated equally among three annual performance periods <_____>) for which annual financial objective(s) are determined by the Compensation Committee of the Board of Directors of the Corporation, or a sub-committee thereof, at the beginning of each applicable performance period. Subject to the discretion of the Board of Directors of the Corporation, or a sub-committee thereof (excluding upward discretion with respect to the Section 162(m) objective results, if applicable), the number of RSUs allocable to an annual performance period will be adjusted as soon as reasonably practicable following such annual performance period (the "Adjustment Date") by multiplying that number by a payout percentage (0% up through 200%) based on achievement of that annual performance period's objective(s, as weighted) (the "Performance Adjustment"), with the remainder of RSUs allocated to that performance period being forfeited.

3. Restriction Period

Subject to the terms and conditions of this Award, including the Performance Adjustment, your RSUs will vest on the earlier of (a) <_____> and (b) the date vesting is accelerated as described in paragraph 4 below, conditioned on you continuously serving as our employee to such date (the "Vesting Date").

4 . Acceleration of Vesting

Unvested RSUs may vest before the time at which they would normally become vested - that is, the vesting of RSUs may accelerate. Your RSUs will vest, fully and with the Performance Adjustment applied only to RSUs allocated to performance periods ending on or before your Separation from Service except as noted below, on your Separation from Service under the following circumstances:

Event	***Condition for Vesting Acceleration***
Death	Your death.
Disability	You have a termination of employment that constitutes a Separation from Service under circumstances that make you eligible for benefits under the Sprint Long-Term Disability Plan.
Change in Control	You have a termination of employment that constitutes a Separation from Service during the CIC Severance Protection Period under

Involuntary Termination	You have a termination of employment that constitutes a Separation from Service during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor), the CIC Severance Plan, or your employment agreement (if applicable).
Non-Change in Control Involuntary Termination*	You have a termination of employment that constitutes a Separation from Service other than during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor) or your employment agreement (if applicable).*
Normal Retirement*	You have any other termination of employment without Cause that constitutes a Separation from Service on or after the later of your 65 th birthday and the second anniversary of the Date of Grant.*

*The number of your RSUs that vests is determined by (i) applying a percentage equal to the ratio of (a) the portion of each annual period from <_____> (each, a "Service Period") that you did not incur a Separation from Service, over (b) the number of days in each such Service Period, to the number of RSUs originally allocated to the performance period ending during each respective Service Period (each, the "Vesting Performance Period," with the resulting number of RSUs for each Vesting Performance Period being the "Applicable Vesting RSU Allocation"), and then (ii) applying the Performance Adjustment for the applicable Vesting Performance Period to the Applicable Vesting RSU Allocation, with the remainder of your RSUs forfeited as of your Separation from Service.

Separation from Service is defined in the Plan. Generally, it means the last day of your relationship with us as a common-law employee as reflected on our payroll records.

CIC Severance Plan means the Sprint Change in Control Severance Plan, as it may be amended from time to time, or any successor plan.

CIC Severance Protection Period is defined in the Plan. Generally, it means the time period commencing on the date of the first occurrence of a "Change in Control" and continuing until the earlier of (i) the 18-month anniversary of such date or (ii) the Participant's death. For purposes of the RSUs under this Award, the CIC Severance Protection Period applies only with respect to a Change in Control occurring after the Date of Grant.

5. Forfeiture of RSUs

You will forfeit as of your Separation from Service RSUs that are not vested pursuant to the foregoing paragraphs. In addition, you will forfeit undelivered RSUs if (a) you breach a restrictive covenant in your employment agreement during the Restricted Period as defined in your employment agreement, or (b) if you do not have an employment agreement, you breach your obligation to refrain from Detrimental Activity as described in Exhibit A.

6. Dividends

If cash dividends are paid on the Common Stock underlying your RSUs (as adjusted under paragraph 2 if applicable and determined retrospectively), which you hold on the dividend record date (the "Dividend RSUs"), you will receive a cash payment

equal to the amount of the dividend that would be paid on such Common Stock, subject to the vesting provisions (including any applicable proration) with respect to, and delivery at the same time as the shares underlying, your RSUs.

If non-cash dividends are paid on the Common Stock underlying your Dividend RSUs, the Board of Directors of the Corporation, or a sub-committee thereof, in its sole discretion, may (1) adjust your RSUs as described in paragraph 10 of this Evidence of Award, or (2) provide for distribution of the property distributed in the non-cash dividend. The additional RSUs or property distributed is subject to vesting provisions(including any applicable proration) with respect to, and delivery at the same time as the shares underlying, the original RSUs.

7. Delivery Date; Market Value Per Share

The Delivery Date (the date as of which we distribute to you the Common Stock underlying your RSUs, as adjusted if applicable) is the latest of the Vesting Date, any applicable Adjustment Date(s), and the day after the Six-Month Payment Delay if that delay applies to your RSUs. We calculate your taxable income on the Delivery Date using the Market Value Per Share on the immediately preceding trading day, but we use the average of the high and low reported prices of our Common Stock instead of the closing price. We will distribute the Common Stock as soon as practicable after the Delivery Date, but in no event later than 45 days after the Delivery Date. Six-Month Payment Delay is defined in the Plan to mean the required delay in payment to a Participant who is a "specified employee" of amounts subject to Section 409A of the Internal Revenue Code (the "Code") that are paid upon Separation from Service.

8. Transfer of your RSUs and Designation of Beneficiaries

Your RSUs represent a contract between the Corporation and you, and your rights under the contract are not assignable to any other party during your lifetime nor do they give you a preferred claim to any particular assets or shares of the Corporation. Upon your death, shares of Common Stock underlying your RSUs will be delivered in accordance with the terms of the Award to any beneficiaries you name in a beneficiary designation or, if you make no designation, to your estate.

9. Plan Terms

All capitalized terms used in this Evidence of Award that are not defined in this Evidence of Award have the same meaning as those terms have in the Plan. The terms of the Plan are hereby incorporated by this reference. The Plan is available on Sprint's intranet.

10. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, spin-off, reorganization, separation, liquidation, stock split, stock dividend, combination of shares or any other change in our corporate structure or shares of our Common Stock, an appropriate adjustment will be made consistent with applicable provisions of the Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding Awards and any other adjustments as the Board deems appropriate.

