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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended March 31, 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

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

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

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K. ☒

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 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 ☒

Aggregate market value of voting and non-voting common stock equity held by non-affiliates of Sprint Corporation at September 30, 2015 was $2,342,009,176

COMMON STOCK OUTSTANDING AT MAY 13, 2016: 3,974,592,358 shares

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SPRINT CORPORATION
SECURITIES AND EXCHANGE COMMISSION
ANNUAL REPORT ON FORM 10-K
PART I

Item 1. **Business**

FORMATION

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

On July 9, 2013, Sprint Nextel Corporation, a Kansas corporation organized in 1938 (Sprint Nextel), completed the acquisition of the remaining equity interests in Clearwire Corporation and its consolidated subsidiary Clearwire Communications LLC (together "Clearwire") that it did not previously own (Clearwire Acquisition) in an all cash transaction for approximately $3.5 billion, net of cash acquired of $198 million, which provided us with control of 2.5 gigahertz (GHz) spectrum and tower resources.

On July 10, 2013, SoftBank Corp., which subsequently changed its name toSoftBank Group Corp., and certain of its wholly-owned subsidiaries (together, "SoftBank") completed the merger (SoftBank Merger) with Sprint Nextel as contemplated by the Agreement and Plan of Merger, dated as of October 15, 2012 (as amended, the Merger Agreement) and the Bond Purchase Agreement, dated as of October 15, 2012 (as amended, the Bond Agreement). As a result of the SoftBank Merger, Starburst II, Inc. (Starburst II) became the parent company of Sprint Nextel. Immediately thereafter, Starburst II changed its name to Sprint Corporation and Sprint Nextel changed its name to Sprint Communications, Inc. (Sprint Communications). As a result of the completion of the SoftBank Merger in which SoftBank acquired an approximate 78% interest in Sprint Corporation, and subsequent open market stock purchases, SoftBank owned approximately 83% of the outstanding common stock of Sprint Corporation as of March 31, 2016.

Successor and Predecessor Periods and Reporting Obligations

In connection with the close of the SoftBank Merger (as described above), Sprint Corporation became the successor registrant to Sprint Nextel under Rule 12g-3 of the Securities Exchange Act of 1934 (Exchange Act) and is the entity subject to the reporting requirements of the Exchange Act for filings with the Securities and Exchange Commission (SEC) subsequent to the close of the SoftBank Merger. The financial information herein distinguishes between the predecessor period (Predecessor) relating to Sprint Communications for periods prior to the SoftBank Merger and the successor period (Successor) relating to Sprint Corporation, formerly known as Starburst II, for periods subsequent to the incorporation of Starburst II on October 5, 2012. In addition, in order to align with SoftBank's reporting schedule, we changed our fiscal year end from December 31 to March 31, effective March 31, 2014. References herein to any fiscal year refer to the twelve-month period ending March 31 unless otherwise specifically noted.

OVERVIEW

Sprint Corporation and its 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 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, inclusive of Successor and Predecessor periods, and references to "Sprint Communications" are to Sprint Communications, Inc. and its consolidated subsidiaries. We are one of the largest wireless communications companies in the United States (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), fourth generation (4G) services utilizing Long Term Evolution (LTE). We also offered Worldwide Interoperability for Microwave Access (WiMAX) technologies until that network was shut-down on March 31, 2016. 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.

Our Business Segments

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

Wireless

We offer wireless services on a postpaid and prepaid payment basis to retail subscribers and also on a wholesale basis, which includes the sale of wireless services that utilize the Sprint network but are sold under the wholesaler's brand.

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. See "Item 1A. Risk Factors—Subscribers who purchase a device on an installment billing basis are no longer required to sign a fixed-term service contract, which could result in higher churn, and higher bad debt expense" and "—Because we lease devices to subscribers, our device leasing program exposes us to new risks, including those related to the actual residual value realized on returned devices, higher churn and increased losses on devices."

Prepaid

Our prepaid portfolio currently includes multiple brands, each designed to appeal to specific subscriber uses and demographics. 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.

Services and Products

Data & Voice Services

Wireless data communications services are provided throughout the U.S. and include mobile productivity applications, such as Internet access, messaging and email services; wireless photo and video offerings; location-based capabilities, including asset and fleet management, dispatch services and navigation tools; and mobile entertainment applications, including the ability to listen to satellite radio, download and listen to music, and play games. Wireless voice communications services provided throughout the U.S. include basic local and long-distance wireless voice services, as well as voicemail, call waiting, three-way calling, caller identification, directory assistance and call forwarding. We also provide voice

and data services in numerous countries outside of the U.S. through roaming arrangements. We offer customized design, development, implementation and support for wireless services provided to large companies and government agencies.

Products

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

Wireless Network Technologies

We deliver wireless services to subscribers primarily through our Sprint platform network. Our Sprint platform uses primarily 3G CDMA and 4G LTE wireless technologies. We served customers utilizing WiMAX technology until the network was shutdown on March 31, 2016. Our 3G CDMA wireless technology uses a digital spread-spectrum technique that allows a large number of users to access the band by assigning a code to all voice and data bits, sending a scrambled transmission of the encoded bits over the air and reassembling the voice and data into its original format. Our 4G LTE wireless data communications technology utilizes an all-internet protocol (IP) network to deliver high-speed data communications. We provide nationwide service through a combination of operating our own network in both major and smaller U.S. metropolitan areas and rural connecting routes, affiliations under commercial arrangements with third-party affiliates and roaming on other providers' networks.

Sales, Marketing and Customer Care

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

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

- direct sales representatives whose efforts are focused on marketing and selling wireless services primarily to mid-sized to large businesses and government agencies;
- retail outlets, owned and operated by us, that focus on sales to the small business and consumer markets;
- co-branded Sprint-RadioShack retail stores-within-a-store exclusively selling or leasing Sprint devices and the associated postpaid and prepaid service plans;
- indirect sales agents and third-party retailers that primarily consist of local and national non-affiliated dealers and independent contractors that market and sell services to businesses and the consumer market, and are generally paid through commissions; and
- subscriber-convenient channels, including Internet sales and telesales.

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

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

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

Competition

We believe that the market for wireless services has been and will continue to be characterized by competition on the basis of price, the types of services and devices offered and quality of service. We compete with a number of wireless carriers, including three other national wireless companies: AT&T, Verizon Wireless and T-Mobile. Our prepaid services compete with a number of carriers and resellers, which offers competitively-priced calling plans that include unlimited local

calling. AT&T, T-Mobile and Verizon Wireless offer competitive prepaid services and wholesale services to resellers. Competition may intensify as a result of mergers and acquisitions, as new firms enter the market, and as a result of the introduction of other technologies, the availability of additional commercial spectrum bands, such as the 600 megahertz (MHz) band, the AWS-3 band and the AWS-4 band, and the potential introduction of new services using unlicensed spectrum. Wholesale services and products also contribute to increased competition. In some instances, resellers that use our network and offer similar services compete against our offerings. The wireless industry also faces competition from other communications and technology companies seeking to increase their brand recognition and capture customer revenue with respect to the provision of wireless products and services, in addition to non-traditional offerings in mobile data. For example, Microsoft, Google, Apple and others are offering alternative means for making wireless voice calls that, in certain cases, can be used in lieu of the wireless provider's voice service, as well as alternative means of accessing video content.

Most markets in which we operate have high rates of penetration for wireless services, thereby limiting the growth of subscribers of wireless services. As the wireless market has matured, it has become increasingly important to retain existing subscribers in addition to attracting new subscribers, particularly in less saturated growth markets such as those with non-traditional data demands. Wireless carriers also try to appeal to subscribers by offering certain devices at prices lower than their acquisition cost, which we refer to as our traditional subsidy program. We may offer higher cost devices at greater discounts than our competitors, with the expectation that the loss incurred on the cost of the device will be offset by future service revenue. Wireless carriers now also offer plans that allow subscribers to purchase or lease a device at or near full retail price in exchange for lower monthly service fees, early upgrade options, or both. AT&T, Verizon Wireless and T-Mobile also offer programs that include an option to purchase a device using an installment billing program. Our installment billing and device leasing programs do not require a service contract, provide for service plans at lower monthly rates compared to the traditional subsidy program and allow qualified subscribers to either purchase a device by paying monthly installments generally over 24 months or lease a device and make payments for the device over the term of the lease. 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. See "Item 1A. Risk Factors—If we are not able to retain and attract profitable wireless subscribers, our financial performance will be impaired" and "—Because we lease devices to subscribers, our device leasing program exposes us to new risks including those related to the actual residual value realized on returned devices, higher churn and increased losses on devices" and "—Subscribers who purchase a device on an installment billing basis are no longer required to sign a fixed-term service contract, which could result in higher churn, and higher bad debt expense."

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.

Services and Products

Our services and products include domestic and international data communications using various protocols such as multiprotocol label switching technologies (MPLS), IP, managed network services, Voice over Internet Protocol (VoIP), 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℠ 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 subscribers. Our Wireline segment markets and sells its services primarily through direct sales representatives.

Competition

Our Wireline segment competes with AT&T, Verizon Communications, CenturyLink, Level 3 Communications, Inc., other major local incumbent operating companies and cable operators, as well as a host of smaller competitors in the provision of wireline services. Over the past few years, our voice services have experienced an industry-wide trend of lower revenue from lower prices and increased competition from other wireline and wireless communications companies, as well as cable multiple system operators (MSOs) and Internet service providers.

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

Legislative and Regulatory Developments

Overview

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

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

Regulation and Wireless Operations

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

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

We hold 800 MHz, 1.9 GHz and 2.5 GHz FCC licenses authorizing the use of radio frequency spectrum to deploy our wireless services.

800 MHz License Conditions

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

1.9 GHz PCS License Conditions

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

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

2.5 GHz License Conditions

We hold licenses for or lease spectrum located within the 2496 to 2690 MHz band, commonly referred to as the 2.5 GHz band, which is designated for Broadband Radio Services (BRS) and Educational Broadband Service (EBS). Most BRS and EBS licenses are allocated to specific, relatively small geographic service areas. Other BRS licenses provide for one of 493 separate BTAs. Under current FCC rules, the BRS and EBS band in each territory is generally divided into 33 channels consisting of a total of 186 MHz of spectrum, with an additional eight MHz of guard band spectrum, which further protects against interference from other license holders. Under current FCC rules, we can access BRS spectrum either through outright ownership of a BRS license issued by the FCC or through a leasing arrangement with a BRS license holder. The FCC rules generally limit eligibility to hold EBS licenses to accredited educational institutions and certain governmental, religious and nonprofit entities, but permit those license holders to lease up to 95% of their capacity for non-educational purposes. Therefore, we primarily access EBS spectrum through long-term leasing arrangements with EBS license holders. Our EBS spectrum leases typically have an initial term equal to the remaining term of the EBS license, with an option to renew the lease for additional terms, for a total lease term of up to 30 years. In addition, we generally have a right of first refusal for a period of time after our leases expire or otherwise terminate to match another party's offer to lease the same spectrum. Our leases are generally transferable, assuming we obtain required governmental approvals. Achieving optimal broadband network speeds, capacity and coverage using 2.5 GHz spectrum relies in significant part on operationalizing a complex mixture of BRS and EBS spectrum licenses and leases in the desired service areas, which is subject to the EBS licensing limitations described above and the technical limitations of the frequencies in the 2.5 GHz range.

Spectrum Reconfiguration Obligations

In 2004, the FCC adopted a Report and Order that included new rules regarding interference in the 800 MHz band and a comprehensive plan to reconfigure the 800 MHz band (the "Report and Order"). 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 March 31, 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. 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 March 31, 2016 have exceeded $2.8 billion, not all of those costs have been reviewed and accepted as eligible by the transition administrator.

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 States of Washington, 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.

911 Services

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

Cybersecurity

Cybersecurity continues to receive attention at the federal, state and local levels.Congress has passed and continues to consider various forms of cybersecurity legislation to increase the security and resiliency of the nation's digital infrastructure. In addition, over the past few years the President has issued executive orders directing the Department of Homeland Security and other government agencies to take a number of steps to improve the security of the nation's critical infrastructure. Additionally, the Communications Security, Reliability and Interoperability Council approved Cybersecurity Risk Management and Best Practices, a report providing the communication industry guidance in using the National Institute of Standards and Technology Cybersecurity Framework. Implementation of these guidelines or the adoption of further cybersecurity laws or regulation may impose additional costs on Sprint. See "Item 1A. Risk Factors—Our reputation and business may be harmed and we may be subject to legal claims if there is a loss, disclosure, misappropriation of, unauthorized access to, or other security breach of our proprietary or sensitive information."

National Security Agreement

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

State and Local Regulation

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

Regulation and Wireline Operations

Competitive Local Service

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

to the Telecom Act. Further restrictions on the pro-competitive aspects of the Telecom Act could adversely affect Sprint's operations.

International Regulation

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

Other Regulations

Network Neutrality

On February 26, 2015, the FCC issued an order reclassifying broadband Internet access service as a telecommunications service subject to Title II of the Communications Act and promulgated new net neutrality rules applicable to both mobile and fixed service providers. The rules prohibit: (1) blocking of lawful content, applications, services and non-harmful devices; (2) impairing or degrading Internet traffic on the basis of content, application, or service, or use of a non-harmful device; and (3) prioritization or favoring of some network traffic over other traffic either in exchange for consideration (monetary or otherwise) from a third party, or to benefit an affiliated entity. All of these prohibitions are subject to a "reasonable network management" exception. The rules also include a "transparency" rule that requires us to disclose information about our commercial terms, performance characteristics, and network practices. In addition, the order established a future conduct rule, to be applied on a case by case basis, prohibiting broadband Internet access providers from unreasonably interfering with or disadvantaging end users' ability to use the Internet to access lawful content, applications, service, or devices of their choice, or edge providers' ability to make such content applications, services, or devices available to end users. Depending upon the interpretation and application of these rules, we may incur additional costs or be limited in the services we can provide.

Truth in Billing and Consumer Protection

The FCC's Truth in Billing rules require both wireline and wireless telecommunications carriers, such as us, to provide full and fair disclosure of all charges on their bills, including brief, clear, and non-misleading plain language descriptions of the services provided. The FCC has opened several proceedings to address issues of consumer protection, including the use of early termination fees, "bill shock" (*i.e.*, overage charges for voice, data and text usage) and has proposed new rules to address cramming. The wireless industry has proactively addressed many of these consumer issues by adopting industry best practices, such as the addition of free notifications regarding voice, data, messaging and international roaming usage. If these FCC proceedings or individual state proceedings create changes in the Truth in Billing rules, our billing and customer service costs could increase.

Access Charges

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

The FCC also has initiated a proceeding to consider whether special access pricing rules need to be changed, and whether the terms and conditions governing the provision of special access are just and reasonable. As a part of that proceeding, the FCC initiated a mandatory data collection effort, which was completed in early 2015. In May of 2016, the FCC released an Order and Further Notice of Proposed Rule Making which would create a new regulatory framework governing the rates, terms and conditions for the provision of TDM and Ethernet services in non-competitive markets. These changes could reduce Sprint's costs of providing service in some areas. The FCC is expected to complete this rule making in 2016.

Universal Service

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

The Lifeline program is included within the USFs. Virgin Mobile was designated as a Lifeline-only Eligible Telecom Carrier (ETC) in 42 jurisdictions as of March 31, 2016, and provides service under our Assurance Wireless brand. As a Lifeline provider, Assurance Wireless receives support from the USF. Changes in the Lifeline program, including adoption of minimum service standards and the phase-out of Lifeline support for standalone voice service, and enforcement actions by the FCC and other regulatory/legislative bodies could negatively impact growth in the Assurance Wireless and wholesale subscriber base and/or the profitability of the Assurance Wireless and wholesale business overall. The decline in standalone voice support, which is expected to begin in December 2019 and will decline annually for all existing subscribers through December 2021, may be offset by the expansion of the Lifeline program to include support for broadband service.

Electronic Surveillance Obligations

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

Environmental Compliance

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

Patents, Trademarks and Licenses

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

We have received claims in the past, and may in the future receive claims, that we, or third parties from whom we license or purchase goods or services, have infringed on the intellectual property of others. These claims can be time-consuming and costly to defend, and divert management resources. If these claims are successful, we could be forced to pay significant damages or stop selling certain products or services or stop using certain trademarks. We, or third parties from whom we license or purchase goods or services, also could enter into licenses with unfavorable terms, including royalty payments, which could adversely affect our business.

Access to Public Filings and Board Committee Charters

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

Our Code of Ethics, the Sprint Code of Conduct (Code of Conduct), our Corporate Governance Guidelines and the charters of the following committees of our board of directors: the Audit Committee, the Compensation Committee, the Finance Committee, and the Nominating and Corporate Governance Committee may be accessed free of charge on our website at the following address: *www.sprint.com/governance*. Copies of any of these documents can be obtained free of charge by writing to: Sprint Shareholder Relations, 6200 Sprint Parkway, Mailstop KSOPHF0302-3B424, Overland Park, Kansas 66251 or by email at *shareholder.relations@sprint.com*. If a provision of the Code of Conduct required under the NYSE corporate governance standards is materially modified, or if a waiver of the Code of Conduct is granted to a director or executive officer,

a notice of such action will be posted on our website at the following address: *www.sprint.com/governance*. Only the Audit Committee may consider a waiver of the Code of Conduct for an executive officer or director.

Employee Relations

As of March 31, 2016, we had approximately 30,000 employees.

Executive Officers of the Registrant

The following people are serving as our executive officers as of May 17, 2016. These executive officers were elected to serve until their successors have been elected. There is no familial relationship between any of our executive officers and directors.

Name	Business Experience	Current Position Held Since	Age
Marcelo Claure	President and Chief Executive Officer. Mr. Claure was named President and CEO, effective August 11, 2014, and has served on the Sprint board of directors since January 2014. Prior to this, he was CEO of Brightstar, a company he founded in 1997 and grew from a small Miami-based distributor of mobile devices into a global business with more than $10 billion in gross revenue for the year ended 2013. Mr. Claure serves as vice chairman of the board of directors of CTIA-The Wireless Association. He also is a member of the board of directors of My Brother's Keeper Alliance.	2014	45
Tarek Robbiati	Chief Financial Officer. Mr. Robbiati was appointed Chief Financial Officer in August 2015. From January 2013 until August 2015, Mr. Robbiati served as Chief Executive Officer and Managing Director of FlexiGroup Limited in Australia, where he oversaw all segments of the company and reported to the board of directors. From December 2009 until December 2012, Mr. Robbiati was Group Managing Director and Regional President of Telstra International Group, where he oversaw operating and financial aspects of the telecommunications company. From December 2009 until December 2012, Mr. Robbiati was Executive Chairman of Hong Kong CSL Limited ("CSL"), and from July 2007 until May 2010, Mr. Robbiati served as the Chief Executive Officer of CSL, during which time he spearheaded and implemented transformation strategies and strengthened CSL's position as a Market Leader in Hong Kong.	2015	50
Guenther Ottendorfer	Chief Operating Officer, Technology. Mr. Ottendorfer was appointed Chief Operating Officer, Technology in August 2015. He is responsible for overseeing Sprint's network, technology and IT organizations, including related strategy, network operations and performance, as well as partnerships with network, technology and IT vendors. From September 2013 until April 2015, he served as Group CTO at Telekom Austria Group, where he was responsible for driving major wireless expansion, convergence and network function virtualization projects across the countries of the group. From January 2011 until July 2013 Mr. Ottendorfer served as Managing Director - Networks at Optus Singtel, Australia's second largest telecommunications provider with over 11 million customers in cable, fixed, mobile and satellite networks, where he was responsible for the day-to-day running of all Optus networks.	2015	47
Robert Hackl	Chief Experience Officer and President of National Sales. Dr. Hackl was appointed Chief Experience Officer and President of National Sales in March 2016. Dr. Hackl is responsible for Customer Care, Omni-Channel Operations, and the management and measurement of the Sprint Promoter Score and is also responsible for direct and indirect sales, as well as telesales. From August 2013 until March 2016, he served as Director of Customer Operations at Vodafone GmbH, where he established service and customer experience leadership while reducing costs yearly. From October 2010 to May 2013, he served as Senior Vice President of Channel Management at TMobile USA, where he established its channel management function and oversaw customer channel initiatives. From 1996 to 2010, he worked as a consultant for McKinsey & Company.	2016	46

Name	Business Experience	Current Position Held Since	Age
John Saw Ph.D.	Chief Technology Officer. Dr. Saw was appointed as Chief Technology Officer in August 2015. Previously he was Chief Network Officer and Senior Vice President, Technology Architecture. Dr. Saw is responsible for network engineering, deployment and operations. Prior to this, he was Senior Vice President, Technology Architecture. Before Sprint's acquisition of Clearwire, Dr. Saw was Chief Technology Officer of Clearwire Corp. He joined Clearwire as its second employee in 2003 and was instrumental in scaling the company's technical expertise and organization. In 2009 and 2010, he led the Clearwire Team that built the first 4G network in North America, covering more than 130 million people.	2015	54
Roger Sole	Chief Marketing Officer. Mr. Sole was appointed Chief Marketing Officer in January 2016. From May 2015 until December 2015, Mr. Sole served as Senior Vice President of Marketing, Innovation, and Hispanic Market. From August 2011 until May 2015, Mr. Sole served as the Chief Marketing Officer of TIM Brasil. Under his leadership, TIM Brasil, Telecom Italia's mobile carrier in Brazil, emerged as that country’s fastest growing mobile operator by introducing new offers and services and providing innovative ways for customers to get new smartphones. Mr. Sole helped grow TIM Brasil to become the top seller of smartphones in Brazil with a 40% market share and nearly 75 million customers.	2016	42
Dow Draper	President - Global Wholesale and Prepaid Services. Mr. Draper was appointed President - Global Wholesale and Prepaid Services in September 2013. Mr. Draper manages the sales and marketing for Sprint's prepaid brands, Virgin Mobile USA, Boost Mobile and Assurance Wireless as well as Sprint's overall Wholesale business. Previously, he was Senior Vice President and General Manager of Retail for CLEAR, the retail brand of Clearwire, where he oversaw the brand's sales, marketing, customer care and product development. He served in various executive positions at Clearwire since 2009. Before joining Clearwire, Mr. Draper held various roles at Alltel Wireless, including senior vice president of Voice & Data Solutions and senior vice president of Financial Planning and Analysis. He has also held various roles at Western Wireless and McKinsey & Company.	2013	46
Jaime Jones	President, South Area. Mr. Jones was appointed President, South Area in November 2015 and covers 10 Southern states and Central Texas. Based in Atlanta, Mr. Jones is responsible for sales strategy and execution, network oversight, customer service, marketing communications and general operations. Previously, Mr. Jones was appointed as President, Postpaid and General Business in August 2014. Before being named to this role, Mr. Jones was responsible for the consumer sales strategy, distribution and customer experience for Sprint's Postpaid and Prepaid product brands. Mr. Jones has also served Sprint as senior vice president for the General Business and Public Sector organizations, as well as numerous vice president roles at the area, regional and national levels for Local, Emerging and Mid-Markets and General Business units. Mr. Jones has more than 30 years of experience with technology companies, including management and operations roles for Siemens Communications Inc. (formerly IBM, ROLM Systems Division) and Harris/3MCentral Penn Office Products Inc. (formerly 3M Copying Products Division).	2015	55
Jorge Gracia	Senior Vice President, General Counsel and Chief Ethics Officer. Mr. Gracia was appointed to his position in January 2016. He oversees all strategic, transactional, dispute, and preventative legal and government affairs matters, provides advice to the board and senior management on various matters, and has responsibility for ethics training and legal compliance. Mr. Gracia has over 25 years of experience in international corporate law, most recently with Samsung Electronics America, Inc., where he served as Senior Vice President and General Counsel from October 2013 until December 2015. Mr. Gracia previously spent 17 years at Alcatel-Lucent, where he held a series of positions, each with increasing responsibility. Mr. Gracia last served as Deputy General Counsel - Global Commercial Law, a role in which he led an international team of approximately 200 professionals supporting all commercial matters, including serving as general counsel for global sales and marketing, the team responsible for worldwide revenue-generating activities.	2016	50

Name	Business Experience	Current Position Held Since	Age
Paul Schieber, Jr.	Controller. Mr. Schieber was appointed as Controller in December 2013. Mr. Schieber previously served in various positions at Sprint since 1991. Most recently, he served as Vice President, Access and Roaming Planning, where he was responsible for managing Sprint's roaming costs as well as its wireless and wireline access costs. Prior to that, Mr. Schieber held various leadership roles in Sprint's Finance organization including heading Sprint's internal audit function as well as serving in various Vice President - Finance roles. He was also a director in Sprint's Tax department and a director on its Mergers and Acquisitions team. Before joining Sprint, Mr. Schieber was a senior manager with the public accounting firm Ernst & Young, where he worked as an auditor and a tax consultant. In addition, he served as corporate controller for a small publicly held company.	2013	58

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

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

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

Our success is based on our ability to retain current subscribers and attract new subscribers. If we are unable to attract and retain profitable wireless subscribers, our financial performance will be impaired, and we could fail to meet our financial obligations. From 2008 through March 31, 2016, we have experienced an aggregate net decrease of approximately 11.8 million subscribers in our total retail postpaid subscriber base (excluding the impact of our acquisitions).

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

- our ability to anticipate and respond to various competitive factors, including our successful execution of marketing and sales strategies; the acceptance of our value proposition; service delivery and customer care activities, including new account set up and billing; and execution under credit and collection policies;
- actual or perceived quality and coverage of our network;
- public perception about our brands;
- our ability to anticipate, develop, and deploy new or enhanced technologies, products, and services that are attractive to existing or potential subscribers;
- our ability to continue to access spectrum and acquire additional spectrum capacity; and
- our ability to maintain our current mobile virtual network operator (MVNO) relationships and to enter into new MVNO arrangements.

Our ability to retain subscribers may be negatively affected by industry trends related to subscriber contracts. Recently, we have seen aggressive customer acquisition efforts by our competitors. For example, most service providers are offering wireless service plans without any long-term commitment. Furthermore, some service providers are reimbursing contract termination fees, including paying off the outstanding balance on devices, incurred by new customers in connection with such customers terminating service with their current wireless service providers. Our competitors' aggressive customer contract terms, such as those described above, could negatively affect our ability to retain subscribers and could lead to an increase in our churn rates if we are not successful in providing an attractive product, price, and service mix.

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

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

The success of our network improvements will depend on the timing, extent, and cost of implementation; access to spectrum; the performance of third-parties and related parties; upgrade requirements; and the availability and reliability of the various technologies required to provide such modernization.

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

Improvements in our service depend on many factors, including our ability to predict and adapt to future changes in technologies, changes in consumer demands, changes in pricing and service offerings by our competitors, and continued access to and deployment of adequate spectrum, including any leased spectrum. If we are unable to access spectrum to increase capacity or to deploy the services subscribers desire on a timely basis or at acceptable costs while maintaining network quality levels, our ability to attract and retain subscribers could be adversely affected, which would negatively impact our operating results.

If we fail to provide a competitive network, our ability to provide wireless services to our subscribers, to attract and retain subscribers, and to maintain and grow our subscriber revenues could be adversely affected. For example, achieving optimal broadband network speeds, capacity, and coverage using 2.5 GHz spectrum relies in significant part on operationalizing a complex mixture of BRS and EBS spectrum licenses and leases in the desired service areas. The EBS is subject to licensing limitations and the technical limitations of the frequencies in the 2.5 GHz range. See "Item 1. Business-Legislative and Regulatory Developments-Regulation and Wireless Operations-2.5 GHz License Conditions." If we are unable to operationalize this mixture of licenses and leases, our targeted network modernization goals could be affected.

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

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

As of March 31, 2016, our consolidated principal amount of indebtedness was $33.4 billion, and we had $3.0 billion of undrawn borrowing capacity under the revolving bank credit facility. Our high debt levels and debt service requirements are significant in relation to our revenues and cash flow, which may reduce our ability to respond to competition and economic trends in our industry or in the economy generally. Our high debt levels and debt service requirements may also limit our financing options as a result of the restrictions placed on certain of our assets in our recent financing transactions. In addition, certain agreements governing our indebtedness impose operating restrictions on us, subject to exceptions, including our ability to:

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

Our revolving bank credit facility and other financing facilities also require that we maintain certain financial ratios, including a leverage ratio, which could limit our ability to incur additional debt. Our failure to comply with our debt covenants would trigger defaults under those obligations, which could result in the maturities of those debt obligations being accelerated and could in turn result in cross defaults with other debt obligations. If we are forced to refinance our debt obligations prior to maturity on terms that are less favorable or if we were to experience difficulty in refinancing the debt prior to maturity, our results of operations or financial condition could be materially harmed. In addition, our recent asset-based financings, which we expect to continue to rely on in the future as a source of funds, could subject us to an increased risk of loss of assets secured under those facilities. Limitations on our ability to obtain suitable financing when needed, or at all, or a failure to execute on our cost-reduction initiatives, could result in an inability to continue to expand our business, timely execute network modernization plans, and meet competitive challenges.

Subscribers who purchase a device on an installment billing basis are no longer required to sign a fixed-term service contract, which could result in higher churn, and higher bad debt expense.

Our service plans allow certain subscribers to purchase an eligible device under an installment contract payable over a period of up to 24 months. Subscribers who take advantage of these plans are no longer required to sign a fixed-term service contract to obtain postpaid service; rather, their service is provided on a month to month contract basis with no early termination fee. These service plans may not meet our subscribers' or potential subscribers' needs, expectations, or demands. In addition, subscribers on these plans can discontinue their service at any time without penalty, other than the obligation of any residual commitment they may have for unpaid service or for amounts due under the installment contract for the device. We could experience a higher churn rate than we expect due to the ability of subscribers to more easily change service providers, which could adversely affect our results of operations. Our operational and financial performance may be

adversely affected if we are unable to grow our customer base and achieve the customer penetration levels that we anticipate with this business model.

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

Because we lease devices to subscribers, our device leasing program exposes us to new risks, including those related to the actual residual value realized on returned devices, higher churn and increased losses on devices.

We also lease devices to certain of our subscribers. Our financial condition and results of operations depend, in part, on our ability to appropriately assess the credit risk of our lease subscribers and the ability of our lease subscribers to perform under our device leases. In addition to monthly lease payments, we expect to realize economic benefit from the estimated residual value of a leased device, which is the estimated value of a leased device at the time of the expiration of the lease term. Changes in residual value assumptions made at lease inception would affect the amount of depreciation expense and the net amount of equipment under operating leases. If estimated residual values, in the aggregate, significantly decline due to economic factors, obsolescence, or other circumstances, we may not realize such residual value, which could have a material adverse effect on our financial position and results of operations. We may also suffer negative consequences including increased costs and increased losses on devices as a result of a lease subscriber default**,** the related termination of a lease, and the attempted repossession of the device, including failure of a lease subscriber to return a leased device at the end of the lease. Sustained failure of subscribers to return leased devices could also negatively impact our ability to obtain financing based on leased devices in the future. In addition, subscribers who lease a device are no longer required to sign a fixed-term service contract, which could result in higher churn, and increased losses on devices.

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

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

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

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

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

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

The FCC, Federal Trade Commission, Consumer Financial Protection Bureau, and other federal, state and local, as well as international, governmental authorities assert jurisdiction over our business and could adopt regulations or take other actions that would adversely affect our business prospects or results of operations.

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

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

The FCC and other federal agencies have recently engaged in increased regulatory and enforcement activity as well as investigations of the industry generally. Depending upon their interpretation, newly adopted net neutrality regulations may have unforeseen consequences for our business. Such regulations, enforcement activities, or investigations could make it more difficult and expensive to operate our business, and could increase the costs of our wireless operations. In addition, we may offer products that include highly regulated financial services, which subject us to additional state and federal regulations. The costs to comply with such regulations and failure to remain compliant with such regulations could adversely affect our results of operations.

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

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

We compete with a number of other wireless service providers in each of the markets in which we provide wireless services. Competition is expected to continue to increase as additional spectrum is made available for commercial wireless services, and we have experienced and expect to continue to experience an increased customer demand for data usage on our network. Competition in pricing, service, and product offerings may adversely impact subscriber retention and our ability to attract new subscribers. A decline in the average revenue per subscriber coupled with a decline in the number of subscribers would negatively impact our revenues, cash flows, and profitability. In addition, consolidation by our competitors and roaming partners could lead to fewer companies controlling access to network infrastructure, enabling our competitors to control usage and rates, which could negatively affect our revenues and profitability.

Further, some of our competitors now provide content services in addition to voice and broadband services, and consumers are increasingly accessing video content from alternative sources via Internet-based providers and applications, all of which create increased competition in this area.

The wireless communications industry continues to experience significant technological change, including improvements in the capacity, quality, and types of technology. These developments cause uncertainty about future subscriber demand for our wireless services and the prices that we will be able to charge for these services. As services, technology, and devices evolve, we also expect continued pressure on voice, text, and other service revenues. Rapid changes in technology may lead to the development of wireless communications technologies, products, or alternative services that are superior to our technologies, products, or services, or that consumers prefer over ours. In addition, technological advances have caused long distance, local, wireless, video, and Internet services to become more integrated, which has contributed to increased competition, new competitors, new products, and the expansion of services offered by our competitors in each of these markets. If we are unable to meet future advances in competing technologies on a timely basis, or at an acceptable cost, we may not be able to compete effectively and could lose subscribers to our competitors.

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

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

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

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

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

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

Some of our products and services use intellectual property that we own. We also purchase products from suppliers, including device suppliers, and outsource services to service providers, including billing and customer care functions, that incorporate or utilize intellectual property. We and some of our suppliers and service providers have received, and may receive in the future, assertions and claims from third parties that the products or software utilized by us or our suppliers and service providers infringe on the patents or other intellectual property rights of these third parties. These claims could require us or an infringing supplier or service provider to cease certain activities or to cease selling the relevant products and services. These claims can be time-consuming and costly to defend and divert management resources. If these claims are successful, we could be forced to pay significant damages or stop selling certain products or services or stop using certain trademarks, which could adversely affect our results of operations.

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

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

Our reputation and business may be harmed and we may be subject to legal claims if there is a loss, disclosure, misappropriation of, unauthorized access to, or other security breach of our proprietary or sensitive information.

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

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

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

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

As a result of the SoftBank Merger, Sprint recognized goodwill at its acquisition-date estimate of fair value of approximately $6.6 billion, which has been entirely allocated to the wireless segment. Since goodwill was reflected at its estimate of fair value, there was no excess fair value over book value as of the date of the close of the SoftBank Merger. Additionally, we recorded $14.6 billion and $41.7 billion of long-lived assets and indefinite-lived intangible assets, respectively, as of the close of the SoftBank Merger. We evaluate the carrying value of our indefinite-lived assets, including goodwill, at least annually or more frequently whenever events or changes in circumstances indicate that the asset may be impaired, or in the case of goodwill, that the fair value of the reporting unit is below its carrying amount. During the quarter ended December 31, 2014, we recorded an impairment loss of $1.9 billion and $233 million for the Sprint trade name and Wireline long-lived assets, respectively. 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 long-lived assets, goodwill, or other indefinite-lived assets, which could adversely affect our financial position and results of operations. In addition, as we continue to refine our network strategy, management may conclude, in future periods, that certain equipment assets in use will not be utilized as long as originally intended, which

could result in an acceleration of depreciation expense. Moreover, certain equipment assets may never be deployed or redeployed, in which case cash and/or non-cash charges that could be material to our consolidated financial statements would be recognized.

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

As part of our long term strategy, we regularly evaluate potential acquisitions, strategic investments, and mergers, and we actively engage in discussions with potential counterparties. Over time, we may acquire, make investments in, or merge with companies that complement or expand our business. Some of these potential transactions could be significant relative to the size of our business and operations. Any such acquisitions would involve a number of risks and present financial, managerial and operational challenges, including:

- diversion of management attention from running our existing business;
- possible material weaknesses in internal control over financial reporting;
- increased costs to integrate the networks, spectrum, technology, personnel, subscriber base, and business practices of the company involved in the acquisition, strategic investment, or merger with our business;
- potential exposure to material liabilities not discovered in the due diligence process or as a result of any litigation arising in connection with such transactions;
- significant transaction expenses in connection with any such transaction, whether consummated or not;
- risks related to our ability to obtain any required regulatory approvals necessary to consummate any such transaction;
- acquisition financing may not be available on reasonable terms or at all and any such financing could significantly increase our outstanding indebtedness or otherwise affect our capital structure or credit ratings; and
- any acquired or merged business, technology, service, or product may significantly under-perform relative to our expectations, and we may not achieve the benefits we expect from our transaction, which could, among other things, also result in a write-down of goodwill and other intangible assets associated with such transaction.

Certain of these risks may also apply to the RadioShack transaction. For any or all of these reasons, our pursuit of an acquisition, investment, or merger may cause our actual results to differ materially from those anticipated.

Controlled Company Risks

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

As of March 31, 2016, SoftBank beneficially owned approximately 83% of the outstanding common stock of Sprint. As a result, until such time as SoftBank and its controlled affiliates hold shares representing less than a majority of the votes entitled to be cast by the holders of our outstanding common stock at a stockholder meeting, SoftBank generally will have the ability to control the outcome of any matter submitted for the vote of our stockholders, except in certain circumstances set forth in our certificate of incorporation or bylaws.

In addition, pursuant to our bylaws, we are subject to certain requirements and limitations regarding the composition of our board of directors. Many of those requirements and limitations expire on or prior to July 10, 2016. Thereafter, for so long as SoftBank and its controlled affiliates hold shares of our common stock representing at least a majority of the votes entitled to be cast by the holders of our common stock at a stockholder meeting, SoftBank will be able to freely nominate and elect all the members of our board of directors, subject only to a requirement that a certain number of directors qualify as "Independent Directors," as such term is defined in the NYSE listing rules and applicable laws. The directors elected by SoftBank will have the authority to make decisions affecting the capital structure of the Company, including the issuance of additional capital stock or options, the incurrence of additional indebtedness, the implementation of stock repurchase programs, and the declaration of dividends.

The interests of SoftBank may not coincide with the interests of our other stockholders or with holders of our indebtedness. SoftBank's ability, subject to the limitations in our certificate of incorporation and bylaws, to control all matters submitted to our stockholders for approval limits the ability of other stockholders to influence corporate matters and, as a result, we may take actions that our stockholders or holders of our indebtedness do not view as beneficial. As a result, the

market price of our common stock or terms upon which we issue indebtedness could be adversely affected. In addition, the existence of a controlling stockholder may have the effect of making it more difficult for a third-party to acquire, or discouraging a third-party from seeking to acquire, the Company. A third-party would be required to negotiate any such transaction with SoftBank, and the interests of SoftBank with respect to such transaction may be different from the interests of our other stockholders or with holders of our indebtedness. In addition, the performance of SoftBank and SoftBank's ordinary shares or speculation about the possibility of future actions SoftBank may take in connection with us may adversely affect our share price or the trading price of our debt securities.