11. Amendment; Discretionary Nature of Plan

This Evidence of Award is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Evidence of Award may not be materially impaired by any amendment or termination of the Plan approved after the Date of Grant without your written consent. You acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by us, in our sole discretion, at any time. The grant of RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of RSUs, other types of grants under the Plan, or benefits in lieu of such grants in the future. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of RSUs granted, the payment of dividend equivalents, and vesting provisions.

12. Data Privacy

By accepting this Award, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us such information and data as we request in order to facilitate the grant of the RSUs and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

13. Governing Law and Exclusive Forum

This Evidence of Award will be governed by the laws of the State of Delaware and any dispute in connection therewith may only be brought in the state or federal courts in Delaware. No shares of Common Stock will be delivered to you upon the vesting of the RSUs unless our counsel is satisfied that such delivery will be in compliance with all applicable laws.

14. Severability

The various provisions of this Evidence of Award are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

15. Taxes

You are liable for any and all taxes, including withholding taxes, arising out of this grant or the issuance of the Common Stock on vesting of RSUs. We are authorized to deduct the amount of the tax withholding from the amount payable to you upon settlement of the RSUs. We will withhold from the total number of shares of Common Stock you are to receive a number of shares the value of which is sufficient to satisfy any such withholding obligation at the minimum applicable withholding rate. In addition, if you become subject to FICA or Medicare tax, but you are not yet entitled to delivery of the shares of Common Stock underlying the RSUs, you hereby authorize us to withhold the resulting FICA or Medicare tax from other income payable to you.

16. Clawback

We may recover any compensation related to this Long-Term Incentive Plan award to the extent the Board of Directors of the Corporation determines that the value of

that compensation is based on financial results or operating objectives impacted by your knowing or intentional fraudulent or illegal conduct and that such forfeiture or recovery is appropriate, or as may be required under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

17. Entire Understanding

You hereby acknowledge that you have read the Sprint Corporation 2015 Omnibus Incentive Plan Information Statement dated <_____> (the "Information Statement") available on Sprint's intranet.. To the extent not inconsistent with the provisions of this Evidence of Award, the terms of the Information Statement and the Plan are hereby incorporated by reference. This Evidence of Award, along with the Information Statement and the Plan, contain the entire understanding of the parties.

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

Exhibit A - Obligation to Refrain from Detrimental Activities

If you have an employment agreement with us, the restrictive covenants in that agreement are incorporated by reference in this Evidence of Award, and your obligations to refrain from Detrimental Activities will be governed by your employment agreement rather than the obligations described in this Exhibit A.

If you do not have an employment agreement, in consideration of receiving the Award, you, the Participant, agree to the following obligations:

1. Noncompetition

(a) During the period of your employment with us, and for a period ending twelve (12) months following a termination of your employment with us for any reason, you shall not, without the prior written consent of the Senior Vice President, Human Resources of the Corporation (or his or her designee) directly or indirectly, engage in activities for or on behalf of a Competitor that are the same or similar in form or function to the services you provided in the last year of your employment to the Company or have an interest in any Competitor of the Company Group, whether as an owner, investor, executive, manager, employee, independent consultant, contractor, advisor, or otherwise. Your ownership of less than one percent (1%) of any class of stock in a publicly traded corporation shall not be a breach of this paragraph. “Company Group” means the Corporation, any of its subsidiaries or any affiliates of the Corporation or its subsidiaries.

This paragraph (a) shall not prohibit you from engaging in the practice of law as an in-house counsel, sole practitioner or as a partner in (or as an employee of or counsel to) a corporation or law firm in accordance with applicable legal and professional standards. However, this exception does not apply to you if you are providing services to any person, partnership, firm, corporation, institution or other entity that is a Competitor, if such engagement or services being provided are not primarily the practice of law.

(b) A “Competitor” is any entity doing business directly or indirectly (e.g., as an owner, investor, provider of capital or otherwise) in the United States including any territory of the United States (the “Territory”) that provides wireless products and/or services that are the same or similar to the wireless products and/or services that are currently being provided at the time of your termination or that were provided by the Company Group during the two-year period prior to your separation from service with the Company Group.

(c) You acknowledge and agree that due to the continually evolving nature of the Company Group’s industry, the scope of its business and/or the identities of Competitors may change over time. You further acknowledge and agree that the Company Group markets its products and services on a nationwide basis, encompassing the Territory and that the restrictions imposed by this covenant, including the geographic scope, are reasonably necessary to protect the Company Group’s legitimate interests.

(d) You covenant and agree that should a court at any time determine that any restriction or limitation in this Section 1 is unreasonable or unenforceable, it will be deemed

amended so as to provide the maximum protection to the Company Group and be deemed reasonable and enforceable by the court.

2. Non-Solicitation

(a) During the period of your employment with us, and for a period ending twelve (12) months following a termination of your employment with us for any reason, you shall not, without the prior written consent of the Senior Vice President, Human Resources of the Corporation (or his or her designee) directly or indirectly, individually or on behalf of any other person or entity do or suffer any of the following:

(1) hire or employ or assist in hiring or employing any person who was at any time during the last 18 months of the Executive's employment an employee, representative or agent of any member of the Company Group or solicit, aid, induce or attempt to solicit, aid, induce or persuade, directly or indirectly, any person who is an employee, representative, or agent of any member of the Company Group to leave his or her employment with any member of the Company Group to accept employment with any other person or entity;

(2) induce any person who is an employee, officer or agent of the Company Group, or any of its affiliated, related or subsidiary entities to terminate such relationship;

(3) solicit any customer of the Company Group, or any person or entity whose business the Company Group had solicited during the 180-day period prior to termination of the Executive's employment for purposes of business which is competitive to the Company Group within the Territory; or

(4) solicit, aid, induce, persuade or attempt to solicit, aid, induce or persuade any person or entity to take any action that would result in a Change in Control of the Company or to seek to control the Board in a material manner.

(5) For purposes of this Section 12, the term "solicit or persuade" includes, but is not limited to, (i) initiating communications with an employee of the Company Group relating to possible employment, (ii) offering bonuses or additional compensation to encourage an employee of the Company Group to terminate his employment, (iii) referring employees of the Company Group to personnel or agents employed by competitors, suppliers or customers of the Company Group, and (iv) initiating communications with any person or entity relating to a possible Change in Control

3. Agreement to Refrain from Detrimental Activities.

You shall indicate your agreement to the noncompetition and non-solicitation obligations in this Exhibit A in accordance with the instructions provided in the on-line grant acceptance process on the UBS One Source website (https://onesource.ubs.com/CEFSWebApp/callpage.do?bookCode=S&page=login_header_new), and your acceptance of the Award shall include your acceptance of these

obligations. You and the Corporation hereby expressly agree that the use of electronic media to indicate confirmation, consent, signature, acceptance, agreement and delivery shall be legally valid and have the same legal force and effect as if you and executed the agreement in paper form.

Evidence of Award
Turnaround Incentive Award
Restricted Stock Units

Throughout this Evidence of Award, we sometimes refer to Sprint Corporation (the "Corporation") and its subsidiaries as "we" or "us," and we refer to <Executive Name> as "you."

1. Award of Restricted Stock Units

On <_____> (the "Date of Grant"), the Section 16 Sub-Committee of the Compensation Committee of the Corporation granted you <_____> Restricted Stock Units (the "RSUs") under the terms of the Sprint Corporation 2015 Omnibus Incentive Plan (the "Plan"). Subject to the terms and conditions of the Plan and this Evidence of Award, an RSU represents the right for you to receive from us one share of Common Stock of the Corporation. This award is intended to be a Qualified Performance-Based Award as defined in the Plan.

2. Determination of Earned Shares

Your RSUs will be earned (the "Earned Shares") upon the achievement of specified volume-weighted average prices of Common Stock during regular trading on the NYSE over any 150-calendar day period during a period from <_____> through <_____> (the "Performance Period"). The volume-weighted average prices associated with the Earned Shares are as set forth on Schedule I.

3. Vesting and Forfeiture

If the price targets specified in paragraph 2 are not achieved by the conclusion of the Performance Period, the remaining opportunity is forfeited. Once shares are earned - that is, the price target has been attained during the Performance Period - they are subject to forfeiture if you are not continuously serving as our employee through the Vesting Date (subject to the exceptions in Paragraphs 4 and 5 below), but they are not subject to forfeiture based on subsequent share price performance. The Earned Shares vest 50 percent on the fourth anniversary of the Date of Grant and 50 percent on the fifth anniversary of the Date of Grant (each date is referred to as a "Vesting Date").

4 . Treatment of Certain Terminations before a Vesting Date

If, (1) before a Vesting Date and after two years following the Date of Grant, your employment is terminated by the Company without Cause, or (2) before a vesting date you have a Termination by Death, or Termination by Disability (in each case as defined in your Employment Agreement), you will receive on the Vesting Date a pro-rata number of the Earned Shares you would have otherwise received without such termination, based on the number of days you were employed during the Performance Period over the entire Performance Period.

5. Treatment of Change in Control during the Performance Period

If a Change in Control, as defined in this Evidence of Award, occurs during the Performance Period, Earned Shares (if any) will be the greater of the achievement based on (1) volume-weighted average prices of Common Stock over any 150-calendar day period as specified in Paragraph 2 as of the date of the Change in Control, or (2) the consideration per

share of Common Stock in connection with the Change in Control using the prices specified in Paragraph 2. Any Earned Shares under the previous sentence will vest on the Vesting Date as specified in Paragraph 3, unless the continuing entity fails to assume the RSUs, in which case vesting will accelerate without proration as of the date of the Change in Control. In addition, if during the CIC Severance Protection Period, your employment is terminated by the Company without Cause, or you terminate employment for Good Reason, any Earned Shares will immediately vest and become payable without proration. Change in Control for this award is as defined in the Plan, except that acquisition by SoftBank Group Corp. or its subsidiaries of 100% of the Company's shares (such that the Company ceases to have any class of equity securities listed on a national securities exchange) will not constitute a Change in Control. CIC Severance Protection Period is also defined in the Plan. It means the time period commencing on the date of the first occurrence of a Change in Control and continuing until the earlier of (i) the 18-month anniversary of such date or (ii) the Participant's death.

6. Dividends

Your RSUs are not eligible for dividends.

7. Delivery Date; Market Value Per Share

The Delivery Date (the date as of which we distribute to you the Common Stock underlying your Vested RSUs) is the Vesting Date, or the day after the Six-Month Payment Delay if that delay applies to your RSUs. We calculate your taxable income on the Delivery Date using the Market Value Per Share on the immediately preceding trading day, but we use the average of the high and low reported prices of our Common Stock instead of the closing price. We will distribute the Common Stock underlying your Vested RSUs as soon as practicable after the Delivery Date, but in no event later than 45 days after the Delivery Date. Six-Month Payment Delay is defined in the Plan to mean the required delay in payment to a Participant who is a "specified employee" of amounts subject to Section 409A of the Internal Revenue Code (the "Code") that are paid upon Separation from Service.

8. Transfer of your RSUs and Designation of Beneficiaries

Your RSUs represent a contract between the Corporation and you, and your rights under the contract are not assignable to any other party during your lifetime nor do they give you a preferred claim to any particular assets or shares of the Corporation. Upon your death, any Earned Shares prorated as described in Paragraph 4 will be delivered in accordance with the terms of the Award to any beneficiaries you name in a beneficiary designation or, if you make no designation, to your estate.

9. Plan Terms

All capitalized terms used in this Evidence of Award that are not defined in this Evidence of Award have the same meaning as those terms have in the Plan. The terms of the Plan are hereby incorporated by this reference. The Plan is available on Sprint's intranet.

10. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, spin-off, reorganization, separation, liquidation, stock split, stock dividend, extraordinary cash dividend, combination of shares or

any other change in our corporate structure or shares of our Common Stock, an appropriate adjustment will be made consistent with applicable provisions of the Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding Awards and any other adjustments as the Board deems appropriate.

11. Amendment; Discretionary Nature of Plan

This Evidence of Award is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Evidence of Award may not be materially impaired by any amendment or termination of the Plan approved either before or after the Date of Grant, without your written consent. Subject to the above restriction, you acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by us, in our sole discretion, at any time. The grant of RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive any other grant of RSUs, other types of grants under the Plan, or benefits in lieu of such grants in the future. Future grants (other than as contained herein), if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of RSUs granted, the payment of dividend equivalents, and vesting provisions.