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

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

For so long as SoftBank and its controlled affiliates hold shares of our common stock representing at least a majority of the votes entitled to be cast by the holders of our common stock at a stockholders' meeting, SoftBank will be able to elect all of the members of our board of directors commencing in July 2016, which is three years following the effective time of the SoftBank Merger. Further, the interests of SoftBank and our other stockholders may diverge. Under these circumstances, persons who might otherwise accept an invitation to join our board of directors may decline.

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

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

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

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

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

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

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

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

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

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

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our corporate headquarters are located in Overland Park, Kansas and consist of approximately3,853,000 square feet. Our gross property, plant and equipment at March 31, 2016 totaled $30.0 billion, as follows:

	March 31, 2016
	(in billions)
Wireless	$ 27.0
Wireline	1.2
Corporate and other	1.8
Total	$ 30.0

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

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

Item 3. Legal Proceedings

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. The hearing to approve the settlement has been set for May 26, 2016.

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, discovery is substantially complete and our motion for summary judgment is pending. 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.

Item 4. Mine Safety Disclosures

None.

PART II

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

Common Share Data

Our common stock is traded under the stock symbol "S" on the New York Stock Exchange (NYSE). From January 1, 2012 through July 10, 2013, the stock that traded was the Series 1 common stock of Sprint Communications, Inc., which was formerly known as Sprint Nextel Corporation. On July 10, 2013, the SoftBank Merger closed, and after that date, the stock that trades on the NYSE is the common stock of Sprint Corporation. We currently have no non-voting common stock outstanding. The high and low common stock prices, as reported on the NYSE composite, were as follows:

	Year Ended March 31, 2016		Year Ended March 31, 2015	
	High	Low	High	Low
Common stock market price				
First quarter	$ 5.39	$ 4.41	$ 9.76	$ 7.38
Second quarter	5.29	3.10	8.68	5.36
Third quarter	5.12	3.50	6.45	3.79
Fourth quarter	4.19	2.18	5.45	4.01

Number of Stockholders of Record

As of May 13, 2016, we had approximately 30,000 common stock record holders.

Dividends

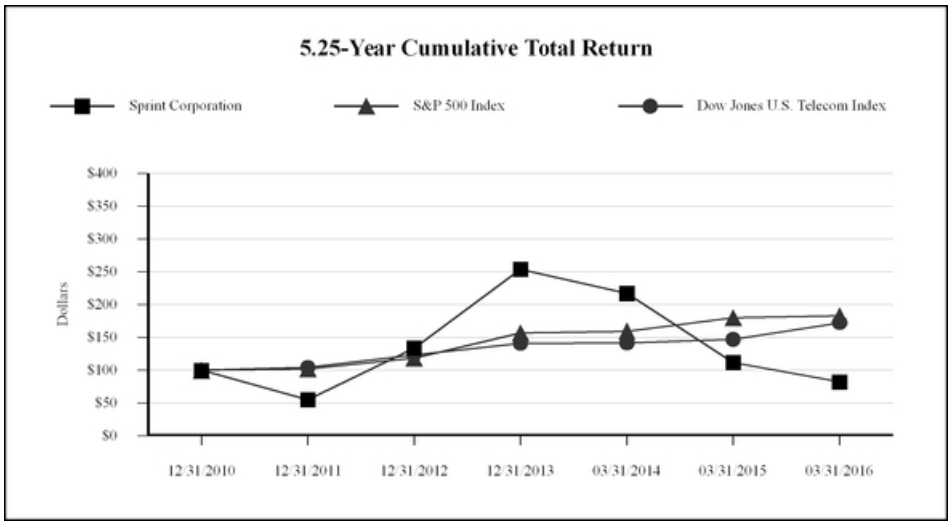
We did not declare any dividends on our common stock for all periods presented in the consolidated financial statements. We are currently restricted from paying cash dividends by the terms of our revolving bank credit facility as described under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources."

Issuer Purchases of Equity Securities

None.

Performance Graph

The graph below compares the cumulative total shareholder return for the Company's common stock with the S&P® 500 Stock Index and the Dow Jones U.S. Telecommunications Index for the three fiscal years ended December 31, 2013, the three-month transition period ended March 31, 2014 and the fiscal years ended March 31, 2015 and 2016. Because Sprint Corporation common stock did not commence trading until after the SoftBank Merger, the graph below reflects the cumulative total shareholder return on the Series 1 common stock of Sprint Communications, Inc., our predecessor, through July 10, 2013 and, thereafter, reflects the total shareholder return on the common stock of Sprint Corporation. The graph assumes an initial investment of $100 on December 31, 2010 and, if any, the reinvestment of all dividends.



Value of $100 Invested on December 31, 2010

	12/31/2010	12/31/2011	12/31/2012	12/31/2013	3/31/2014	3/31/2015	3/31/2016
Sprint Corporation	$ 100.00	$ 55.32	$ 134.04	$ 254.14	$ 217.26	$ 112.06	$ 82.27
S&P 500 Index	$ 100.00	$ 102.11	$ 118.45	$ 156.82	$ 159.65	$ 179.98	$ 183.19
Dow Jones U.S. Telecom Index	$ 100.00	$ 104.24	$ 123.50	$ 140.95	$ 141.46	$ 147.23	$ 172.44

Item 6. Selected Financial Data

The Company's financial statement presentations distinguish between the predecessor period (Predecessor) relating to Sprint Communications (formerly known as Sprint Nextel Corporation) for periods prior to the SoftBank Merger and the successor period (Successor) relating to Sprint Corporation, formerly known as Starburst II, for periods subsequent to the incorporation of Starburst II on October 5, 2012. The Successor financial information represents the activity and accounts of Sprint Corporation, which includes the activity and accounts of Starburst II prior to the close of the SoftBank Merger on July 10, 2013 and Sprint Communications, inclusive of the consolidation of Clearwire Corporation, prospectively following completion of the SoftBank Merger, beginning on July 11, 2013 (Post-merger period). The accounts and operating activity of Starburst II prior to the close of the SoftBank Merger primarily related to merger expenses that were incurred in connection with the SoftBank Merger (recognized in selling, general and administrative expense) and interest related to the $3.1 billion convertible bond (Bond) Sprint Communications, Inc. issued to Starburst II. The Predecessor financial information represents the historical basis of presentation for Sprint Communications for all periods prior to the SoftBank Merger. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional discussions on our trends and combined information.

The selected financial data presented below is not comparable for all periods presented primarily as a result of transactions such as the SoftBank Merger and acquisitions of Clearwire and certain assets of United States Cellular Corporation (U.S. Cellular) in 2013. All acquired companies' results of operations subsequent to their acquisition dates are included in our consolidated financial statements. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional discussions on our trends and combined information.

	Successor						Predecessor			
	Year Ended March 31,	Year Ended March 31,	Three Months Ended March 31,		Years Ended December 31,		191 Days Ended July 10,	Three Months Ended March 31,	Years Ended December 31,	
	2016	2015	2014	2013	2013	2012	2013	2013	2012	2011
	(in millions, except per share amounts)									
Results of Operations										
Service revenue	$ 27,174	$ 29,542	$ 7,876	$ —	$ 15,094	$ —	$ 16,895	$ 7,980	$ 32,097	$ 30,768
Equipment revenue	5,006	4,990	999	—	1,797	—	1,707	813	3,248	2,911
Net operating revenues	32,180	34,532	8,875	—	16,891	—	18,602	8,793	35,345	33,679
Depreciation	5,794	3,797	868	—	2,026	—	3,098	1,422	6,240	4,455
Amortization	1,294	1,552	429	—	908	—	147	70	303	403
Operating income (loss)	310	(1,895)	420	(14)	(970)	(33)	(885)	29	(1,820)	108
Net loss	(1,995)	(3,345)	(151)	(9)	(1,860)	(27)	(1,158)	(643)	(4,326)	(2,890)
Loss per Share and Dividends[1]										
Basic and diluted loss per common share	$ (0.50)	$ (0.85)	$ (0.04)		$ (0.54)		$ (0.38)	$ (0.21)	$ (1.44)	$ (0.96)
Financial Position										
Total assets	$ 78,975	$ 82,841	$ 84,549	$ 3,122	$ 85,953	$ 3,115	N/A	$ 50,474	$ 51,278	$ 49,200
Property, plant and equipment, net	20,297	19,721	16,299	—	16,164	—	N/A	14,025	13,607	14,009
Intangible assets, net	51,117	52,455	55,919	—	56,272	—	N/A	22,352	22,371	22,428
Total debt, capital lease and financing obligations (including equity unit notes)	33,958	33,642	32,638	—	32,869	—	N/A	24,217	24,049	20,091
Stockholders' equity	19,783	21,710	25,312	3,122	25,584	3,110	N/A	6,474	7,087	11,427
Cash Flow Data										
Net cash provided by (used in) operating activities	$ 3,897	$ 2,450	$ 522	$ (2)	$ (61)	$ —	$ 2,671	$ 940	$ 2,999	$ 3,691
Capital expenditures - network and other	4,680	5,422	1,488	—	3,847	—	3,140	1,381	4,261	3,130
Capital expenditures - leased devices	2,292	582	—	—	—	—	—	—	—	—

(1) We did not declare any dividends on our common shares in any of the periods reported.

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

OVERVIEW

Business Overview

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

Wireless segment earnings represented almost all of our total consolidated segment earnings for the year ended March 31, 2016. Within the Wireless segment, postpaid wireless service revenue represents the most significant contributor to earnings, and is driven by the number of postpaid subscribers to our services, as well as the average revenue per user (ARPU).

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 achieve these key priorities we are focusing on the following initiatives. 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 alternative financial structure consists of transactions that leverage our assets such as the Handset Sale-leaseback Tranche 1 we entered into in November 2015 and the Network Equipment Sale-Leaseback, Handset Sale-Leaseback Tranche 2 and new unsecured financing facility we recently executed, described in more detail in "Liquidity and Capital Resources." In addition, we continue to identify other funding sources such as the potential monetization of certain spectrum holdings or certain real estate. In addition, with the Office of Cost Management, we have commenced major cost cutting initiatives to reduce operating expenses and improve our operating cash flows.

We seek to build a stronger management team by attracting new 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 will put key leadership closer to customers and allow us to better serve them in four geographic areas which are 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 Office to support our focus on net promoter score as our key measure in customer satisfaction.

Network

We will continue to take advantage of our deep spectrum position to deploy our 4G LTE Plus network. LTE Plus is currently available in over 200 markets leveraging carrier aggregation and beamforming for better data performance. Our deep 2.5GHz holdings will allow us to dedicate spectrum to deploy 60MHz wide channels for even faster data speeds. We plan to densify the network through the use of small cell technology, femto cells, in-building solutions and repeaters as well as continuing to use traditional macro sites. This approach builds the foundation for deployment of 5G wireless technology in the future while continuing 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. 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, subject to regulatory approval, 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 will also expand the area in which Shentel provides wireless service to Sprint customers and will provide for more favorable economic terms. In April 2016, we received regulatory approval and the transaction was closed in May 2016. The total consideration for this transaction included approximately $195 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. Approximately $110 million of the total purchase price will be recorded as a loss in the quarter ended June 30, 2016, which related to the termination of our pre-existing wholesale arrangement with nTelos.

RESULTS OF OPERATIONS

On July 9, 2013, Sprint Nextel Corporation (Sprint Nextel) completed the acquisition of the remaining equity interests in Clearwire Corporation and its consolidated subsidiary Clearwire Communications LLC (together "Clearwire") that it did not previously own (Clearwire Acquisition) in an all cash transaction. On July 10, 2013, SoftBank Corp., which subsequently changed its name to SoftBank Group Corp., and certain of its wholly-owned subsidiaries (together, "SoftBank") completed the merger (SoftBank Merger) with Sprint Nextel contemplated by the Agreement and Plan of Merger, dated as of October 15, 2012 (as amended, the Merger Agreement), and the Bond Purchase Agreement, dated as of October 15, 2012 (as amended, the Bond Agreement). As a result of the SoftBank Merger, Starburst II became the parent company of Sprint Nextel. Immediately thereafter, Starburst II changed its name to Sprint Corporation and Sprint Nextel changed its name to Sprint Communications, Inc.

As a result of these transactions, the assets and liabilities of Sprint Communications and Clearwire were adjusted to estimated fair value on the respective closing dates. The Company's financial statement presentations distinguish between the predecessor period (Predecessor) relating to Sprint Communications for periods prior to the SoftBank Merger and the successor period (Successor) relating to Sprint Corporation, formerly known as Starburst II, for periods subsequent to the incorporation of Starburst II on October 5, 2012. The Successor financial information includes the activity and accounts of Sprint Corporation, which includes the activity and accounts of Starburst II prior to the close of the SoftBank Merger on July 10, 2013 and Sprint Communications, inclusive of the consolidation of Clearwire Corporation, prospectively following completion of the SoftBank Merger, beginning on July 11, 2013 (Post-merger period). The accounts and operating activity of Starburst II prior to the close of the SoftBank Merger primarily related to merger expenses that were incurred in connection with the SoftBank Merger (recognized in selling, general and administrative expense) and interest related to the $3.1 billion Bond Sprint Communications, Inc. issued to Starburst II. The Predecessor financial information represents the historical basis of presentation for Sprint Communications for all periods prior to the SoftBank Merger.

As a result of the SoftBank Merger, and in order to present Management's Discussion and Analysis in a way that offers investors a more meaningful period to period comparison, in addition to presenting and discussing our historical results of operations as reported in our consolidated financial statements in accordance with accounting principles generally accepted in the United States (U.S. GAAP), we have combined the 2013 Predecessor financial information with the 2013 Successor financial information, on an unaudited combined basis (Combined). The unaudited Combined data consists of Predecessor

information for the 191-day period ended July 10, 2013 and Successor information for the year ended December 31, 2013. The Combined information for the year ended December 31, 2013 does not comply with U.S. GAAP and is not intended to represent what our consolidated results of operations would have been if the Successor had actually been formed on January 1, 2013 and acquired the Predecessor as of such date, nor have we made any attempt to either include or exclude expenses or income that would have resulted had the SoftBank Merger actually occurred on January 1, 2013.

U.S. GAAP Discussion and Analysis

The following discussion covers results for the Successor years ended March 31, 2016 compared to March 31, 2015, the Successor years ended March 31, 2015 compared to December 31, 2013 and the Successor three-month transition period ended March 31, 2014 compared to the unaudited three-month Predecessor period ended March 31, 2013.

The results for the Successor three-month period ended March 31, 2013 were considered insignificant and are not comparable to the Successor year ended December 31, 2013 or three-month transition period ended March 31, 2014 as the Successor entity was established on October 5, 2012 for the sole purpose of completing the SoftBank Merger. Results for the three-month period ended March 31, 2013 primarily reflected merger expenses that were incurred (recognized in selling, general and administrative expense) and interest income related to the $3.1 billion Bond issued in connection with the SoftBank Merger. We have provided information regarding certain of the elements of the acquisition method of accounting affecting the Successor period ended December 31, 2013 and transition period ended March 31, 2014 results to enable further comparability.

Supplemental Discussion and Analysis

Results for the Successor year ended March 31, 2015 as compared to the unaudited Combined year ended December 31, 2013 are also discussed, to the extent necessary, to provide an analysis of results on comparable periods although the basis of presentation may not be comparable due to the application of the acquisition method of accounting. Additionally, in certain sections we discuss the activity of the Predecessor 191-day period ended July 10, 2013 to the extent it provides useful information for the activity during that period.

Acquisition Method of Accounting Effects to the Successor Periods Ending March 31, 2014 (Transition Period) and December 31, 2013

The allocation of the consideration transferred to assets acquired and liabilities assumed were based on estimated fair values as of the date of the SoftBank Merger, as described further in the Notes to the Consolidated Financial Statements. As a result, the following estimated impacts of purchase price accounting are included in our results of operations for the Successor three-month transition period ended March 31, 2014 and year ended December 31, 2013:

- Reduced postpaid wireless revenue and wireless cost of service of approximately $29 million and $59 million each for the Successor three-month transition period ended March 31, 2014 and for the year ended December 31, 2013, respectively, as a result of purchase accounting adjustments to deferred revenue and deferred costs;
- Reduced prepaid wireless revenue of approximately $96 million for the Successor year ended December 31, 2013 as a result of purchase accounting adjustments to eliminate deferred revenue;
- Increased rent expense of $29 million and $55 million for the Successor three-month transition period ended March 31, 2014 and year ended December 31, 2013, respectively, which was included in cost of service, primarily attributable to the write-off of deferred rents associated with our operating leases, offset by the amortization of our net unfavorable leases recorded in purchase accounting;
- Increased cost of products sold of approximately $31 million for the Successor year ended December 31, 2013 as a result of purchase accounting adjustments to accessory inventory;
- Reduced depreciation expense of approximately $60 million and $400 million for the Successor three-month transition period ended March 31, 2014 and year ended December 31, 2013, respectively, as a result of purchase accounting adjustments reflecting a net decrease to property, plant and equipment;
- Incremental amortization expense of approximately $359 million and $772 million for the Successor three-month transition period ended March 31, 2014 and year ended December 31, 2013, respectively, which was primarily attributable to the recognition of customer relationships of approximately $6.9 billion; and
- Decrease in pension expense of approximately $22 million and $46 million for the Successor three-month transition period ended March 31, 2014 and year ended December 31, 2013, respectively, which was

primarily reflected in selling, general and administrative expense, due to the purchase accounting adjustment to unrecognized net periodic pension and other post-retirement benefits.

Predecessor 191-Day Period Ended July 10, 2013

Significant changes in the underlying trends affecting the Company's consolidated results of operations and net loss for the 191 days ended July 10, 2013 were as follows:

- We recorded a gain on previously-held Clearwire equity interests of approximately $2.9 billion for the difference between the estimated fair value of the equity interests owned prior to the acquisition ($5.00 per share offer price less an estimated control premium of approximately $0.60) and the carrying value of approximately $325 million for those previously-held equity interests; and
- Increased income tax expense was primarily attributable to taxable temporary differences as a result of the $2.9 billion gain on the previously-held equity interests in Clearwire, which was principally attributable to the increase in the fair value of Federal Communications Commission (FCC) licenses held by Clearwire and from 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.

Consolidated Results of Operations

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

	Successor				Combined	Successor	Predecessor	
	Year Ended March 31,	Year Ended March 31,	Three Months Ended March 31,		Year Ended December 31,	Year Ended December 31,	191 Days Ended July 10,	Three Months Ended March 31,
	2016	2015	2014	2013	2013	2013	2013	2013
	(in millions)							
Wireless segment earnings	$ 8,051	$ 5,894	$ 1,837	$ —	$ 4,948	$ 2,178	$ 2,770	$ 1,395
Wireline segment earnings	92	113	12	—	494	222	272	128
Corporate, other and eliminations	3	(7)	(5)	(14)	(33)	(34)	1	1
Consolidated segment earnings (loss)	8,146	6,000	1,844	(14)	5,409	2,366	3,043	1,524
Depreciation	(5,794)	(3,797)	(868)	—	(5,124)	(2,026)	(3,098)	(1,422)
Amortization	(1,294)	(1,552)	(429)	—	(1,055)	(908)	(147)	(70)
Impairments	—	(2,133)	—	—	—	—	—	—
Other, net[1]	(748)	(413)	(127)	—	(1,085)	(402)	(683)	(3)
Operating income (loss)	310	(1,895)	420	(14)	(1,855)	(970)	(885)	29
Interest expense	(2,182)	(2,051)	(516)	—	(2,053)	(918)	(1,135)	(432)
Equity in losses of unconsolidated investments, net	—	—	—	—	(482)	—	(482)	(202)
Gain on previously-held equity interests	—	—	—	—	2,926	—	2,926	—
Other income (expense), net	18	27	1	6	92	73	19	—
Income tax (expense) benefit	(141)	574	(56)	(1)	(1,646)	(45)	(1,601)	(38)
Net loss	$ (1,995)	$ (3,345)	$ (151)	$ (9)	$ (3,018)	$ (1,860)	$ (1,158)	$ (643)

(1) Other, net for the year ended March 31, 2016 excludes $321 million related to losses on disposal of property, plant and equipment which is included in Wireless segment earnings.

Depreciation Expense

Successor Year Ended March 31, 2016 and Successor Year Ended March 31, 2015

Depreciation expense increased $2.0 billion, or 53%, in the year ended March 31, 2016 compared to the same period in 2015 primarily due to depreciation on leased devices of $1.8 billion in the year ended March 31, 2016 as a result of the device leasing program that was introduced in September 2014. Depreciation expense incurred on all leased devices in the year ended March 31, 2015 was $206 million. Depreciation also increased due to network asset additions partially offset by a decrease due to assets being retired or fully depreciated.

Successor Year Ended March 31, 2015 and Successor Year Ended December 31, 2013

Depreciation expense increased $1.8 billion, or 87%, in the year ended March 31, 2015 compared to the year ended December 31, 2013 primarily due to comparing a full twelve-month period to a shortened Post-merger period.

Successor Three-Month Transition Period Ended March 31, 2014 and Predecessor Three-Month Period Ended March 31, 2013

Depreciation expense decreased $554 million, or 39%, in the Successor three-month transition period ended March 31, 2014 compared to the same Predecessor period in 2013 primarily due to the absence of accelerated depreciation associated with equipment related to our legacy Nextel and Sprint platforms. This reduction was partially offset by increased depreciation on asset additions primarily associated with improving the quality of our network and assets acquired as a result of the Clearwire Acquisition. The deployment of our network modernization program resulted in incremental charges during earlier stages of implementation including, but not limited to, an increase in depreciation associated with existing assets related to both the Nextel and Sprint platforms, due to changes in our estimates of the remaining useful lives of long-lived assets, and the expected timing and amount of asset retirement obligations, which continued to have an impact on our results of operations through 2013. The incremental effect of accelerated depreciation due to the implementation of our network modernization program was approximately $360 million during the Predecessor three-month period ended March 31, 2013, of which the majority related to the Nextel platform, compared to no such accelerated depreciation in the three-month transition period ended March 31, 2014.

Successor Year Ended March 31, 2015 and Combined Year Ended December 31, 2013

Specific efforts to improve the quality of our network, which began in 2011, as well as the shut down of the Nextel platform on June 30, 2013, resulted in incremental charges during earlier stages of these efforts including, but not limited to, an increase in depreciation associated with existing assets related to both the Nextel and Sprint platforms, due to changes in our estimates of the remaining useful lives of long-lived assets, and the expected timing and amount of asset retirement obligations, which continued to have an impact on our results of operations in 2013. The incremental effect of accelerated depreciation was approximately $800 million during the Predecessor 191-day period ended July 10, 2013, of which the majority related to the Nextel platform, which was shut down on June 30, 2013, compared to no such accelerated depreciation in the Successor year ended March 31, 2015. In addition to the explanations above and the effect of accelerated depreciation in the Predecessor period, the depreciation expense also decreased by approximately $160 million for the Successor year ended March 31, 2015 due to asset revaluations as a result of the SoftBank Merger in 2013.

Amortization Expense

Successor Year Ended March 31, 2016 and Successor Year Ended March 31, 2015

Amortization expense decreased $258 million, or 17%, in the year ended March 31, 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.

Successor Year Ended March 31, 2015 and Successor Year Ended December 31, 2013

Amortization expense increased $644 million, or 71%, in the year ended March 31, 2015 compared to the year ended December 31, 2013, primarily due to comparing results for a full twelve-month period to a shortened Post-merger period which primarily consisted of amortization of customer relationships of approximately $6.9 billion that were recognized as a result of the SoftBank Merger. Customer relationship intangible assets are amortized using the sum-of-the-months'-digits method, which results in higher amortization rates in early periods that will decline over time.

Successor Three-Month Transition Period Ended March 31, 2014 and Predecessor Three-Month Period Ended March 31, 2013

Amortization expense increased $359 million, or 513%, in the Successor three-month transition period ended March 31, 2014 compared to the same Predecessor period in 2013, primarily due to the recognition of definite-lived intangible assets related to customer relationships of approximately $6.9 billion as a result of the SoftBank Merger. Customer relationship intangible assets are amortized using the sum-of-the-months'-digits method, which results in higher amortization rates in early periods that will decline over time.

Impairments

During the three-month period ended December 31, 2014, we determined that recoverability of the carrying amount of the Sprint trade name should be evaluated for impairment due to changes in circumstances surrounding our Wireless reporting unit. As a result, we recorded an impairment loss of $1.9 billion, which is included in "Impairments" in our consolidated statements of operations. During the three-month period ended December 31, 2014, we also tested the recoverability of the Wireline asset group, which consists primarily of property, plant and equipment, due to continued declines in our Wireline segment earnings and our forecast that projected continued losses in future periods. As a result, we

recorded an impairment loss of $233 million to reduce the carrying value of Wireline's property, plant and equipment to its estimated fair value, which is included in "Impairments" in our consolidated statements of operations.

Other, net

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

	Successor			Combined	Successor	Predecessor	
	Year Ended March 31,	Year Ended March 31,	Three Months Ended March 31,	Year Ended December 31,	Year Ended December 31,	191 Days Ended July 10,	Three Months Ended March 31,
	2016	2015	2014	2013	2013	2013	2013
				(in millions)			
Severance and exit costs	$ (409)	$ (304)	$ (52)	$ (961)	$ (309)	$ (652)	$ (25)
Litigation	(193)	(91)	—	—	—	—	—
Loss on disposal of property, plant and equipment	(166)	—	(75)	—	—	—	—
Partial pension settlement	—	(59)	—	—	—	—	—
Revision to estimate of a previously recorded reserve	20	41	—	—	—	—	—
Other	—	—	—	(124)	(93)	(31)	22
Total expense	$ (748)	$ (413)	$ (127)	$ (1,085)	$ (402)	$ (683)	$ (3)

Successor Year Ended March 31, 2016

Other, net represented an expense of $748 million in the year ended March 31, 2016. We recognized litigation expense of $193 million for ongoing legal matters. In addition, we recognized severance and exit costs which included $216 million of severance primarily associated with reductions in our work force and $195 million of lease and access exit costs primarily associated with tower and cell site 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 operations. We also recorded $166 million of loss on disposal of property, plant and equipment primarily related to cell site construction costs and other network costs that are no longer recoverable as a result of changes in the Company's network plans. In addition, we revised our estimate of a previously recorded reserve, resulting in approximately $20 million of income.

Successor Year Ended March 31, 2015

Other, net reflected an expense of $413 million in the year ended March 31, 2015. Severance and exit costs included $253 million of severance primarily associated with reductions in force and $13 million of lease exit costs primarily associated with tower and cell sites as well as facility closures. In addition, we recognized $38 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. Litigation of $91 million represented legal reserves for various pending legal suits and proceedings. Partial pension settlement was the result of the Company's Board of Directors approving a plan amendment to the Sprint Retirement Pension Plan (Plan) to offer certain terminated participants, who had not begun to receive Plan benefits, the opportunity to voluntarily elect to receive their benefits as an immediate lump sum distribution. The lump sum distribution created a settlement event that resulted in a $59 million charge. In addition, we revised our estimate of a previously recorded reserve, resulting in income of approximately $41 million.

Successor Three-Month Transition Period Ended March 31, 2014

Other, net reflected an expense of $127 million in the Successor three-month transition period ended March 31, 2014. Severance and exit costs of $52 million for the three-month transition period ended March 31, 2014 included $14 million of severance primarily associated with reductions in force and $11 million of lease exit costs primarily associated with retail store closures. In addition, we recognized $31 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, of which $4 million was recognized as "Cost of services." During the three-month transition period ended March 31, 2014, we recorded $75 million of loss on disposal of property, plant and equipment primarily related to network equipment assets that were no longer necessary for management's strategic plans.

Successor Year Ended December 31, 2013

Other, net reflected an expense of $402 million for the Successor year ended December 31, 2013. Severance and exit costs of $309 million for the Successor year ended December 31, 2013 included $219 million of severance primarily associated with reductions in force and $56 million of lease exit costs primarily associated with the decommissioning of the

Nextel platform. In addition, we recognized $53 million of payments that will continue to be made under our backhaul access contracts for which we will no longer be receiving any economic benefit, and of which $19 million was recognized as "Cost of services." The $93 million reflected in "Other" included $100 million of business combination fees paid to unrelated parties in connection with the transactions with SoftBank and Clearwire and are classified within selling, general and administrative expense in our consolidated statements of operations. This is partially offset by $7 million of reimbursements related to 2012 hurricane-related charges recorded as a contra expense in cost of services in our consolidated statements of operations.

Predecessor 191-day Period Ended July 10, 2013

Other, net reflected an expense of $683 million in the Predecessor 191-day period ended July 10, 2013. Exit costs included lease exit costs of $478 million primarily associated with taking certain Nextel platform sites off-air by June 30, 2013 and $151 million 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. Of the $151 million of future payments, $35 million was recognized as "Cost of services" and $116 million was recognized in "Severance and exit costs." We also recognized $58 million of severance related to reductions in force. "Other" included $53 million of business combination fees paid to unrelated parties as described above, partially offset by a favorable ruling by the Texas Supreme Court in connection with the taxation of E911 services, which resulted in a non-cash benefit of $22 million.

Predecessor Three-Month Period Ended March 31, 2013

Other, net reflected an expense of $3 million in the Predecessor three-month period ended March 31, 2013. Severance and exit costs $17 million of severance primarily associated with selective reductions in force and $8 million of lease exit costs associated with taking certain Nextel platform sites off-air. A favorable ruling by the Texas Supreme Court in connection with the taxation of E911 services resulted in a non-cash benefit of $22 million in the quarter ended March 31, 2013.

Interest Expense

Successor Year Ended March 31, 2016 and Successor Year Ended March 31, 2015

Interest expense increased $131 million, or 6%, in the year ended March 31, 2016 compared to the same period in 2015, primarily due to interest associated with $1.5 billion aggregate principal amount of notes issued in February 2015. The effective interest rate, which includes capitalized interest, on the weighted average long-term debt balance of $33.8 billion was 6.5% in the year ended March 31, 2016. See “Liquidity and Capital Resources” for more information on the Company's financing activities.

Successor Year Ended March 31, 2015 and Successor Year Ended December 31, 2013

Interest expense increased $1.1 billion, or 123%, in the year ended March 31, 2015 compared to the year ended December 31, 2013 primarily due to interest associated with debt of $9.0 billion issued in September and December 2013 as well as comparing a full calendar year to a shortened Post-merger period. The effective interest rate, which includes capitalized interest, on the weighted average long-term debt balance of $32.5 billion was 6.5% in the year ended March 31, 2015 compared to 7.7% for the Combined year ended December 31, 2013. The decrease in the effective interest rate is primarily due to interest expense of $247 million recognized in the Combined year ended December 31, 2013 related to the beneficial conversion feature on the $3.1 billion Bond. See "Liquidity and Capital Resources" for more information on the Company's financing activities.

Successor Three-Month Transition Period Ended March 31, 2014 and Predecessor Three-Month Period Ended March 31, 2013

Interest expense increased $84 million, or 19%, in the Successor three-month transition period ended March 31, 2014 compared to the same Predecessor period in 2013, primarily due to interest associated with debt of $9.0 billion issued in September and December 2013 and the debt assumed as a result of the Clearwire acquisition. This was partially offset by premium amortization which was the result of our debt being revalued in connection with the SoftBank merger. The effective interest rate, which includes capitalized interest, on the weighted average long-term debt balance of $32.9 billion and $24.5 billion was 6.4% and 7.3% for the Successor three-month transition period ended March 31, 2014 and the Predecessor three-month period ended March 31, 2013, respectively. See "Liquidity and Capital Resources" for more information on the Company's financing activities.

Equity in Losses of Unconsolidated Investments, net

As a result of the Clearwire Acquisition on July 9, 2013 and the resulting consolidation of Clearwire results of operations into the accounts of the Company, the Successor period results of operations do not reflect any equity in losses of unconsolidated investments. Equity in losses from Clearwire were $482 million and $202 million for the Predecessor 190-day period ended July 9, 2013 and Predecessor unaudited three-month period ended March 31, 2013, respectively. The equity in losses from our investment in Clearwire consisted of our share of Clearwire's net loss and other adjustments, if any, such as non-cash impairment of our investment, gains or losses associated with the dilution of our ownership interest resulting from Clearwire's equity issuances, derivative losses associated with the change in fair value of the embedded derivative included in exchangeable notes between Clearwire and Sprint, and other items recognized by Clearwire Corporation that did not affect our economic interest. Sprint's equity in losses for the Predecessor 190-day period ended July 9, 2013, include a $65 million derivative loss associated with the change in fair value of the embedded derivative.

Other income (expense), net

The following table provides additional information on items included in "Other income (expense), net."

	Successor				Combined	Successor	Predecessor
	Year Ended March 31,	Year Ended March 31,	Three Months Ended March 31,		Year Ended December 31,	Year Ended December 31,	191 Days Ended July 10,
	2016	2015	2014	2013	2013	2013	2013
				(in millions)			
Interest income	$ 11	$ 12	$ 4	$ 14	$ 69	$ 36	$ 33
Gain (loss) on early retirement of debt	—	—	—	—	44	56	(12)
Other, net	7	15	(3)	(8)	(21)	(19)	(2)
Total	$ 18	$ 27	$ 1	$ 6	$ 92	$ 73	$ 19

Successor Year Ended December 31, 2013

"Other income (expense), net" represented income of $73 million for the Successor year ended December 31, 2013. Other, net in the Successor year ended December 31, 2013 primarily consisted of $159 million of income related to the recognition of the remaining unaccreted convertible bond discount. In addition, the Successor year ended December 31, 2013 included a $175 million loss related to the embedded derivative associated with the Bond. Gain on early retirement of debt in the Successor year ended December 31, 2013 was a result of early retirement of the Clearwire Communications LLC and Clearwire Finance, Inc. 12% secured notes due 2015 and 12% secured notes due 2017.

Income Tax Expense

The Successor period income tax expense for the year ended March 31, 2016 of $141 million represented a consolidated effective tax rate of approximately (8)%. The Successor period income tax benefit for the year ended March 31, 2015 of $574 million represented a consolidated effective tax rate of approximately 15%. The Successor period income tax expense for the three-month transition period ended March 31, 2014 and the year ended December 31, 2013 of $56 million and $45 million, respectively, represented a consolidated effective tax rate of approximately (59)% and (3)%, respectively. The Predecessor period income tax expense for the three-month period ended March 31, 2013 of $38 million represented a consolidated effective tax rate of approximately (6)%. The income tax expense for the year ended March 31, 2016 was primarily attributable to tax expense resulting from taxable temporary differences from amortization of FCC licenses, partially offset by tax benefits from the reversal of state income tax valuation allowance on deferred tax assets and changes in state income tax laws enacted during the year. The income tax benefit for the year ended March 31, 2015 was primarily attributable to recognition of a tax benefit on the $1.9 billion Sprint trade name impairment loss, partially offset by tax expense on taxable temporary differences from the amortization of FCC licenses for income tax purposes. The expense for the 191 days ended July 10, 2013 of approximately $1.6 billion was primarily attributable to the recognition of tax expense on the $2.9 billion gain on previously-held equity interests in Clearwire. The income tax expense for the remaining Successor and Predecessor periods presented was primarily attributable to taxable temporary differences from amortization of FCC licenses and included net increases to the valuation allowance for federal and state deferred tax assets primarily related to net operating loss carryforwards generated during the respective periods of $82 million and $708 million, for the Successor three-month transition period ended March 31, 2014 and year ended December 31, 2013, respectively, and $265 million for the Predecessor three-month period ended March 31, 2013. Additional information related to items impacting the effective tax rates can be found in the Notes to the Consolidated Financial Statements.

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 year ended March 31, 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 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 March 31, 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 years ended March 31, 2016 and 2015, we leased devices through our Sprint direct channels totaling approximately $3.2 billion and $1.2 billion, 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 years ended March 31, 2016 and 2015 was $1.8 billion and $206 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 where we sold and subsequently leased back certain devices leased to our customers (see *Handset Sale-Leaseback* in Liquidity and Capital Resources for further details). As a result, our cost of the devices sold to Mobile Leasing Solutions, LLC (MLS) is no longer recorded as depreciation expense, but rather recognized as rent expense within “Cost of products” 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* 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 is offering 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 new service plans 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 new price plans, 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.

	Successor			Combined	Successor	Predecessor	
	Year Ended March 31,	Year Ended March 31,	Three Months Ended March 31,	Year Ended December 31,	Year Ended December 31,	191 Days Ended July 10,	Three Months Ended March 31,
Wireless Segment Earnings	2016	2015	2014	2013	2013	2013	2013
				(in millions)			
Postpaid	$ 19,463	$ 21,181	$ 5,719	$ 23,442	$ 10,983	$ 12,459	$ 5,916
Prepaid	4,986	4,905	1,232	4,917	2,265	2,652	1,227
Other[1]	178	458	145	359	331	28	—
Retail service revenue	24,627	26,544	7,096	28,718	13,579	15,139	7,143
Wholesale, affiliate and other	744	793	159	545	266	279	133
Total service revenue	25,371	27,337	7,255	29,263	13,845	15,418	7,276
Cost of services (exclusive of depreciation and amortization)	(8,069)	(7,945)	(2,106)	(9,045)	(4,342)	(4,703)	(2,171)
Service gross margin	17,302	19,392	5,149	20,218	9,503	10,715	5,105
Service gross margin percentage	68%	71%	71%	69%	69%	69%	70%
Equipment revenue	5,006	4,990	999	3,504	1,797	1,707	813
Cost of products (exclusive of depreciation and amortization)	(5,795)	(9,309)	(2,038)	(9,475)	(4,603)	(4,872)	(2,293)
Selling, general and administrative expense	(8,141)	(9,179)	(2,273)	(9,299)	(4,519)	(4,780)	(2,230)
Loss on disposal of property, plant and equipment	(321)	—	—	—	—	—	—
Wireless segment earnings	$ 8,051	$ 5,894	$ 1,837	$ 4,948	$ 2,178	$ 2,770	$ 1,395

(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.

Successor Year Ended March 31, 2016 and Successor Year Ended March 31, 2015

Retail service revenue decreased $1.9 billion, or 7%, for the Successor year ended March 31, 2016 compared to the year ended March 31, 2015 primarily due to a lower average revenue per subscriber driven by growth in both postpaid subscribers on our new plans and tablet sales. The decrease was partially offset by an increase in average postpaid subscribers mostly due to improved churn.

Wholesale, affiliate and other revenues decreased $49 million, or 6%, for the Successor year ended March 31, 2016 compared to the year ended March 31, 2015 primarily due to a decline in prepaid resellers and the impact of the shutdown of the Clearwire WiMAX network, partially offset by growth in postpaid resellers and 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.

Successor Year Ended March 31, 2015 and Successor Year Ended December 31, 2013

Retail service revenue increased $13.0 billion, or 95%, for the Successor year ended March 31, 2015 compared to the year ended December 31, 2013 primarily due to comparing a full twelve-month period to a shortened Post-merger period as well as growth in our prepaid Boost brand that carries a higher average revenue per subscriber. These increases were offset by growth in tablet sales and postpaid subscribers on our new plans that tend to carry a lower average revenue per subscriber as well as a decline in average postpaid and prepaid subscribers, which resulted in an overall decrease in retail service revenue when comparing the Successor year ended March 31, 2015 to the Combined year ended December 31, 2013.

Wholesale, affiliate and other revenues increased $527 million, or 198%, for the Successor year ended March 31, 2015 compared to the year ended December 31, 2013 primarily due to comparing a full twelve-month period to a shortened Post-merger period. In addition, wholesale, affiliate and other revenues increased as a result of interest revenue associated with installment billing on handsets and an increase in revenues resulting from acquisitions in 2013. Approximately 53% of our total wholesale and affiliate subscribers represent connected devices.

Successor Three-Month Transition Period Ended March 31, 2014 and Predecessor Three-Month Period Ended March 31, 2013

Retail service revenue slightly decreased $47 million, or 1%, for the Successor three-month transition period ended March 31, 2014 compared to the same Predecessor period in 2013. The decrease was driven by the loss of postpaid and prepaid subscribers due to the shut-down of the Nextel platform on June 30, 2013, partially offset by the postpaid and prepaid revenues resulting from the acquisitions in 2013.

Wholesale, affiliate and other revenues increased $26 million, or 20%, for the Successor three-month transition period ended March 31, 2014 compared to the same Predecessor period in 2013 primarily due to an increase in revenues resulting from acquisitions in 2013. Approximately 45% of our wholesale and affiliate subscribers represent connected devices.

Average Monthly Service Revenue per Subscriber and Subscriber Trends

The table below summarizes average number of retail subscribers. Additional information about the number of subscribers, net additions (losses) to subscribers, and average rates of monthly postpaid and prepaid subscriber churn for each quarter since the quarter ended March 31, 2013 may be found in the tables on the following pages.

	Successor			Combined	Successor	Predecessor	
	Year Ended March 31,	Year Ended March 31,	Three Months Ended March 31,	Year Ended December 31,	Year Ended December 31,	191 Days Ended July 10,	Three Months Ended March 31,
	2016	2015	2014	2013	2013	2013	2013
	(subscribers in thousands)						
Average postpaid subscribers	30,561	30,068	30,639	31,124	30,957	31,296	31,566
Average prepaid subscribers	15,200	15,401	16,097	15,901	16,040	15,793	15,686
Average retail subscribers	45,761	45,469	46,736	47,025	46,997	47,089	47,252

The table below summarizes ARPU. Additional information about ARPU for each quarter since the quarter ended March 31, 2013 may be found in the tables on the following pages.

	Successor			Combined	Successor	Predecessor	
	Year Ended March 31,	Year Ended March 31,	Three Months Ended March 31,	Year Ended December 31,	Year Ended December 31,	191 Days Ended July 10,	Three Months Ended March 31,
	2016	2015	2014	2013	2013	2013	2013
ARPU[1]:							
Postpaid	$ 53.30	$ 59.32	$ 62.98	$ 63.29	$ 63.46	$ 63.10	$ 62.47
Prepaid	$ 27.85	$ 27.81	$ 27.07	$ 26.62	$ 26.64	$ 26.57	$ 26.08
Average retail	$ 44.85	$ 48.65	$ 50.61	$ 50.89	$ 50.89	$ 50.85	$ 50.39

(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. Combined ARPU for 2013 aggregates service revenue from the Predecessor191-day period ended July 10, 2013 and the Successor year ended December 31, 2013 divided by the sum of the monthly average subscribers during the year ended December 31, 2013.

Successor Year Ended March 31, 2016 and Successor Year Ended March 31, 2015

Postpaid ARPU for the Successor year ended March 31, 2016 decreased compared to the year ended March 31, 2015 primarily due to the impact of subscriber migration to many of our new service plans, resulting in lower service fees, combined with ongoing growth in sales of tablets, which carry a lower revenue per subscriber. Prepaid ARPU for the Successor year ended March 31, 2016 increased compared to the year ended March 31, 2015 primarily due to an increase in average prepaid Boost subscribers that carry a higher ARPU compared to other prepaid brands, partially offset by the revenue impact of subscribers choosing lower priced plans in both the Boost and Virgin Mobile brands due to increased competition combined with a decrease in average Virgin Mobile subscribers.

Successor Year Ended March 31, 2015 and Successor Year Ended December 31, 2013

Postpaid ARPU for the Successor year ended March 31, 2015 decreased compared to the year ended December 31, 2013 primarily due to growth in sales of tablets, which carry a lower revenue per subscriber combined with the impact of subscriber migration to many of our new service plans, resulting in lower service fees. Prepaid ARPU for the Successor year ended March 31, 2015 increased compared to the year ended December 31, 2013 primarily due to an increase of higher average Boost subscribers which carry a higher ARPU as compared to other prepaid brands partially offset by decreases in total average subscribers, primarily in the Virgin Mobile and Assurance brands.

Successor Three-Month Transition Period Ended March 31, 2014 and Predecessor Three-Month Period Ended March 31, 2013

Postpaid ARPU for the Successor three-month transition period ended March 31, 2014 increased compared to the same Predecessor period in 2013 primarily due to the shut-down of the Nextel platform on June 30, 2013 and the impact of losing subscribers who carried a lower average revenue per subscriber. This increase was partially offset by a lower revenue per subscriber carried by subscribers acquired in the Clearwire and U.S. Cellular acquisitions and growth in sales of tablets, which also carry a lower revenue per subscriber. Prepaid ARPU for the Successor three-month transition period ended March 31, 2014 increased compared to the same Predecessor period in 2013 primarily due to the impact of a higher revenue per subscriber carried by subscribers acquired in the Clearwire acquisition combined with an increase in ARPU primarily for the Virgin Mobile prepaid brands as subscribers chose higher priced plans.

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 March 31, 2013.

	March 31, 2013	June 30, 2013	Sept 30, 2013	Dec 31, 2013	March 31, 2014	June 30, 2014	Sept 30, 2014	Dec 31, 2014	March 31, 2015	June 30, 2015	Sept 30, 2015	Dec 31, 2015	March 31, 2016
Net additions (losses) (in thousands)[1]													
Sprint platform[2]:													
Postpaid	12	194	(360)	58	(231)	(181)	(272)	30	211	310	378	501	56
Prepaid	568	(486)	84	322	(364)	(542)	35	410	546	(366)	(188)	(491)	(264)
Wholesale and affiliates[3]	(224)	(228)	181	302	212	503	827	527	492	731	866	481	655
Total Sprint platform	356	(520)	(95)	682	(383)	(220)	590	967	1,249	675	1,056	491	447
Nextel platform:													
Postpaid	(572)	(1,060)	—	—	—	—	—	—	—	—	—	—	—
Prepaid	(199)	(255)	—	—	—	—	—	—	—	—	—	—	—
Total Nextel platform	(771)	(1,315)	—	—	—	—	—	—	—	—	—	—	—
Transactions[3]:													
Postpaid	—	(179)	(175)	(127)	(102)	(64)	(64)	(49)	(41)	(60)	(70)	(238)	—
Prepaid	—	(20)	(56)	(103)	(51)	(77)	(55)	(39)	(18)	(66)	(64)	(231)	—
Wholesale	—	—	13	25	69	27	13	13	22	(22)	(12)	(241)	—
Total Transactions	—	(199)	(218)	(205)	(84)	(114)	(106)	(75)	(37)	(148)	(146)	(710)	—
Total retail postpaid[5]	(560)	(1,045)	(535)	(69)	(333)	(245)	(336)	(19)	170	250	308	263	56
Total retail prepaid	369	(761)	28	219	(415)	(619)	(20)	371	528	(432)	(252)	(722)	(264)
Total wholesale and affiliate[5]	(224)	(228)	194	327	281	530	840	540	514	709	854	240	655
Total Wireless	(415)	(2,034)	(313)	477	(467)	(334)	484	892	1,212	527	910	(219)	447
End of period subscribers (in thousands)[1]													
Sprint platform[2]:													
Postpaid[4]	30,257	30,451	30,091	30,149	29,918	29,737	29,465	29,495	29,706	30,016	30,394	30,895	30,951
Prepaid	15,701	15,215	15,299	15,621	15,257	14,715	14,750	15,160	15,706	15,340	15,152	14,661	14,397
Wholesale and affiliates[3][4][5]	7,938	7,710	7,862	8,164	8,376	8,879	9,706	10,233	10,725	11,456	12,322	12,803	13,458
Total Sprint platform	53,896	53,376	53,252	53,934	53,551	53,331	53,921	54,888	56,137	56,812	57,868	58,359	58,806
Nextel platform:													
Postpaid	1,060	—	—	—	—	—	—	—	—	—	—	—	—
Prepaid	255	—	—	—	—	—	—	—	—	—	—	—	—
Total Nextel platform	1,315	—	—	—	—	—	—	—	—	—	—	—	—
Transactions[3]:													
Postpaid	—	173	815	688	586	522	458	409	368	308	238	—	—
Prepaid	—	39	704	601	550	473	418	379	361	295	231	—	—
Wholesale	—	—	106	131	200	227	240	253	275	253	241	—	—
Total Transactions	—	212	1,625	1,420	1,336	1,222	1,116	1,041	1,004	856	710	—	—
Total retail postpaid[4]	31,317	30,624	30,906	30,837	30,504	30,259	29,923	29,904	30,074	30,324	30,632	30,895	30,951
Total retail prepaid	15,956	15,254	16,003	16,222	15,807	15,188	15,168	15,539	16,067	15,635	15,383	14,661	14,397
Total wholesale and affiliates[4][5]	7,938	7,710	7,968	8,295	8,576	9,106	9,946	10,486	11,000	11,709	12,563	12,803	13,458
Total Wireless	55,211	53,588	54,877	55,354	54,887	54,553	55,037	55,929	57,141	57,668	58,578	58,359	58,806

	March 31, 2013	June 30, 2013	Sept 30, 2013	Dec 31, 2013	March 31, 2014	June 30, 2014	Sept 30, 2014	Dec 31, 2014	March 31, 2015	June 30, 2015	Sept 30, 2015	Dec 31, 2015	March 31, 2016
Supplemental data - connected devices													
End of period subscribers (in thousands)[5]													
Retail postpaid	824	798	834	922	968	988	1,039	1,180	1,320	1,439	1,576	1,676	1,771
Wholesale and affiliates	2,803	3,057	3,298	3,578	3,882	4,192	4,635	5,175	5,832	6,620	7,338	7,930	8,575
Total	3,627	3,855	4,132	4,500	4,850	5,180	5,674	6,355	7,152	8,059	8,914	9,606	10,346

(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) We acquired approximately 352,000 postpaid subscribers and 59,000 prepaid subscribers through the acquisition of assets from U.S. Cellular when the transaction closed on May 17, 2013. We acquired approximately 788,000 postpaid subscribers (excluding 29,000 Sprint wholesale subscribers transferred to Transactions postpaid subscribers that were originally recognized as part of our Clearwire MVNO arrangement), 721,000 prepaid subscribers, and 93,000 wholesale subscribers as a result of the Clearwire Acquisition when the transaction closed on July 9, 2013. Throughout the periods presented, subscribers either migrated to other Sprint offerings or service was canceled. As of March 31, 2016, we have no remaining transaction subscribers primarily due to the shut down of the WiMAX network.

(4) 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 1,110,000 subscribers at March 31, 2016 through these MVNO relationships have been inactive for at least six months, with no associated revenue during the six-month period ended March 31, 2016.

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

The following table shows (a) our average rates of monthly postpaid and prepaid subscriber churn and (b) our recapture of Nextel platform subscribers that deactivated but remained as subscribers on the Sprint platform as of the end of each quarterly period beginning with the quarter ended March 31, 2013.

	March 31, 2013	June 30, 2013	Sept 30, 2013	Dec 31, 2013	March 31, 2014	June 30, 2014	Sept 30, 2014	Dec 31, 2014	March 31, 2015	June 30, 2015	Sept 30, 2015	Dec 31, 2015	March 31, 2016
Monthly subscriber churn rate[1]													
Sprint platform:													
Postpaid	1.84%	1.83%	1.99%	2.07%	2.11%	2.05%	2.18%	2.30%	1.84%	1.56%	1.54%	1.62%	1.72%
Prepaid[2]	3.05%	5.22%	3.57%	3.01%	4.33%	4.44%	3.76%	3.94%	3.84%	5.08%	5.06%	5.82%	5.65%
Nextel platform:													
Postpaid	7.57%	33.90%	—	—	—	—	—	—	—	—	—	—	—
Prepaid	12.46%	32.13%	—	—	—	—	—	—	—	—	—	—	—
Transactions[3]:													
Postpaid	—	26.64%	6.38%	5.48%	5.48%	4.15%	4.66%	4.09%	3.87%	6.07%	8.55%	NM	NM
Prepaid	—	16.72%	8.84%	8.18%	5.11%	6.28%	5.70%	4.95%	3.77%	7.23%	8.51%	NM	NM
Total retail postpaid	2.09%	2.63%	2.09%	2.15%	2.18%	2.09%	2.22%	2.33%	1.87%	1.61%	1.61%	1.87%	1.72%
Total retail prepaid	3.26%	5.51%	3.78%	3.22%	4.35%	4.50%	3.81%	3.97%	3.84%	5.13%	5.12%	6.29%	5.65%
Nextel platform subscriber recaptures													
Rate[4]:													
Postpaid	46%	34%	—	—	—	—	—	—	—	—	—	—	—
Prepaid	34%	39%	—	—	—	—	—	—	—	—	—	—	—
Subscribers[5]:													
Postpaid	264	364	—	—	—	—	—	—	—	—	—	—	—
Prepaid	67	101	—	—	—	—	—	—	—	—	—	—	—

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

(2) In the quarter ended June 30, 2015, the Company revised its prepaid subscriber reporting to remove one of its rules that matches customers who disconnect and then re-engage within a specified period of time. This enhancement, which we believe represents a more precise churn calculation, had no impact on net additions, but did result in reporting higher deactivations and higher gross additions in the

quarter. Without this revision, Sprint platform prepaid churn in the quarter would have been 4.33% and relatively flat compared to the same period in 2014. End of period prepaid subscribers and net prepaid subscriber additions for all periods presented were not impacted by the change.

(3) Subscriber churn related to the acquisition of assets from U.S. Cellular and the Clearwire Acquisition.

(4) Represents the recapture rate defined as the Nextel platform postpaid or prepaid subscribers, as applicable, that switched from the Nextel platform but activated service on the Sprint platform during each period over the total Nextel platform subscriber deactivations in the period for postpaid and prepaid, respectively.

(5) Represents the Nextel platform postpaid and prepaid subscribers, as applicable, that switched from the Nextel platform during each period but remained with the Company as subscribers on the Sprint platform. Subscribers that deactivated service on the Nextel platform and activated service on the Sprint platform are included in the Sprint platform net additions for the applicable period.

The following table shows our postpaid and prepaid ARPU as of the end of each quarterly period beginning with the quarter ended March 31, 2013.

	Predecessor			Successor	Combined [2]	Successor									
	March 31, 2013	June 30, 2013	10 Days Ended July 10, 2013	Sept 30, 2013	Sept 30, 2013	Dec 31, 2013	March 31, 2014	June 30, 2014	Sept 30, 2014	Dec 31, 2014	March 31, 2015	June 30, 2015	Sept 30, 2015	Dec 31, 2015	March 31, 2016
ARPU															
Sprint platform:															
Postpaid	$ 63.67	$64.20	$ 64.71	$ 64.24	$ 64.28	$64.11	$ 63.52	$62.07	$60.58	$58.90	$56.94	$55.48	$53.99	$52.48	$51.68
Prepaid	$ 25.95	$26.96	$ 26.99	$ 25.14	$ 25.33	$26.78	$ 26.45	$27.38	$27.19	$27.12	$27.50	$27.81	$27.66	$27.44	$27.72
Nextel platform:															
Postpaid	$ 35.43	$36.66	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Prepaid	$ 31.75	$34.48	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Transactions[1]:															
Postpaid	$ —	$59.87	$ 35.75	$ 37.44	$ 40.00	$36.30	$ 37.26	$39.16	$39.69	$39.85	$40.28	$40.47	$40.62	$31.62	$ —
Prepaid	$ —	$19.17	$ 12.78	$ 40.62	$ 43.20	$40.80	$ 43.80	$45.15	$45.52	$45.80	$46.68	$46.10	$45.82	$34.61	$ —
Total retail postpaid	$ 62.47	$63.59	$ 64.55	$ 63.48	$ 63.69	$63.44	$ 62.98	$61.65	$60.24	$58.63	$56.72	$55.31	$53.87	$52.41	$51.68
Total retail prepaid	$ 26.08	$27.02	$ 26.96	$ 25.86	$ 26.04	$27.34	$ 27.07	$27.97	$27.73	$27.61	$27.95	$28.18	$27.97	$27.49	$27.72

(1) Subscriber ARPU related to the acquisition of assets from U.S. Cellular and the Clearwire Acquisition.

(2) Combined ARPU for the quarterly period ending September 30, 2013 aggregates service revenue from the Predecessor 10-day period ended July 10, 2013 and the Successor three-month period ended September 30, 2013 divided by the sum of the monthly average subscribers during the three months ended September 30, 2013.

Subscriber Results

Sprint Platform Subscribers

Retail Postpaid — During the Successor year ended March 31, 2016, net postpaid subscriber additions were 1,245,000 compared to net losses of 212,000 and 96,000 in the Successor year ended March 31, 2015 and the Combined year ended December 31, 2013, respectively, inclusive of 545,000, 1,334,000, and 564,000 net additions of tablets, respectively, which generally have a significantly lower ARPU as compared to other wireless subscribers. During the Successor three-month transition period ended March 31, 2014, net postpaid subscriber losses were 231,000 compared to net additions of 12,000 in the Predecessor three-month period ended March 31, 2013, inclusive of 516,000 and 16,000 net additions of tablet devices, respectively. The primary driver for the net additions in the Successor year ended March 31, 2016 was our pricing plan promotions launched during the year combined with improvement in churn as subscribers benefit from the improved network quality. The primary driver for the net losses in the Successor year ended March 31, 2015, the Successor three-month transition period ended March 31, 2014 and the Combined year ended December 31, 2013 was an increase in churn, primarily due to increased competition and network-related churn impacted by our network modernization program. Aggressive marketing efforts by other wireless carriers, including price reductions, to incent subscribers to switch carriers also negatively impact churn, which has a negative effect on earnings. Nextel platform and U.S. Cellular recaptures in the Combined year ended December 31, 2013 totaled 734,000.

Retail Prepaid — During the Successor year ended March 31, 2016, we lost 1,309,000 net prepaid subscribers compared to adding 449,000 and 488,000 net prepaid subscribers in the Successor year ended March 31, 2015 and Combined year ended December 31, 2013, respectively. The net losses in the Successor year ended March 31, 2016 were primarily due to subscriber losses in the Virgin Mobile prepaid brand primarily due to increasing competition. Net additions in the Successor year ended March 31, 2015 were primarily due to subscriber growth in our Boost brand as a result of new promotions in our indirect channels, partially offset by subscriber losses in the Virgin Mobile prepaid brands primarily due to continued competition. During the Successor three-month transition period ended March 31, 2014, we lost 364,000 net prepaid subscribers compared to adding 568,000 in the Predecessor three-month period ended March 31, 2013, primarily due to the timing and impact of churn related to the annual recertification of Assurance Wireless subscribers occurring earlier in calendar year 2014 compared to calendar year 2013, combined with a decline in gross subscriber additions across all prepaid brands. Net additions in the Combined year ended December 31, 2013 were primarily due to subscriber growth in our Boost prepaid brand, partially offset by the deactivation of subscribers related to new federal regulations and a one-time recertification of all Assurance Wireless subscribers in 2012.

The federal Lifeline program under which Assurance Wireless operates requires applicants to meet certain eligibility requirements and existing subscribers must recertify as to those requirements annually. Regulations adopted in 2012, which impact all Lifeline carriers, imposed stricter rules on the subscriber eligibility requirements and recertification. These new regulations also required a one-time recertification of the entire June 1, 2012 subscriber base by December 31, 2012. Accounts of subscribers who failed to respond by December 31, 2012 were suspended and made subject to our prepaid churn rules as described below (or 365 days in a limited number of states). However, subscribers could re-apply prior to being deactivated and also had the ability to receive by-the-minute service at their own expense. We deactivated the accounts of approximately 1.2 million subscribers in the quarter ended June 30, 2013 primarily related to the recertification process.

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. Subscribers targeted through these retention offers are not included in the calculation of churn until their retention offer expires without a replenishment to their account.

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 13.5 million Sprint Platform subscribers included in wholesale and affiliates, approximately 64% represent connected devices. Wholesale and affiliate subscriber net additions were 2,733,000 during the Successor year ended March 31, 2016, compared to 2,349,000 and 31,000 during the Successor year ended March 31, 2015 and the Combined year ended December 31, 2013, respectively, inclusive of net additions of connected devices totaling 2,743,000, 1,950,000, and 908,000, respectively. The primary driver for net additions in the Successor years ended March 31, 2016, March 31, 2015 and the Combined year ended December 31, 2013 is primarily attributable to growth in connected devices. Net additions were 212,000 during the Successor three-month transition period ended March 31, 2014 compared to net losses of 224,000 during the Predecessor three-month period ended March 31, 2013, inclusive of net

additions of connected devices totaling 304,000 and 133,000, respectively. Net additions were primarily attributable to growth in connected device subscribers as compared to net losses in the Predecessor three-month period 2013 from the Lifeline programs offered by our MVNO's selling prepaid services affected by new federal regulations, similar to the impact on our Assurance Wireless brand in *Retail Prepaid* above.

Transactions Subscribers

As part of the acquisition of assets from U.S. Cellular, which closed in May 2013, we acquired 352,000 postpaid subscribers and 59,000 prepaid subscribers. As part of the Clearwire Acquisition 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. As of March 31, 2016, we have no remaining transaction subscribers primarily due to the shutdown of the WiMAX network. For the Successor year ended March 31, 2016, we had net postpaid subscriber losses of 368,000, net prepaid subscriber losses of 361,000 and net wholesale subscriber losses of 275,000. For the Successor year ended March 31, 2015, we had net postpaid subscriber losses of 218,000, net prepaid subscriber losses of 189,000 and net wholesale subscriber additions of 75,000. For the Successor three-month transition period ended March 31, 2014, we had net postpaid subscriber losses of 102,000, net prepaid subscriber losses of 51,000 and net wholesale subscriber additions of 69,000, of which approximately 3,000 postpaid subscribers were recaptured on the Sprint platform. For the remainder of the Combined year ended December 31, 2013, we had net postpaid subscriber losses of 481,000, net prepaid subscriber losses of 179,000 and net wholesale subscriber additions of 38,000, of which approximately 106,000 and 8,000 postpaid and prepaid subscribers, respectively, were recaptured on the Sprint platform.

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.

Successor Year Ended March 31, 2016 and Successor Year Ended March 31, 2015

Cost of services increased $124 million, or 2%, for the Successor year ended March 31, 2016 compared to the Successor year ended March 31, 2015 primarily due to increased service and repair costs as a result of higher costs per unit of new and used devices. These increases were partially offset by decreases in roaming costs primarily due to lower rates.

Successor Year Ended March 31, 2015 and Successor Year Ended December 31, 2013

Cost of services increased $3.6 billion, or 83%, for the Successor year ended March 31, 2015 compared to the year ended December 31, 2013. The increase was primarily due to comparing results for a full twelve-month period ending March 31, 2015 to the shortened Post-merger period and increases as a result of the Clearwire Acquisition. These increases were offset by decreases in roaming and other network costs such as rent, utilities, backhaul and labor as a result of declining costs associated with improvements in the quality of our network and the shut-down of the Nextel platform in June 2013, which resulted in an overall decrease in cost of services when comparing the Successor year ended March 31, 2015 to the Combined year ended December 31, 2013.

Successor Three-Month Transition Period Ended March 31, 2014 and Predecessor Three-Month Period Ended March 31, 2013

Cost of services decreased $65 million, or 3%, for the Successor three-month transition period ended March 31, 2014 compared to the same Predecessor period in 2013, primarily reflecting reduced network costs such as rent, utilities and backhaul costs related to the shut-down of the Nextel platform in June 2013 combined with a decrease in service and repair costs due to a decline in the volume and frequency of repairs and a decrease in roaming fees due to lower volume and rates, partially offset by net increases as a result of the Clearwire Acquisition.

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 years ended March 31, 2016 and 2015, we leased devices through our Sprint direct channels totaling approximately$3.2 billion and $1.2 billion, 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.

Successor Year Ended March 31, 2016 and Successor Year Ended March 31, 2015

Equipment revenue increased $16 million, or remained relatively flat, for the Successor year ended March 31, 2016 compared to the Successor year ended March 31, 2015, primarily due to higher revenue from the leasing program of approximately $1.7 billion and a higher average sales price per postpaid handset sold, which was primarily offset by a decrease in postpaid handsets sold as a result of Brightstar Corp. (Brightstar) purchasing inventory from the OEMs to sell directly to our indirect dealers and more subscribers choosing to lease their device, combined with lower average sales price per prepaid handset sold. Cost of products decreased $3.5 billion, or 38%, for the Successor year ended March 31, 2016 compared to the Successor year ended March 31, 2015 primarily due to a decrease in postpaid handsets sold as a result of Brightstar purchasing inventory from the OEMs to sell directly to our indirect dealers and subscribers choosing to lease devices instead of purchasing them.

Successor Year Ended March 31, 2015 and Successor Year Ended December 31, 2013

Equipment revenue increased $3.2 billion, or 178%, and cost of products increased $4.7 billion, or 102%, for the Successor year ended March 31, 2015 compared to the Successor year ended December 31, 2013, primarily due to comparing results for a full twelve-month period to a shortened Post-merger period. In addition, equipment revenue increased due to higher revenue from the installment billing and leasing programs and a higher average sales price per postpaid handset sold, partially offset by a decrease in postpaid handsets sold as a result of customers choosing to lease devices instead of purchasing them. Cost of products also increased due to higher average cost per handset sold for postpaid handsets, combined with an increase in prepaid handsets sold. These increases were partially offset by a decrease in postpaid handsets sold as a result of customers choosing to lease devices instead of purchasing them and a lower average cost per handset sold for

prepaid handsets, which resulted in an overall decrease in cost of products when comparing the Successor year ended March 31, 2015 to the Combined year ended December 31, 2013.

Successor Three-Month Transition Period Ended March 31, 2014 and Predecessor Three-Month Period Ended March 31, 2013

Equipment revenue increased $186 million, or 23%, for the Successor three-month transition period ended March 31, 2014 compared to the same Predecessor period in 2013. The increase in equipment revenue was primarily due to higher average sales prices per postpaid and prepaid device sold combined with the impact of a different revenue recognition model related to our installment billing program for device purchases. The increase was partially offset by fewer postpaid and prepaid handsets sold. Cost of products declined $255 million, or 11%, for the Successor three-month transition period ended March 31, 2014 compared to the same Predecessor period in 2013, primarily due to fewer postpaid and prepaid handsets sold, slightly offset by higher average cost per device sold for postpaid and prepaid devices.

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.

Successor Year Ended March 31, 2016 and Successor Year Ended March 31, 2015

Sales and marketing expense decreased $272 million, or 5%, for the Successor year ended March 31, 2016 compared to the Successor year ended March 31, 2015, primarily due to lower media spend and a decrease in payments to OEMs for direct source handsets as a result of lower volume of device sales, partially offset by higher retail labor costs.

General and administrative costs decreased $766 million, or 20%, for the Successor year ended March 31, 2016 compared to the Successor year ended March 31, 2015, primarily due to a decrease in bad debt expense combined with declines in other general and administrative expenses due to reduced headcount and other cost-savings initiatives. Bad debt expense decreased $446 million, or 50%, for the Successor year ended March 31, 2016 compared to the Successor year ended March 31, 2015 primarily related to an improved aging as a result of customer credit profile improvement and fewer accounts written off due to improvements in churn, partially offset by a higher average balance of accounts written off.

Successor Year Ended March 31, 2015 and Successor Year Ended December 31, 2013

Sales and marketing expense was $5.3 billion for the Successor year ended March 31, 2015 representing an increase of $2.7 billion, or 102%, compared to the Successor year ended December 31, 2013. The increase was primarily due to comparing results for a full twelve-month period ending March 31, 2015 to the shortened Post-merger period ending December 31, 2013, combined with higher advertising costs related to new promotional campaigns. These increases were offset by a reduction in labor-related costs due to our reduction in force and retail store closures in addition to lower commission expense as sales shifted to more cost-effective channels, which resulted in an overall decrease in sales and marketing expense when comparing the Successor year ended March 31, 2015 to the Combined year ended December 31, 2013.

General and administrative costs were $3.9 billion for the Successor year ended March 31, 2015 representing an increase of $2.0 billion, or 104%, compared to the Successor year ended December 31, 2013, primarily due to comparing results for a full twelve-month period ending March 31, 2015 to the shortened Post-merger period ending December 31, 2013, combined with an increase in bad debt expense primarily associated with the increase in installment receivables. These increases were offset by a decrease in customer care costs primarily due to lower call volumes and labor-related initiatives, which resulted in an overall decrease in general and administrative costs when comparing the Successor year ended March 31, 2015 to the Combined year ended December 31, 2013.

Successor Three-Month Transition Period Ended March 31, 2014 and Predecessor Three-Month Period Ended March 31, 2013

Sales and marketing expense was $1.4 billion representing an increase of $70 million, or 5%, for the Successor three-month transition period ended March 31, 2014 compared to the same Predecessor period in 2013. The increase was primarily due to higher media spend and commission expense, partially offset by a reduction in labor related costs due to our reduction in force and retail store closures.

General and administrative costs were $897 million, representing a decrease of $27 million, or 3%, for the Successor three-month transition period ended March 31, 2014 compared to the same Predecessor period in 2013, primarily reflecting a decrease in customer care costs primarily due to lower call volumes and labor related initiatives, partially offset by an increase in bad debt expense. Bad debt expense was $155 million for the three-month transition period ended March 31, 2014, representing a $72 million, or 87%, increase compared to bad debt expense of $83 million for the same Predecessor period in 2013. The increase in bad debt expense primarily reflects the impact of increased receivables related to our installment billing program.

Loss on Disposal of Property, Plant and Equipment

For the Successor year ended March 31, 2016, loss on disposal of property, plant and equipment is a result of approximately $65 million in net losses recognized upon the sale of devices to MLS under the Handset Sale-Leaseback Tranche 1 transaction, which represented the difference between the fair value and net book value of the devices sold. In addition, approximately $256 million in 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 have material losses in future periods. Similar charges 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℠ service, which uses our wireless networks to connect a subscriber location into their primarily wireline wide-area IP/MPLS data network, making it easy for businesses to adapt their network to changing business requirements. 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 the changes in our customer usage. Our wireline services provided to our Wireless segment are generally accounted for based on market rates, which we believe approximate fair value. The Company generally re-establishes these rates at the beginning of each fiscal year. 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.

Wireline Segment Earnings	Successor			Combined	Successor	Predecessor	
	Year Ended March 31,	Year Ended March 31,	Three Months Ended March 31,	Year Ended December 31,	Year Ended December 31,	191 Days Ended July 10,	Three Months Ended March 31,
	2016	2015	2014	2013	2013	2013	2013
				(in millions)			
Voice	$ 840	$ 1,174	$ 352	$ 1,490	$ 719	$ 771	$ 352
Data	171	213	62	326	138	188	94
Internet	1,284	1,353	345	1,660	747	913	434
Other	87	74	11	61	32	29	13
Total net service revenue	2,382	2,814	770	3,537	1,636	1,901	893
Cost of services	(1,962)	(2,338)	(668)	(2,637)	(1,235)	(1,402)	(661)
Service gross margin	420	476	102	900	401	499	232
Service gross margin percentage	18%	17%	13%	25%	25%	26%	26%
Selling, general and administrative expense	(328)	(363)	(90)	(406)	(179)	(227)	(104)
Wireline segment earnings	$ 92	$ 113	$ 12	$ 494	$ 222	$ 272	$ 128

Wireline Revenue

Successor Year Ended March 31, 2016 and Successor Year Ended March 31, 2015

Voice Revenues

Voice revenues for the Successor year ended March 31, 2016 decreased $334 million, or 28%, compared to the Successor year ended March 31, 2015. The decrease was primarily 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. Voice revenues generated from the sale of services to our Wireless segment represented 39% of total voice revenues for the Successor year ended March 31, 2016 compared to 31% in the year ended March 31, 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 $42 million, or 20%, for the Successor year ended March 31, 2016 compared to the Successor year ended March 31, 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 40% of total data revenue for each of the Successor year ended March 31, 2016 compared to 41% in the year ended March 31, 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 decreased $69 million, or 5%, for the Successor year ended March 31, 2016 compared to the Successor year ended March 31, 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 15% of total Internet revenues for the Successor year ended March 31, 2016 compared to 12% in the year ended March 31, 2015.

Other Revenues

Other revenues, which primarily consist of sales of customer premises equipment, increased $13 million, or 18%, for the Successor year ended March 31, 2016 compared to the Successor year ended March 31, 2015.

Successor Year Ended March 31, 2015 and Successor Year Ended December 31, 2013

Voice Revenues

Voice revenues for the Successor year ended March 31, 2015 increased $455 million, or 63%, compared to the Successor year ended December 31, 2013. The increase was primarily due to comparing results for a full twelve-month period to a shortened Post-merger period. Offsetting the increase were decreases driven by lower volume and overall rate declines, primarily due to the decline in prices for the sale of services to our Wireless segment, combined with decreases in international hubbing volumes, which resulted in an overall decrease in voice revenues when comparing the Successor year ended March 31, 2015 to the Combined year ended December 31, 2013. Voice revenues generated from the sale of services to

our Wireless segment represented 31% of total voice revenues for the Successor year ended March 31, 2015 compared to 33% in the Successor year ended December 31, 2013.

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 increased $75 million, or 54%, for the Successor year ended March 31, 2015 compared to the Successor year ended December 31, 2013 primarily due to comparing results for a full twelve-month period to a shortened Post-merger period. Offsetting the increase was a decrease as a result of customer churn, primarily related to Private Line, which resulted in an overall decrease in data revenues when comparing the Successor year ended March 31, 2015 to the Combined year ended December 31, 2013. Data revenues generated from the provision of services to the Wireless segment represented 41% of total data revenue for each of the Successor year ended March 31, 2015 compared to 50% in the Successor year ended December 31, 2013.

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 increased $606 million, or 81%, for the Successor year ended March 31, 2015 compared to the year ended December 31, 2013 primarily due to comparing results for a full twelve-month period to a shortened Post-merger period. Offsetting the increase was a decrease primarily due to fewer IP customers, and in particular, the final transition to in-sourcing at one of our larger cable multiple system operators (MSO's), which resulted in an overall decrease in Internet revenues when comparing the Successor year ended March 31, 2015 to the Combined year ended December 31, 2013. In addition, revenue was also impacted by a decline in the price of services sold to our Wireless segment and the elimination of backhaul associated with the decommissioning of the Nextel platform as of June 30, 2013. Sale of services to our Wireless segment represented 12% of total Internet revenues for the Successor year ended March 31, 2015 compared to 11% in the year ended December 31, 2013.

Other Revenues

Other revenues, which primarily consist of sales of customer premises equipment, increased $42 million, or 131%, for the Successor year ended March 31, 2015 compared to the year ended December 31, 2013 primarily due to comparing results for a full twelve-month period to a shortened Post-merger period.

Successor Three-Month Transition Period Ended March 31, 2014 and Predecessor Three-Month Period Ended March 31, 2013

Voice Revenues

Voice revenues remained flat for the Successor three-month transition period ended March 31, 2014 compared to the same Predecessor period in 2013. Overall rate declines were primarily due to the decline in prices for the sale of services to our Wireless segment which were offset by increases in international hubbing volumes in the three-month transition period ended March 31, 2014. Voice revenues generated from the sale of services to our Wireless segment represented 25% of total voice revenues for the Successor three-month transition period ended March 31, 2014 compared to 28% for the Predecessor three-month period ended March 31, 2013.

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 $32 million, or 34%, for the Successor three-month transition period ended March 31, 2014 compared to the same Predecessor period in 2013 as a result of customer churn, primarily related to Private Line. Data revenues generated from the provision of services to the Wireless segment represented 42% of total data revenue for the Successor three-month transition period ended March 31, 2014 compared to 49% for the Predecessor three-month period ended March 31, 2013.

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 decreased $89 million, or 21%, for the Successor three-month transition period ended March 31, 2014 compared to the same Predecessor period in 2013, primarily due to fewer IP customers, and in particular, the final transition to in-sourcing of one of our larger cable MSO's. Sale of services to our Wireless segment represented 11% of total Internet revenues in both the Successor three-month transition period ended March 31, 2014 and the Predecessor three-month period ended March 31, 2013.

Other Revenues

Other revenues, which primarily consist of sales of customer premises equipment, decreased $2 million, or 15%, in the Successor three-month transition period ended March 31, 2014 compared to the same Predecessor period in 2013.

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.

Successor Year Ended March 31, 2016 and Successor Year Ended March 31, 2015

Costs of services decreased $376 million, or 16%, for the Successor year ended March 31, 2016 compared to the Successor year ended March 31, 2015 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 17% in the Successor year ended March 31, 2015 to 18% in the Successor year ended March 31, 2016.

Successor Year Ended March 31, 2015 and Successor Year Ended December 31, 2013

Costs of services increased $1.1 billion, or 89%, for the Successor year ended March 31, 2015 compared to the Successor year ended December 31, 2013 primarily due to comparing results for a full twelve-month period to a shortened Post-merger period. Offsetting the increase was a decrease primarily due to lower access expense as a result of savings initiatives and declining volumes, which resulted in an overall decrease in cost of services when comparing the Successor year ended March 31, 2015 to the Combined year ended December 31, 2013. Service gross margin percentage decreased from 25% in the Successor year ended December 31, 2013 to 17% in the Successor year ended March 31, 2015 primarily as a result of a decrease in net service revenue partially offset by a decrease in cost of services.

Successor Three-Month Transition Period Ended March 31, 2014 and Predecessor Three-Month Period Ended March 31, 2013

Costs of services increased $7 million, or 1%, in the Successor three-month transition period ended March 31, 2014 compared to the same Predecessor period in 2013 primarily due to higher contractual rates impacting facility costs. Service gross margin percentage decreased from 26% in the Predecessor three-month period ended March 31, 2013 to 13% in the Successor three-month transition period ended March 31, 2014 primarily as a result of a decrease in net service revenue combined with a slight increase in cost of services.