12. Data Privacy

By accepting this Award, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us such information and data as we request in order to facilitate the grant of the RSUs and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

13. Governing Law

This Evidence of Award will be governed by the laws of the State of Delaware. No shares of Common Stock will be delivered to you upon the vesting of the RSUs unless our counsel is satisfied that such delivery will be in compliance with all applicable laws.

14. Severability

The various provisions of this Evidence of Award are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

15. Taxes

You are liable for any and all taxes, including withholding taxes, arising out of this grant or the issuance of the Common Stock on vesting of RSUs. We are authorized to deduct the amount of the tax withholding from the amount payable to you upon settlement of the RSUs. We will withhold from the total number of shares of Common Stock you are to receive a number of shares the value of which is sufficient to satisfy any such withholding obligation at the minimum applicable withholding rate. In addition, if you become subject to FICA or Medicare tax, but you are not yet entitled to delivery of the shares of Common Stock underlying the RSUs, you hereby authorize us to withhold the resulting FICA or Medicare tax from other income payable to you.

16. Clawback

We may recover any compensation related to this award to the extent the Board of Directors of the Corporation determines that the value of that compensation is based on financial results or operating objectives impacted by your knowing or intentional fraudulent or illegal conduct and that such forfeiture or recovery is appropriate, or as may be required under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

17. Entire Understanding

You hereby acknowledge that you have read the 2015 Omnibus Incentive Plan Information Statement dated <_____> (the "Information Statement") available on Sprint's intranet. To the extent not inconsistent with the provisions of this Evidence of Award, the terms of the Information Statement and the Plan are hereby incorporated by reference. This Evidence of Award, along with the Information Statement and the Plan contain the entire understanding of the parties.

Sprint Corporation <Executive Name>

By: _____ _____

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

Exhibit 10.7

Evidence of Award
Long-term Incentive Plan
Stock Options

Throughout this Evidence of Award, we sometimes refer to Sprint Corporation (the "Corporation") and its subsidiaries as "we" or "us" and to the Award recipient as "you."

1. Award of Option Right

On <_____> (the "Date of Grant"), the Section 16 Sub-Committee of the Compensation Committee of the Board of Directors granted you an Option Right to purchase from us <_____> number of shares of common stock, par value $0.01 per share of Sprint (the "Common Stock") at an Option Price of $<__.__> per share. The Option Right is governed by the terms of the Sprint Corporation 2015 Omnibus Incentive Plan (the "Plan") and is subject to the terms and conditions described in this Evidence of Award. The Option Right is not intended to qualify as an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986 (the "Code").

2. When the Option Right Becomes Exercisable

Your Option Right becomes exercisable (or "vested") at a rate of 1/3 rd of the total number of shares subject to purchase on each of <_____>, <_____> and <_____>, conditioned upon you continuously serving as our employee through each applicable vesting date and otherwise complying with the terms of the Plan and this Evidence of Award. The portion of your Option Right that has not yet vested as of your Termination Date will be forfeited immediately after such date, except to the extent vesting accelerates as described in paragraph 3. Termination Date means the last day of your relationship with us as a common-law employee as reflected on our payroll records.

3 . Acceleration of Vesting

The unvested portion of your Option Right may become vested before the time at which it would normally become vested by the passage of time - that is, the vesting may accelerate. Your unvested portion of your Option Right will vest fully on your Termination Date under the following circumstances:

Event	***Condition for Vesting Acceleration***
Death	Your death.
Disability	Your Termination Date is under circumstances that make you eligible for benefits under the Sprint Long-Term Disability Plan.
Change in Control Involuntary Termination	Your Termination Date is during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor), the CIC Severance Plan, or your employment agreement (if applicable).
Normal Retirement	Your Termination Date (for any other reason except for Cause) is on or after the later of your 65 th birthday and the first anniversary of the Date of Grant.

CIC Severance Plan means the Sprint Change in Control Severance Plan, as it may be amended from time to time, or any successor plan.

CIC Severance Protection Period is defined in the Plan. Generally, it means the time period commencing on the date of the first occurrence of a "Change in Control" and continuing until the earlier of (i) the 18-month anniversary of such date or (ii) your death. For purposes of the Option Right under this Award, the CIC Severance Protection Period applies only with respect to a Change in Control occurring after the Date of Grant.

4. Exercise of Option Right

To the extent it has vested, you may exercise your Option Right under this Award in whole or in part at the time or times as permitted by the Plan if the Option Right has not otherwise expired, been forfeited or terminated. To exercise you must:

- deliver a written election under procedures we establish (including by approved electronic medium) and
- pay the Option Price.

You may pay the Option Price by

- check or by wire transfer of immediately available funds,
- actual or constructive transfer of shares of Common Stock you have owned for at least six months having a market value on the Exercise Date equal to the Option Price, or
- any combination of cash, shares of Common Stock and other consideration as the Compensation Committee of the Board of Directors of the Corporation may permit.

If you pay the Option Price by delivery of funds or shares of Common Stock, the value per share for purposes of determining your taxable income from such an exercise will be the Market Value Per Share of the Common Stock on the immediately preceding day before the exercise except that we will use the average of the high and low prices on that date in lieu of the closing price.

To the extent permitted by law, you may pay the Option Price from the proceeds of a sale through a broker we designate. The Market Value Per Share for purposes of determining your taxable income from such an exercise will be the actual price at which the broker sold the shares.

5. Expiration of Option Right

Unless terminated earlier in accordance with the terms of this Evidence of Award or the Plan, the Option Right granted herein will expire at 4:00 P.M., U.S. Eastern Time, on the tenth anniversary of the Grant Date (the "Expiration Date"). If the tenth anniversary of the Grant Date, however, is a Saturday, Sunday or any other day on which the market on which our Common Stock trades is closed (a "Non-Business Day"), then the Expiration Date will occur at 4:00 P.M., U.S. Eastern Time, on the first business day before the tenth anniversary of the Grant Date.

6. Effect of your Termination of Employment

The length of time you have to exercise your vested Option Right after your termination of employment with us depends on the reason for your termination. The table below describes the post-termination exercise period for the various termination reasons. The

Option Right will expire as of the end of the applicable period. In no event, however, may you exercise your Option Right after the Expiration Date.