Selling, General and Administrative Expense

Successor Year Ended March 31, 2016 and Successor Year Ended March 31, 2015

Selling, general and administrative expense decreased $35 million, or 10%, in the Successor year ended March 31, 2016 compared to the Successor year ended March 31, 2015 primarily due to a decrease in 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% in the Successor year ended March 31, 2016 compared to 13% in the Successor year ended March 31, 2015.

Successor Year Ended March 31, 2015 and Successor Year Ended December 31, 2013

Selling, general and administrative expense increased $184 million, or 103%, in the Successor year ended March 31, 2015 compared to the Successor year ended December 31, 2013 primarily due to comparing results for a full twelve-month period to a shortened Post-merger period, partially offset by a decrease due to a reduction in shared administrative and employee-related costs required to support the Wireline segment as a result of the decline in revenue, which resulted in an overall decrease in selling, general and administrative expense when comparing the Successor year ended March 31, 2015 to the Combined year ended December 31, 2013. Total selling, general and administrative expense as a percentage of net services revenue was 13% in the Successor year ended March 31, 2015 compared to 11% in the Successor year ended December 31, 2013.

Successor Three-Month Transition Period Ended March 31, 2014 and Predecessor Three-Month Period Ended March 31, 2013

Selling, general and administrative expense decreased $14 million, or 13%, in the Successor three-month transition period ended March 31, 2014 compared to the same Predecessor period in 2013. The decrease was primarily due to a reduction in 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 was12% in each of the three-month periods ended March 31, 2014 (Successor) and 2013 (Predecessor).

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

	Successor			Combined	Successor	Predecessor	
	Year Ended March 31,	Year Ended March 31,	Three Months Ended March 31,	Year Ended December 31,	Year Ended December 31,	191 Days Ended July 10,	Three Months Ended March 31,
	2016	2015	2014	2013	2013	2013	2013
				(in millions)			
Net cash provided by (used in) operating activities	$ 3,897	$ 2,450	$ 522	$ 2,610	$ (61)	$ 2,671	$ 940
Net cash used in investing activities	$ (5,735)	$ (4,714)	$ (1,756)	$ (24,493)	$ (18,108)	$ (6,385)	$ (1,158)
Net cash provided by (used in) financing activities	$ 469	$ 1,304	$ (160)	$ 24,419	$ 24,528	$ (109)	$ 142

Operating Activities

Net cash provided by operating activities of approximately $3.9 billion in the Successor year ended March 31, 2016 increased $1.4 billion from the same period in 2015. This increase was due to lower vendor and labor-related payments of $2.2 billion which were primarily due to reduced operating costs partially offset by reduced cash received from customers of $669 million. The reduction in cash received from customers was driven by the $2.4 billion decrease in net operating revenues primarily due to lower average revenue per subscriber, which was offset by the $1.5 billion increase in operating cash flows resulting from the net changes in accounts and notes receivables and Deferred Purchase Price (DPP) during the Successor year ended March 31, 2016 compared to the same period in 2015. In addition, we had increased interest payments of $125 million primarily associated with $1.5 billion aggregate principal amount of notes issued in February 2015.

The activities under our Receivables Facility impact the cash flows from both accounts and notes receivables and DPP. During the Successor year ended March 31, 2016, the total cash inflows from the DPP were $2.5 billion. Approximately $1.2 billion of the cash inflows represented the settlement of the DPP associated with the sale of service receivables on March 31, 2015, which occurred after we temporarily suspended the sale of new receivables in April 2016. In September and October 2016, we began selling both service and installment receivables, respectively. The DPP associated with these initial non-cash transactions amounted to $2.4 billion. Approximately $825 million of the cash inflows represented cash advances that we elected to draw against the DPP during the year. Under the Receivables Facility, as cash collections on previously sold receivables exceed the sales of new receivables, we retain these amounts and apply them against the DPP. During the successor year ended March 31, 2016, the DPP was reduced for these cash collections totaling approximately $400 million.

Net cash provided by operating activities of approximately $2.5 billion in the Successor year ended March 31, 2015 increased $2.5 billion from the Successor year ended December 31, 2013. The increase was primarily due to comparing a full twelve-month period to a shortened Post-merger period. The Successor year ended December 31, 2013 included $180 million of call redemption premiums paid to retire the Clearwire debt and approximately $225 million of interest payments related to Clearwire debt. Net cash provided by operating activities of approximately $2.5 billion in the Successor year ended March 31, 2015 decreased $160 million as compared to net cash provided by operating activities of approximately $2.6 billion for the year ended December 31, 2013, on a combined basis. The decrease was due to decreased cash received from customers of $1.1 billion primarily as a result of increases in installment billing receivables offset by declines due to the sales of receivables through our receivables facility (see *Accounts Receivables Facility* below) as well as declines in net operating revenues and increased interest payments of $505 million primarily related to the debt issued in September 2013 and December 2013. The decrease was partially offset by lower vendor and labor-related payments of $1.4 billion, which were primarily due to (i) decreased backhaul payments related to the shut-down of the Nextel platform in June 2013, (ii) declines in roaming payments due to lower volumes and rates, and (iii) fewer labor-related payments primarily as a result of reductions in force, call center savings due to lower call volumes, and other labor-related initiatives. These lower payments were partially offset by increased cash paid for inventory.

Net cash provided by operating activities of approximately $522 million in the Successor three-month transition period ended March 31, 2014 decreased $418 million from the same Predecessor period in 2013. The decrease was due to decreased cash received from customers of $365 million primarily as a result of increases in installment billing receivables and

increased interest payments of $254 million related to the debt issued in September 2013. These decreases were partially offset by decreases in vendor and labor-related payments of $219 million.

Investing Activities

Net cash used in investing activities in the Successor year ended March 31, 2016 increased by approximately $1.0 billion compared to the same period in 2015, primarily due to increased purchases of $1.7 billion of leased devices from indirect dealers and decreased net proceeds from sales and maturities of short-term investments of $2.7 billion. These increases were partially offset by $1.1 billion of proceeds from MLS under the Handset Sale-Leaseback Tranche 1 transaction, $1.8 billion in decreased purchases of short-term investments and decreased network and other capital expenditures of $742 million.

Net cash used in investing activities in the Successor year ended March 31, 2015 decreased by approximately $13.4 billion compared to the Successor year ended December 31, 2013, primarily due to increases of approximately $1.4 billion in proceeds from sales and maturities of short-term investments and 2013 increases related to the SoftBank Merger of $14.1 billion, net of cash acquired. These decreases were partially offset by increased capital expenditures of $2.2 billion, which included $582 million of leased devices purchased from indirect channels, and increased purchases of short-term investments of $358 million. In addition, in the Successor year ended March 31, 2015, we received $95 million in reimbursements of our costs of clearing the H Block spectrum as part of the Report and Order obligations and $315 million of proceeds from sales of assets and FCC licenses of which $290 million was related to the sale of certain FCC licenses.

Net cash used in investing activities in the Successor three-month transition period ended March 31, 2014 increased by approximately $598 million compared to the same Predecessor period in 2013, primarily due to increased purchases of short-term investments of approximately $100 million, decreased proceeds of approximately $360 million from sales and maturities of short-term investments, and increases in capital expenditures and expenditures relating to FCC licenses of $100 million each. In addition, as part of an amended exchangeable notes agreement we had with Clearwire, they elected to draw $80 million in March 2013. As a result of the Clearwire Acquisition, the exchangeable notes agreement was terminated and no notes remain outstanding.

Financing Activities

Net cash provided by financing activities was $469 million during the Successor year ended March 31, 2016, which was primarily due to sales of future lease receivables through our receivables facility (see *Receivables Facility* below) of $600 million and draws of $208 million, $266 million and $32 million on our Finnvera plc (Finnvera), K-sure and Delcredere | Ducroire (D/D) secured equipment credit facilities, respectively and a $250 million draw on the Export Development Canada (EDC) credit facility. These draws were partially offset by repayments related to our secured equipment credit facilities of $315 million, capital lease repayments of $84 million, and a $500 million repayment of the EDC credit facility.

Net cash provided by financing activities was $1.3 billion during the Successor year ended March 31, 2015, which was primarily due to the February 24, 2015 issuance of $1.5 billion aggregate principal amount of 7.625% notes due 2025. In addition, we amended our unsecured Export Development Canada (EDC) agreement to, among other things, add an additional tranche totaling $300 million due 2019, which was fully drawn as of March 31, 2015. These were partially offset by principal payments on the iPCS, Inc. Second Lien Secured Floating Rate Notes due 2014 of approximately $181 million and scheduled principal payments on our secured equipment credit facilities of approximately $282 million.

Net cash used in financing activities was $160 million during the Successor three-month transition period ended March 31, 2014, which was primarily due to principal payments on our secured equipment credit facility of approximately $127 million. Net cash provided by financing activities was $142 million during the Predecessor three-month period ended March 31, 2013, which included net borrowings of approximately $149 million under our secured equipment credit facility.

Net cash provided by financing activities was $24.5 billion during the Successor year ended December 31, 2013, which included proceeds from the issuance of common stock and warrants of approximately $18.6 billion related to the SoftBank Merger. In addition, the Company issued $9.0 billion in debt consisting of a September 11, 2013 issuance of $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, and a December 12, 2013 issuance of $2.5 billion aggregate principal amount of 7.125% notes due 2024, each guaranteed by Sprint Communications. We also incurred approximately $147 million of debt issuance costs. These increases, along with net borrowings under our secured equipment credit facility of approximately $444 million, were offset by the retirement of approximately $3.3 billion principal amount of Clearwire debt.

Working Capital

We had negative working capital of $5.1 billion and $1.2 billion as of March 31, 2016 and 2015, respectively. The decline in working capital is due to decreased cash of $1.4 billion primarily due to cash paid for total capital expenditures which was partially offset by net cash provided by operating activities, proceeds from MLS under the Handset Sale-Leaseback Tranche 1 transaction and proceeds from the sale of future lease receivables as part of our Receivables Facility described below. In addition, accounts and notes receivable, net decreased $1.2 billion primarily due to the sale of installment receivables as part of our Receivables Facility described below and device and accessory inventory decreased $186 million. Also contributing to the decline was an increase of $3.4 billion in the current portion of long-term debt, financing and capital lease obligations primarily due to $2.0 billion of Sprint Communications, Inc. 6% Senior notes, $1.0 billion of Sprint Communications, Inc. 9.125% Senior notes and $330 million of proceeds from the sale of future lease receivables all coming due within the next twelve months. These decreases were offset by decreases in accounts payable of $1.4 billion primarily as a result of invoices with extended payment terms with certain network equipment suppliers coming due and timing of purchases and payments associated with device launches. Additionally, accrued expenses and other current liabilities decreased $919 million primarily due to decreased employee accruals and decreased accrued capital expenditures for unbilled services. The remaining balance was due to changes to other working capital items.

Long-Term Debt, Other Funding Sources and Scheduled Maturities

Accounts Receivables Facility

Transaction overview

Our accounts receivable facility (Receivables Facility), which provides us the opportunity to sell certain wireless service and installment receivables (as defined in the agreements) to unaffiliated third parties (Purchasers), was amended in November 2015 to include future amounts due from customers who lease certain devices from us. The amendment increased the maximum funding limit under the Receivables Facility to $4.3 billion and extended the expiration to November 2017. The amount available under the Receivables Facility fluctuates over time based on the total amount of eligible receivables generated during the normal course of our business. As of March 31, 2016, the total availability under the facility was approximately $2.0 billion. However, as a result of sales we have completed to date, the total amount available to be drawn as of March 31, 2016 was $94 million. The proceeds from the sale of these receivables are comprised of a combination of cash and a DPP. While it's at Sprint's election to decide how much cash it chooses to receive from each sale, the maximum amount of proceeds varies based on a number of factors and currently represents approximately 50% of the total amount of the receivables sold to the Purchasers. The DPP is realized by us upon either the ultimate collection of the underlying receivables sold to the Purchasers or upon Sprint's election to receive additional advances in cash from the Purchasers subject to the total availability under the Receivables Facility.

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" on the consolidated statements of operations. The sale of future lease receivables are treated as financing transactions. Accordingly, the proceeds received are reflected as cash provided by financing activities on the consolidated statements of cash flows and the fees are recognized as "Interest expense" on the consolidated statements of operations.

Transaction Structure

Sprint contributes certain wireless service, installment and future lease receivables as well as the associated leased devices to Sprint's wholly-owned consolidated bankruptcy-remote special purpose entities (SPEs). At Sprint's direction, the SPEs have sold, and will continue to sell, wireless service, future lease and installment 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 is classified as a trading security within "Prepaid expenses and other current assets" on 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 operations and other changes in the fair value of the DPP are recognized in "Selling, general and administrative" on the consolidated statements of operations. Changes in the fair value of the DPP did not have a material impact on our statements of comprehensive loss for the year ended March 31, 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.

Wireless Service Receivable Sales

On March 31, 2015, we sold approximately $1.8 billion of wireless service receivables in exchange for $500 million in cash (reflected within the change in accounts and notes receivable on the consolidated statement of cash flows) and a DPP of $1.3 billion, with an estimated fair value of $1.2 billion. In accordance with our rights under the Receivables Facility, in April 2015 Sprint elected to temporarily suspend sales of receivables by the SPEs and remitted payments received to the Purchasers to reduce the funded amount of $500 million to zero.

In September 2015, we sold wireless service receivables of approximately $1.9 billion in exchange for $400 million in cash and $1.5 billion of DPP, with an estimated fair value of $1.4 billion. In October 2015 and January 2016, we elected to receive $300 million and $125 million, respectively, of cash, which reduced the total amount of the DPP due to Sprint. During the period from our sale in September to March 31, 2016, cash collections on previously sold wireless service receivables exceeded sales of new receivables such that the DPP decreased by approximately $207 million. As of March 31, 2016, the total amount available under the Receivables Facility associated with wireless service receivables was $43 million and the total fair value of the associated DPP was $760 million.

Installment Receivable Sales

In October 2015, we sold installment receivables of approximately $1.2 billion under the Receivables Facility in exchange for $100 million in cash and $1.1 billion of DPP, with an estimated fair value of $1.0 billion. In November 2015, we elected to receive $400 million of cash, which reduced the amount of the DPP due to Sprint. During the period from our initial sale in October to March 31, 2016, cash collections on previously sold installment receivables exceeded sales of new receivables such that the DPP decreased by approximately $227 million. As of March 31, 2016, there is no remaining availability under the Receivables Facility associated with installment receivables and the total fair value of the associated DPP was $395 million.

Future Lease Receivable Sales

In February and March 2016, we sold approximately $1.2 billion in total of future lease receivables in exchange for cash proceeds of $600 million. The difference between the amount sold and the cash received represents additional collateral to the lender. The sale was accounted for as a financing and the $600 million cash proceeds were, accordingly, reflected as debt in our consolidated balance sheets. As of March 31, 2016, the amount available under the Receivables Facility associated with future lease receivables was $51 million.

Handset Sale-Leaseback Tranche 1

In November 2015, Sprint entered into agreements (Handset Sale-Leaseback Tranche 1) to sell and lease-back certain leased devices excluded from our Receivables Facility, which allowed us to monetize the devices including the device residual values. Under the agreements with Mobile Leasing Solutions, LLC (MLS), a company formed by a group of equity investors, including SoftBank Group Corp. (SoftBank), Sprint maintains the customer lease, will continue to collect and record lease revenue from the customer and will remit monthly rental payments to MLS, which are recognized as "Cost of products" on the consolidated statements of operations during the respective lease-back periods.

In December 2015, Sprint contributed $1.3 billion of certain leased 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 proceeds totaling $1.1 billion (Cash Purchase Price) and a DPP of $126 million.

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" on the consolidated statements of operations. Simultaneously with the sale of the devices, MLS leased back each device to the SPE Lessees pursuant to the Master Lease Agreement (Device Lease) in exchange for monthly rental payments to be made by the SPE Lessees to MLS. The monthly rental payments for the devices leased back by us will approximate the amount of cash received from the associated customer leases during the weighted average 17 month lease-back period (see *Future Contractual Obligations* below for expected future rent payments). Rent expense related to MLS totaled $277 million during the year ended March 31, 2016 and is reflected within cash flows from operations.

The SPE Lessees retain all rights to the underlying customer leases, such as the right to receive the rental payments during the device lease-back 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. Settlement for the DPP occurs at the end of the agreement and can be reduced to the extent that MLS experiences a loss on the device, but only to the extent of the device's DPP balance. The DPP associated with the Handset Sale-Leaseback Tranche 1 is recorded in "Other assets" in the consolidated balance sheets at its estimated net realizable value. Changes to the DPP prior to settlement with MLS are recorded as an adjustment to rent expense in "Cost of products" in the consolidated statements of operations. Brightstar, a subsidiary of SoftBank, provides reverse logistics and remarketing services to MLS with respect to the devices.

Unless a Device Lease is terminated early, the SPE Lessees are obligated to pay the full monthly rental payments under each Device Lease, regardless of whether customers make lease payments on the devices leased to them or whether the customer lease is still in effect. Sprint has guaranteed to MLS, the performance of the agreements and undertakings of the SPE Lessees under the transaction documents.

All devices must be returned to MLS, subject to purchase rights of the customers. Sprint will act as servicer for MLS, to the extent needed, after the end of the device leaseback period. To secure the obligations of the SPE Lessees under the Device Lease, the SPE Lessees provide a security interest to MLS in, among other things, the customer leases. In the event that MLS is able to sell the returned devices at a price greater than the expected device residual value, Sprint has the potential to share some of the excess proceeds.

Network Equipment Sale-Leaseback

In April 2016, certain wholly-owned subsidiaries of Sprint entered into agreements (Network Equipment Sale-Leaseback) to sell and lease-back certain network equipment to unrelated bankruptcy-remote special purpose entities (collectively, "the Network LeaseCo SPEs"). Sprint sold certain network equipment with a book value of approximately $3.0 billion to the Network LeaseCo SPEs which was used as collateral to raise approximately $2.2 billion in borrowings from external investors, including SoftBank.

The Network LeaseCo SPEs are variable interest entities for which Sprint has been identified as the primary beneficiary. As a result, Sprint is required to consolidate the Network LeaseCo SPEs and intercompany transactions and balances between Network LeaseCo and the wholly-owned Sprint subsidiaries will be eliminated in consolidation. The network assets involved in the transaction, which consisted primarily of equipment located at cell towers, will remain on Sprint's consolidated financial statements and will continue to be depreciated. Principal and interest payments on the borrowings from the external investors will be paid back in staggered, unequal payments through January 2018.

Handset Sale-Leaseback Tranche 2

In April 2016, Sprint entered into a second transaction with MLS (Handset Sale-Leaseback Tranche 2) to sell and lease-back certain iPhone® devices leased to customers under the iPhone Forever or iPhone for Life programs. In contrast with the first MLS transaction, this sale-leaseback arrangement will be accounted for as a financing transaction. Accordingly, the devices will remain in Property, plant, and equipment, net in the consolidated balance sheets and will continue to be depreciated to their estimated residual values generally over the lease term. The proceeds received will be reflected as cash provided by financing activities on the consolidated statements of cash flows and payments made to MLS will be reflected as principal repayments and interest expense over the respective terms. Future changes in the fair value of the financing obligation will be recognized in earnings over the course of the arrangement.

Upon closing of the transaction in May 2016, Sprint sold and leased-back approximately $1.3 billion in book value of leased devices for proceeds totaling $1.1 billion (Cash Purchase Price) and a DPP of $186 million, which will be settled at the end of the arrangement and is subject to certain device losses incurred by MLS.

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 revolving bank 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. In the quarter ended December 2015, we made a scheduled principal repayment of $500 million, leaving a principal balance of $300 million, which matures in December 2019. At the time of the repayment, the EDC agreement was also amended to increase the facility by $250 million through the addition of a new tranche due December 2017, which was fully drawn. Accordingly, as of March 31, 2016, the total principal amount of our borrowings under the EDC facility was $550 million.

New Unsecured Financing Facility

In April 2016, Sprint Communications entered into an unsecured financing facility for $2.0 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. The loan bears interest at a rate equal to LIBOR plus a percentage that varies depending on the time of draw and matures in October 2017. Any amounts borrowed will be required to be repaid if certain debt or equity securities are issued or certain asset sales occur, as set forth more specifically in the agreement. As of May 17, 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. We made regularly scheduled principal repayments totaling $254 million during the year ended March 31, 2016. The balance outstanding at March 31, 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. 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. During the year ended March 31, 2016, we had drawn $208 million on the facility, and we made principal repayments totaling $56 million, resulting in a total principal amount of $196 million outstanding at March 31, 2016.

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. 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 year ended March 31, 2016, we had drawn $266 million on the facility, resulting in a total principal amount of $323 million outstanding at March 31, 2016.

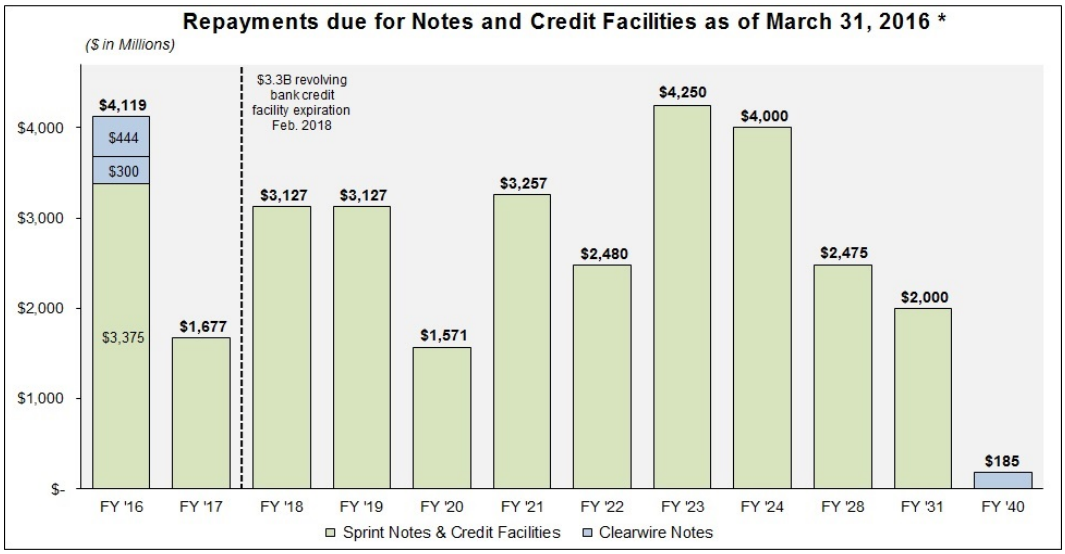
Delcredere | Ducroire (D/D)

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. During the year ended March 31, 2016, we had drawn $32 million on the facility, resulting in a total principal amount of $32 million outstanding at March 31, 2016.

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 of the 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 March 31, 2016, our Leverage Ratio, as defined by the revolving bank credit facility, EDC Agreement and all other equipment credit facilities was 4.1 to 1.0. Because our Leverage Ratio exceeded 2.5 to 1.0 at period end, we were restricted from paying cash dividends.

The following graph depicts our future fiscal year repayments due for notes and credit facilities as of March 31, 2016:



*This table excludes (i) $320 million in letters of credit outstanding under our unsecured revolving bank credit facility, which will expire in 2018 and has no outstanding balance, (ii) all capital leases and other financing obligations, and (iii) net premiums and debt financing costs.

Liquidity and Capital Resources

As of March 31, 2016, our liquidity, including cash and cash equivalents, short-term investments, available borrowing capacity under our revolving bank credit facility and availability under our Receivables Facility was $5.7 billion. Our cash and cash equivalents and short-term investments totaled $2.6 billion as of March 31, 2016 compared to $4.2 billion as of March 31, 2015. As of March 31, 2016, we had approximately $3.0 billion of borrowing capacity available under our revolving bank credit facility. Amounts available under our Receivables facility as of March 31, 2016 totaled $94 million.

In addition, we had a combined available borrowing capacity of $645 million under our K-sure and D/D secured equipment credit facilities as of March 31, 2016. As of April 1, 2016 up to $520 million of the third tranche under our Finnvera secured equipment credit facility became available. 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 November 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 is no longer 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. In April 2016, we entered into the Network Equipment Sale-Leaseback to sell and lease-back 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 $2.0 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, among others, additional tranches under the Handset Sale-Leaseback to include additional devices, a transaction to monetize certain spectrum holdings, refinancing our debt, or sale-leasebacks of certain real estate. 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 (versus tablet) subscribers, our expectation of longer-term benefits from 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 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 also 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 leasing programs;
- availability as of March 31, 2016 of $94 million in funding under the Receivables Facility, which terminates in November 2017;
- continued availability of a 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 $1.2 billion of our secured equipment credit facilities (inclusive of availability that we were eligible to draw upon beginning April 1, 2016) 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 $13.2 billion coming due over the next five fiscal 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	Negative
Standard and Poor's	B	B	BB-	BB-	Stable
Fitch	B+	B+	BB	BB	Stable

FUTURE CONTRACTUAL OBLIGATIONS

The following table sets forth our current estimates as to the amounts and timing of contractual payments as of March 31, 2016. Future events, including additional issuances of our debt securities and refinancing of those debt securities, could cause actual payments to differ significantly from these amounts. See "Item 1A. Risk Factors."

Future Contractual Obligations	Total	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021 and thereafter
				(in millions)			
Notes, credit facilities and debentures[1]	$ 47,998	$ 6,577	$ 3,769	$ 5,133	$ 3,799	$ 2,547	$ 26,173
Capital leases and financing obligation[2]	1,210	551	424	86	56	13	80
Operating leases[3]	14,078	2,195	2,148	2,072	1,958	1,820	3,885
Spectrum leases and service credits[4]	6,707	212	219	221	224	226	5,605
Handset sale-leaseback tranche 1	651	580	71	—	—	—	—
Purchase orders and other commitments[5]	11,224	7,192	1,428	951	499	354	800
Total	$ 81,868	$ 17,307	$ 8,059	$ 8,463	$ 6,536	$ 4,960	$ 36,543

(1) Includes outstanding principal and estimated interest payments. Interest payments are based on management's expectations for future interest rates in the case of any variable rate debt.
(2) Represents capital lease payments including interest and financing obligation related to the sale and subsequent leaseback of multiple tower sites.
(3) Includes future lease payments related to cell and switch sites, real estate, network equipment and office space.
(4) Includes future spectrum lease payments as well as service credits related to commitments to provide services to certain lessors and reimburse lessors for certain capital equipment and third-party service expenditures, over the term of the lease.
(5) Includes service, spectrum, network equipment, devices, asset retirement obligations and other executory contracts, including our contract with Apple. Excludes blanket purchase orders in the amount of $24 million. See below for further discussion.

"Purchase orders and other commitments" include minimum purchases we commit to purchase from suppliers over time and/or the unconditional purchase obligations where we guarantee to make a minimum payment to suppliers for goods and services regardless of whether we take delivery. These amounts do not represent our entire anticipated purchases in the future, but generally represent only our estimate of those items for which we are committed. Our estimates are based on assumptions about the variable components of the contracts such as hours contracted, number of subscribers, pricing, and other factors. In addition, we are party to various arrangements that are conditional in nature and create an obligation to make payments only upon the occurrence of certain events, such as the delivery of functioning software or products. Because it is not possible to predict the timing or amounts that may be due under these conditional arrangements, no such amounts have been included in the table above. The table above also excludes approximately $24 million of blanket purchase order amounts since their agreement terms are not specified. No time frame is set for these purchase orders and they are not legally binding. As a result, they are not firm commitments. Our liability for uncertain tax positions was $166 million as of March 31, 2016. Due to the inherent uncertainty of the timing of the resolution of the underlying tax positions, it is not practicable to assign this liability to any particular year(s) in the table.

The table above does not include the remaining costs to be paid in connection with the fulfillment of our obligations under the Report and Order. The Report and Order requires us to make a payment to the U.S. Treasury at the conclusion of the band reconfiguration process to the extent that the value of the 1.9 GHz spectrum we received exceeds the total of the value of licenses for spectrum in the 700 MHz and 800 MHz bands that we surrendered under the decision plus the actual costs, or qualifying costs, that we incur to retune incumbents and our own facilities. From the inception of the program through March 31, 2016, we have incurred approximately $3.5 billion of costs directly attributable to the spectrum reconfiguration program. This amount does not include any of our internal network costs that we have preliminarily allocated to the reconfiguration program for capacity sites and modifications for which we may request credit under the reconfiguration program. We estimate, based on our experience to date with the reconfiguration program and on information currently available, that our total direct costs attributable to complete the spectrum reconfigurations will range between $3.6 and $3.7 billion. Accordingly, we believe that it is unlikely that we will be required to make a payment to the U.S. Treasury.

OFF-BALANCE SHEET FINANCING

Sprint has an accounts Receivable 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. For the period ended March 31, 2016, we received $1.3 billion in cash proceeds. 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 lease-back 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 Receivables 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. Sprint's more critical accounting policies include allowance for doubtful accounts, estimated economic lives and residual values of property, plant and equipment, valuation and recoverability of long-lived assets, evaluation of goodwill and indefinite-lived assets for impairment and valuation of guarantee liabilities. Inherent in such policies are certain key assumptions and estimates made by management. Management regularly updates its estimates used in the preparation of the financial statements based on its latest assessment of the current and projected business and general economic environment. Sprint's significant accounting policies and estimates are summarized in the Notes to the Consolidated Financial Statements.

Depreciation

Our property, plant and equipment balance represents a significant component of our consolidated assets. We record property, plant and equipment at cost and generally depreciate it on a straight-line basis over the estimated useful life of the assets. We expect that a one-year increase in estimated useful lives of our property, plant and equipment, exclusive of leased devices, would result in a decrease to our fiscal year 2016 depreciation expense of $800 million and that a one-year decrease would result in an increase of approximately $1.2 billion in our fiscal year 2016 depreciation expense.

Leased Devices

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

At lease inception, the devices are classified as operating leases and are reclassified from inventory to property, plant and equipment when leased through Sprint's direct channels. For those devices leased through indirect channels, we purchase the devices at lease inception from the dealer, which is then capitalized to property, plant and equipment. Residual values associated with devices under operating leases represent the estimated fair value at the end of the lease term. We review residual values regularly and, when appropriate, adjust them based on, among other things, estimates of expected market conditions at the end of the lease, including the impacts of future product launches. Adjustments to residual values of leased devices are recognized as a revision in depreciation estimates. We estimate that a 10% increase or decrease in the estimated residual values of devices currently under operating leases at March 31, 2016 would not have a material effect on depreciation expense over the next twelve months.

Valuation and Recoverability of Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized if the carrying amount of a long-lived asset or asset group is not recoverable and exceeds its fair value. Long-lived asset groups have been determined based upon certain factors including assessing the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. Impairment analyses, when performed, are based on our current business and technology strategy, views of growth rates for our business, anticipated future economic and regulatory conditions and expected technological availability.

During the year ended March 31, 2016, no impairments were recorded. During the three-month period ended December 31, 2014, we recorded an impairment loss of $233 million, which is included in "Impairments" in our consolidated statements of operations, to reduce the carrying value of the Wireline asset group, which includes the Wireline long-lived assets, to its estimated fair value as of our testing date of $918 million. The fair value of the Wireline long-lived assets was estimated using a market approach, which included significant unobservable inputs including liquidation curves, useful life assumptions, and scrap values. As the assumptions are largely unobservable, the estimate of fair value is considered to be unobservable within the fair value hierarchy.

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

Evaluation of Goodwill and Indefinite-Lived Intangible Assets for Impairment

As a result of the SoftBank Merger in July 2013, we recognized indefinite-lived assets at their acquisition-date estimates of fair value, including FCC licenses, goodwill, and trade names. All of the indefinite-lived assets, including goodwill, were allocated to our Wireless segment. As of March 31, 2015 and 2016, the carrying values of these assets were $36.0 billion, $6.6 billion and $4.0 billion, respectively.

Sprint evaluates the carrying value of our indefinite-lived assets, including goodwill, at least annually or more frequently whenever events or changes in circumstances indicate that the asset may be impaired, or in the case of goodwill, that the fair value of the reporting unit is below its carrying amount. During the quarter-ended March 31, 2016, the Company completed its annual impairment testing for Goodwill, the Sprint and Boost trade names, and spectrum licenses. As a result of our testing, we determined that the fair value of each of our indefinite-lived intangible assets exceeded their carrying values.

In performing the goodwill impairment test, we estimated the fair value of the Wireless reporting unit using income-based, market-based and asset-based valuation models. The determination of the fair value of the reporting unit requires significant estimates and assumptions, including significant unobservable inputs. The key inputs included, but were not limited to, discount rates, terminal growth rates, control premiums, market multiple data from selected guideline public companies, management’s internal forecasts which include numerous assumptions such as share of industry gross additions, churn, mix of plans, rate changes, operating and capital expenditures and EBITDA margins, among others. Changes in certain assumptions or management’s failure to execute on the current plan could have a significant impact to the estimated fair value of the Wireless reporting unit. Under the income-based approach, we note that our fair value cushion is in excess of 10% of the carrying value.

We estimated the fair value of the Sprint and Boost trade names assigned to the Wireless segment using the relief-from-royalty method, which uses several significant assumptions, including management projections of future revenue, a royalty rate, a long-term growth rate and a discount rate. As these assumptions are largely unobservable, the estimate of fair value is considered to be unobservable within the fair value hierarchy. Changes in certain assumptions can have a significant effect on the estimated fair value. For both the Sprint and Boost trade names, we note that a 5% decrease in revenue across the long-term plans would not result in an impairment as of March 31, 2016.

During the quarter ended December 31, 2014, we determined that recoverability of the carrying amount of goodwill and the Sprint trade name should be evaluated for impairment and it was determined that the carrying value of the Sprint trade name exceeded its estimated fair value of $3.3 billion. Accordingly, during the quarter ended December 31, 2014, we recorded an impairment loss of $1.9 billion, which is included in "Impairments" in our consolidated statements of comprehensive loss.

The determination of fair value requires considerable judgment and is highly sensitive to changes in underlying assumptions and execution of management’s plan. Consequently, there can be no assurance that the estimates and assumptions made for the purposes of the goodwill, spectrum and trade name impairment tests will prove to be an accurate

prediction of the future. 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.

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 also clarified how an entity should evaluate the nature of its promise in granting an intellectual property license and 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. Entities are allowed to transition to the new standard by either retrospective application or recognizing the cumulative effect. The Company is currently evaluating the newly issued guidance, including which transition approach will be applied. We expect this guidance to have a material impact on our consolidated financial statements.

In August 2014, the FASB issued authoritative guidance regarding*Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which requires management to assess an entity's ability to continue as a going concern and to provide related footnote disclosures in certain circumstances. The updated guidance requires management to perform interim and annual assessments on whether there are conditions or events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date that the financial statements are issued and to provide related disclosures, if required. The standard would have been effective for the Company's fiscal year beginning April 1, 2016, including interim reporting periods within that fiscal year, although early adoption was permitted. The Company has elected to early adopt this guidance effective January 1, 2016. The early adoption of this guidance did not have a material effect 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 will be effective for the Company's fiscal year beginning April 1, 2016, although early adoption is permitted if applied from the beginning of a fiscal year. The Company does not expect the adoption of this guidance to 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 will be effective for the Company's fiscal year beginning April 1, 2016, including interim periods within that fiscal year, although early adoption is permitted. The Company is currently evaluating the newly issued guidance and does not expect this guidance to 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 that 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 to be applied prospectively to adjustments that occur after the effective date. The amendments will be effective for the Company for the fiscal year beginning April 1, 2016, including interim periods within that fiscal year, although early adoption is permitted for financial statements that have not been issued, and will be applied, as necessary, to future business combinations.

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 we expect it to have a material impact on our consolidated financial statements, however we are still assessing the overall impact.

FINANCIAL STRATEGIES

General Risk Management Policies

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

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

OTHER INFORMATION

We routinely post important information on our website at *www.sprint.com/investors*. Information contained on or accessible through our website is not part of this annual report.

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, including any additional future tranches;
- 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 FASB or other regulatory agencies issue, including the Securities and Exchange Commission;
- 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.

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

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

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

Interest Rate Risk

The communications industry is a capital-intensive, technology-driven business. We are subject to interest rate risk primarily associated with our borrowings. Interest rate risk is the risk that changes in interest rates could adversely affect earnings and cash flows. Specific interest rate risk includes: the risk of increasing interest rates on variable rate debt and the risk of increasing interest rates for planned new fixed rate long-term financings or refinancings.

Approximately 83% of our debt as of March 31, 2016 was fixed-rate debt. While changes in interest rates impact the fair value of this debt, there is no impact to earnings and cash flows because we intend to hold these obligations to maturity unless market and other conditions are favorable.

We perform interest rate sensitivity analyses on our variable rate debt. These analyses indicate that a one percentage point change in interest rates would have had an annual pre-tax impact of $26 million on our consolidated statements of operations and cash flows for the Successor year ended March 31, 2016. We also perform a sensitivity analysis on the fair market value of our outstanding debt. A 10% decline in market interest rates is estimated to result in a $1.2 billion increase in the fair market value of our debt to $29.9 billion.

Foreign Currency Risk

We may enter into forward contracts and options in foreign currencies to reduce the impact of changes in foreign exchange rates. Our foreign exchange risk management program focuses on reducing transaction exposure to optimize consolidated cash flow. We use foreign currency derivatives to hedge our foreign currency exposure related to settlement of international telecommunications access charges and the operation of our international subsidiaries. The dollar equivalent of our net foreign currency receivables from international settlements was approximately $3 million and the net foreign currency receivables from international operations was approximately $2 million as of March 31, 2016. The potential immediate pre-tax loss to us that would result from a hypothetical 10% change in foreign currency exchange rates based on these positions would be less than $1 million.

Item 8. Financial Statements and Supplementary Data

The consolidated financial statements required by this item begin on page F-1 of this annual report on Form 10-K and are incorporated herein by reference. The financial statements of Clearwire up through the date of acquisition, as required under Regulation S-X, are included in Item 15 of this annual report on Form 10-K and incorporated herein by reference.

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

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports under the Securities Exchange Act of 1934 (Exchange Act), such as this annual report on Form 10-K, is reported in accordance with the SEC's rules. Disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

In connection with the preparation of this annual report on Form 10-K, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of the disclosure controls and procedures were effective as of March 31, 2016 in providing reasonable assurance that information required to be disclosed in reports we file or submit under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure and in providing reasonable assurance that the information is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms.

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 March 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

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

Our management conducted an assessment of the effectiveness of our internal control over financial reporting as ofMarch 31, 2016. This assessment was based on the criteria set forth by *Internal Control—Integrated Framework*, issued in 2013 by the Committee of Sponsoring Organizations. Management believes that, as of March 31, 2016, our internal control over financial reporting was effective.

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

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

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

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

After the SoftBank Merger, SoftBank acquired control of Sprint. During the fiscal year endedMarch 31, 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 the fiscal year ended March 31, 2016, SoftBank had no gross revenues from such services and no net profit was generated. This subsidiary also provided telecommunications services in the ordinary course of business to accounts affiliated with the Embassy of Iran in Japan. During the fiscal year ended March 31, 2016, SoftBank estimates that gross revenues and net profit generated by such services were both under $6,000. Sprint was not involved in, and did not receive any revenue from, any of these activities. These activities have been conducted in accordance with applicable laws and regulations, and they are not sanctionable under U.S. or Japanese law. Accordingly, with respect to Telecommunications Services Company (MTN Irancell), the relevant SoftBank subsidiary intends to continue such activities. With respect services provided to accounts affiliated with the Embassy of Iran in Japan, the relevant SoftBank subsidiary is obligated under contract to continue such services.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item regarding our directors is incorporated by reference to the information set forth under the captions "Proposal 1. - Election of Directors" "Board Operations—Board Committees" in our proxy statement relating to our 2016 annual meeting of stockholders, which will be filed with the SEC, and with respect to family relationships, to Part I of this annual report under "Executive Officers of the Registrant." The information required by this item regarding our executive officers is incorporated by reference to Part I of this annual report under the caption titled "Executive Officers of the Registrant." The information required by this item regarding compliance with Section 16(a) of the Exchange Act by our directors, executive officers and holders of ten percent of a registered class of our equity securities is incorporated by reference to the information set forth under the caption "Security Ownership—Section 16(a) Beneficial Ownership Reporting Compliance" in our proxy statement relating to our 2016 annual meeting of stockholders, which will be filed with the SEC.

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

Item 11. Executive Compensation

The information required by this item regarding compensation of executive officers and directors is incorporated by reference to the information set forth under the captions "Director Compensation," "Executive Compensation," and "Board Operations—Compensation Committee Interlocks and Insider Participation" in our proxy statement relating to our 2016 annual meeting of stockholders, which will be filed with the SEC.

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

The information required by this item, other than the equity compensation plan information presented below, is incorporated by reference to the information set forth under the captions "Security Ownership—Security Ownership of Certain Beneficial Owners" and "Security Ownership—Security Ownership of Directors and Executive Officers" in our proxy statement relating to our 2016 annual meeting of stockholders, which will be filed with the SEC.

Compensation Plan Information

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

The following table provides information about the shares of common stock that may be issued upon exercise of awards as of March 31, 2016.

Plan Category	Number of Securities To be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)
	(a)	(b)	(c)
Equity compensation plans approved by stockholders of common stock	77,942,352 (1)(2)	$4.69 (3)	132,820,958 (4)(5)(6)

_____

(1) Includes 1,095,800 shares covered by options and 22,392,399 restricted stock units under the 2015 Plan, 39,553,456 shares covered by options and 14,120,829 restricted stock units under the 2007 Plan, and 93,290 shares covered by options and 25,835 restricted stock units outstanding under the 1997 Program. Also includes purchase rights to acquire 660,743 shares of common stock accrued at March 31, 2016 under the ESPP. Under the ESPP, each eligible employee may purchase common stock at quarterly intervals at a purchase price per share equal to 95% of the market value on the last business day of the offering period.

(2) Included in the total of 77,942,352 shares are 14,120,829 restricted stock units under the 2007 Plan, which will be counted against the 2007 Plan maximum in a 2.5 to 1 ratio.

(3) The weighted average exercise price does not take into account the shares of common stock issuable upon vesting of restricted stock units issued under the 1997 Program, the 2007 Plan or the 2015 Plan. These restricted stock units have no exercise price. The weighted average purchase price also does not take into account the 660,743 shares of common stock issuable as a result of the purchase rights accrued under the ESPP; the purchase price of these shares was $3.25 for each share.

(4) Of these shares, 59,780,369 shares of common stock were available under the 2015 Plan. Through March 31, 2016, 167,633,354 cumulative shares came from the 2007 Plan, the 1997 Program and predecessor plans, including the Nextel Plan.

(5) Includes 73,040,589 shares of common stock available for issuance under the ESPP after issuance of the 660,743 shares purchased in the quarter ended March 31, 2016 offering. See note 1 above.

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

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

The information required by this item is incorporated by reference to the information set forth under the captions "Certain Relationships and Related Party Transactions" and "Board Operations—Independence of Directors" in our proxy statement relating to our 2016 annual meeting of stockholders, which will be filed with the SEC.

Item 14. Principal Accounting Fees and Services

The information required by this item is incorporated by reference to the information set forth under the caption "Principal Accounting Fees and Services" in our proxy statement relating to our 2016 annual meeting of stockholders, which will be filed with the SEC.

PART IV

Item 15. Exhibits and Financial Statement Schedules

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

2. The consolidated financial statements of Clearwire Corporation through the date of acquisition filed as part of this annual report are listed in the Index to Consolidated Financial Statements.

3. The exhibits filed as part of this annual report are listed in the Exhibit Index

SIGNATURES

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

SPRINT CORPORATION
(Registrant)

By /s/ MARCELO CLAURE

Marcelo Claure
Chief Executive Officer and President

Date: May 17, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 17th day of May, 2016.

/s/ MARCELO CLAURE

Marcelo Claure
Chief Executive Officer and President
(Principal Executive Officer)

/s/ TAREK A. ROBBIATI

Tarek A. Robbiati
Chief Financial Officer
(Principal Financial Officer)

/s/ PAUL W. SCHIEBER, JR.

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

SIGNATURES
SPRINT CORPORATION
(Registrant)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 17th day of May, 2016.

/s/ MASAYOSHI SON
Masayoshi Son, Chairman

/s/ MARCELO CLAURE
Marcelo Claure, Director

/s/ RONALD D. FISHER
Ronald D. Fisher, Vice Chairman

/s/ JULIUS GENACHOWSKI
Julius Genachowski, Director

/s/ NIKESH ARORA
Nikesh Arora, Director

/s/ MICHAEL G. MULLEN
Michael G. Mullen, Director

/s/ ROBERT R. BENNETT
Robert R. Bennett, Director

/s/ SARA MARTINEZ TUCKER
Sara Martinez Tucker, Director

/s/ GORDON M. BETHUNE
Gordon M. Bethune, Director

Exhibit Index

Exhibit No.	Exhibit Description	Form	Incorporated by Reference			Filed/Furnished Herewith
			SEC File No.	Exhibit	Filing Date	
(2) Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession						
2.1**	Agreement and Plan of Merger, dated as of October 15, 2012, by and among Sprint Nextel Corporation, SoftBank Corp., Starburst I, Inc., Starburst II, Inc. and Starburst III, Inc.	8-K	001-04721	2.1	10/15/2012	
2.2	First Amendment to Agreement and Plan of Merger, dated November 29, 2012, by and among Sprint Nextel Corporation, SoftBank Corp., Starburst I, Inc., Starburst II, Inc. and Starburst III, Inc.	10-Q	001-04721	2.5	5/6/2013	
2.3	Second Amendment to Agreement and Plan of Merger, dated April 12, 2013, by and among Sprint Nextel Corporation, SoftBank Corp., Starburst I, Inc., Starburst II, Inc. and Starburst III, Inc.	10-Q	001-04721	2.6	5/6/2013	
2.4**	Third Amendment to Agreement and Plan of Merger, dated June 10, 2013, by and among Sprint Nextel Corporation, SoftBank Corp., Starburst I, Inc., Starburst II, Inc. and Starburst III, Inc.	8-K	001-04721	2.1	6/11/2013	
2.5**	Agreement and Plan of Merger, dated as of December 17, 2012, by and among Sprint Nextel Corporation, Collie Acquisition Corp. and Clearwire Corporation	8-K	001-04721	2.1	12/18/2012	
2.6**	First Amendment to Agreement and Plan of Merger, dated as of April 18, 2013, by and among Sprint Nextel Corporation, Collie Acquisition Corp. and Clearwire Corporation (Filed as Annex-2 to Clearwire Corporation's Proxy Statement)	DEFM14A	001-34196		4/23/2013	
2.7**	Second Amendment to Agreement and Plan of Merger, dated as of May 21, 2013, by and among Sprint Nextel Corporation, Collie Acquisition Corp. and Clearwire Corporation	8-K	001-04721	2.1	5/22/2013	
2.8**	Third Amendment to Agreement and Plan of Merger, dated June 20, 2013, by and among Sprint Nextel Corporation, Collie Acquisition Corp. and Clearwire Corporation	8-K	001-04721	2.1	6/21/2013	
(3) Articles of Incorporation and Bylaws						
3.1	Amended and Restated Certificate of Incorporation	8-K	001-04721	3.1	7/11/2013	
3.2	Amended and Restated Bylaws	8-K	001-04721	3.2	8/7/2013	
(4) Instruments Defining the Rights of Security Holders, including Indentures						
4.1	Indenture, dated as of October 1, 1998, by and among Sprint Capital Corporation, Sprint Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor to Bank One, N.A.)	10-Q	001-04721	4(b)	11/2/1998	
4.2	First Supplemental Indenture, dated as of January 15, 1999, by and among Sprint Capital Corporation, Sprint Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor to Bank One, N.A.)	8-K	001-04721	4(b)	2/3/1999	

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed/Furnished Herewith
		Form	SEC File No.	Exhibit	Filing Date	
4.3	Second Supplemental Indenture, dated as of October 15, 2001, by and among Sprint Capital Corporation, Sprint Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor to Bank One, N.A.)	8-K	001-04721	99	10/29/2001	
4.4	Third Supplemental Indenture, dated as of September 11, 2013, by and among Sprint Corporation, Sprint Capital Corporation, Sprint Communications, Inc. and The Bank of New York Mellon Trust Company, N.A. (as successor to Bank One, N.A.)	8-K	001-04721	4.5	9/11/2013	
4.5	Indenture, dated as of November 20, 2006, by and between Sprint Nextel Corporation and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.1	11/9/2011	
4.6	First Supplemental Indenture, dated as of November 9, 2011, by and between Sprint Nextel Corporation and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.2	11/9/2011	
4.7	Second Supplemental Indenture, dated as of November 9, 2011, by and among Sprint Nextel Corporation, the Subsidiary Guarantors and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.3	11/9/2011	
4.8	Third Supplemental Indenture, dated as of March 1, 2012, by and between Sprint Nextel Corporation and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.1	3/1/2012	
4.9	Fourth Supplemental Indenture, dated as of March 1, 2012, by and among Sprint Nextel Corporation, the Subsidiary Guarantors and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.2	3/1/2012	
4.10	Fifth Supplemental Indenture, dated as of August 14, 2012, by and between Sprint Nextel Corporation and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.1	8/14/2012	
4.11	Sixth Supplemental Indenture, dated as of November 14, 2012, by and between Sprint Nextel Corporation and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.1	11/14/2012	
4.12	Seventh Supplemental Indenture, dated as of November 20, 2012, by and between Sprint Nextel Corporation and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.1	11/20/2012	
4.13	Eighth Supplemental Indenture, dated as of September 11, 2013, by and among Sprint Corporation, Sprint Communications, Inc. and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.4	9/11/2013	
4.14	Ninth Supplemental Indenture, dated as of June 26, 2014, by and between Bright PCS Holdings, Inc., Bright Personal Communications Services, LLC, Horizon Personal Communications, Inc., iPCS Equipment, Inc., iPCS Wireless, Inc., Pinsight Media+, Inc., OneLouder Apps, Inc., iPCS, Inc., Sprint Communications, Inc. and The Bank of New York Mellon Trust Company, N.A.	10-Q	001-04721	4.1	8/8/2014	

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed/Furnished Herewith
		Form	SEC File No.	Exhibit	Filing Date	
4.15	Indenture, dated as of September 11, 2013, by and between Sprint Corporation and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.1	9/11/2013	
4.16	First Supplemental Indenture, dated as of September 11, 2013, by and among Sprint Corporation, Sprint Communications, Inc. and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.2	9/11/2013	
4.17	Second Supplemental Indenture, dated as of September 11, 2013, by and among Sprint Corporation, Sprint Communications, Inc. and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.3	9/11/2013	
4.18	Third Supplemental Indenture, dated as of December 12, 2013, by and among Sprint Corporation, Sprint Communications, Inc. and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.1	12/12/2013	
4.19	Fourth Supplemental Indenture, dated as of February 24, 2015, by and among Sprint Corporation, Sprint Communications, Inc. and The Bank of New York Mellon Trust Company, N.A.	8-K	001-04721	4.1	2/24/2015	
(10) Material Contracts						
10.1	Credit Agreement, dated as of February 28, 2013, by and among Sprint Nextel Corporation, as Borrower, JPMorgan Chase Bank, N.A., as Administrative Agent, and the lenders named therein	8-K	001-04721	10.1	3/5/2013	
10.2	Incremental Amendment No. 1, dated as of April 2, 2013, to the Credit Agreement, dated as of February 28, 2013, among Sprint Nextel Corporation, the Subsidiary Guarantors party thereto, the Lenders thereto and JPMorgan Chase Bank, N.A., as Administrative Agent	10-Q	001-04721	10.4	5/6/2013	
10.3	Incremental Amendment No. 2, dated as of February 10, 2014, to the Credit Agreement, dated as of February 28, 2013, among Sprint Communications, Inc. (f/k/a Sprint Nextel Corporation), the Subsidiary Guarantors party thereto, the Lenders thereto and JPMorgan Chase Bank, N.A., as Administrative Agent	10-K	001-04721	10.8	2/24/2014	
10.4	Waiver to Credit Agreement, dated as of September 9, 2013, by and among Sprint Communications, Inc., JPMorgan Chase Bank, N.A., as Administrative Agent and Lender, and the lenders party thereto	8-K	001-04721	10.3	9/11/2013	
10.5	Amendment, dated as of October 30, 2014, to the Credit Agreement, dated as of February 28, 2013, by and among Sprint Communications, Inc. (f/k/a Sprint Nextel Corporation), the Subsidiary Guarantors party thereto, the Lenders thereto and JPMorgan Chase Bank, N.A., as Administrative Agent	8-K	001-04721	10.1	11/4/2014	

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed/Furnished Herewith
		Form	SEC File No.	Exhibit	Filing Date	
10.6	Amended and Restated Receivables Purchase Agreement, dated as of April 24, 2015, among Sprint Spectrum L.P., individually and as Servicer, the Sellers party thereto, the various Conduit Purchasers, Committed Purchasers, and Purchaser Agents from time to time party thereto, Mizuho Bank Ltd. as Administrative Agent and Collateral Agent and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Administrative Agent	8-K	001-04721	10.1	4/27/2015	
10.7	Second Amended and Restated Receivables Purchase Agreement, dated as of November 19, 2015, by and among Sprint Spectrum L.P., as servicer, certain Sprint special purpose entities, as sellers, certain commercial paper conduits and financial institutions from time to time party thereto, as purchaser agents, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as administrative agent, SMBC Nikko Securities America, Inc., as administrative agent, and Mizuho Bank, Ltd., as administrative agent and collateral agent	8-K	001-04721	10.6	11/20/2015	
10.8	Amended and Restated Receivables Sale Agreement, dated as of April 24, 2015, between Sprint Spectrum L.P., as an Originator and as Servicer, the other Originators from time to time party thereto and the Buyers from time to time party thereto	8-K	001-04721	10.2	4/27/2015	
10.9	Second Amended and Restated Receivables Sale and Contribution Agreement, dated as of November 19, 2015, by and among certain Sprint subsidiaries as originators and special purpose entities	8-K	001-04721	10.7	11/20/2015	
10.10	Amended and Restated First Step Transfer Agreement (Tranche 1), dated as of April 28, 2016, among the originators from time to time party thereto, the lessees from time to time party thereto and Sprint Spectrum L.P.					*
10.11	Amended and Restated Second Step Transfer Agreement (Tranche 1), dated as of April 28, 2016, among the lessees from time to time party thereto and Mobile Leasing Solutions, LLC					*
10.12	Amended and Restated Master Lease Agreement (Tranche 1), dated as of April 28, 2016, among Mobile Leasing Solutions, LLC, the lessees from time to time party thereto, Sprint Spectrum L.P. and Mizuho Bank, Ltd., as collateral agent					*
10.13	Amended and Restated Performance Support Agreement (Tranche 1), dated as of April 28, 2016, by Sprint Corporation in favor of Mobile Leasing Solutions, LLC					*
10.14	Amended and Restated Guaranty (Tranche 1), dated as of April 28, 2016, by Sprint Corporation in favor of Mobile Leasing Solutions, LLC					*
10.15	Form of Sale Agreement, dated as of March 31, 2016 (effective as of April 5, 2016), by and between the lessees party thereto and the purchasers party thereto	8-K	001-04721	10.1	4/6/2016	

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed/Furnished Herewith
		Form	SEC File No.	Exhibit	Filing Date	
10.16	Master Lease Agreement, dated as of March 31, 2016 (effective as of April 5, 2016), among the purchasers party thereto and the lessees party thereto	8-K	001-04721	10.2	4/6/2016	
10.17	Guaranty, dated as of March 31, 2016 (effective as of April 5, 2016), by Sprint Corporation in favor of the purchasers party thereto	8-K	001-04721	10.3	4/6/2016	
10.18	First Step Transfer Agreement (Tranche 2), dated as of April 28, 2016, among the originators from time to time party thereto, the lessees from time to time party thereto and Sprint Spectrum L.P.	8-K	001-04721	10.1	4/29/2016	
10.19	Second Step Transfer Agreement (Tranche 2), dated as of April 28, 2016, among the lessees from time to time party thereto and Mobile Leasing Solutions, LLC, acting for itself and on behalf of Series 2 thereof	8-K	001-04721	10.2	4/29/2016	
10.20	Master Lease Agreement (Tranche 2), dated as of April 28, 2016, among Mobile Leasing Solutions, LLC, acting for itself and on behalf of Series 2 thereof, the lessees from time to time party thereto, Sprint Spectrum L.P. and Mizuho Bank, Ltd., as Collateral Agent	8-K	001-04721	10.3	4/29/2016	
10.21	Performance Support Agreement (Tranche 2), dated as of April 28, 2016, by Sprint Corporation in favor of Mobile Leasing Solutions, LLC, acting for itself and on behalf of Series 2 thereof	8-K	001-04721	10.4	4/29/2016	
10.22	Guaranty (Tranche 2), dated as of April 28, 2016, by Sprint Corporation in favor of Mobile Leasing Solutions, LLC, acting for itself and on behalf of Series 2 thereof	8-K	001-04721	10.5	4/29/2016	
10.23	Credit Agreement, dated as of April 28, 2016, among Sprint Communications, Inc., as borrower, Sprint Corporation and certain subsidiaries of Sprint Communications, Inc., as guarantors, and Mizuho Bank, Ltd., as administrative agent, arranger and bookrunner	8-K	001-04721	10.6	4/29/2016	
10.24	Warrant Agreement for Sprint Corporation Common Stock, dated as of July 10, 2013, by and between Sprint Corporation and Starburst I, Inc.	8-K	001-04721	10.6	7/11/2013	
(10) Executive Compensation Plans and Arrangements						
10.25	Summary of 2013 Long Term Incentive Plan	8-K	001-04721		7/30/2013	
10.26	Amended Summary of 2013 Long Term Incentive Plan	8-K/A	001-04721		9/20/2013	
10.27	Summary of 2013 Short-Term Incentive Compensation Plan	8-K	001-04721		3/5/2013	
10.28	Amended Summary of 2013 Short-Term Incentive Compensation Plan	8-K/A	001-04721		7/30/2013	
10.29	Summary of 2014 Short-Term Incentive Compensation Plan	8-K	001-04721		2/24/2014	

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed/Furnished Herewith
		Form	SEC File No.	Exhibit	Filing Date	
10.30	Amended Summary of 2014 Short-Term Incentive Compensation Plan	8-K/A	001-04721		10/9/2014	
10.31	Summary of 2014 Long-Term Incentive Plan	8-K	001-04721		10/9/2014	
10.32	STI and LTI Plan Information	10-Q	001-04721	10.4	8/7/2015	
10.33	Form of Evidence of Award Agreement (awarding restricted stock units) under the 2007 Omnibus Incentive Plan to Robert L. Johnson	10-Q	001-04721	10.20	11/6/2013	
10.34	Form of Evidence of Award Agreement (awarding restricted stock units) under the 2007 Omnibus Incentive Plan to Section 16 officers other than Robert L. Johnson	10-Q	001-04721	10.21	11/6/2013	
10.35	Form of Evidence of Award Agreement (awarding performance-based restricted stock units) under the 2007 Omnibus Incentive Plan to Robert L. Johnson	10-Q	001-04721	10.22	11/6/2013	
10.36	Form of Evidence of Award Agreement (awarding performance-based restricted stock units) under the 2007 Omnibus Incentive Plan to Joseph J. Euteneuer	10-Q	001-04721	10.24	11/6/2013	
10.37	Form of Evidence of Award Agreement (awarding performance-based restricted stock units) under the 2007 Omnibus Incentive Plan to Section 16 officers other than Messrs. Robert L. Johnson and Joseph J. Euteneuer	10-Q	001-04721	10.23	11/6/2013	
10.38	Form of Award Agreement (awarding performance-based restricted stock units) under the 2014 Long-Term Incentive Plan to Joseph J. Euteneuer	10-Q	001-04721	10.4	8/8/2014	
10.39	Form of Award Agreement (awarding performance-based restricted stock units) under the 2014 Long-Term Incentive Plan to Robert L. Johnson	10-Q	001-04721	10.5	8/8/2014	
10.40	Form of Award Agreement (awarding performance-based restricted stock units) under the 2014 Long-Term Incentive Plan to executive officers other than Messrs. Euteneuer and Johnson and Section 16 officers	10-Q	001-04721	10.6	8/8/2014	
10.41	Form of Award Agreement (awarding performance-based restricted stock units) under the 2014 Long-Term Incentive Plan to Section 16 officers other than Messrs. Euteneuer and Johnson	10-Q	001-04721	10.7	8/8/2014	
10.42	Form of Award Agreement (awarding restricted stock units) under the 2014 Long-Term Incentive Plan to Robert L. Johnson	10-Q	001-04721	10.8	8/8/2014	
10.43	Form of Award Agreement (awarding restricted stock units) under the 2014 Long-Term Incentive Plan to all executive officers other than Robert L. Johnson	10-Q	001-04721	10.9	8/8/2014	
10.44	Form of Award Agreement (awarding stock options) under the 2014 Long-Term Incentive Plan to Robert L. Johnson	10-Q	001-04721	10.10	8/8/2014	

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed/Furnished Herewith
		Form	SEC File No.	Exhibit	Filing Date	
10.45	Form of Award Agreement (awarding stock options) under the 2014 Long-Term Incentive Plan for executive officers with Sprint employment agreements	10-Q	001-04721	10.11	8/8/2014	
10.46	Form of Award Agreement (awarding stock options) under the 2014 Long-Term Incentive Plan to executive officers other than those with Sprint employment agreements and Robert L. Johnson	10-Q	001-04721	10.12	8/8/2014	
10.47	Form of Turnaround Incentive Award Agreement (awarding restricted stock units) under the 2015 Omnibus Incentive Plan for certain executive officers in exchange for reduced long-term incentive opportunities	10-Q	001-04721	10.6	11/9/2015	
10.48	Form of Turnaround Incentive Award Agreement (awarding restricted stock units) under the 2015 Omnibus Incentive Plan for certain executive officers	10-Q	001-04721	10.7	11/9/2015	
10.49	Form of Award Agreement (awarding stock options) under the 2015 Omnibus Incentive Plan to executive officers other than those with Sprint employment agreements and Robert L. Johnson	10-Q	001-04721	10.8	11/9/2015	
10.50	Form of Award Agreement (awarding restricted stock units) under the 2015 Omnibus Incentive Plan to executive officers other than Robert L. Johnson	10-Q	001-04721	10.9	11/9/2015	
10.51	Form of Award Agreement (awarding performance-based restricted stock units) under the 2015 Omnibus Incentive Plan to executive officers other than Robert L. Johnson	10-Q	001-04721	10.10	11/9/2015	
10.52	Form of Stock Option Agreement under the Stock Option Exchange Program (for certain Nextel Communication Inc. employees)	Sch. TO-I	005-41991	d(2)	5/17/2010	
10.53	Form of Stock Option Agreement under the Stock Option Exchange Program (for all other employees other than those with Nextel employment agreements)	Sch. TO-I/A	005-41991	d(3)	5/21/2010	
10.54	Amended and Restated Employment Agreement, effective as of August 11, 2015, by and between Sprint Corporation and Raul Marcelo Claure	8-K	001-04721	10.1	8/11/2015	
10.55	Employment Agreement, executed December 20, 2010, effective April 4, 2011, by and between Joseph J. Euteneuer and Sprint Nextel Corporation	8-K	001-04721	10.1	12/21/2010	
10.56	First Amendment to Employment Agreement, dated November 20, 2012, by and between Sprint Nextel Corporation and Joseph J. Euteneuer	8-K	001-04721	10.3	11/20/2012	
10.57	Second Amendment to Employment Agreement, dated November 11, 2013, by and between Joseph J. Euteneuer and Sprint Communications, Inc.	8-K	001-04721	10.1	11/12/2013	
10.58	Third Amendment to Employment Agreement, dated November 14, 2014, between Sprint Communications, Inc. and Joseph J. Euteneuer	10-Q	001-04721	10.4	2/5/2015	

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed/Furnished Herewith
		Form	SEC File No.	Exhibit	Filing Date	
10.59	Fourth Amendment to Employment Agreement, effective November 6, 2015, by and between Sprint Nextel Corporation, now known as Sprint Communications, Inc., and Joseph Euteneuer	8-K	001-04721	10.1	11/12/2015	
10.60	Amended and Restated Employment Agreement, effective December 31, 2008, by and between Robert L. Johnson and Sprint Nextel Corporation	10-K	001-04721	10.26.1	2/27/2009	
10.61	Compensatory Agreement, dated June 11, 2008, by and between Robert L. Johnson and Sprint Nextel Corporation	10-Q	001-04721	10.3	8/6/2008	
10.62	Letter, dated May 24, 2010, to Robert L. Johnson regarding the Sprint Nextel Corporation Relocation Program	10-Q	001-04721	10.1	8/5/2010	
10.63	Letter Agreement, dated November 12, 2014, between Sprint Corporation and Robert L. Johnson	10-Q	001-04721	10.5	2/5/2015	
10.64	Amended and Restated Employment Agreement, effective December 31, 2008, by and between Charles R. Wunsch and Sprint Nextel Corporation	10-K	001-04721	10.29	2/27/2009	
10.65	First Amendment to Amended and Restated Employment Agreement, effective November 6, 2012, by and between Sprint Nextel Corporation and Charles R. Wunsch	10-K	001-04721	10.43.2	2/28/2013	
10.66	Employment Agreement, effective September 6, 2013 by and between Sprint Corporation and Brandon Dow Draper	10-Q	001-04721	10.25	11/6/2013	
10.67	Brandon Dow Draper Sign-On Award of Restricted Stock Units	10-Q	001-04721	10.26	11/6/2013	
10.68	First Amendment to Employment Agreement, dated February 21, 2014, by and between Sprint Corporation and Brandon Dow Draper	10-KT	001-04721	10.78	5/23/2014	
10.69	Employment Agreement, dated January 2, 2016, by and between Sprint Corporation and Jorge Gracia	10-Q	001-04721	10.12	2/4/2016	
10.70	Employment Agreement, dated April 1, 2016, by and between Sprint Corporation and Robert Hackl					*
10.71	Employment Agreement, effective May 20, 2014, by and between Sprint Corporation and John C. Saw	10-Q	001-04721	10.1	8/8/2014	
10.72	First Amendment to Employment Agreement, effective October 20, 2014, by and between Sprint Corporation and John C. Saw	10-Q	001-04721	10.3	11/6/2014	
10.73	Second Amendment to Employment Agreement, effective July 27, 2015, by and between Sprint Corporation and John C. Saw	10-Q	001-04721	10.1	11/9/2015	
10.74	Amended and Restated Employment Agreement, effective December 31, 2008, by and between Sprint Nextel Corporation and Jaime A. Jones	10-K	001-04721	10.68	5/26/2015	

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed/Furnished Herewith
		Form	SEC File No.	Exhibit	Filing Date	
10.75	First Amendment to Amended and Restated Employment Agreement, effective December 13, 2012, by and between Sprint Nextel Corporation and Jaime A. Jones	10-K	001-04721	10.69	5/26/2015	
10.76	Second Amendment to Amended and Restated Employment Agreement, effective December 13, 2012, by and between Sprint Nextel Corporation and Jaime A. Jones					*
10.77	Employment Agreement, effective August 3, 2015, by and between Sprint Corporation and Guenther Ottendorfer	10-Q	001-04721	10.2	11/9/2015	
10.78	Employment Agreement, dated August 2, 2015, by and between Sprint Corporation and Tarek Robbiati	8-K	001-04721	10.1	8/3/2015	
10.79	Amended and Restated Agreement Regarding Special Compensation and Post Employment Restrictive Covenants, dated December 31, 2008, by and between Sprint Nextel Corporation and Paul W. Schieber	10-K	001-04721	10.80	2/24/2014	
10.80	First Amendment to Amended and Restated Agreement Regarding Special Compensation and Post Employment Restrictive Covenants, dated December 11, 2012, by and between Sprint Nextel Corporation and Paul W. Schieber	10-K	001-04721	10.81	2/24/2014	
10.81	Employment Agreement, dated September 27, 2012 and effective as of January 2, 2013, by and between Sprint Nextel Corporation and Michael Schwartz	10-K	001-04721	10.48.1	2/28/2013	
10.82	First Amendment to Employment Agreement, dated December 10, 2012, by and between Sprint Nextel Corporation and Michael Schwartz	10-K	001-04721	10.48.2	2/28/2013	
10.83	Second Amendment to Employment Agreement, dated November 12, 2014, between Sprint Communications, Inc. and Michael Schwartz	10-Q	001-04721	10.6	2/5/2015	
10.84	Employment Agreement, dated May 1, 2015, by and between Sprint Corporation and Roger Sole Rafols	10-Q	001-04721	10.11	2/4/2016	
10.85	Employment Agreement, dated May 31, 2015, by and between Sprint Corporation and Kevin Crull	10-Q	001-04721	10.3	8/7/2015	
10.86	Sprint Corporation 2007 Omnibus Incentive Plan	8-K	001-04721	10.2	9/20/2013	
10.87	Sprint Corporation 2015 Omnibus Incentive Plan	10-Q	001-04721	10.4	11/9/2015	
10.88	Sprint Corporation Change in Control Severance Plan					*
10.89	Sprint Corporation Deferred Compensation Plan, as amended and restated effective September 26, 2014	10-Q	001-04721	10.2	11/6/2014	
10.90	Executive Deferred Compensation Plan, as amended and restated effective January 1, 2008	10-K	001-04721	10.35	2/27/2009	
10.91	Summary of Director Compensation Programs	10-Q	001-04721	10.19	11/6/2013	
10.92	Director's Deferred Fee Plan, as amended and restated effective January 1, 2008	10-K	001-04721	10.37	2/27/2009	

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed/Furnished Herewith
		Form	SEC File No.	Exhibit	Filing Date	
10.93	Form of Award Agreement (awarding restricted stock units) under the 2007 Omnibus Incentive Plan for non-employee directors	10-Q	001-04721	10.10	5/9/2007	
10.94	Form of Award Agreement (awarding restricted stock units) under the 2015 Omnibus Incentive Plan for non-employee directors	10-Q	001-04721	10.5	11/9/2015	
10.95	Form of Election to Defer Delivery of Shares Subject to RSUs (Outside Directors)					*
10.96	Form of Indemnification Agreement to be entered into by and between Sprint Corporation and certain of its directors	8-K	001-04721	10.1	7/11/2013	
10.97	Form of Indemnification Agreement to be entered into by and between Sprint Corporation and certain of its officers	8-K	001-04721	10.2	7/11/2013	
10.98	Form of Indemnification Agreement to be entered into by and between Sprint Corporation and certain individuals who serve as both a director and officer of Sprint Corporation	8-K	001-04721	10.3	7/11/2013	
(12) Statement re Computation of Ratios						
12	Computation of Ratio of Earnings to Fixed Charges					*
(21) Subsidiaries of the Registrant						
21	Subsidiaries of the Registrant					*
(23) Consents of Experts and Counsel						
23.1	Consent of KPMG LLP, Independent Registered Public Accounting Firm					*
23.2	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm					*
23.3	Consent of Deloitte & Touche LLP, Independent Auditors					*
23.4	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm					*
(31) and (32) Officer Certifications						
31.1	Certification of Chief Executive Officer Pursuant to Securities Exchange Act of 1934 Rule 13a-14(a)					*
31.2	Certification of Chief Financial Officer Pursuant to Securities Exchange Act of 1934 Rule 13a-14(a)					*
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes Oxley Act of 2002					*
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes Oxley Act of 2002					*

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					*

* Filed or furnished, as required.

** Schedules and/or exhibits not filed will be furnished to the SEC upon request, pursuant to Item 601(b)(2) of Regulation S-K.

SPRINT CORPORATION
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of
Sprint Corporation
Overland Park, Kansas

We have audited the accompanying Successor consolidated balance sheets of Sprint Corporation and subsidiaries (the "Company") as of March 31, 2016 and 2015, and the related Successor consolidated statements of operations, comprehensive loss, cash flows and stockholders' equity for the years ended March 31, 2016 and 2015, the three-month period ended March 31, 2014, and the year ended December 31, 2013. We also have audited the Company's internal control over financial reporting as of March 31, 2016, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Successor consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sprint Corporation and subsidiaries as of March 31, 2016 and 2015, and the related results of their operations and their cash flows for the years ended March 31, 2016 and 2015, the three-month period ended March 31, 2014, and the year ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2016, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

As discussed in Notes 1 and 3 to the consolidated financial statements, on July 10, 2013, SoftBank Corp. completed a merger with Sprint Communications, Inc. (formerly Sprint Nextel Corporation) by which Sprint Corporation was the acquiring company of Sprint Communications, Inc. and applied the acquisition method of accounting as of the merger date.