Event (as Defined Above)	***Time to Exercise Vested Options***
Death	Up through the 12 th month after your Termination Date
Disability	Up through 60 months after your Termination Date
Normal Retirement, or Early Retirement (i.e., your Termination Date (for any other reason except for Cause) is on or after the later you would be eligible to commence early or special early retirement benefits under the Sprint Retirement Pension Plan, whether or not you are a participant in that plan)	Up through 60 months after your Termination Date
Any other Termination of Employment not for Cause	Up through the 90 th day after your Termination Date
For Cause	Forfeited as of Termination Date
(a) Breach of restrictive covenants during the Restricted Period as defined in your employment agreement, or (b) If you do not have an employment agreement, breach of the obligation to refrain from Detrimental Activity as described in Exhibit A	Forfeited as of breach

If the last day to exercise under the schedule described in the table above is a Non-Business Day, then you must exercise no later than the previous business day. You are solely responsible for managing the exercise of your Option Award in order to avoid inadvertent expiration.

7. Agreement to Refrain from Detrimental Activity

You shall indicate your agreement to obligations to refrain from Detrimental Activity as described in Exhibit A to this Evidence of Award in accordance with the instructions provided herein, and your acceptance of this Award shall include your acceptance of these obligations. You and the Corporation hereby expressly agree that the use of electronic media to indicate confirmation, consent, signature, acceptance, agreement and delivery shall be legally valid and have the same legal force and effect as if you and the Corporation executed agreement to these obligations in paper form.

8. Transfer of your Option Right and Designation of Beneficiaries

Your Option Right represents a contract between the Corporation and you, and your rights under the contract are not assignable to any other party during your lifetime. Upon your death, your Option Right may be exercised in accordance with the terms of the Award by any beneficiary you name in a beneficiary designation or, if you make no designation, by your estate.

9. Plan Terms

All capitalized terms used in this Evidence of Award that are not defined in this Evidence of Award have the same meaning as those terms have in the Plan. The terms of the Plan are hereby incorporated by this reference. The Plan is available on Sprint's intranet.

10. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, reorganization, separation, liquidation, stock split, stock dividend, combination of shares or any other change in our corporate structure or shares of our Common Stock, an appropriate adjustment will be made consistent with applicable provisions of the Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding Awards and any other adjustments as the Board deems appropriate.

11. Amendment; Discretionary Nature of Plan

This Evidence of Award is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Evidence of Award may not be materially impaired by any amendment or termination of the Plan approved after the Date of Grant without your written consent. You acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by the Corporation, in its sole discretion, at any time. The grant of the Option Award under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of Option Awards, other types of grants under the Plan, or benefits in lieu of such grants in the future. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of shares underlying the Option Award granted, and vesting provisions.

12. Data Privacy

By accepting this Award, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us or our subsidiaries such information and data as we or our subsidiaries request in order to facilitate the grant of the Option Right and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

13. Governing Law and Exclusive Forum

This Evidence of Award will be governed by the laws of the State of Delaware and any dispute in connection therewith may only be brought in the state or federal courts in Delaware. No shares of Common Stock will be delivered upon the exercise of the Option Right unless counsel for the Corporation is satisfied that such delivery will be in compliance with all applicable laws.

14. Severability

The various provisions of this Evidence of Award are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

15. Clawback
We may recover any compensation related to this Long-Term Incentive Plan award to the extent the Board of Directors of the Corporation determines that the value of that compensation is based on financial results or operating objectives impacted by your knowing or intentional fraudulent or illegal conduct and that such forfeiture or recovery is appropriate, or as may be required under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

16. Entire Understanding
You hereby acknowledge that you have read the Sprint Corporation 2015 Omnibus Incentive Plan Information Statement dated <_____> (the "Information Statement") available on Sprint's intranet. To the extent not inconsistent with the provisions of this Evidence of Award, the terms of the Information Statement and the Plan are hereby incorporated by reference. This Evidence of Award, along with the Information Statement and the Plan, contain the entire understanding of the parties.

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

Exhibit A - Obligation to Refrain from Detrimental Activities

If you have an employment agreement with us, the restrictive covenants in that agreement are incorporated by reference in this Evidence of Award, and your obligations to refrain from Detrimental Activities will be governed by your employment agreement rather than the obligations described in this Exhibit A.

If you do not have an employment agreement, in consideration of receiving the Award, you, the Participant, agree to the following obligations:

1. Noncompetition

(a) During the period of your employment with us, and for a period ending twelve (12) months following a termination of your employment with us for any reason, you shall not, without the prior written consent of the Senior Vice President, Human Resources of the Corporation (or his or her designee) directly or indirectly, engage in activities for or on behalf of a Competitor that are the same or similar in form or function to the services you provided in the last year of your employment to the Company or have an interest in any Competitor of the Company Group, whether as an owner, investor, executive, manager, employee, independent consultant, contractor, advisor, or otherwise. Your ownership of less than one percent (1%) of any class of stock in a publicly traded corporation shall not be a breach of this paragraph. “Company Group” means the Corporation, any of its subsidiaries or any affiliates of the Corporation or its subsidiaries.

This paragraph (a) shall not prohibit you from engaging in the practice of law as an in-house counsel, sole practitioner or as a partner in (or as an employee of or counsel to) a corporation or law firm in accordance with applicable legal and professional standards. However, this exception does not apply to you if you are providing services to any person, partnership, firm, corporation, institution or other entity that is a Competitor, if such engagement or services being provided are not primarily the practice of law.

(b) A “Competitor” is any entity doing business directly or indirectly (e.g., as an owner, investor, provider of capital or otherwise) in the United States including any territory of the United States (the “Territory”) that provides wireless products and/or services that are the same or similar to the wireless products and/or services that are currently being provided at the time of your termination or that were provided by the Company Group during the two-year period prior to your separation from service with the Company Group.

(c) You acknowledge and agree that due to the continually evolving nature of the Company Group’s industry, the scope of its business and/or the identities of Competitors may change over time. You further acknowledge and agree that the Company Group markets its products and services on a nationwide basis, encompassing the Territory and that the restrictions imposed by this covenant, including the geographic scope, are reasonably necessary to protect the Company Group’s legitimate interests.

(d) You covenant and agree that should a court at any time determine that any restriction or limitation in this Section 1 is unreasonable or unenforceable, it will be deemed

amended so as to provide the maximum protection to the Company Group and be deemed reasonable and enforceable by the court.