/s/ DELOITTE & TOUCHE LLP

Kansas City, Missouri
May 17, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Sprint Corporation:

We have audited the accompanying consolidated statements of operations, comprehensive loss, cash flows and stockholders' equity of Sprint Communications, Inc. (formerly Sprint Nextel Corporation) and subsidiaries (the Predecessor Company) for the 191 day period ended July 10, 2013. These consolidated financial statements are the responsibility of the Predecessor Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of the Predecessor Company's operations and their cash flows for the 191 day period ended July 10, 2013, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Kansas City, Missouri
October 21, 2013, except for
Note 18 as to which the date is
June 18, 2014

SPRINT CORPORATION
CONSOLIDATED BALANCE SHEETS

	March 31,	
	2016	2015
	(in millions, except share and per share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,641	$ 4,010
Short-term investments	—	166
Accounts and notes receivable, net	1,099	2,290
Device and accessory inventory	1,173	1,359
Deferred tax assets	—	62
Prepaid expenses and other current assets	1,920	1,890
Total current assets	6,833	9,777
Property, plant and equipment, net	20,297	19,721
Intangible assets		
Goodwill	6,575	6,575
FCC licenses and other	40,073	39,987
Definite-lived intangible assets, net	4,469	5,893
Other assets	728	888
Total assets	$ 78,975	$ 82,841
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,899	$ 4,347
Accrued expenses and other current liabilities	4,374	5,293
Current portion of long-term debt, financing and capital lease obligations	4,690	1,300
Total current liabilities	11,963	10,940
Long-term debt, financing and capital lease obligations	29,268	32,342
Deferred tax liabilities	13,959	13,898
Other liabilities	4,002	3,951
Total liabilities	59,192	61,131
Commitments and contingencies		
Stockholders' equity:		
Common stock, voting, par value $0.01 per share, 9.0 billion authorized, 3.975 billion and 3.967 billion issued at March 31, 2016 and 2015	40	40
Paid-in capital	27,563	27,468
Treasury shares, at cost	(3)	(7)
Accumulated deficit	(7,378)	(5,383)
Accumulated other comprehensive loss	(439)	(408)
Total stockholders' equity	19,783	21,710
Total liabilities and stockholders' equity	$ 78,975	$ 82,841

See Notes to the Consolidated Financial Statements

SPRINT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

	Successor					Predecessor	
	Year Ended March 31,	Year Ended March 31,	Three Months Ended March 31,		Year Ended December 31,	191 Days Ended July 10,	Three Months Ended March 31,
	2016	2015	2014	2013 (Unaudited)	2013	2013	2013 (Unaudited)
	(in millions, except per share amounts)						
Net operating revenues:							
Service	$ 27,174	$ 29,542	$ 7,876	$ —	$ 15,094	$ 16,895	$ 7,980
Equipment	5,006	4,990	999	—	1,797	1,707	813
	32,180	34,532	8,875	—	16,891	18,602	8,793
Net operating expenses:							
Cost of services (exclusive of depreciation and amortization below)	9,439	9,660	2,622	—	5,174	5,673	2,640
Cost of products (exclusive of depreciation and amortization below)	5,795	9,309	2,038	—	4,603	4,872	2,293
Selling, general and administrative	8,479	9,563	2,371	14	4,841	5,067	2,336
Impairments	—	2,133	—	—	—	—	—
Severance and exit costs	409	304	52	—	309	652	25
Depreciation	5,794	3,797	868	—	2,026	3,098	1,422
Amortization	1,294	1,552	429	—	908	147	70
Other, net	660	109	75	—	—	(22)	(22)
	31,870	36,427	8,455	14	17,861	19,487	8,764
Operating income (loss)	310	(1,895)	420	(14)	(970)	(885)	29
Other (expense) income:							
Interest expense	(2,182)	(2,051)	(516)	—	(918)	(1,135)	(432)
Equity in losses of unconsolidated investments, net	—	—	—	—	—	(482)	(202)
Gain on previously-held equity interests	—	—	—	—	—	2,926	—
Other income (expense), net	18	27	1	6	73	19	—
	(2,164)	(2,024)	(515)	6	(845)	1,328	(634)
(Loss) income before income taxes	(1,854)	(3,919)	(95)	(8)	(1,815)	443	(605)
Income tax (expense) benefit	(141)	574	(56)	(1)	(45)	(1,601)	(38)
Net loss	$ (1,995)	$ (3,345)	$ (151)	$ (9)	$ (1,860)	$ (1,158)	$ (643)
Basic and diluted net loss per common share	$ (0.50)	$ (0.85)	$ (0.04)		$ (0.54)	$ (0.38)	$ (0.21)
Basic and diluted weighted average common shares outstanding	3,969	3,953	3,949		3,475	3,027	3,013

See Notes to the Consolidated Financial Statements

SPRINT CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Successor					Predecessor	
	Year Ended March 31,	Year Ended March 31,	Three Months Ended March 31,		Year Ended December 31,	191 Days Ended July 10,	Three Months Ended March 31,
	2016	2015	2014	2013 (Unaudited)	2013	2013	2013 (Unaudited)
	(in millions, except per share amounts)						
Net loss	$ (1,995)	$ (3,345)	$ (151)	$ (9)	$ (1,860)	$ (1,158)	$ (643)
Other comprehensive (loss) income, net of tax:							
Foreign currency translation adjustment	(11)	(25)	1	—	3	(8)	(2)
Unrealized holding (losses) gains on securities:							
Unrealized holding (losses) gains on securities	(1)	(6)	1	—	6	(4)	1
Less: Reclassification adjustment for realized gains included in net loss	—	—	—	—	—	—	—
Net unrealized holding (losses) gains on securities	(1)	(6)	1	—	6	(4)	1
Unrecognized net periodic pension and other postretirement benefits:							
Net actuarial (loss) gain	(38)	(393)	(147)	—	93	—	—
Net prior service credits arising during the period	9	—	—	—	—	—	—
Less: Amortization of actuarial loss, included in net loss	10	—	—	—	—	35	15
Less: Settlement event charge, included in net loss	—	59	—	—	—	—	—
Net unrecognized net periodic pension and other postretirement benefits	(19)	(334)	(147)	—	93	35	15
Other comprehensive (loss) income	(31)	(365)	(145)	—	102	23	14
Comprehensive loss	$ (2,026)	$ (3,710)	$ (296)	$ (9)	$ (1,758)	$ (1,135)	$ (629)

See Notes to the Consolidated Financial Statements

SPRINT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Successor					Predecessor	
	Year Ended March 31,	Year Ended March 31,	Three Months Ended March 31,		Year Ended December 31,	191 Days Ended July 10,	Three Months Ended March 31,
	2016	2015	2014	2013 (Unaudited)	2013	2013	2013 (Unaudited)
				(in millions)			
Cash flows from operating activities:							
Net loss	$ (1,995)	$ (3,345)	$ (151)	$ (9)	$ (1,860)	$ (1,158)	$ (643)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:							
Impairments	—	2,133	—	—	—	—	—
Depreciation and amortization	7,088	5,349	1,297	—	2,934	3,245	1,492
Provision for losses on accounts receivable	455	892	153	—	261	194	83
Share-based and long-term incentive compensation expense	75	86	35	—	98	37	17
Deferred income tax expense (benefit)	123	(609)	46	(1)	32	1,586	24
Equity in losses of unconsolidated investments, net	—	—	—	—	—	482	202
Gain on previously-held equity interests	—	—	—	—	—	(2,926)	—
Amortization and accretion of long-term debt premiums and discounts	(316)	(303)	(74)	—	(160)	9	14
Loss on disposal of property, plant and equipment	487	—	75	—	—	—	—
Litigation	193	91	—	—	—	—	—
Other changes in assets and liabilities:							
Accounts and notes receivable	(1,663)	(644)	(232)	(11)	(558)	150	215
Deferred purchase price from sale of receivables	2,478	—	—	—	—	—	—
Inventories and other current assets	(3,065)	(1,573)	173	—	(391)	298	243
Accounts payable and other current liabilities	(574)	481	(490)	8	25	280	(734)
Non-current assets and liabilities, net	111	(199)	(350)	—	(386)	207	16
Other, net	500	91	40	11	(56)	267	11
Net cash provided by (used in) operating activities	3,897	2,450	522	(2)	(61)	2,671	940
Cash flows from investing activities:							
Capital expenditures - network and other	(4,680)	(5,422)	(1,488)	—	(3,847)	(3,140)	(1,381)
Capital expenditures - leased devices	(2,292)	(582)	—	—	—	—	—
Expenditures relating to FCC licenses	(98)	(163)	(152)	—	(146)	(125)	(55)
Reimbursements relating to FCC licenses	—	95	—	—	—	—	—
Acquisitions, net of cash acquired	—	—	—	—	(14,112)	(4,039)	—
Investment in Clearwire (including debt securities)	—	—	—	—	—	(308)	(80)
Proceeds from sales and maturities of short-term investments	418	3,131	920	—	1,715	2,445	1,281
Purchases of short-term investments	(252)	(2,077)	(1,035)	—	(1,719)	(1,221)	(926)
Proceeds from sales of assets and FCC licenses	62	315	1	—	7	10	6
Proceeds from sale-leaseback transaction	1,136	—	—	—	—	—	—
Other, net	(29)	(11)	(2)	—	(6)	(7)	(3)
Net cash used in investing activities	(5,735)	(4,714)	(1,756)	—	(18,108)	(6,385)	(1,158)

SPRINT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

	Successor					Predecessor	
	Year Ended March 31,	Year Ended March 31,	Three Months Ended March 31,		Year Ended December 31,	191 Days Ended July 10,	Three Months Ended March 31,
	2016	2015	2014	2013 (Unaudited)	2013	2013	2013 (Unaudited)
				(in millions)			
Cash flows from financing activities:							
Proceeds from debt and financings	755	1,930	—	—	9,500	204	204
Repayments of debt, financing and capital lease obligations	(899)	(574)	(159)	—	(3,378)	(362)	(59)
Proceeds from sales of future lease receivables	600	—	—	—	—	—	—
Debt financing costs	(11)	(87)	(1)	—	(147)	(11)	(10)
Proceeds from issuance of common stock and warrants, net	10	35	—	—	18,567	60	7
Other, net	14	—	—	—	(14)	—	—
Net cash provided by (used in) financing activities	469	1,304	(160)	—	24,528	(109)	142
Net (decrease) increase in cash and cash equivalents	(1,369)	(960)	(1,394)	(2)	6,359	(3,823)	(76)
Cash and cash equivalents, beginning of period	4,010	4,970	6,364	5	5	6,351	6,351
Cash and cash equivalents, end of period	$ 2,641	$ 4,010	$ 4,970	$ 3	$ 6,364	$ 2,528	$ 6,275

See Notes to the Consolidated Financial Statements

SPRINT CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(in millions)

	Predecessor							
	Common Stock			Treasury Shares				
	Shares	Amount	Paid-in Capital	Shares	Amount	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total
Balance, December 31, 2012	3,010	$ 6,019	$ 47,016	—	$ —	$ (44,815)	$ (1,133)	$ 7,087
Net loss						(1,158)		(1,158)
Other comprehensive income, net of tax							23	23
Issuance of common stock, net	16	33	27					60
Share-based compensation expense			18					18
Conversion of convertible debt	590	1,181	1,919					3,100
Balance, July 10, 2013	3,616	$ 7,233	$ 48,980	—	$ —	$ (45,973)	$ (1,110)	$ 9,130

	Successor							
Balance, December 31, 2012 [1]	—	$ —	$ 3,137	—	$ —	$ (27)	$ —	$ 3,110
Expenses incurred by SoftBank for the benefit of Sprint			97					97
Net loss						(1,860)		(1,860)
Other comprehensive income, net of tax							102	102
Issuance of common stock, net	7		27					27
Share-based compensation expense			45					45
Issuance of common stock to SoftBank upon acquisition	3,076	31	18,370					18,401
Issuance of common stock to Sprint stockholders upon acquisition	851	8	5,336					5,344
Conversion of Sprint vested stock-based awards upon acquisition			193					193
Issuance of warrant to SoftBank prior to acquisition			139					139
Return of capital to SoftBank prior to acquisition			(14)					(14)
Balance, December 31, 2013	3,934	$ 39	$ 27,330	—	$ —	$ (1,887)	$ 102	$ 25,584
Net loss						(151)		(151)
Other comprehensive loss, net of tax							(145)	(145)
Issuance of common stock, net	7							—
Share-based compensation expense			24					24
Balance, March 31, 2014	3,941	$ 39	$ 27,354	—	$ —	$ (2,038)	$ (43)	$ 25,312
Net loss						(3,345)		(3,345)
Other comprehensive loss, net of tax							(365)	(365)
Issuance (repurchase) of common stock, net	26	1	41	1	(7)			35
Share-based compensation expense			71					71
Capital contribution by SoftBank			2					2
Balance, March 31, 2015	3,967	$ 40	$ 27,468	1	$ (7)	$ (5,383)	$ (408)	$ 21,710
Net loss						(1,995)		(1,995)
Other comprehensive loss, net of tax							(31)	(31)
Issuance of common stock, net	7		6		4			10
Share-based compensation expense			71					71
Capital contribution by SoftBank			14					14
Other, net			4					4
Balance, March 31, 2016	3,974	$ 40	$ 27,563	1	$ (3)	$ (7,378)	$ (439)	$ 19,783

(1) For the Successor period beginning October 5, 2012 and ending December 31, 2012, there were approximately 3 million shares of Class B common stock of Starburst II, Inc. issued and outstanding with an immaterial value. These shares were exchanged in connection with the issuance of common stock to SoftBank upon completion of the Merger.

See Notes to the Consolidated Financial Statements

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SPRINT CORPORATION
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Note 1. Description of Operations

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

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

On July 9, 2013 (Clearwire Acquisition Date), Sprint Communications completed the acquisition of the remaining equity interests in Clearwire (as defined below) that it did not already own for approximately $3.5 billion, net of cash acquired, or $5.00 per share (Clearwire Acquisition). The consideration paid was allocated to assets acquired and liabilities assumed based on their estimated fair values at the Clearwire Acquisition Date. The effects of the Clearwire Acquisition are included in the Predecessor period financial information and are therefore included in the allocation of the consideration transferred at the SoftBank Merger Date (as defined below).

On July 10, 2013 (SoftBank Merger Date), SoftBank Corp. and certain of its wholly-owned subsidiaries (together, "SoftBank") completed the merger (SoftBank Merger) with Sprint Nextel Corporation (Sprint Nextel) contemplated by the Agreement and Plan of Merger, dated as of October 15, 2012 (as amended, the Merger Agreement), and the Bond Purchase Agreement, dated as of October 15, 2012 (as amended, the Bond Agreement). As a result of the SoftBank Merger, Starburst II, Inc. (Starburst II), a wholly-owned subsidiary of SoftBank, became the parent company of Sprint Nextel. Immediately thereafter, Starburst II changed its name to Sprint Corporation and Sprint Nextel changed its name to Sprint Communications, Inc. In addition, in connection with the closing of the SoftBank Merger, Sprint Corporation became the successor registrant to Sprint Nextel under Rule 12g-3 of the Securities Exchange Act of 1934 (Exchange Act) and is the entity subject to the reporting requirements of the Exchange Act for filings with the Securities and Exchange Commission (SEC) subsequent to the close of the SoftBank Merger. In addition, in order to align with SoftBank's reporting schedule, we changed our fiscal year end to March 31, effective March 31, 2014. As a result, this annual report also includes the three-month transition period of January 1, 2014 through March 31, 2014 as well as the comparable three-month unaudited period of January 1, 2013 through March 31, 2013. References herein to fiscal year 2014 and 2015 refer to the twelve-month periods ending March 31, 2015 and 2016, respectively. See *Note 3. Significant Transactions* for additional information regarding the SoftBank Merger and related transactions. 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, inclusive of Successor and Predecessor periods described below, and references to "Sprint Communications" are to Sprint Communications, Inc. and its consolidated subsidiaries.

In connection with the change of control, as a result of the SoftBank Merger, Sprint Communications' assets and liabilities were adjusted to fair value on the closing date of the SoftBank Merger. The consolidated financial statements distinguish between the predecessor period (Predecessor) relating to Sprint Communications for periods prior to the SoftBank Merger and the successor period (Successor) relating to Sprint Corporation, formerly known as Starburst II, for periods subsequent to the incorporation of Starburst II on October 5, 2012. The Successor financial information represents the activity and accounts of Sprint Corporation, which includes the activity and accounts of Starburst II prior to the SoftBank Merger Date and Sprint Communications, inclusive of the consolidation of Clearwire Corporation and its wholly-owned subsidiary Clearwire Communications LLC (together, "Clearwire"), prospectively following the SoftBank Merger Date beginning on July 11, 2013 (Post-merger period). The accounts and operating activity of Starburst II prior to the SoftBank Merger Date primarily related to merger expenses that were incurred in connection with the SoftBank Merger (recognized in selling, general and administrative expense) and interest related to the $3.1 billion convertible bond (Bond) Sprint Communications, Inc. issued to Starburst II. The Predecessor financial information represents the historical basis of presentation for Sprint Communications for all periods prior to the SoftBank Merger Date. As a result of the valuation of assets acquired and liabilities assumed at fair value at the SoftBank Merger Date, the financial statements for the Successor period are presented on a measurement basis different than the Predecessor period (Sprint Communications historical cost) and are, therefore, not comparable.

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies and Other Information

Basis of Consolidation and Estimates

The consolidated financial statements include our accounts, those of our 100% owned subsidiaries, and subsidiaries we control or in which we have a controlling financial interest. All intercompany transactions and balances have been eliminated in consolidation. Prior to the Clearwire Acquisition Date, we applied the equity method of accounting to the investment in Clearwire because we did not have a controlling vote or the ability to control operating and financial policies.

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

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

Change in Accounting Principle

In April 2015, the Financial Accounting Standards Board (FASB) issued authoritative guidance regarding*Interest - Imputation of Interest,* which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. In August 2015, the FASB added Securities and Exchange Commission paragraphs to this guidance, which address the presentation and subsequent measurement of debt issuance costs associated with line-of-credit arrangements. We elected to adopt the guidance early with full retrospective application effective January 1, 2016. Debt issuance costs associated with our unused credit facilities remain in "Other assets" on the consolidated balance sheets and continue to be amortized over the term of the facilities as allowed by the guidance. Prior period debt issuance costs for all other debt totaling $189 million, have been reclassified from "Other assets" to "Long-term debt, financing and capital lease obligations" on the consolidated balance sheets as of March 31, 2015. Our adoption of this guidance did not have a material effect on our consolidated financial statements.

In November 2015, the FASB issued authoritative guidance regarding*Balance Sheet Classification of Deferred Taxes*, which simplifies the presentation of deferred income taxes by requiring all deferred income tax liabilities and assets be classified as noncurrent on the consolidated balance sheets. We elected to early adopt the guidance as of January 1, 2016 and applied it prospectively, therefore, prior periods were not retrospectively adjusted. Our adoption of this guidance did not have a material effect on our consolidated financial statements.

Change in Estimate

When estimating the value of returned inventory, we evaluate many factors and obtain information to support the estimated value of used devices and their useful lives. During the year ended March 31, 2015, we observed sustained value and extended useful lives for handsets leading to an increase in the estimated value for returned inventory. As a result, we revised our methodology and assumptions used in estimating the value for returned handsets during the year ended March 31, 2015.

The change in estimate was accounted for on a prospective basis. The effect of the change in estimate, which was included in "Cost of products" in our consolidated statements of operations, reduced our operating loss by approximately $80 million, or $0.02 per basic and diluted share, for the year ended March 31, 2015. In addition, this change resulted in an increase to "Device and accessory inventory" on the consolidated balance sheet of approximately $80 million.

Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash equivalents generally include highly liquid investments with maturities at the time of purchase of three months or less. These investments may include money market funds, certificates of deposit, U.S. government and

government-sponsored debt securities, corporate debt securities, municipal securities, bank-related securities, and credit and debit card transactions in process. The carrying amounts approximate fair value.

Installment Receivables

Beginning in October 2015, Sprint sold and derecognized all installment receivables as well as the related allowances and deferred interest. Prior to initiating sales of installment receivables, the carrying value of installment receivables approximated fair value because the receivables were recorded at their present value, net of the deferred interest and allowance for credit losses. At the time of the installment sale, we imputed the interest on the installment receivable and recorded it as a reduction to revenue and as a reduction to the face amount of the related receivable. Interest income was recognized over the term of the installment contract in service revenue.

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

Allowance for Doubtful Accounts

An allowance for doubtful accounts is established to cover probable and reasonably estimable losses. Because of the number of subscriber accounts, it is not practical to review the collectability of each of those accounts individually to determine the amount of allowance for doubtful accounts each period, although some account level analysis is performed with respect to large wireless and wireline subscribers. The estimate of allowance for doubtful accounts considers a number of factors, including collection experience, aging of the remaining accounts receivable portfolios, credit quality of the subscriber base and other qualitative considerations, including macro-economic factors. Account balances are written-off if collection efforts are unsuccessful and future collection is unlikely based on the length of time from the day accounts become past due. Amounts written off against the allowance for doubtful accounts, net of recoveries and other adjustments, were $612 million, $752 million, $106 million and $98 million for the Successor years ended March 31, 2016 and 2015, the three-month transition period ended March 31, 2014 and year ended December 31, 2013, and $374 million and $105 million for the Predecessor 191-day period ended July 10, 2013 and the unaudited three-month period ended March 31, 2013, respectively. See *Note 5. Installment Receivables* for additional information as it relates to the allowance for doubtful accounts specifically attributable to installment receivables.

Device and Accessory Inventory

Inventories are stated at the lower of cost or market. Cost is determined by the first-in, first-out (FIFO) method. The Company sells wireless devices separately or in conjunction with a service contract. When the device is sold below cost, the cost and related revenues generated from the device sales are recognized at the time of sale. The cost and related revenues from device sales are not recognized prior to the time of sale because the promotional discount decision is generally made at the point of sale and because the cost of the device on sales under our subsidy program is expected to be recovered through service revenues.

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

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Property, Plant and Equipment

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

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

Long-Lived Asset Impairment

Sprint evaluates long-lived assets, including intangible assets subject to amortization, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Asset groups are determined at the lowest level for which identifiable cash flows are largely independent of cash flows of other groups of assets and liabilities. When the carrying amount of a long-lived asset group is not recoverable and exceeds its fair value, an impairment loss is recognized equal to the excess of the asset group’s carrying value over the estimated fair value. See *Note 7. Property, Plant and Equipment* for additional information on long-lived asset impairments.

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

Indefinite-Lived Intangible Assets

Our indefinite-lived intangible assets primarily consist of goodwill, certain of our trademarks and FCC licenses. Goodwill represents the excess of consideration paid over the estimated fair value of the net tangible and identifiable intangible assets acquired in business combinations. In determining whether an intangible asset, other than goodwill, is indefinite-lived, we consider the expected use of the assets, the regulatory and economic environment within which they are being used, and the effects of obsolescence on their use. We assess our indefinite-lived intangible assets, including goodwill, for impairment at least annually or, if necessary, more frequently, whenever events or changes in circumstances indicate the asset may be impaired.

These analyses, which include the determination of fair value, require considerable judgment and are highly sensitive to changes in underlying assumptions. Consequently, there can be no assurance that the estimates and assumptions made for the purposes of estimating the fair values of our indefinite-lived assets, including goodwill, will prove to be an accurate prediction of the future. Continued, sustained declines in the Company’s operating results, forecasted future cash flows, growth rates and other assumptions, as well as significant, sustained declines in the Company’s stock price and related market capitalization could impact the underlying key assumptions and our estimated fair values, potentially leading to a

future material impairment of goodwill or other indefinite-lived intangible assets. See *Note 8. Intangible Assets* for additional information on indefinite-lived intangible asset impairments.

Benefit Plans

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

In June 2014, the Company's Board of Directors approved a plan amendment to the Sprint Retirement Pension Plan (the Plan) to offer certain terminated participants, who had not begun to receive Plan benefits, the opportunity to voluntarily elect to receive their benefits as an immediate lump sum distribution. Upon expiration of the election period and completion of cash payments on November 28, 2014, the lump sum distribution, totaling approximately $560 million, created a settlement event that resulted in a $59 million charge, which is reflected in "Other, net" in the consolidated statements of operations, and a reduction in the projected benefit obligation of approximately $300 million, impacted by the settlement as well as a change in the mortality tables and a change in the discount rate used to estimate the projected benefit obligation.

As of March 31, 2016 and 2015, the fair value of our pension plan assets and certain other postretirement benefit plan assets in aggregate was $1.3 billion in both periods and the fair value of our projected benefit obligations in aggregate was $2.2 billion in both periods. As a result, the plans were underfunded by approximately $900 million as of both March 31, 2016 and 2015 and were recorded as a net liability in our consolidated balance sheets. Estimated contributions totaling approximately $50 million are expected to be paid during the fiscal year 2016.

The offset to the pension liability is recorded in equity as a component of "Accumulated other comprehensive loss," net of tax, including $29 million, $393 million, $147 million, and $93 million for the Successor years ended March 31, 2016 and 2015, the three-month transition period ended March 31, 2014, and year ended December 31, 2013, respectively, which is amortized to "Selling, general and administrative" in Sprint's consolidated statements of operations. The change in the net liability of the Plan in the Successor year ended March 31, 2016 was affected by a change in the discount rate used to estimate the projected benefit obligation, increasing from 4.2% for the Successor year ended March 31, 2015 to 4.3% for the Successor year ended March 31, 2016, combined with a $9 million prior service credit resulting from an amendment to one of the other postretirement benefit plans during 2015. The change in the net liability of the Plan in the Successor year ended March 31, 2015 was affected by the impact of the settlement event on the projected benefit obligation combined with a change in the discount rate used to estimate the projected benefit obligation, decreasing from 4.9% for the Successor three-month transition period ended March 31, 2014 to 4.2% for the Successor year ended March 31, 2015. The change in the net liability of the Plan in the Successor three-month transition period ended March 31, 2014 and year ended December 31, 2013 was affected primarily by a change in the discount rate used to estimate the projected benefit obligation, decreasing from 5.3% to 4.9% for the Successor three-month transition period ended March 31, 2014. We intend to make future cash contributions to the Plan in an amount necessary to meet minimum funding requirements according to applicable benefit plan regulations.

As of December 31, 2005, the Plan was amended to freeze benefit plan accruals for participants. The objective for the investment portfolio of the pension plan is to achieve a long-term nominal rate of return, net of fees, which exceeds the plan's long-term expected rate of return on investments for funding purposes which was 7.75% at March 31, 2016 and 2015. To meet this objective, our investment strategy for the year ended March 31, 2016 was governed by an asset allocation policy, whereby a targeted allocation percentage is assigned to each asset class as follows: 38% to U.S. equities; 16% to international equities; 28% to fixed income investments; 9% to real estate investments; and 9% to other investments including hedge funds. Actual allocations are allowed to deviate from target allocation percentages within a range for each asset class as defined in the investment policy.

Investments of the Plan are measured at fair value on a recurring basis which is determined using quoted market prices or estimated fair values. As of March 31, 2016, 31% of the investment portfolio was valued at quoted prices in active markets for identical assets; 49% was valued using quoted prices for similar assets in active or inactive markets, or other observable inputs; and 20% was valued using unobservable inputs that are supported by little or no market activity.

Under our defined contribution plan, participants may contribute a portion of their eligible pay to the plan through payroll withholdings. For the Successor years ended March 31, 2016 and 2015, the three-month transition period ended March 31, 2014, and the year ended December 31, 2013, the Company matched 100% of the participants' pre-tax and Roth

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contribution (in aggregate) on the first 3% of eligible compensation and 50% of the participants' pre-tax and Roth contribution (in aggregate) on the next 2% of eligible compensation up to a maximum matching contribution of 4%. Fixed matching contributions totaled approximately $54 million, $71 million, $15 million and $35 million for the Successor years ended March 31, 2016 and 2015, the three-month transition period ended March 31, 2014 and year ended December 31, 2013, respectively, and $32 million and $15 million for the Predecessor 191-day period ended July 10, 2013 and unaudited three-month period ended March 31, 2013, respectively. Effective January 1, 2016, the Company match is 50% of the participants' pre-tax and Roth contribution (in aggregate) on the first 4% of eligible compensation.

Revenue Recognition

Operating revenues primarily consist of wireless service revenues, revenues generated from device and accessory sales, revenues from leasing a device, revenues from wholesale operators and third-party affiliates, as well as long distance voice, data and Internet revenues. Service revenues consist 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, interest, and certain regulatory related fees, net of service credits and other adjustments. We generally recognize service revenues as services are rendered, assuming all other revenue recognition criteria are met. We recognize revenue for access charges and other services charged at fixed amounts ratably over the service period, net of credits and adjustments for service discounts, billing disputes and fraud or unauthorized usage. As a result of the cutoff times of our multiple billing cycles each month, we are required to estimate the amount of subscriber revenues earned but not billed from the end of each billing cycle to the end of each reporting period. These estimates are based primarily on rate plans in effect and our historical usage and billing patterns. Regulatory fees and costs are recorded gross. The largest component of the regulatory fees is the Universal Service Fund, which represented no more than 2% of net operating revenues for all periods presented in the consolidated statements of operations.

We recognize equipment revenue and corresponding costs of equipment when title and risk of loss passes to the indirect dealer or end-use subscriber, assuming all other revenue recognition criteria are met. For arrangements involving multiple deliverables such as equipment and service, revenue is allocated to the deliverables based on their relative selling prices. Equipment revenue is limited to the amount of non-contingent consideration received when the device is sold to a subscriber. Equipment revenue is also reduced by the estimated amount of imputed interest associated with installment receivables for subscribers who elect to finance the purchase of a device for up to a 24-month period. When we subsidize the cost of the device as an incentive to retain and acquire subscribers, the cost of these incentives is recorded as a reduction to revenue upon activation of the device and a service contract.

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

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

The accounting estimates related to the recognition of revenue require us to make assumptions about numerous factors such as future billing adjustments for disputes with subscribers, unauthorized usage, future returns, mail-in rebates on device sales, the fair value of a trade-in right and the total arrangement consideration.

Dealer Commissions

Cash consideration given by us to a dealer or end-use subscriber is presumed to be a reduction of equipment revenue unless we receive, or will receive, an identifiable benefit in exchange for the consideration, and the fair value of such

benefit can be reasonably estimated, in which case the consideration will generally be recorded as a selling expense or a purchase of inventory. We compensate our dealers using specific compensation programs related to the sale of our devices and our subscriber service contracts, or both. When a commission is earned by a dealer solely due to a selling activity relating to wireless service, the cost is recorded as a selling expense. When a commission is earned by a dealer due to the dealer selling devices purchased from us, the cost is recorded as a reduction to equipment revenue. Commissions are generally earned upon sale of device, service, or both, to an end-use subscriber. Incentive payments to dealers for sales associated with devices and service contracts are classified as contra-revenue, to the extent the incentive payment is reimbursement of loss on the device, and selling expense for the amount associated with the selling effort. Incentive payments to certain indirect dealers who purchase devices from other sources, such as the original equipment manufacturer (OEM), are recognized as selling expense 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.

Severance and Exit Costs

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

Compensation Plans

As of March 31, 2016, Sprint sponsored three incentive plans: the 2015 Omnibus Incentive Plan (2015 Plan); the 2007 Omnibus Incentive Plan (2007 Plan); and the 1997 Long-Term Incentive Program (1997 Program)(together, "Compensation Plans"). Sprint also sponsors an Employee Stock Purchase Plan (ESPP). Under the 2015 Plan, we may grant share and non-share based awards, including stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units and other equity-based and cash awards to employees, outside directors and other eligible individuals as defined by the plan. As of March 31, 2016, the number of shares available and reserved for future grants under the 2015 Plan and ESPP totaled approximately133 million common shares. The Compensation Committee of our board of directors, or one or more executive officers should the Compensation Committee so authorize, as provided in the 2015 Plan, will determine the terms of each share and non-share based award. No new grants can be made under the 2007 Plan or the 1997 Program. We use new shares to satisfy share-based awards or treasury shares, if available.

The fair value of each option award is estimated on the grant date using the Black-Scholes option valuation model, based on several assumptions including the risk-free interest rate, volatility, expected dividend yield and expected term. During the Successor year ended March 31, 2016, the Company granted approximately 12 million stock options with a weighted average grant date fair value of$2.03 per share based upon assumptions of a risk free interest rate from1.44% to 2.06%, weighted average expected volatility from 42.0% to 69.5%, expected dividend yield of0% and expected term from 5.5 years years to 6.5 years years. In general, options are granted with an exercise price equal to the market value of the underlying shares on the grant date, vest on an annual basis over three years, and have a contractual term of ten years. As of March 31, 2016, 41 million options were outstanding, of which 21 million options were exercisable.

We generally determine the fair value of each restricted stock unit award based on the closing price of the Company's common stock on the date of grant. Restricted stock units generally have performance and service requirements or service requirements only with vesting periods ranging from one to three years. During the Successor year ended March 31, 2016 we granted performance-based restricted stock units to senior management that will be earned (Earned Shares) based upon the achievement of certain market conditions equal to specified volume-weighted average prices of the Company common stock during regular trading on the New York Stock Exchange over any 150-day calendar period, during a four-year period ending May 31, 2019. Earned Shares will vest 50% over four years from the grant date and 50% over five years from the grant date, with continuous service required through each vesting date. The fair value of these market-based restricted stock units is estimated at the date of grant using a Monte Carlo valuation methodology, which incorporates into the valuation

the possibility that the market condition may not be satisfied. Assumptions used in the Monte Carlo valuation model are consistent with those we use to value stock options and include a risk free interest rate from 1.20% to 1.66%, expected volatility from 53.7% to 70.8%, and expected dividend yield of 0%. The number of restricted stock units that ultimately vest can vary significantly depending upon the performance of the specified market criteria and if below a certain threshold price level, the award will be forfeited in its entirety. Compensation cost related to the share-based awards with market condition is recognized regardless of whether the market condition is achieved.

Employees and directors who are granted restricted stock units are not required to pay for the shares but generally must remain employed with us, or continue to serve as a member of our board of directors, until the restrictions lapse, which is typically three years for employees and one year for directors. Certain restricted stock units outstanding as of March 31, 2016, are entitled to dividend equivalents paid in cash, if dividends are declared and paid on common shares, but performance-based restricted stock units are not entitled to dividend equivalent payments until the applicable performance and service criteria have been met. During the Successor year ended March 31, 2016, the Company granted approximately 28 million service only and performance-based restricted stock units, including those with market conditions, with a weighted average grant date fair value of $3.06 per share. At March 31, 2016, approximately 33 million restricted stock unit awards were outstanding.

Compensation Costs

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

Pre-tax share and non-share based compensation charges from our incentive plans included in net loss were $75 million, $86 million, $35 million and $98 million for the Successor years ended March 31, 2016 and 2015, the three-month transition period ended March 31, 2014 and the year ended December 31, 2013, respectively, and $37 million and $17 million for the Predecessor 191-day period ended July 10, 2013 and unaudited three month-period ended March 31, 2013, respectively. The net income tax benefit (expense) recognized in the consolidated financial statements for share-based compensation awards was $20 million, $34 million, $12 million and $34 million for the Successor years ended March 31, 2016 and 2015, the three-month transition period ended March 31, 2014 and year ended December 31, 2013, respectively, and $2 million and $(1) million for the Predecessor 191-day period ended July 10, 2013 and unaudited three-month period March 31, 2013, respectively. As of March 31, 2016, there was $90 million of total unrecognized compensation cost related to non-vested incentive awards that are expected to be recognized over a weighted average period of 2.62 years.

Advertising Costs

We recognize advertising expense when incurred as selling, general and administrative expense. Advertising expenses totaled $1.3 billion, $1.5 billion, $408 million and $697 million for the Successor years ended March 31, 2016 and 2015, the three-month transition period ended March 31, 2014 and year ended December 31, 2013, respectively, and $858 million and $409 million for the Predecessor 191-day period ended July 10, 2013 and the unaudited three-month period March 31, 2013, respectively.

Variable Interest Entities (VIE)

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

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

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New Accounting Pronouncements

In May 2014, the 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 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. 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 August 2014, the FASB issued authoritative guidance regarding *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which requires management to assess an entity's ability to continue as a going concern and to provide related footnote disclosures in certain circumstances. The updated guidance requires management to perform interim and annual assessments on whether there are conditions or events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date that the financial statements are issued and to provide related disclosures, if required. The standard would have been effective for the Company's fiscal year beginning April 1, 2016, including interim reporting periods within that fiscal year, although early adoption was permitted. The Company has elected to early adopt this guidance effective January 1, 2016. The early adoption of this guidance did not have a material effect 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 will be effective for the Company's fiscal year beginning April 1, 2016, although early adoption is permitted if applied from the beginning of a fiscal year. The Company does not expect the adoption of this guidance to 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 will be effective for the Company's fiscal year beginning April 1, 2016, including interim periods within that fiscal year, although early adoption is permitted. The Company is currently evaluating the newly issued guidance and does not expect this guidance to 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 that fiscal year. The Company does not expect the adoption of this guidance to have a material effect on our consolidated financial statements.

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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 to be applied prospectively to adjustments that occur after the effective date. The amendments will be effective for the Company for the fiscal year beginning April 1, 2016, including interim periods within that fiscal year, although early adoption is permitted for financial statements that have not been issued, and will be applied, as necessary, to future business combinations.

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 we expect it to have a material impact on our consolidated financial statements, however we are still assessing the overall impact.

Note 3. Significant Transactions

Acquisition of Remaining Interest in Clearwire

On July 9, 2013, Sprint Communications completed the Clearwire Acquisition. The cash consideration paid totaled approximately $3.5 billion, net of cash acquired of $198 million. Approximately $125 million of the cash consideration is accrued for within "Accrued expenses and other current liabilities" on the consolidated balance sheet for dissenting shares relating to stockholders who exercised their appraisal rights.

The fair value of consideration, which is measured at the estimated fair value of each element of consideration transferred as of the Clearwire Acquisition Date, was determined as the sum of (a) approximately $3.7 billion of cash transferred to Clearwire stockholders, which included $125 million of cash relating to dissenting shares, (b) approximately $3.3 billion representing the estimated fair value of Clearwire shares held by Sprint Communications immediately preceding the acquisition and (c) approximately $59 million of share-based payment awards (replacement awards) exchanged for awards held by Clearwire employees.

Purchase Price Allocation

The consideration transferred was allocated to assets acquired and liabilities assumed based on their estimated fair values at the Clearwire Acquisition Date. The allocation of consideration transferred was based on management's judgment after evaluating several factors, including a valuation assessment. Management finalized its purchase price allocation during the quarter ended June 30, 2014. Adjustments made since the initial purchase price allocation decreased recorded goodwill by approximately $269 million and were primarily attributable to a reduction of approximately $270 million made to deferred tax liabilities as a result of additional analysis. The remaining adjustments were insignificant.

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The following table summarizes the purchase price allocation of consideration in the Clearwire Acquisition:

Purchase Price Allocation *(in millions)*:		
Current assets	$	778
Property, plant and equipment		1,245
Identifiable intangibles		12,870
Goodwill		437
Other assets		25
Current liabilities		(1,070)
Long-term debt		(4,288)
Deferred tax liabilities		(2,130)
Other liabilities		(876)
Net assets acquired	$	6,991

SoftBank Transaction

As discussed above, the SoftBank Merger was completed on July 10, 2013. Sprint Communications, Inc. stockholders received consideration in a combination of both cash and stock, subject to proration. Cash consideration paid in the SoftBank Merger was $14.1 billion, net of cash acquired of $2.5 billion and the estimated fair value of the 22% interest in Sprint Corporation issued to the then existing stockholders of Sprint Communications, Inc.

In addition, pursuant to the Bond Agreement, on October 15, 2012, Sprint Communications, Inc. issued a Bond to Starburst II with a principal amount of $3.1 billion, interest rate of 1%, and maturity date of October 15, 2019, which was converted into 590,476,190 shares of Sprint Communications, Inc. common stock at $5.25 per share immediately prior to the SoftBank Merger Date. As a result of the completion of the SoftBank Merger and subsequent open market stock purchases, SoftBank owned approximately 83% of the outstanding voting common stock of Sprint Corporation and other Sprint stockholders own the remaining approximately 17% as of March 31, 2016.

Consideration Transferred and Investments by SoftBank

The fair value of consideration transferred, which is measured at the estimated fair value of each element of consideration transferred as of the SoftBank Merger Date, was determined as the sum of (a) approximately $16.6 billion of cash transferred to Sprint Communications, Inc. stockholders, (b) approximately $5.3 billion representing shares of Sprint issued to Sprint Communications, Inc. stockholders and (c) approximately $193 million of share-based payment awards (replacement awards) exchanged for awards held by Sprint employees.

Additionally, SoftBank invested approximately $5.0 billion in the form of a capital contributions to Sprint. The fair value of the investments by SoftBank was determined based on the cash transferred, including $3.1 billion to purchase the Bond and $1.9 billion at the SoftBank Merger Date.

Purchase Price Allocation

The consideration transferred was allocated to assets acquired and liabilities assumed based on their estimated fair values as of the SoftBank Merger Date, inclusive of the Clearwire Acquisition described above. The excess of the consideration transferred over the estimated fair values of assets acquired and liabilities assumed was recorded as goodwill. Goodwill resulting from the SoftBank Merger is allocated to the Wireless segment. The allocation of consideration transferred was based on management's judgment after evaluating several factors, including a valuation assessment. Management finalized its purchase price allocation during the quarter ended June 30, 2014. Adjustments made since the initial purchase price allocation decreased recorded goodwill by approximately $476 million. Indefinite-lived intangible assets increased by approximately $300 million due to additional analysis performed by management during the quarter ended December 31, 2013 and the quarter ended June 30, 2014 related to the value assigned to certain FCC licenses. The remainder of the decrease was due to insignificant changes in various accounts.

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The following table summarizes the purchase price allocation of consideration transferred:

Purchase Price Allocation *(in millions)*:		
Current assets	$	8,576
Investments		133
Property, plant and equipment		14,558
Identifiable intangibles		50,672
Goodwill		6,343
Other assets		244
Current liabilities		(10,623)
Long-term debt		(29,481)
Deferred tax liabilities		(14,256)
Other liabilities		(3,989)
Net assets acquired, prior to conversion of the Bond		22,177
Conversion of Bond		3,100
Net assets acquired, after conversion of the Bond	$	25,277

Pro Forma Financial Information

The following unaudited pro forma consolidated results of operations assume that the SoftBank Merger and Clearwire Acquisition were completed as of January 1, 2013.

	Years Ended December 31, 2013 *(in millions)*	
Net operating revenues	$	35,953
Net loss	$	(4,290)
Basic loss per common share	$	(1.12)

The unaudited pro forma financial information was prepared to illustrate the pro forma effect of the combination of Sprint, Sprint Communications and Clearwire using the consideration transferred as of each acquisition date as though the acquisition date for each transaction occurred on January 1, 2013. The preparation of the pro forma financial information also assumed a purchase price allocation of the consideration transferred among the assets acquired and liabilities assumed for each acquiree. The pro forma financial information adjusts the actual combined results for items that are recurring in nature and directly attributable to the Clearwire Acquisition and SoftBank Merger. The pro forma net loss provided excludes certain non-recurring items such as Sprint's gain on its previously held interest in Clearwire and transaction costs associated with the Clearwire Acquisition and SoftBank Merger. As a result, the pro forma financial information presented above excludes a net gain of $1.4 billion and acquisition related costs of approximately $169 million.

This pro forma financial information has been prepared based on estimates and assumptions, which management believes are reasonable, and is not necessarily indicative of the consolidated financial position or results of operations that Sprint would have achieved had the Clearwire Acquisition and/or the SoftBank Merger actually occurred at January 1, 2013 or at any other historical date, nor is it reflective of our expected actual financial positions or results of operations for any future period.

Note 4. 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 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. In addition, we have $3.0 billion of availability under our revolving credit facility (*see Note 9. Long-Term Debt, Financing and Capital Lease Obligations*). After March 31, 2016 we also entered into a Network Sale-Leaseback transaction and Handset

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Sale-Leaseback Tranche 2 that provided $2.2 billion and $1.1 billion, respectively in cash proceeds and a New Unsecured Financing Facility for $2.0 billion (*see Note 19. Subsequent Events*) that also provides liquidity for business operations.

Accounts Receivable Facility

Transaction Overview

Our accounts receivable facility (Receivables Facility), which provides us the opportunity to sell certain wireless service and installment receivables (as defined in the agreements) to unaffiliated third parties (Purchasers), was amended in November 2015 to include future amounts due from customers who lease certain devices from us. The amendment increased the maximum funding limit under the Receivables Facility to $4.3 billion and extended the expiration to November 2017. The amount available under the Receivables Facility fluctuates over time based on the total amount of eligible receivables generated during the normal course of our business. As of March 31, 2016, the total availability under the facility was approximately $2.0 billion. However, as a result of sales we have completed to date, the total amount available to be drawn as of March 31, 2016 was $94 million. The proceeds from the sale of these receivables are comprised of a combination of cash and a deferred purchase price receivable (DPP). While it's at Sprint's election to decide how much cash it chooses to receive from each sale, the maximum amount of proceeds varies based on a number of factors and currently represents approximately 50% of the total amount of the receivables sold to the Purchasers. The DPP is realized by us upon either the ultimate collection of the underlying receivables sold to the Purchasers or upon Sprint's election to receive additional advances in cash from the Purchasers subject to the total availability under the Receivables Facility.

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" on the consolidated statements of operations. The sale of future lease receivables are treated as financing transactions. Accordingly, the proceeds received are reflected as cash provided by financing activities on the consolidated statements of cash flows and the fees are recognized as "Interest expense" on the consolidated statements of operations.

Transaction Structure

Sprint contributes certain wireless service, installment and future lease receivables as well as the associated leased devices to Sprint's wholly-owned consolidated bankruptcy-remote SPEs. At Sprint's direction, the SPEs have sold, and will continue to sell, wireless service, future lease and installment 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 is classified as a trading security within "Prepaid expenses and other current assets" on 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 operations and other changes in the fair value of the DPP are recognized in "Selling, general and administrative" on the consolidated statements of

operations. Changes in the fair value of the DPP did not have a material impact on our consolidated statements of operations for the year ended March 31, 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.

Wireless Service Receivable Sales

On March 31, 2015, we sold approximately $1.8 billion of wireless service receivables in exchange for $500 million in cash (reflected within the change in accounts and notes receivable on the consolidated statement of cash flows) and a DPP of $1.3 billion, with an estimated fair value of $1.2 billion. In accordance with our rights under the Receivables Facility, in April 2015 Sprint elected to temporarily suspend sales of receivables by the SPEs and remitted payments received to the Purchasers to reduce the funded amount of $500 million to zero.

In September 2015, we sold wireless service receivables of approximately $1.9 billion in exchange for $400 million in cash and $1.5 billion of DPP, with an estimated fair value of $1.4 billion. In October 2015 and January 2016, we elected to receive $300 million and $125 million, respectively, of cash, which reduced the total amount of the DPP due to Sprint. During the period from our initial sale in September to March 31, 2016, cash collections on previously sold wireless service receivables exceeded sales of new receivables such that the DPP decreased by approximately $207 million. As of March 31, 2016, the total amount available under the Receivables Facility associated with wireless service receivables was $43 million and the total fair value of the associated DPP was $760 million.

Installment Receivable Sales

In October 2015, we sold installment receivables of approximately $1.2 billion under the Receivables Facility in exchange for $100 million in cash and $1.1 billion of DPP, with an estimated fair value of $1.0 billion. In November 2015, we elected to receive $400 million of cash, which reduced the total amount of the DPP due to Sprint. During the period from our initial sale in October to March 31, 2016, cash collections on previously sold installment receivables exceeded sales of new receivables such that the DPP decreased by approximately $227 million. As of March 31, 2016, there is no remaining availability under the Receivables Facility associated with installment receivables and the total fair value of the associated DPP was $395 million.

Future Lease Receivable Sales

In February and March 2016, we sold approximately $1.2 billion in total of future lease receivables in exchange for cash proceeds of $600 million. The difference between the amount sold and the cash received represents additional collateral to the lender. The sale was accounted for as a financing and the $600 million cash proceeds were, accordingly, reflected as debt in our consolidated balance sheets. As of March 31, 2016, the amount available under the Receivables Facility associated with future lease receivables was $51 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 March 31, 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 a variable interest because it is in assets that represent less than 50% of the total activity of the Conduits.

Handset Sale-Leaseback Tranche 1

In November 2015, Sprint entered into agreements (Handset Sale-Leaseback Tranche 1) to sell and lease-back certain leased devices excluded from our Receivables Facility, which allowed us to monetize the devices including the device residual values. Under the agreements with Mobile Leasing Solutions, LLC (MLS), a company formed by a group of equity investors, including SoftBank, Sprint maintains the customer lease, will continue to collect and record lease revenue from the

customer and will remit monthly rental payments to MLS, which are recognized as "Cost of products" on the consolidated statements of operations during the respective lease-back periods.

In December 2015, Sprint contributed $1.3 billion of certain leased 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 proceeds totaling $1.1 billion (Cash Purchase Price) and a DPP of $126 million.

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" on the consolidated statements of operations. Simultaneously with the sale of the devices, MLS leased back each device to the SPE Lessees pursuant to the Master Lease Agreement (Device Lease) in exchange for monthly rental payments to be made by the SPE Lessees to MLS. The monthly rental payments for the devices leased back by us will approximate the amount of cash received from the associated customer leases during the weighted average 17 month lease-back period (S*ee Note 13. Commitments and Contingencies*). Rent expense related to MLS totaled $277 million during the year ended March 31, 2016 and is reflected within cash flows from operations.

The SPE Lessees retain all rights to the underlying customer leases, such as the right to receive the rental payments during the device lease-back 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. Settlement for the DPP occurs at 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 a loss), but only to the extent of the device's DPP balance. The DPP associated with the Handset Sale-Leaseback Tranche 1 is recorded in "Other assets" in the consolidated balance sheets at its estimated net realizable value. Changes to the DPP prior to settlement with MLS are recorded as an adjustment to rent expense in "Cost of products" in the consolidated statements of operations. Brightstar US, Inc. (Brightstar), a subsidiary of SoftBank, provides reverse logistics and remarketing services to MLS with respect to the devices.

Unless a Device Lease is terminated early, the SPE Lessees are obligated to pay the full monthly rental payments under each Device Lease, regardless of whether customers make lease payments on the devices leased to them or whether the customer lease is still in effect. Sprint has guaranteed to MLS, the performance of the agreements and undertakings of the SPE Lessees under the transaction documents.

All devices must be returned to MLS, subject to purchase rights of the customers. Sprint will act as servicer for MLS, to the extent needed, after the end of the device leaseback period. To secure the obligations of the SPE Lessees under the Device Lease, the SPE Lessees provide a security interest to MLS in, among other things, the customer leases. In the event that MLS is able to sell the returned devices at a price greater than the expected device residual value, Sprint has the potential to share some of the excess proceeds.

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Note 5. Installment Receivables

Certain subscribers have the option to purchase their devices in installments up to a24-month period. Short-term installment receivables were recorded in "Accounts and notes receivable, net" and long-term installment receivables were recorded in "Other assets" in the consolidated balance sheets. Beginning in October 2015, Sprint sold, derecognized and continues to sell all eligible installment receivables. As of March 31, 2016, the amount of ineligible installment receivables were immaterial (*see Note 4. Funding Sources*).

The following table summarizes the installment receivables as of the prior fiscal year before sales had commenced:

	March 31, 2015
	(in millions)
Installment receivables, gross	$ 1,725
Deferred interest	(139)
Installment receivables, net of deferred interest	1,586
Allowance for credit losses	(190)
Installment receivables, net	$ 1,396
Classified on the consolidated balance sheets as:	
Accounts and notes receivable, net	$ 1,035
Other assets	361
Installment receivables, net	$ 1,396

The balance and aging of installment receivables on a gross basis by credit category were as follows as of the prior fiscal year before sales had commenced:

	March 31, 2015		
	Prime	Subprime	Total
	(in millions)		
Unbilled	$ 1,243	$ 359	$ 1,602
Billed - current	65	22	87
Billed - past due	21	15	36
Installment receivables, gross	$ 1,329	$ 396	$ 1,725

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

	Year Ended March 31, 2016	Year Ended March 31, 2015
	(in millions)	
Deferred interest and allowance for credit losses, beginning of period	$ 329	$ 124
Bad debt expense	93	398
Write-offs, net of recoveries	(105)	(255)
Change in deferred interest on short-term and long-term installment receivables	(43)	62
Derecognition of deferred interest and allowance for credit losses	(274)	—
Deferred interest and allowance for credit losses, end of period	$ —	$ 329

SPRINT CORPORATION
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Note 6. Financial Instruments

The carrying amount of cash and cash equivalents, accounts and notes receivable, and accounts payable approximates fair value. Sprint did not hold any short-term investments as of March 31, 2016. Short-term investments (consisting primarily of commercial paper), totaling approximately $166 million as of March 31, 2015, are recorded at amortized cost, and the respective carrying amounts approximate fair value. The fair value of marketable equity securities totaling $46 million and $40 million as of the periods ended March 31, 2016 and 2015, respectively, are measured on a recurring basis using quoted prices in active markets.

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

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

		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

		Estimated Fair Value Using Input Type			
	Carrying amount at March 31, 2015	Quoted prices in active markets	Observable	Unobservable	Total estimated fair value
		(in millions)			
Current and long-term debt	$ 33,245	$ 27,238	$ 4,906	$ 1,410	$ 33,554

Note 7. 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 $468 million, $1.5 billion, $2.0 billion, and $2.4 billion for the Successor years ended March 31, 2016 and 2015, three-months ended March 31, 2014 and year ended December 31, 2013.

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

	March 31,	
	2016	2015
	(in millions)	
Land	$ 260	$ 266
Network equipment, site costs and related software	21,500	18,990
Buildings and improvements	798	754
Non-network internal use software, office equipment, leased devices and other	6,182	2,979
Construction in progress	1,249	2,090
Less: accumulated depreciation	(9,692)	(5,358)
Property, plant and equipment, net	$ 20,297	$ 19,721

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

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 March 31, 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:

	March 31,	
	2016	2015
	(in millions)	
Leased devices	$ 4,913	$ 1,974
Less: accumulated depreciation	(1,267)	(197)
Leased devices, net	$ 3,646	$ 1,777

During the years ended March 31, 2016 and 2015, there were non-cash transfers to leased devices of approximately $3.2 billion and $1.2 billion, respectively, along with a corresponding decrease in "Device and accessory inventory." In addition, during the year ended March 31, 2016, we sold devices totaling $1.3 billion (*see Note 4. Funding Sources*). Non-cash accruals included in leased devices totaled approximately $159 million and $182 million as of March 31, 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 years ended March 31, 2016 and 2015 was $1.8 billion and $206 million, respectively.

As of March 31, 2016, the minimum estimated payments to be received for leased devices, including devices sold and leased back under Handset Sale-Leaseback Tranche 1, were as follows (in millions):

Fiscal year 2016	$ 2,403
Fiscal year 2017	694
	$ 3,097

During the year ended March 31, 2016, we recorded $487 million of loss on disposal of property, plant and equipment, which is included in "other, net" in our consolidated statements of operations. These losses were the result of $65 million in net losses recognized upon the sale of devices to MLS under the Handset Sale-Leaseback Tranche 1 transaction, which represented the difference between the fair value and net book value of the devices sold and $256 million in losses 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 have material losses in future periods. In addition, we recorded $166 million of losses due to cell site construction costs and other network costs that are no longer recoverable as a result of changes in the Company's network plans.

During the Successor three-month transition period ended March 31, 2014, we recorded $75 million of loss on disposal of property, plant and equipment, which is included in "other, net" in our consolidated statements of operations, primarily due to network equipment assets that were no longer necessary as a result of changes in management's strategic plans.

Impairments

During the three-month period ended December 31, 2014, we recorded an impairment loss of $233 million, which is included in "Impairments" in our consolidated statements of operations, to reduce the carrying value of the Wireline asset group, which includes the Wireline long-lived assets, to its estimated fair value of $918 million as of December 31, 2014.

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Note 8. Intangible Assets

Indefinite-Lived Intangible Assets

Our indefinite-lived intangible assets consists of FCC licenses, which were acquired primarily through FCC auctions and business combinations, certain of our trademarks, and goodwill. At March 31, 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 (*see Note 3. Significant Transactions*).

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

	March 31, 2015	Net Additions	March 31, 2016
		(in millions)	
FCC licenses	$ 35,952	$ 86	$ 36,038
Trademarks	4,035	—	4,035
Goodwill	6,575	—	6,575
	$ 46,562	$ 86	$ 46,648

	March 31, 2014	Net Reductions	March 31, 2015
		(in millions)	
FCC licenses	$ 36,043	$ (91)	$ 35,952
Trademarks	5,935	(1,900) (1)	4,035
Goodwill	6,383	192 (2)	6,575
	$ 48,361	$ (1,799)	$ 46,562

(1) Net reduction to trademarks for the year ended March 31, 2015 of approximately $1.9 billion was related to the impairment of the Sprint trade name. See discussion below.

(2) Net additions to goodwill for the Successor year ended March 31, 2015 of approximately $192 million were the result of purchase price allocation adjustments, which consisted of a $232 million increase recorded during the three-month period ended March 31, 2015 to correct the amount of net deferred tax liabilities recognized in connection with the SoftBank Merger and Clearwire Acquisition and a net $40 million decrease recorded during the three-months ended June 30, 2014, which is also associated with the SoftBank Merger and Clearwire Acquisition.

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 any impairment during the year ended March 31, 2016. Since the SoftBank Merger Date, actual results and expectations of net postpaid handset subscriber additions were lower than the forecasts used to allocate the purchase price to the assets acquired and liabilities assumed. During the quarter ended December 31, 2014, we determined that recoverability of the carrying amount of goodwill and the Sprint trade name should be evaluated for impairment and it was determined that the carrying value of the Sprint trade name exceeded its estimated fair value of $3.3 billion. Accordingly, during the quarter ended December 31, 2014 we recorded an impairment loss of $1.9 billion, which is included in "Impairments" in our consolidated statements of operations.

The stock price at March 31, 2016 of $3.48 was below the net book value per share price of $4.98. Subsequent to the balance sheet date, the stock price has decreased further to $3.44 at May 13, 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.

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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 Sprint 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 operations.

		March 31, 2016			March 31, 2015		
	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	$ (4,045)	$ 2,878	$ 6,923	$ (2,791)	$ 4,132
Other intangible assets:							
Favorable spectrum leases	23 years	881	(110)	771	884	(71)	813
Favorable tower leases	3 to 7 years	589	(302)	287	589	(189)	400
Trademarks	34 years	520	(43)	477	520	(27)	493
Other	4 to 10 years	83	(27)	56	72	(17)	55
Total other intangible assets		2,073	(482)	1,591	2,065	(304)	1,761
Total definite-lived intangible assets		$ 8,996	$ (4,527)	$ 4,469	$ 8,988	$ (3,095)	$ 5,893

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
	(in millions)				
Estimated amortization expense	$ 1,157	$ 882	$ 666	$ 462	$ 257

SPRINT CORPORATION
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Note 9. Long-Term Debt, Financing and Capital Lease Obligations

	Interest Rates	Maturities	March 31, 2016	March 31, 2015
			(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				
Bank credit facility	3.94%	2018	—	—
Export Development Canada (EDC)	4.16 - 5.91%	2017 - 2019	550	800
Secured equipment credit facilities	2.02 - 2.75%	2017 - 2021	805	610
Financing obligations	2.02 - 6.10%	2017 - 2021	828	275
Capital lease obligations and other	2.35 - 10.52%	2016 - 2023	265	127
Net premiums and debt financing costs			597	917
			33,958	33,642
Less current portion			(4,690)	(1,300)
Long-term debt, financing and capital lease obligations			$ 29,268	$ 32,342

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

As of March 31, 2016, Sprint Corporation, the parent corporation, had $10.5 billion in aggregate principal amount of senior notes outstanding. In addition, as of March 31, 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 and installment payment obligations, totaling $21.6 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.

As of March 31, 2016, approximately $2.1 billion aggregate principal amount of our outstanding debt, comprised of certain notes, financing and capital lease obligations, was secured by $15.8 billion of property, plant and equipment and other assets, net. Cash interest payments, net of amounts capitalized of $51 million, $56 million, $13 million and $30 million, totaled $2.4 billion, $2.3 billion, $559 million, and $1.0 billion during the Successor years ended March 31, 2016 and 2015, the three-month transition period ended March 31, 2014 and year ended December 31, 2013, respectively. Cash interest payments, net of amounts capitalized of $29 million and $15 million, totaled $814 million and $305 million during the Predecessor 191-day period ended July 10, 2013 and unaudited three-month period ended March 31, 2013, respectively. Our weighted average effective interest rate related to our notes and credit facilities was 6.4%, 6.1%, 6.2%, and 6.4% for the Successor years ended March 31, 2016 and 2015, three-month transition period ended March 31, 2014, and year ended December 31, 2013, respectively, and 8.9% and 7.1% for the Predecessor 191-day period ended July 10, 2013 and unaudited three-month period ended March 31, 2013, respectively.

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Notes

As of March 31, 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 March 31, 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 March 31, 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 March 31, 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 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 now classified as a current debt obligation. The remaining carrying value of these notes is classified as a long-term debt obligation.

Credit Facilities

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 the London Interbank Offered Rate (LIBOR) plus a spread that varies depending on the Company’s credit ratings. As of March 31, 2016, approximately $320 million in letters of credit were outstanding under this credit facility, including the letter of credit required by the Report and Order*(see Note 13. 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 March 31, 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 and6.0 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. In the quarter ended December 2015, we made a scheduled principal repayment of $500 million. At the time of the repayment, the EDC agreement was also amended to increase the facility by $250 million through the addition of a new tranche due December 2017, which was fully drawn. Accordingly, as of March 31, 2016, the total principal amount of our borrowings under the EDC facility was$550 million.

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. We made regularly scheduled principal repayments totaling $254 million during the year ended March 31, 2016. The balance outstanding at March 31, 2016 was $254 million.

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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. During the year ended March 31, 2016, we drew $208 million on the facility, and we made principal repayments totaling $56 million, resulting in a total principal amount of $196 million outstanding at March 31, 2016.

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 year ended March 31, 2016, we drew $266 million on the facility, resulting in a total principal amount of $323 million outstanding at March 31, 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. During the year ended March 31, 2016, we drew $32 million on the facility resulting in a total principal amount of $32 million outstanding at March 31, 2016.

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, Capital Lease and Other Obligations

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 on our consolidated balance sheets due to our continued involvement with the property sold and the transaction is accounted for as a financing. Our capital lease and other obligations are primarily for the use of wireless network equipment.

In February and March 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 Accounts Receivable Facility (*see Note 4. Funding Sources*). The difference between the amount sold and the cash received represents additional collateral to the lender. 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 on our consolidated balance sheets and continue to be depreciated over their estimated useful life.

Covenants

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

As of March 31, 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.

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

Aggregate amount of maturities for long-term debt, financing and capital lease obligations outstanding as ofMarch 31, 2016, were as follows (in millions):

Fiscal year 2016	$ 4,615
Fiscal year 2017	2,065
Fiscal year 2018	3,201
Fiscal year 2019	3,177
Fiscal year 2020	1,625
Fiscal year 2021 and thereafter	18,678
	33,361
Net premiums and debt financing costs	597
	$ 33,958

Note 10. Severance and Exit Costs

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

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

	March 31, 2015	Net Expense		Cash Payments and Other	March 31, 2016
			(in millions)		
Lease exit costs	$ 291	$ 156	(1)	$ (109)	$ 338
Severance costs	119	216	(2)	(185)	150
Access exit costs	44	19	(3)	(26)	37
	$ 454	$ 391		$ (320)	$ 525

(1) We recognized costs of $176 million (Wireless only) for the Successor year ended March 31, 2016, which were offset by $20 million of income (Wireless only) resulting from a revision to our estimate of a previously recorded reserve.
(2) For the Successor year ended March 31, 2016, we recognized costs of $216 million ($191 million Wireless, $25 million Wireline).
(3) For the Successor year ended March 31, 2016, $2 million (solely attributable to Wireline) was recognized as "Cost of services" and $17 million (solely attributable to Wireless) was recognized as "Severance and exit costs."

	March 31, 2014	Net Expense		Cash Payments and Other	March 31, 2015
			(in millions)		
Lease exit costs	$ 650	$ (28)	(4)	$ (331)	$ 291
Severance costs	197	253	(5)	(331)	119
Access exit costs	124	38	(6)	(118)	44
	$ 971	$ 263		$ (780)	$ 454

(4) We recognized costs of $13 million ($12 million Wireless and $1 million Wireline) for the year ended March 31, 2015, which were offset by $41 million of income (Wireless only) resulting from a revision to our estimate of a previously recorded reserve.
(5) For the Successor year ended March 31, 2015, we recognized costs of $253 million ($218 million Wireless, $35 million Wireline).
(6) For the Successor year ended March 31, 2015, we recognized costs of $38 million ($33 million Wireless, $5 million Wireline).

We continually refine our network strategy and evaluate other potential network initiatives to improve the overall performance of our network. Additionally, we have commenced a major cost cutting initiative, 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.

SPRINT CORPORATION
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Note 11. Supplemental Financial Information

	March 31, 2016	March 31, 2015
	(in millions)	
Accounts and notes receivable, net		
Trade	$ 899	$ 1,037
Unbilled trade and other	239	1,457
Less allowances for doubtful accounts and deferred interest	(39)	(204)
	$ 1,099	$ 2,290
Prepaid expenses and other current assets		
Prepaid expenses	$ 366	$ 401
Deferred purchase price for Receivables Facility	1,155	1,198
Deferred charges and other	399	291
	$ 1,920	$ 1,890
Other assets		
Deferred purchase price for Handset Sale-Leaseback Tranche 1	$ 116	$ —
Unbilled trade installment receivables, net	—	361
Investments	187	151
Other	425	376
	$ 728	$ 888
Accounts payable[(1)]		
Trade	$ 2,567	$ 3,786
Accrued interconnection costs	142	198
Capital expenditures and other	190	363
	$ 2,899	$ 4,347
Accrued expenses and other current liabilities		
Deferred revenues	$ 1,456	$ 1,385
Accrued taxes	232	238
Payroll and related	339	589
Severance, lease and other exit costs	288	223
Accrued interest	532	525
Accrued capital expenditures	149	705
Other	1,378	1,628
	$ 4,374	$ 5,293
Other liabilities		
Deferred rental income-communications towers	$ 218	$ 229
Deferred rent	478	366
Asset retirement obligations	550	584
Unfavorable lease liabilities	658	856
Post-retirement benefits and other non-current employee related liabilities	994	987
Other	1,104	929
	$ 4,002	$ 3,951

(1) Includes liabilities in the amounts of $66 million and $90 million as of March 31, 2016 and 2015, respectively, for checks issued in excess of associated bank balances but not yet presented for collection.

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Note 12. Income Taxes

Sprint Corporation is the parent corporation of an affiliated group of corporations which join in the filing of a U.S. federal consolidated income tax return. Additionally, we file income tax returns in each state jurisdiction which imposes an income tax. In certain state jurisdictions, Sprint and its subsidiaries intend to file combined state tax returns with certain other SoftBank affiliates beginning with the year ended March 31, 2016. State tax expense or benefit has been determined utilizing the separate return approach as if Sprint and its subsidiaries file on a stand-alone basis. We also file income tax returns in a number of foreign jurisdictions. However, our foreign income tax activity has been immaterial. Cash paid or received for income tax purposes was insignificant for all Successor and Predecessor periods presented.

Income tax expense consists of the following:

	Successor					Predecessor	
	Year Ended March 31,	Year Ended March 31,	Three Months Ended March 31,		Year Ended December 31,	191 Days Ended July 10,	Three Months Ended March 31,
	2016	2015	2014	2013 (Unaudited)	2013	2013	2013 (Unaudited)
	(in millions)						
Current income tax (expense) benefit							
Federal	$ 13	$ 5	$ —	$ (2)	$ 1	$ 2	$ (8)
State	(30)	(39)	(10)	—	(13)	(17)	(6)
Total current income tax (expense) benefit	(17)	(34)	(10)	(2)	(12)	(15)	(14)
Deferred income tax (expense) benefit							
Federal	(206)	491	(48)	1	(46)	(1,402)	(19)
State	83	118	2	—	14	(184)	(5)
Total deferred income tax (expense) benefit	(123)	609	(46)	1	(32)	(1,586)	(24)
Foreign income tax expense	(1)	(1)	—	—	(1)	—	—
Total income tax (expense) benefit	$ (141)	$ 574	$ (56)	$ (1)	$ (45)	$ (1,601)	$ (38)

The differences that caused our effective income tax rates to vary from the35% U.S. federal statutory rate for income taxes were as follows:

	Successor					Predecessor	
	Year Ended March 31,	Year Ended March 31,	Three Months Ended March 31,		Year Ended December 31,	191 Days Ended July 10,	Three Months Ended March 31,
	2016	2015	2014	2013 (Unaudited)	2013	2013	2013 (Unaudited)
	(in millions)						
Income tax (expense) benefit at the federal statutory rate	$ 649	$ 1,372	$ 33	$ 3	$ 635	$ (155)	$ 212
Effect of:							
State income taxes, net of federal income tax effect	38	124	(4)	—	47	(18)	16
State law changes, net of federal income tax effect	20	4	5	—	10	—	—
(Increase) reduction in liability for unrecognized tax benefits	(4)	1	—	—	2	(7)	—
Tax benefit from organizational restructuring	90	—	—	—	—	—	—
Change in valuation allowance	(939)	(911)	(82)	—	(708)	(1,410)	(265)
Other, net	5	(16)	(8)	(4)	(31)	(11)	(1)
Income tax (expense) benefit	$ (141)	$ 574	$ (56)	$ (1)	$ (45)	$ (1,601)	$ (38)
Effective income tax rate	(7.6)%	14.6%	(58.9)%	(12.5)%	(2.5)%	361.4%	(6.3)%

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

	Successor				Predecessor	
	Year Ended March 31, 2016	Year Ended March 31, 2015	Three Months Ended March 31, 2014	Year Ended December 31, 2013	191 Days Ended July 10, 2013	Three Months Ended March 31, 2013 (Unaudited)
			(in millions)			
Unrecognized net periodic pension and other postretirement benefit cost[1]	$ —	$ —	$ —	$ (58)	$ (18)	$ (10)
Unrealized holding gains/losses on securities[1]	$ —	$ —	$ (1)	$ (3)	$ —	$ (1)

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

Deferred income taxes are recognized for the temporary differences between the carrying amounts of our assets and liabilities for financial statement purposes and their tax bases. Deferred tax assets are also recorded for operating loss, capital loss and tax credit carryforwards. The sources of the differences that give rise to the deferred income tax assets and liabilities as of March 31, 2016 and 2015, along with the income tax effect of each, were as follows:

	March 31, 2016	March 31, 2015	
	Long-Term[1]	Current	Long-Term
		(in millions)	
Deferred tax assets			
Net operating loss carryforwards	$ 8,057	$ —	$ 8,155
Tax credit carryforwards	384	—	381
Capital loss carryforwards	83	—	84
Property, plant and equipment	1,230	—	261
Debt obligations	—	—	419
Deferred rent	438	—	470
Pension and other postretirement benefits	378	—	385
Accruals and other liabilities	1,376	637	561
	11,946	637	10,716
Valuation allowance	(9,793)	(509)	(8,371)
	2,153	128	2,345
Deferred tax liabilities			
FCC licenses	12,738	—	12,558
Trademarks	1,718	—	1,725
Intangibles	1,166	—	1,658
Debt obligations	58	—	—
Other	432	66	302
	16,112	66	16,243
Current deferred tax asset		$ 62	
Long-term deferred tax liability	$ 13,959		$ 13,898

(1) See Note 2. Summary of Significant Accounting Policies and Other Information for early adoption of guidance regarding Balance Sheet Classification of Deferred Taxes.

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 of $939 million, $911 million, $82 million and $708 million for the Successor years ended March 31, 2016 and 2015, three-month transition period ended March 31, 2014 andyear ended December 31, 2013, respectively, and $1.4 billion and $265 million for the

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Predecessor 191-day period ended July 10, 2013 and unaudited three-month period ended March 31, 2013, respectively, on deferred tax assets primarily related to losses incurred during the period that are not currently realizable and expenses recorded during the period that are not currently deductible for income tax purposes. The remaining increase of $272 million in the carrying amount of the valuation allowance for the Successor year ended March 31, 2015 is primarily related to amounts recorded to other comprehensive (loss) income related to the pension net actuarial loss and net impacts of acquisition accounting for the SoftBank Merger and Clearwire Acquisition. 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.

Income tax expense of $141 million for the Successor year ended March 31, 2016 was primarily attributable to tax expense resulting from taxable temporary differences from amortization of FCC licenses, partially offset by tax benefits from the reversal of state income tax valuation allowance on deferred tax assets and changes in state income tax laws enacted during the year. As a result of organizational restructuring, which drove a sustained increase in the profitability of specific legal entities, we revised our estimate regarding the realizability of the involved entities' deferred state tax assets and recorded a state tax benefit of $90 million. Income tax benefit of $574 million for the Successor year ended March 31, 2015 was primarily attributable to recognition of a tax benefit on the $1.9 billion Sprint trade name impairment loss partially offset by tax expense on taxable temporary differences from the amortization of FCC licenses during the period. Income tax expense of $56 million and $45 million for the Successor three-month transition period ended March 31, 2014, and year ended December 31, 2013, respectively, and $38 million for the Predecessor unaudited three-month period ended March 31, 2013 was primarily attributable to taxable temporary differences from amortization of FCC licenses. Income tax expense of $1.6 billion for the Predecessor 191-day period ended July 10, 2013, was primarily attributable to taxable temporary differences from the $2.9 billion gain on the previously-held equity interests in Clearwire. The gain on the previously-held equity interests in Clearwire was principally attributable to the increase in the fair value of FCC licenses held by Clearwire. 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.

During the Successor years ended March 31, 2016 and 2015, three-month transition period ended March 31, 2014 and year ended December 31, 2013, and Predecessor 191-day period ended July 10, 2013 and unaudited three-month period ended March 31, 2013, we generated $343 million, $398 million, $110 million, $263 million, $238 million, and $96 million, respectively, of foreign income, which is included in (loss) income before income taxes on the consolidated statements of operations. We have no material unremitted earnings of foreign subsidiaries.

As of March 31, 2016, we had federal operating loss carryforwards of $19.6 billion, state operating loss carryforwards of $20.8 billion and foreign net operating loss carryforwards of $821 million. Related to these loss carryforwards, we have recorded federal tax benefits of $6.9 billion, net state tax benefits of $969 million and foreign tax benefits of $273 million before consideration of the valuation allowances. Approximately $1.1 billion of the federal net operating loss carryforwards expire between fiscal years 2016 and 2020. The remaining $18.5 billion expire in varying amounts between fiscal years 2021 and 2034. The state operating loss carryforwards expire in varying amounts through fiscal year 2035. Foreign operating loss carryforwards of $427 million do not expire. The remaining foreign operating loss carryforwards expire in varying amounts starting in fiscal year 2016.

In addition, we had available, for income tax purposes, federal alternative minimum tax net operating loss carryforwards of $20.6 billion and state alternative minimum tax net operating loss carryforwards of $4.8 billion. The loss carryforwards expire in varying amounts through fiscal year 2034. We also had available capital loss carryforwards of $217 million. Related to these capital loss carryforwards are tax benefits of $83 million. Approximately $213 million of the capital loss carryforwards expire prior to fiscal year 2017. The remaining $4 million expire in varying amounts between fiscal years 2017 and 2018.

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We also had available $459 million of federal and state income tax credit carryforwards as of March 31, 2016. Included in this amount are $3 million of income tax credits which expire prior to fiscal year 2017 and $354 million which expire in varying amounts between fiscal years 2017 and 2035. The remaining $102 million do not expire.

Unrecognized tax benefits are established for uncertain tax positions based upon estimates regarding potential future challenges to those positions at the largest amount that is greater than fifty percent likely of being realized upon ultimate settlement. These estimates are updated at each reporting date based on the facts, circumstances and information available. Interest related to these unrecognized tax benefits is recognized in interest expense. Penalties are recognized as additional income tax expense. The unrecognized tax benefits attributable to uncertain tax positions were $166 million and $163 million, as of the March 31, 2016 and 2015, respectively. As of March 31, 2016, the unrecognized tax benefits included items that would favorably affect the income tax provision by $155 million, if recognized without an offsetting valuation allowance adjustment. The accrued liability for income tax related interest and penalties was insignificant for all periods presented.

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

	Years Ended March 31,	
	2016	2015
	(in millions)	
Balance at beginning of period	$ 163	$ 160
Additions based on current year tax positions	—	5
Additions based on prior year tax positions	5	3
Reductions for prior year tax positions	—	(3)
Reductions for settlements	—	(1)
Reductions for lapse of statute of limitations	(2)	(1)
Balance at end of period	$ 166	$ 163

Settlement agreements were reached with the Appeals or Exam division of the Internal Revenue Service (IRS) for examination issues in dispute for years prior to 2010. The issues were immaterial to our consolidated financial statements. As of March 31, 2016, there are no federal income tax examinations being handled by the IRS Exam division nor are there any issues being handled by the IRS Appeals division.

We are involved in multiple state income tax examinations related to various years beginning with 1996, which are in various stages of the examination, administrative review or appellate process. Based on our current knowledge of the examinations, administrative reviews and appellate processes, we believe it is reasonably possible a number of our uncertain tax positions may be resolved during the next twelve months which could result in a reduction of up to $20 million in our unrecognized tax benefits.

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

Note 13. 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

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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. The hearing to approve the settlement has been set for May 26, 2016.

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 is pending. 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, discovery is substantially complete, and our motion for summary judgment is pending. 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.

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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 under the Report and Order is $2.8 billion. 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 March 31, 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 $75 million during the year ended March 31, 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 March 31, 2016 have exceeded $2.8 billion, not all of those costs have been reviewed and accepted as eligible by the transition administrator. During the year ended March 31, 2015, we received a cash payment of approximately $95 million which represented a reimbursement of prior reconfiguration costs incurred by us that also benefited spectrum recently auctioned by the FCC. We do not expect any further reimbursements.

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 Washington, 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.

Future Minimum Commitments

As of March 31, 2016, the minimum estimated amounts due under operating leases, spectrum leases and service credits, handset sale-leaseback tranche 1 and purchase orders and other commitments were as follows:

Future Minimum Commitments	Total	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021 and thereafter
				(in millions)			
Operating leases	$ 14,078	$ 2,195	$ 2,148	$ 2,072	$ 1,958	$ 1,820	$ 3,885
Spectrum leases and service credits	6,707	212	219	221	224	226	5,605
Handset sale-leaseback tranche 1	651	580	71	—	—	—	—
Purchase orders and other commitments	11,224	7,192	1,428	951	499	354	800
Total	$ 32,660	$ 10,179	$ 3,866	$ 3,244	$ 2,681	$ 2,400	$ 10,290

Operating Leases

We lease various equipment, office facilities, retail outlets and kiosks, switching facilities and cell sites under operating leases. The non-cancelable portion of these leases generally ranges from monthly up to 15 years. These leases, with few exceptions, provide for automatic renewal options and escalations that are either fixed or based on the consumer price

index. Any rent abatements, along with rent escalations, are included in the computation of rent expense calculated on a straight-line basis over the lease term. Our lease term for most leases includes the initial non-cancelable term plus at least one renewal period, if the non-cancelable term is less than ten years, as the exercise of the related renewal option or options is reasonably assured. Our cell site leases generally provide for an initial non-cancelable term of five to twelve years with up to 5 renewal options for five years each.

Our rental commitments for operating leases, including lease renewals that are reasonably assured, consisted mainly of leases for cell and switch sites, real estate, information technology and network equipment and office space. Total rental expense was $2.9 billion, $2.6 billion, $653 million and $1.3 billion for the Successor years ended March 31, 2016 and 2015, the three-month transition period ended March 31, 2014 and year ended December 31, 2013, respectively, and $1.0 billion and $483 million for the Predecessor 191-day period ended July 10, 2013 and unaudited three-month period ended March 31, 2013, respectively.

Spectrum Leases and Service Credits

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

We also have commitments to provide services to certain lessors, and to reimburse lessors for certain capital equipment and third-party service expenditures over the term of the lease. We accrue a monthly obligation for the services and equipment based on the total estimated available service credits divided by the term of the lease. The obligation is reduced by services provided and as actual invoices are presented and paid to the lessors. During the period ended March 31, 2016, we satisfied $4 million related to these commitments. The maximum remaining commitment at March 31, 2016 was $86 million and is expected to be incurred over the term of the related lease agreements, which generally range from 15 to 30 years.

Purchase Orders and Other Commitments

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

Note 14. Stockholders' Equity and Per Share Data

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

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

Classes of Common Stock

Voting Common Stock

The holders of our common stock are entitled to one vote per share on all matters submitted for action by the stockholders. There were approximately 4.0 billion shares of common stock outstanding as of March 31, 2016.

Treasury Shares

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

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Dividends

We did not declare any dividends on our common shares for all periods presented in the consolidated financial statements. We are currently restricted from paying cash dividends by the terms of our revolving bank credit facility, EDC Agreement and all other equipment credit facilities *(see Note 9. Long-Term Debt, Financing and Capital Lease Obligations)*.