2. Non-Solicitation

(a) During the period of your employment with us, and for a period ending twelve (12) months following a termination of your employment with us for any reason, you shall not, without the prior written consent of the Senior Vice President, Human Resources of the Corporation (or his or her designee) directly or indirectly, individually or on behalf of any other person or entity do or suffer any of the following:

(1) hire or employ or assist in hiring or employing any person who was at any time during the last 18 months of the Executive's employment an employee, representative or agent of any member of the Company Group or solicit, aid, induce or attempt to solicit, aid, induce or persuade, directly or indirectly, any person who is an employee, representative, or agent of any member of the Company Group to leave his or her employment with any member of the Company Group to accept employment with any other person or entity;

(2) induce any person who is an employee, officer or agent of the Company Group, or any of its affiliated, related or subsidiary entities to terminate such relationship;

(3) solicit any customer of the Company Group, or any person or entity whose business the Company Group had solicited during the 180-day period prior to termination of the Executive's employment for purposes of business which is competitive to the Company Group within the Territory; or

(4) solicit, aid, induce, persuade or attempt to solicit, aid, induce or persuade any person or entity to take any action that would result in a Change in Control of the Company or to seek to control the Board in a material manner.

(5) For purposes of this Section 12, the term "solicit or persuade" includes, but is not limited to, (i) initiating communications with an employee of the Company Group relating to possible employment, (ii) offering bonuses or additional compensation to encourage an employee of the Company Group to terminate his employment, (iii) referring employees of the Company Group to personnel or agents employed by competitors, suppliers or customers of the Company Group, and (iv) initiating communications with any person or entity relating to a possible Change in Control

3. Agreement to Refrain from Detrimental Activities.

You shall indicate your agreement to the noncompetition and non-solicitation obligations in this Exhibit A in accordance with the instructions provided in the on-line grant acceptance process on the UBS One Source website (https://onesource.ubs.com/CEFSWebApp/callpage.do?bookCode=S&page=login_header_new), and your acceptance of the Award shall include your acceptance of these obligations. You and the Corporation hereby expressly agree that the use of electronic media to indicate confirmation, consent, signature, acceptance, agreement and delivery

shall be legally valid and have the same legal force and effect as if you and executed the agreement in paper form.

Exhibit 10.8

Evidence of Award
Long-term Incentive Plan
Stock Options

Throughout this Evidence of Award, we sometimes refer to Sprint Corporation (the "Corporation") and its subsidiaries as "we" or "us" and to the Award recipient as "you."

1. Award of Option Right

On <_____> (the "Date of Grant"), the Section 16 Sub-Committee of the Compensation Committee of the Board of Directors granted you an Option Right to purchase from us <_____> number of shares of common stock, par value $0.01 per share of Sprint (the "Common Stock") at an Option Price of $<__.__> per share. The Option Right is governed by the terms of the Sprint Corporation 2015 Omnibus Incentive Plan (the "Plan") and is subject to the terms and conditions described in this Evidence of Award. The Option Right is not intended to qualify as an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986 (the "Code").

2. When the Option Right Becomes Exercisable

Your Option Right becomes exercisable (or "vested") at a rate of 1/3 rd of the total number of shares subject to purchase on each of <_____>, <_____> and <_____>, conditioned upon you continuously serving as our employee through each applicable vesting date and otherwise complying with the terms of the Plan and this Evidence of Award. The portion of your Option Right that has not yet vested as of your Termination Date will be forfeited immediately after such date, except to the extent vesting accelerates as described in paragraph 3. Termination Date means the last day of your relationship with us as a common-law employee as reflected on our payroll records.

3 . Acceleration of Vesting

The unvested portion of your Option Right may become vested before the time at which it would normally become vested by the passage of time - that is, the vesting may accelerate. Your unvested portion of your Option Right will vest fully on your Termination Date under the following circumstances:

Event	***Condition for Vesting Acceleration***
Death	Your death.
Disability	Your Termination Date is under circumstances that make you eligible for benefits under the Sprint Long-Term Disability Plan.
Change in Control Involuntary Termination	Your Termination Date is during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor), the CIC Severance Plan, or your employment agreement (if applicable).
Normal Retirement	Your Termination Date (for any other reason except for Cause) is on or after the later of your 65 th birthday and the first anniversary of the

[1] For recipients with special compensation agreements, as identified on Exhibit J, Terminated Date means the last day of the severance period if the severance is paid according to Sprint's payroll cycle (i.e., not in a lump sum).

	Date of Grant.

CIC Severance Plan means the Sprint Change in Control Severance Plan, as it may be amended from time to time, or any successor plan.

CIC Severance Protection Period is defined in the Plan. Generally, it means the time period commencing on the date of the first occurrence of a "Change in Control" and continuing until the earlier of (i) the 18-month anniversary of such date or (ii) your death. For purposes of the Option Right under this Award, the CIC Severance Protection Period applies only with respect to a Change in Control occurring after the Date of Grant.

4. Exercise of Option Right

To the extent it has vested, you may exercise your Option Right under this Award in whole or in part at the time or times as permitted by the Plan if the Option Right has not otherwise expired, been forfeited or terminated. To exercise you must:

- deliver a written election under procedures we establish (including by approved electronic medium) and
- pay the Option Price.

You may pay the Option Price by

- check or by wire transfer of immediately available funds,
- actual or constructive transfer of shares of Common Stock you have owned for at least six months having a market value on the Exercise Date equal to the Option Price, or
- any combination of cash, shares of Common Stock and other consideration as the Compensation Committee of the Board of Directors of the Corporation may permit.

If you pay the Option Price by delivery of funds or shares of Common Stock, the value per share for purposes of determining your taxable income from such an exercise will be the Market Value Per Share of the Common Stock on the immediately preceding day before the exercise except that we will use the average of the high and low prices on that date in lieu of the closing price.

To the extent permitted by law, you may pay the Option Price from the proceeds of a sale through a broker we designate. The Market Value Per Share for purposes of determining your taxable income from such an exercise will be the actual price at which the broker sold the shares.

5. Expiration of Option Right

Unless terminated earlier in accordance with the terms of this Evidence of Award or the Plan, the Option Right granted herein will expire at 4:00 P.M., U.S. Eastern Time, on the tenth anniversary of the Grant Date (the "Expiration Date"). If the tenth anniversary of the Grant Date, however, is a Saturday, Sunday or any other day on which the market on which our Common Stock trades is closed (a "Non-Business Day"), then the Expiration Date will occur at 4:00 P.M., U.S. Eastern Time, on the first business day before the tenth anniversary of the Grant Date.

6. Effect of your Termination of Employment

The length of time you have to exercise your vested Option Right after your termination of employment with us depends on the reason for your termination. The table below describes the post-termination exercise period for the various termination reasons. The Option Right will expire as of the end of the applicable period. In no event, however, may you exercise your Option Right after the Expiration Date.

Event (as Defined Above)	***Time to Exercise Vested Options***
Death	Up through the 12 th month after your Termination Date
Disability	Up through 60 months after your Termination Date
Normal Retirement, or Early Retirement (i.e., your Termination Date (for any other reason except for Cause) is on or after the later you would be eligible to commence early or special early retirement benefits under the Sprint Retirement Pension Plan, whether or not you are a participant in that plan)	Up through 60 months after your Termination Date
Any other Termination of Employment not for Cause	Up through the 90 th day after your Termination Date
For Cause	Forfeited as of Termination Date
(a) Breach of restrictive covenants during the Restricted Period as defined in your employment agreement, or (b) If you do not have an employment agreement, breach of the obligation to refrain from Detrimental Activity as described in Exhibit A	Forfeited as of breach

If the last day to exercise under the schedule described in the table above is a Non-Business Day, then you must exercise no later than the previous business day. You are solely responsible for managing the exercise of your Option Award in order to avoid inadvertent expiration.

7. Agreement to Refrain from Detrimental Activity

You shall indicate your agreement to obligations to refrain from Detrimental Activity as described in Exhibit A to this Evidence of Award in accordance with the instructions provided herein, and your acceptance of this Award shall include your acceptance of these obligations. You and the Corporation hereby expressly agree that the use of electronic media to indicate confirmation, consent, signature, acceptance, agreement and delivery shall be legally valid and have the same legal force and effect as if you and the Corporation executed agreement to these obligations in paper form.

8. Transfer of your Option Right and Designation of Beneficiaries

Your Option Right represents a contract between the Corporation and you, and your rights under the contract are not assignable to any other party during your lifetime. Upon your death, your Option Right may be exercised in accordance with the terms of the Award by any beneficiary you name in a beneficiary designation or, if you make no designation, by your estate.

9. Plan Terms

All capitalized terms used in this Evidence of Award that are not defined in this Evidence of Award have the same meaning as those terms have in the Plan. The terms of the Plan are hereby incorporated by this reference. The Plan is available on Sprint's intranet.

10. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, reorganization, separation, liquidation, stock split, stock dividend, combination of shares or any other change in our corporate structure or shares of our Common Stock, an appropriate adjustment will be made consistent with applicable provisions of the Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding Awards and any other adjustments as the Board deems appropriate.

11. Amendment; Discretionary Nature of Plan

This Evidence of Award is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Evidence of Award may not be materially impaired by any amendment or termination of the Plan approved after the Date of Grant without your written consent. You acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by the Corporation, in its sole discretion, at any time. The grant of the Option Award under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of Option Awards, other types of grants under the Plan, or benefits in lieu of such grants in the future. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of shares underlying the Option Award granted, and vesting provisions.

12. Data Privacy

By accepting this Award, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us or our subsidiaries such information and data as we or our subsidiaries request in order to facilitate the grant of the Option Right and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

13. Governing Law and Exclusive Forum

This Evidence of Award will be governed by the laws of the State of Delaware and any dispute in connection therewith may only be brought in the state or federal courts in Delaware. No shares of Common Stock will be delivered upon the exercise of the Option Right unless counsel for the Corporation is satisfied that such delivery will be in compliance with all applicable laws.

14. Severability

The various provisions of this Evidence of Award are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

15. Clawback

We may recover any compensation related to this Long-Term Incentive Plan award to the extent the Board of Directors of the Corporation determines that the value of that compensation is based on financial results or operating objectives impacted by your knowing or intentional fraudulent or illegal conduct and that such forfeiture or recovery is appropriate, or as may be required under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

16. Entire Understanding

You hereby acknowledge that you have read the Sprint Corporation 2015 Omnibus Incentive Plan Information Statement dated <_____> (the "Information Statement") available on Sprint's intranet. To the extent not inconsistent with the provisions of this Evidence of Award, the terms of the Information Statement and the Plan are hereby incorporated by reference. This Evidence of Award, along with the Information Statement and the Plan, contain the entire understanding of the parties.

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

Exhibit A - Obligation to Refrain from Detrimental Activities

If you have an employment agreement with us, the restrictive covenants in that agreement are incorporated by reference in this Evidence of Award, and your obligations to refrain from Detrimental Activities will be governed by your employment agreement rather than the obligations described in this Exhibit A.

If you do not have an employment agreement, in consideration of receiving the Award, you, the Participant, agree to the following obligations:

1. Noncompetition

(a) During the period of your employment with us, and for a period ending twelve (12) months following a termination of your employment with us for any reason, you shall not, without the prior written consent of the Senior Vice President, Human Resources of the Corporation (or his or her designee) directly or indirectly, engage in activities for or on behalf of a Competitor that are the same or similar in form or function to the services you provided in the last year of your employment to the Company or have an interest in any Competitor of the Company Group, whether as an owner, investor, executive, manager, employee, independent consultant, contractor, advisor, or otherwise. Your ownership of less than one percent (1%) of any class of stock in a publicly traded corporation shall not be a breach of this paragraph. “Company Group” means the Corporation, any of its subsidiaries or any affiliates of the Corporation or its subsidiaries.

This paragraph (a) shall not prohibit you from engaging in the practice of law as an in-house counsel, sole practitioner or as a partner in (or as an employee of or counsel to) a corporation or law firm in accordance with applicable legal and professional standards. However, this exception does not apply to you if you are providing services to any person, partnership, firm, corporation, institution or other entity that is a Competitor, if such engagement or services being provided are not primarily the practice of law.

(b) A “Competitor” is any entity doing business directly or indirectly (e.g., as an owner, investor, provider of capital or otherwise) in the United States including any territory of the United States (the “Territory”) that provides wireless products and/or services that are the same or similar to the wireless products and/or services that are currently being provided at the time of your termination or that were provided by the Company Group during the two-year period prior to your separation from service with the Company Group.

(c) You acknowledge and agree that due to the continually evolving nature of the Company Group’s industry, the scope of its business and/or the identities of Competitors may change over time. You further acknowledge and agree that the Company Group markets its products and services on a nationwide basis, encompassing the Territory and that the restrictions imposed by this covenant, including the geographic scope, are reasonably necessary to protect the Company Group’s legitimate interests.

(d) You covenant and agree that should a court at any time determine that any restriction or limitation in this Section 1 is unreasonable or unenforceable, it will be deemed

amended so as to provide the maximum protection to the Company Group and be deemed reasonable and enforceable by the court.

2. Non-Solicitation

(a) During the period of your employment with us, and for a period ending twelve (12) months following a termination of your employment with us for any reason, you shall not, without the prior written consent of the Senior Vice President, Human Resources of the Corporation (or his or her designee) directly or indirectly, individually or on behalf of any other person or entity do or suffer any of the following:

(1) hire or employ or assist in hiring or employing any person who was at any time during the last 18 months of the Executive's employment an employee, representative or agent of any member of the Company Group or solicit, aid, induce or attempt to solicit, aid, induce or persuade, directly or indirectly, any person who is an employee, representative, or agent of any member of the Company Group to leave his or her employment with any member of the Company Group to accept employment with any other person or entity;

(2) induce any person who is an employee, officer or agent of the Company Group, or any of its affiliated, related or subsidiary entities to terminate such relationship;

(3) solicit any customer of the Company Group, or any person or entity whose business the Company Group had solicited during the 180-day period prior to termination of the Executive's employment for purposes of business which is competitive to the Company Group within the Territory; or

(4) solicit, aid, induce, persuade or attempt to solicit, aid, induce or persuade any person or entity to take any action that would result in a Change in Control of the Company or to seek to control the Board in a material manner.

(5) For purposes of this Section 12, the term "solicit or persuade" includes, but is not limited to, (i) initiating communications with an employee of the Company Group relating to possible employment, (ii) offering bonuses or additional compensation to encourage an employee of the Company Group to terminate his employment, (iii) referring employees of the Company Group to personnel or agents employed by competitors, suppliers or customers of the Company Group, and (iv) initiating communications with any person or entity relating to a possible Change in Control

3. Agreement to Refrain from Detrimental Activities.

You shall indicate your agreement to the noncompetition and non-solicitation obligations in this Exhibit A in accordance with the instructions provided in the on-line grant acceptance process on the UBS One Source website (https://onesource.ubs.com/CEFSWebApp/callpage.do?bookCode=S&page=login_header_new), and your acceptance of the Award shall include your acceptance of these

obligations. You and the Corporation hereby expressly agree that the use of electronic media to indicate confirmation, consent, signature, acceptance, agreement and delivery shall be legally valid and have the same legal force and effect as if you and executed the agreement in paper form.

Exhibit 12

Computation of Ratio of Earnings to Fixed Charges

	Successor							Predecessor		
	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015	Three Months Ended March 31, 2014	Year Ended December 31, 2013	87 Days Ended December 31, 2012	191 Days Ended July 10, 2013	Years Ended December 31, 2012	Years Ended December 31, 2011
	(in millions)									
Earnings (loss):										
(Loss) income from continuing operations before income taxes	$ (246)	$ (37)	$ (1,854)	$ (3,919)	$ (95)	$ (1,815)	$ (23)	$ 443	$ (4,172)	$ (2,636)
Equity in losses of unconsolidated investments, net	—	—	—	—	—	—	—	482	1,114	1,730
Fixed charges	903	777	3,212	2,969	747	1,367	—	1,501	2,365	2,068
Interest capitalized	(10)	(15)	(51)	(56)	(13)	(30)	—	(29)	(278)	(413)
Amortization of interest capitalized	33	33	133	133	33	56	—	71	81	48
Earnings (loss), as adjusted	680	758	1,440	(873)	672	(422)	(23)	2,468	(890)	797
Fixed charges:										
Interest expense	615	542	2,182	2,051	516	918	—	1,135	1,428	1,011
Interest capitalized	10	15	51	56	13	30	—	29	278	413
Portion of rentals representative of interest	278	220	979	862	218	419	—	337	659	644
Fixed charges	903	777	3,212	2,969	747	1,367	—	1,501	2,365	2,068
Ratio of earnings to fixed charges	— (1)	— (2)	— (3)	— (4)	— (5)	— (6)	— (7)	1.6 (8)	— (9)	— (10)

(1) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by $223 million for the three months ended June 30, 2016.
(2) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by $19 million for the three months ended June 30, 2015.
(3) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by $1.8 billion for the year ended March 31, 2016.
(4) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by $3.8 billion for the year ended March 31, 2015.
(5) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by $75 million for the three months ended March 31, 2014.
(6) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by $1.8 billion for the year ended 2013.
(7) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by $23 million for the 87 days ended December 31, 2012.
(8) The income from continuing operations before income taxes for the 191 days ended July 10, 2013 included a pretax gain of $2.9 billion as a result of acquisition of our previously-held equity interest in Clearwire.
(9) Predecessor earnings (loss), as adjusted were inadequate to cover fixed charges by $3.3 billion for the year ended 2012.
(10) Predecessor earnings (loss), as adjusted were inadequate to cover fixed charges by $1.3 billion for the year ended 2011 .

Exhibit 31.1

CERTIFICATION

I, Marcelo Claure, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: August 9, 2016

/s/ Marcelo Claure

Marcelo Claure

Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Tarek Robbiati, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: August 9, 2016

/s/ Tarek Robbiati

Tarek Robbiati

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 quarterly report of Sprint Corporation (the "Company") on Form 10-Q for the period ended June 30, 2016 , as filed with the Securities and Exchange Commission (the "Report"), I, Marcelo Claure, 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: August 9, 2016

/s/ Marcelo Claure

Marcelo Claure

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 quarterly report of Sprint Corporation (the "Company") on Form 10-Q for the period ended June 30, 2016 , as filed with the Securities and Exchange Commission (the "Report"), I, Tarek Robbiati, 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: August 9, 2016

/s/ Tarek Robbiati

Tarek Robbiati

Chief Financial Officer