Accumulated Other Comprehensive Loss

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

	March 31,	
	2016	2015
	(in millions)	
Unrecognized net periodic pension and postretirement benefit cost	$ (407)	$ (388)
Unrealized net gains related to investments	—	1
Foreign currency translation adjustments	(32)	(21)
Accumulated other comprehensive loss	$ (439)	$ (408)

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 73 million, 56 million, 60 million and 70 million as of the Successor years ended March 31, 2016 and 2015, three-month transition period ended March 31, 2014, and year ended December 31, 2013, respectively, and 61 million and 74 million shares for the Predecessor 191-day period ended July 10, 2013 and unaudited three-month period ended March 31, 2013, respectively. In addition, as of all periods subsequent to the SoftBank Merger, all 55 million shares issuable under the warrant which was issued to SoftBank at the close of the SoftBank Merger were treated as potentially dilutive securities but did not impact our computation of dilutive weighted average number of shares outstanding as their effect would have been antidilutive. The warrant is exercisable at $5.25 per share at the option of Softbank, in whole or in part, at any time within the five-year term.

Note 15. 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 (handset 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:

Successor

Statement of Operations Information	Wireless	Wireline	Corporate, Other and Eliminations	Consolidated
			(in millions)	
Year Ended March 31, 2016				
Net operating revenues	$ 30,377	$ 1,790	$ 13	$ 32,180
Inter-segment revenues[1]	—	592	(592)	—
Total segment operating expenses	(22,326)	(2,290)	582	(24,034)
Segment earnings	$ 8,051	$ 92	$ 3	8,146
Less:				
Depreciation				(5,794)
Amortization				(1,294)
Other, net[3]				(748)
Operating income				310
Interest expense				(2,182)
Other income, net				18
Loss before income taxes				$ (1,854)

Statement of Operations Information	Wireless	Wireline	Corporate, Other and Eliminations	Consolidated
			(in millions)	
Year Ended March 31, 2015				
Net operating revenues	$ 32,327	$ 2,191	$ 14	$ 34,532
Inter-segment revenues[1]	—	623	(623)	—
Total segment operating expenses	(26,433)	(2,701)	602	(28,532)
Segment earnings	$ 5,894	$ 113	$ (7)	6,000
Less:				
Depreciation				(3,797)
Amortization				(1,552)
Impairments[2]				(2,133)
Other, net[3]				(413)
Operating loss				(1,895)
Interest expense				(2,051)
Other income, net				27
Loss before income taxes				$ (3,919)

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Successor

Statement of Operations Information	Wireless	Wireline	Corporate, Other and Eliminations	Consolidated
			(in millions)	
Three Months Ended March 31, 2014				
Net operating revenues	$ 8,254	$ 617	$ 4	$ 8,875
Inter-segment revenues[1]	—	153	(153)	—
Total segment operating expenses	(6,417)	(758)	144	(7,031)
Segment earnings	$ 1,837	$ 12	$ (5)	1,844
Less:				
Depreciation				(868)
Amortization				(429)
Other, net[3]				(127)
Operating income				420
Interest expense				(516)
Other income, net				1
Loss before income taxes				$ (95)

Statement of Operations Information	Wireless	Wireline	Corporate, Other and Eliminations	Consolidated
			(in millions)	
Three Months Ended March 31, 2013 (unaudited)				
Net operating revenues	$ —	$ —	$ —	$ —
Inter-segment revenues[1]	—	—	—	—
Total segment operating expenses	—	—	(14)	(14)
Segment earnings	$ —	$ —	$ (14)	(14)
Other income, net				6
Loss before income taxes				$ (8)

Statement of Operations Information	Wireless	Wireline	Corporate, Other and Eliminations	Consolidated
			(in millions)	
Year Ended December 31, 2013				
Net operating revenues	$ 15,642	$ 1,240	$ 9	$ 16,891
Inter-segment revenues[1]	—	396	(396)	—
Total segment operating expenses	(13,464)	(1,414)	353	(14,525)
Segment earnings	$ 2,178	$ 222	$ (34)	2,366
Less:				
Depreciation				(2,026)
Amortization				(908)
Other, net[3]				(402)
Operating loss				(970)
Interest expense				(918)
Other income, net				73
Loss before income taxes				$ (1,815)

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Successor

Other Information	Wireless	Wireline	Corporate and Other	Consolidated
			(in millions)	
As of and for the year ended March 31, 2016				
Capital expenditures	$ 6,381	$ 279	$ 312	$ 6,972
Total assets	$ 73,408	$ 1,255	$ 4,312	$ 78,975
As of and for the year ended March 31, 2015				
Capital expenditures	$ 5,442	$ 275	$ 287	$ 6,004
Total assets	$ 75,533	$ 1,262	$ 6,046	$ 82,841
As of and for the three months ended March 31, 2014				
Capital expenditures	$ 1,343	$ 79	$ 66	$ 1,488
Total assets	$ 75,044	$ 1,499	$ 8,006	$ 84,549
As of March 31, 2013				
Total assets	$ —	$ —	$ 3,122	$ 3,122
As of and for the year ended December 31, 2013				
Capital expenditures	$ 3,535	$ 153	$ 159	$ 3,847
Total assets	$ 75,121	$ 1,548	$ 9,284	$ 85,953

Predecessor

Statement of Operations Information	Wireless	Wireline	Corporate, Other and Eliminations	Consolidated
			(in millions)	
191 Days Ended July 10, 2013				
Net operating revenues	$ 17,125	$ 1,471	$ 6	$ 18,602
Inter-segment revenues[1]	—	430	(430)	—
Total segment operating expenses	(14,355)	(1,629)	425	(15,559)
Segment earnings	$ 2,770	$ 272	$ 1	3,043
Less:				
Depreciation				(3,098)
Amortization				(147)
Other, net[3]				(683)
Operating loss				(885)
Interest expense				(1,135)
Equity in losses of unconsolidated investments, net			$ (482)	
Gain on previously-held equity interests			2,926	2,444
Other income, net				19
Income before income taxes				$ 443

SPRINT CORPORATION
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Statement of Operations Information	Wireless	Wireline	Corporate, Other and Eliminations	Consolidated
			(in millions)	
Three Months Ended March 31, 2013 (unaudited)				
Net operating revenues	$ 8,089	$ 702	$ 2	$ 8,793
Inter-segment revenues[1]	—	191	(191)	—
Total segment operating expenses	(6,694)	(765)	190	(7,269)
Segment earnings	$ 1,395	$ 128	$ 1	1,524
Less:				
Depreciation				(1,422)
Amortization				(70)
Other, net[3]				(3)
Operating income				29
Interest expense				(432)
Equity in losses of unconsolidated investments, net			$ (202)	(202)
Loss before income taxes				$ (605)

Other Information	Wireless	Wireline	Corporate and Other	Consolidated
			(in millions)	
Capital expenditures for the 191 days ended July 10, 2013	$ 2,840	$ 174	$ 126	$ 3,140
Capital expenditures for the three months ended March 31, 2013 (unaudited)	$ 1,270	$ 64	$ 47	$ 1,381

(1) Inter-segment revenues consist primarily of wireline services provided to the Wireless segment for resale to or use by wireless subscribers.
(2) Impairments for the Successor year ended March 31, 2015 consist of a $1.9 billion trade name impairment related to the Wireless segment and a $233 million impairment related to Wireline long-lived assets.
(3) Other, net for the Successor year ended March 31, 2016 consists of $409 million of severance and exit costs, combined with $193 million for legal reserves related to various pending legal suits and proceedings and a $166 million loss on disposal of property, plant and equipment related to cell site construction costs and other network costs that are no longer recoverable as a result of changes in the Company's network plans, partially offset by $20 million of income resulting from a revision to our estimate of a previously recorded reserve . Losses totaling approximately $321 million relating to the write-off of leased devices associated with lease cancellations of $256 million and the loss on sale of devices to MLS under the Handset Sale-Leaseback Tranche 1 transaction for $65 million were excluded from Other, net and included within Wireless segment earnings. Other, net for the Successor year ended March 31, 2015 consists of $304 million of severance and exit costs, combined with $91 million for legal reserves related to various pending legal suits and proceedings and $59 million for a partial pension settlement, partially offset by $41 million of income resulting from a revision to our estimate of a previously recorded reserve. Other, net for the Successor three-month transition period ended March 31, 2014 consists of $52 million of severance and exit costs and a $75 million loss on disposal of property, plant and equipment related to network equipment assets no longer necessary for management's strategic plans. Other, net for the Successor year ended December 31, 2013 consists of $309 million of severance and exit costs and $100 million of business combination fees paid to unrelated parties in connection with the transactions with SoftBank and Clearwire ($75 million included in our corporate segment and $25 million included in our wireless segment and classified as selling, general and administrative expenses), partially offset by $7 million of insurance reimbursement towards 2012 hurricane-related charges (included in our wireless segment and classified as a contra-expense in cost of services expense). Other, net for the Predecessor 191-day period ended July 10, 2013 and unaudited three-month period ended March 31, 2013 consists of $652 million and $25 million, respectively, of severance and exit costs, partially offset by $22 million of favorable developments in connection with an E911 regulatory tax-related contingency. Other, net for the Predecessor 191-day period ended July 10, 2013 also includes $53 million of business combination fees paid to unrelated parties in connection with the transactions with SoftBank and Clearwire (included in our corporate segment and classified as selling, general and administrative expenses).

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Successor

Operating Revenues by Service and Products	Wireless	Wireline	Corporate, Other and Eliminations[1]	Consolidated
		(in millions)		
Year Ended March 31, 2016				
Wireless services	$ 24,627	$ —	$ —	$ 24,627
Wireless equipment	5,006	—	—	5,006
Voice	—	840	(329)	511
Data	—	171	(69)	102
Internet	—	1,284	(190)	1,094
Other	744	87	9	840
Total net operating revenues	$ 30,377	$ 2,382	$ (579)	$ 32,180

Operating Revenues by Service and Products	Wireless	Wireline	Corporate, Other and Eliminations[1]	Consolidated
		(in millions)		
Year Ended March 31, 2015				
Wireless services	$ 26,544	$ —	$ —	$ 26,544
Wireless equipment	4,990	—	—	4,990
Voice	—	1,174	(365)	809
Data	—	213	(88)	125
Internet	—	1,353	(165)	1,188
Other	793	74	9	876
Total net operating revenues	$ 32,327	$ 2,814	$ (609)	$ 34,532

	Wireless	Wireline	Corporate, Other and Eliminations[1]	Consolidated
		(in millions)		
Three Months Ended March 31, 2014				
Wireless services	$ 7,096	$ —	$ —	$ 7,096
Wireless equipment	999	—	—	999
Voice	—	352	(88)	264
Data	—	62	(26)	36
Internet	—	345	(37)	308
Other	159	11	2	172
Total net operating revenues	$ 8,254	$ 770	$ (149)	$ 8,875

	Wireless	Wireline	Corporate, Other and Eliminations[1]	Consolidated
		(in millions)		
Year Ended December 31, 2013				
Wireless services	$ 13,579	$ —	$ —	$ 13,579
Wireless equipment	1,797	—	—	1,797
Voice	—	719	(240)	479
Data	—	138	(69)	69
Internet	—	747	(81)	666
Other	266	32	3	301
Total net operating revenues	$ 15,642	$ 1,636	$ (387)	$ 16,891

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Predecessor			
Operating Revenues by Service and Products	**Wireless**	**Wireline**	**Corporate, Other and Eliminations[1]**	**Consolidated**
		(in millions)		
191 Days Ended July 10, 2013				
Wireless services	$ 15,139	$ —	$ —	$ 15,139
Wireless equipment	1,707	—	—	1,707
Voice	—	771	(236)	535
Data	—	188	(93)	95
Internet	—	913	(100)	813
Other	279	29	5	313
Total net operating revenues	$ 17,125	$ 1,901	$ (424)	$ 18,602

	Wireless	**Wireline**	**Corporate, Other and Eliminations[1]**	**Consolidated**
		(in millions)		
Three Months Ended March 31, 2013 (unaudited)				
Wireless services	$ 7,143	$ —	$ —	$ 7,143
Wireless equipment	813	—	—	813
Voice	—	352	(99)	253
Data	—	94	(46)	48
Internet	—	434	(47)	387
Other	133	13	3	149
Total net operating revenues	$ 8,089	$ 893	$ (189)	$ 8,793

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

Note 16. Quarterly Financial Data (Unaudited)

	Quarter			
	1st	**2nd**	**3rd**	**4th**
	(in millions, except per share amounts)			
Fiscal year 2015				
Net operating revenues	$ 8,027	$ 7,975	$ 8,107	$ 8,071
Operating income (loss)	$ 501	$ (2)	$ (197)	$ 8
Net loss	$ (20)	$ (585)	$ (836)	$ (554)
Basic and diluted loss per common share[1]	$ (0.01)	$ (0.15)	$ (0.21)	$ (0.14)
Fiscal year 2014				
Net operating revenues	$ 8,789	$ 8,488	$ 8,973	$ 8,292
Operating income (loss)	$ 519	$ (192)	$ (2,540)	$ 318
Net income (loss)	$ 23	$ (765)	$ (2,379)	$ (224)
Basic and diluted income (loss) per common share[1]	$ 0.01	$ (0.19)	$ (0.60)	$ (0.06)

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

SPRINT CORPORATION
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Note 17. Related-Party Transactions

Clearwire Related-Party Transactions

Immediately prior to the Clearwire Acquisition, Sprint Communications held approximately 50.1% of non-controlling voting interest and a 6.0% non-controlling economic interest in Clearwire Corporation as well as a 44.1% non-controlling economic interest in Clearwire Communications LLC for which the carrying value totaled $325 million. Prior to the close of the Clearwire Acquisition, we applied equity method accounting to the investment in Clearwire.

Equity in losses from Clearwire were $482 million and $202 million for the Predecessor 190-day period ended July 9, 2013 and Predecessor unaudited three-month period ended March 31, 2013, respectively. The equity in losses from our investment in Clearwire consisted of our share of Clearwire's net loss and other adjustments, if any, such as non-cash impairment of our investment, gains or losses associated with the dilution of our ownership interest resulting from Clearwire's equity issuances, derivative losses associated with the change in fair value of the embedded derivative included in exchangeable notes between Clearwire and Sprint, and other items recognized by Clearwire Corporation that did not affect our economic interest. Sprint's equity in losses for the Predecessor 190-day period ended July 9, 2013, include a $65 million derivative loss associated with the change in fair value of the embedded derivative.

Subsequent to the Clearwire Acquisition, Clearwire is consolidated as a wholly-owned subsidiary of Sprint. In connection with the acquisition, Sprint recorded a pre-tax gain of approximately $2.9 billion to "Gain on previously-held equity interests" in its Predecessor consolidated statements of operations immediately preceding the Clearwire Acquisition resulting from the difference between the estimated fair value of the interests owned prior to the acquisition ($5.00 per share offer price less an estimated control premium of approximately $0.60) and the carrying value of approximately $325 million for those previously-held equity interests.

Cost of services included in our consolidated statements of operations related to our agreement to purchase 4G services from Clearwire totaled $207 million and $101 million for the Predecessor 190-day period ended July 9, 2013 and Predecessor unaudited three-month period ended March 31, 2013, respectively.

Summarized financial information for Clearwire for the 190-day period ended July 9, 2013, which preceded the Clearwire Acquisition, is as follows:

	190 Days Ended July 9, 2013
	(in millions)
Revenues	$ 666
Operating expenses	(1,285)
Operating loss	$ (619)
Net loss from continuing operations before non-controlling interests	$ (1,102)
Net loss from discontinued operations before non-controlling interests	$ —

SoftBank Related-Party Transactions

In addition to agreements arising out of or relating to the SoftBank Merger, Sprint has entered into various other arrangements with SoftBank 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.

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Brightstar

We have arrangements with 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 included, 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 years ended March 31, 2016 and 2015, we incurred fees under these arrangements totaling $102 million and $66 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.

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

Consolidated balance sheets:	March 31, 2016	March 31, 2015
	(in millions)	
Accounts receivable	$ 197	$ 430
Accounts payable	$ 96	$ 96

Consolidated statements of operations:	March 31, 2016	March 31, 2015
	(in millions)	
Equipment revenues [(1)]	$ 1,731	$ 1,818
Cost of products [(1)]	$ 1,743	$ 1,887

(1) Amounts for all other reported periods were immaterial.

Handset Sale-Leaseback Tranche 1

In November, 2015, Sprint entered into a Handset Sale-Leaseback Tranche 1 transaction with MLS, a company formed by a group of equity investors, including SoftBank to sell and lease-back certain devices, which are currently being leased by our customers, for total proceeds of $1.1 billion (*see Note 4. Funding Sources and Note 13. Commitments and Contingencies*).

All other transactions under agreements with SoftBank Parties, in the aggregate, were immaterial through the period ended March 31, 2016.

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 18. 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 year ended March 31, 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 $1.5 billion.

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

Sprint has a Receivables Facility providing for the sale of eligible wireless service, installment and certain future lease receivables. In November 2015, Sprint also entered a Handset Sale-Leaseback Tranche 1 transaction to sell and lease-back certain leased devices. In connection with the Receivables Facility and the Handset Sale-Leaseback Tranche 1, 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 4. Funding Sources).*

The guarantor financial information distinguishes between the Predecessor period relating to Sprint Communications for periods prior to the SoftBank Merger and the Successor period relating to Sprint Corporation (formerly Starburst II), for periods subsequent to the incorporation of Starburst II on October 5, 2012. Additionally, because the Parent/Issuer column represents the activities of Sprint Corporation (formerly Starburst II), no Parent/Issuer financial information exists for the Predecessor periods, which are prior to the SoftBank Merger. We have accounted for investments in subsidiaries using the equity method. Presented below is the condensed consolidating financial information as of the periods presented in the consolidated financial statements.

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
Note payable due to consolidated affiliate	—	10,377	245	(10,622)	—
Deferred tax liabilities	—	—	13,959	—	13,959
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 BALANCE SHEET

	As of March 31, 2015				
	Parent/Issuer	*Subsidiary Guarantor*	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
			(in millions)		
ASSETS					
Current assets:					
Cash and cash equivalents	$ —	$ 3,492	$ 518	$ —	$ 4,010
Short-term investments	—	146	20	—	166
Accounts and notes receivable, net	84	157	2,160	(111)	2,290
Device and accessory inventory	—	—	1,359	—	1,359
Deferred tax assets	—	—	62	—	62
Prepaid expenses and other current assets	—	13	1,877	—	1,890
Total current assets	84	3,808	5,996	(111)	9,777
Investments in subsidiaries	21,712	22,413	—	(44,125)	—
Property, plant and equipment, net	—	—	19,721	—	19,721
Due from consolidated affiliate	68	20,934	—	(21,002)	—
Note receivable from consolidated affiliate	10,361	458	—	(10,819)	—
Intangible assets					
Goodwill	—	—	6,575	—	6,575
FCC licenses and other	—	—	39,987	—	39,987
Definite-lived intangible assets, net	—	—	5,893	—	5,893
Other assets	—	1,119	788	(1,019)	888
Total assets	$ 32,225	$ 48,732	$ 78,960	$ (77,076)	$ 82,841
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ —	$ —	$ 4,347	$ —	$ 4,347
Accrued expenses and other current liabilities	154	625	4,625	(111)	5,293
Current portion of long-term debt, financing and capital lease obligations	—	500	800	—	1,300
Total current liabilities	154	1,125	9,772	(111)	10,940
Long-term debt, financing and capital lease obligations	10,361	14,574	8,426	(1,019)	32,342
Note payable due to consolidated affiliate	—	10,361	458	(10,819)	—
Deferred tax liabilities	—	—	13,898	—	13,898
Other liabilities	—	960	2,991	—	3,951
Due to consolidated affiliate	—	—	21,002	(21,002)	—
Total liabilities	10,515	27,020	56,547	(32,951)	61,131
Commitments and contingencies					
Total stockholders' equity	21,710	21,712	22,413	(44,125)	21,710
Total liabilities and stockholders' equity	$ 32,225	$ 48,732	$ 78,960	$ (77,076)	$ 82,841

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE LOSS

	Successor				
	Year Ended March 31, 2016				
	Parent/Issuer	*Subsidiary Guarantor*	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
			(in millions)		
Net operating revenues:					
Service	$ —	$ —	$ 27,174	$ —	$ 27,174
Equipment	—	—	5,006	—	5,006
	—	—	32,180	—	32,180
Net operating expenses:					
Cost of services (exclusive of depreciation and amortization below)	—	—	9,439	—	9,439
Cost of products (exclusive of depreciation and amortization below)	—	—	5,795	—	5,795
Selling, general and administrative	—	—	8,479	—	8,479
Severance and exit costs	—	—	409	—	409
Depreciation	—	—	5,794	—	5,794
Amortization	—	—	1,294	—	1,294
Other, net	—	—	660	—	660
	—	—	31,870	—	31,870
Operating income	—	—	310	—	310
Other income (expense):					
Interest income	790	165	5	(949)	11
Interest expense	(790)	(1,624)	(717)	949	(2,182)
(Losses) earnings of subsidiaries	(1,997)	(538)	—	2,535	—
Other income, net	—	—	7	—	7
	(1,997)	(1,997)	(705)	2,535	(2,164)
(Loss) income before income taxes	(1,997)	(1,997)	(395)	2,535	(1,854)
Income tax benefit (expense)	2	—	(143)	—	(141)
Net (loss) income	(1,995)	(1,997)	(538)	2,535	(1,995)
Other comprehensive (loss) income	(31)	(31)	(21)	52	(31)
Comprehensive (loss) income	$ (2,026)	$ (2,028)	$ (559)	$ 2,587	$ (2,026)

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE LOSS

	Successor				
	Year Ended March 31, 2015				
	Parent/Issuer	*Subsidiary Guarantor*	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
			(in millions)		
Net operating revenues:					
Service	$ —	$ —	$ 29,542	$ —	$ 29,542
Equipment	—	—	4,990	—	4,990
	—	—	34,532	—	34,532
Net operating expenses:					
Cost of services (exclusive of depreciation and amortization below)	—	—	9,660	—	9,660
Cost of products (exclusive of depreciation and amortization below)	—	—	9,309	—	9,309
Selling, general and administrative	—	—	9,563	—	9,563
Impairments	—	—	2,133	—	2,133
Severance and exit costs	—	—	304	—	304
Depreciation	—	—	3,797	—	3,797
Amortization	—	—	1,552	—	1,552
Other, net	—	1	108	—	109
	—	1	36,426	—	36,427
Operating loss	—	(1)	(1,894)	—	(1,895)
Other income (expense):					
Interest income	687	146	3	(824)	12
Interest expense	(687)	(1,521)	(667)	824	(2,051)
(Losses) earnings of subsidiaries	(3,345)	(1,970)	—	5,315	—
Other income, net	—	1	14	—	15
	(3,345)	(3,344)	(650)	5,315	(2,024)
(Loss) income before income taxes	(3,345)	(3,345)	(2,544)	5,315	(3,919)
Income tax benefit	—	—	574	—	574
Net (loss) income	(3,345)	(3,345)	(1,970)	5,315	(3,345)
Other comprehensive (loss) income	(365)	(365)	(355)	720	(365)
Comprehensive (loss) income	$ (3,710)	$ (3,710)	$ (2,325)	$ 6,035	$ (3,710)

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE LOSS

	Successor				
	Three Months Ended March 31, 2014				
	Parent/Issuer	*Subsidiary Guarantor*	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
			(in millions)		
Net operating revenues:					
Service	$ —	$ —	$ 7,876	$ —	$ 7,876
Equipment	—	—	999	—	999
	—	—	8,875	—	8,875
Net operating expenses:					
Cost of services (exclusive of depreciation and amortization below)	—	—	2,622	—	2,622
Cost of products (exclusive of depreciation and amortization below)	—	—	2,038	—	2,038
Selling, general and administrative	—	—	2,371	—	2,371
Severance and exit costs	—	—	52	—	52
Depreciation	—	—	868	—	868
Amortization	—	—	429	—	429
Other, net	—	—	75	—	75
	—	—	8,455	—	8,455
Operating income	—	—	420	—	420
Other income (expense):					
Interest income	169	20	4	(189)	4
Interest expense	(166)	(373)	(166)	189	(516)
(Losses) earnings of subsidiaries	(154)	199	—	(45)	—
Other expense, net	—	—	(3)	—	(3)
	(151)	(154)	(165)	(45)	(515)
(Loss) income before income taxes	(151)	(154)	255	(45)	(95)
Income tax expense	—	—	(56)	—	(56)
Net (loss) income	(151)	(154)	199	(45)	(151)
Other comprehensive (loss) income	(145)	(145)	(147)	292	(145)
Comprehensive (loss) income	$ (296)	$ (299)	$ 52	$ 247	$ (296)

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE LOSS

	Successor				
	Year Ended December 31, 2013				
	Parent/Issuer	*Subsidiary Guarantor*	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
			(in millions)		
Net operating revenues:					
Service	$ —	$ —	$ 15,094	$ —	$ 15,094
Equipment	—	—	1,797	—	1,797
	—	—	16,891	—	16,891
Net operating expenses:					
Cost of services (exclusive of depreciation and amortization below)	—	—	5,174	—	5,174
Cost of products (exclusive of depreciation and amortization below)	—	—	4,603	—	4,603
Selling, general and administrative	36	—	4,805	—	4,841
Severance and exit costs	—	—	309	—	309
Depreciation	—	—	2,026	—	2,026
Amortization	—	—	908	—	908
	36	—	17,825	—	17,861
Operating loss	(36)	—	(934)	—	(970)
Other income (expense):					
Interest income	189	40	6	(200)	35
Interest expense	(163)	(548)	(407)	200	(918)
(Losses) earnings of subsidiaries	(1,831)	(1,320)	—	3,151	—
Other (expense) income, net	(15)	(3)	56	—	38
	(1,820)	(1,831)	(345)	3,151	(845)
(Loss) income before income taxes	(1,856)	(1,831)	(1,279)	3,151	(1,815)
Income tax expense	(4)	—	(41)	—	(45)
Net (loss) income	(1,860)	(1,831)	(1,320)	3,151	(1,860)
Other comprehensive income (loss)	102	102	93	(195)	102
Comprehensive (loss) income	$ (1,758)	$ (1,729)	$ (1,227)	$ 2,956	$ (1,758)

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE LOSS

	Predecessor			
	191 Days Ended July 10, 2013			
	Subsidiary Guarantor	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
		(in millions)		
Net operating revenues:				
Service	$ —	$ 16,895	$ —	$ 16,895
Equipment	—	1,707	—	1,707
	—	18,602	—	18,602
Net operating expenses:				
Cost of services (exclusive of depreciation and amortization below)	—	5,673	—	5,673
Cost of products (exclusive of depreciation and amortization below)	—	4,872	—	4,872
Selling, general and administrative	—	5,067	—	5,067
Severance and exit costs	—	652	—	652
Depreciation	—	3,098	—	3,098
Amortization	—	147	—	147
Other, net	—	(22)	—	(22)
	—	19,487	—	19,487
Operating loss	—	(885)	—	(885)
Other income (expense):				
Interest income	61	15	(43)	33
Interest expense	(842)	(336)	43	(1,135)
Equity in losses of unconsolidated investments, net	—	(482)	—	(482)
Gain on previously-held equity interests	—	2,926	—	2,926
(Losses) earnings of subsidiaries	(365)	—	365	—
Other expense, net	(12)	(2)	—	(14)
	(1,158)	2,121	365	1,328
(Loss) income before income taxes	(1,158)	1,236	365	443
Income tax expense	—	(1,601)	—	(1,601)
Net (loss) income	(1,158)	(365)	365	(1,158)
Other comprehensive income (loss)	23	35	(35)	23
Comprehensive (loss) income	$ (1,135)	$ (330)	$ 330	$ (1,135)

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE LOSS

	Predecessor			
	Three Months Ended March 31, 2013 (Unaudited)			
	Subsidiary Guarantor	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
		(in millions)		
Net operating revenues:				
Service	$ —	$ 7,980	$ —	$ 7,980
Equipment	—	813	—	813
	—	8,793	—	8,793
Net operating expenses:				
Cost of services (exclusive of depreciation and amortization below)	—	2,640	—	2,640
Cost of products (exclusive of depreciation and amortization below)	—	2,293	—	2,293
Selling, general and administrative	—	2,336	—	2,336
Severance and exit costs	—	25	—	25
Depreciation	—	1,422	—	1,422
Amortization	—	70	—	70
Other, net	—	(22)	—	(22)
	—	8,764	—	8,764
Operating income	—	29	—	29
Other income (expense):				
Interest income	29	6	(21)	14
Interest expense	(292)	(161)	21	(432)
Equity in losses of unconsolidated investments, net	—	(202)	—	(202)
(Losses) earnings of subsidiaries	(368)	—	368	—
Other expense, net	(12)	(2)	—	(14)
	(643)	(359)	368	(634)
(Loss) income before income taxes	(643)	(330)	368	(605)
Income tax expense	—	(38)	—	(38)
Net (loss) income	(643)	(368)	368	(643)
Other comprehensive income (loss)	14	15	(15)	14
Comprehensive (loss) income	$ (629)	$ (353)	$ 353	$ (629)

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

	Successor				
	Year Ended March 31, 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	$ —	$ (1,421)	$ 5,551	$ (233)	$ 3,897
Cash flows from investing activities:					
Capital expenditures - network and other	—	—	(4,680)	—	(4,680)
Capital expenditures - leased devices	—	—	(2,292)	—	(2,292)
Expenditures relating to FCC licenses	—	—	(98)	—	(98)
Proceeds from sales and maturities of short-term investments	—	343	75	—	418
Purchases of short-term investments	—	(197)	(55)	—	(252)
Change in amounts due from/due to consolidated affiliates	1	(36)	—	35	—
Proceeds from sales of assets and FCC licenses	—	—	62	—	62
Proceeds from sale-leaseback transaction	—	—	1,136	—	1,136
Intercompany note advance to consolidated affiliate	—	(159)	—	159	—
Proceeds from intercompany note advance to consolidated affiliate	—	372	—	(372)	—
Other, net	—	—	(29)	—	(29)
Net cash provided by (used in) investing activities	1	323	(5,881)	(178)	(5,735)
Cash flows from financing activities:					
Proceeds from debt and financings	—	250	505	—	755
Repayments of debt, financing and capital lease obligations	—	(500)	(399)	—	(899)
Proceeds from sales of future lease receivables	—	—	600	—	600
Debt financing costs	(1)	—	(10)	—	(11)
Proceeds from issuance of common stock, net	—	10	—	—	10
Intercompany dividends paid to consolidated affiliate	—	—	(233)	233	—
Change in amounts due from/due to consolidated affiliates	—	—	35	(35)	—
Intercompany note advance from parent	—	—	159	(159)	—
Repayments of intercompany note advance from parent	—	—	(372)	372	—
Other, net	—	—	14	—	14
Net cash (used in) provided by financing activities	(1)	(240)	299	411	469
Net decrease in cash and cash equivalents	—	(1,338)	(31)	—	(1,369)
Cash and cash equivalents, beginning of period	—	3,492	518	—	4,010
Cash and cash equivalents, end of period	$ —	$ 2,154	$ 487	$ —	$ 2,641

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

	Successor				
	Year Ended March 31, 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	$ —	$ (750)	$ 3,700	$ (500)	$ 2,450
Cash flows from investing activities:					
Capital expenditures - network and other	—	—	(5,422)	—	(5,422)
Capital expenditures - leased devices	—	—	(582)	—	(582)
Expenditures relating to FCC licenses	—	—	(163)	—	(163)
Reimbursements relating to FCC licenses	—	—	95	—	95
Proceeds from sales and maturities of short-term investments	—	3,061	70	—	3,131
Purchases of short-term investments	—	(1,987)	(90)	—	(2,077)
Change in amounts due from/due to consolidated affiliates	—	(2,425)	—	2,425	—
Proceeds from sales of assets and FCC licenses	—	—	315	—	315
Intercompany note advance to consolidated affiliate	(1,481)	(343)	—	1,824	—
Other, net	—	—	(11)	—	(11)
Net cash (used in) provided by investing activities	(1,481)	(1,694)	(5,788)	4,249	(4,714)
Cash flows from financing activities:					
Proceeds from debt and financings	1,500	300	130	—	1,930
Repayments of debt, financing and capital lease obligations	—	—	(574)	—	(574)
Debt financing costs	(21)	(5)	(61)	—	(87)
Proceeds from issuance of common stock, net	—	35	—	—	35
Intercompany dividends paid to consolidated affiliate	—	—	(500)	500	—
Change in amounts due from/due to consolidated affiliates	2	—	2,423	(2,425)	—
Intercompany note advance from parent	—	1,481	343	(1,824)	—
Net cash provided by (used in) financing activities	1,481	1,811	1,761	(3,749)	1,304
Net decrease in cash and cash equivalents	—	(633)	(327)	—	(960)
Cash and cash equivalents, beginning of period	—	4,125	845	—	4,970
Cash and cash equivalents, end of period	$ —	$ 3,492	$ 518	$ —	$ 4,010

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

	Successor				
	Three Months Ended March 31, 2014				
	Parent/Issuer	*Subsidiary Guarantor*	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
			(in millions)		
Cash flows from operating activities:					
Net cash (used in) provided by operating activities	$ —	$ (483)	$ 1,005	$ —	$ 522
Cash flows from investing activities:					
Capital expenditures	—	—	(1,488)	—	(1,488)
Expenditures relating to FCC licenses	—	—	(152)	—	(152)
Proceeds from sales and maturities of short-term investments	—	920	—	—	920
Purchases of short-term investments	—	(1,035)	—	—	(1,035)
Change in amounts due from/due to consolidated affiliates	—	(941)	—	941	—
Proceeds from sales of assets and FCC licenses	—	—	1	—	1
Other, net	—	—	(2)	—	(2)
Net cash (used in) provided by investing activities	—	(1,056)	(1,641)	941	(1,756)
Cash flows from financing activities:					
Repayments of debt and capital lease obligations	—	—	(159)	—	(159)
Debt financing costs	—	(1)	—	—	(1)
Change in amounts due from/due to consolidated affiliates	—	—	941	(941)	—
Net cash (used in) provided by financing activities	—	(1)	782	(941)	(160)
Net (decrease) increase in cash and cash equivalents	—	(1,540)	146	—	(1,394)
Cash and cash equivalents, beginning of period	—	5,665	699	—	6,364
Cash and cash equivalents, end of period	$ —	$ 4,125	$ 845	$ —	$ 4,970

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

	Successor				
	Year Ended December 31, 2013				
	Parent/Issuer	*Subsidiary Guarantor*	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
			(in millions)		
Cash flows from operating activities:					
Net cash provided by (used in) operating activities	$ 9	$ (458)	$ 388	$ —	$ (61)
Cash flows from investing activities:					
Capital expenditures	—	—	(3,847)	—	(3,847)
Expenditures relating to FCC licenses	—	—	(146)	—	(146)
Acquisitions, net of cash acquired	(16,640)	2,528	—	—	(14,112)
Proceeds from sales and maturities of short-term investments	—	1,715	—	—	1,715
Purchases of short-term investments	—	(1,719)	—	—	(1,719)
Change in amounts due from/due to consolidated affiliates	—	(7,189)	—	7,189	—
Proceeds from sales of assets and FCC licenses	—	—	7	—	7
Investment in consolidated affiliate	(1,900)	—	—	1,900	—
Intercompany note advance to consolidated affiliate	(8,861)	—	—	8,861	—
Other, net	—	—	(6)	—	(6)
Net cash (used in) provided by investing activities	(27,401)	(4,665)	(3,992)	17,950	(18,108)
Cash flows from financing activities:					
Proceeds from debt and financings	9,000	—	500	—	9,500
Repayments of debt and capital lease obligations	—	—	(3,378)	—	(3,378)
Debt financing costs	(139)	—	(8)	—	(147)
Proceeds from issuance of common stock and warrants, net	18,540	27	—	—	18,567
Change in amounts due from/due to consolidated affiliates	—	—	7,189	(7,189)	—
Intercompany note advance from parent	—	8,861	—	(8,861)	—
Equity contribution from parent	—	1,900	—	(1,900)	—
Other, net	(14)	—	—	—	(14)
Net cash provided by (used in) financing activities	27,387	10,788	4,303	(17,950)	24,528
Net (decrease) increase in cash and cash equivalents	(5)	5,665	699	—	6,359
Cash and cash equivalents, beginning of period	5	—	—	—	5
Cash and cash equivalents, end of period	$ —	$ 5,665	$ 699	$ —	$ 6,364

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

	Predecessor			
	191 Days Ended July 10, 2013			
	Subsidiary Guarantor	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
	(in millions)			
Cash flows from operating activities:				
Net cash (used in) provided by operating activities	$ (559)	$ 3,230	$ —	$ 2,671
Cash flows from investing activities:				
Capital expenditures	—	(3,140)	—	(3,140)
Expenditures relating to FCC licenses	—	(125)	—	(125)
Acquisitions, net of cash acquired	(4,039)	—	—	(4,039)
Investment in Clearwire (including debt securities)	—	(308)	—	(308)
Proceeds from sales and maturities of short-term investments	2,445	—	—	2,445
Purchases of short-term investments	(1,221)	—	—	(1,221)
Change in amounts due from/due to consolidated affiliates	(372)	—	372	—
Proceeds from sales of assets and FCC licenses	—	10	—	10
Other, net	—	(7)	—	(7)
Net cash (used in) provided by investing activities	(3,187)	(3,570)	372	(6,385)
Cash flows from financing activities:				
Proceeds from debt and financings	—	204	—	204
Repayments of debt and capital lease obligations	—	(362)	—	(362)
Debt financing costs	(11)	—	—	(11)
Proceeds from issuance of common stock, net	60	—	—	60
Change in amounts due from/due to consolidated affiliates	—	372	(372)	—
Net cash provided by (used in) financing activities	49	214	(372)	(109)
Net decrease in cash and cash equivalents	(3,697)	(126)	—	(3,823)
Cash and cash equivalents, beginning of period	5,218	1,133	—	6,351
Cash and cash equivalents, end of period	$ 1,521	$ 1,007	$ —	$ 2,528

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

	Predecessor			
	Three Months Ended March 31, 2013 (Unaudited)			
	Subsidiary Guarantor	*Non-Guarantor Subsidiaries*	*Eliminations*	*Consolidated*
	(in millions)			
Cash flows from operating activities:				
Net cash (used in) provided by operating activities	$ (210)	$ 1,150	$ —	$ 940
Cash flows from investing activities:				
Capital expenditures	—	(1,381)	—	(1,381)
Expenditures relating to FCC licenses	—	(55)	—	(55)
Investment in Clearwire (including debt securities)	—	(80)	—	(80)
Proceeds from sales and maturities of short-term investments	1,281	—	—	1,281
Purchases of short-term investments	(926)	—	—	(926)
Change in amounts due from/due to consolidated affiliates	(236)	—	236	—
Proceeds from sales of assets and FCC licenses	—	6	—	6
Other, net	—	(3)	—	(3)
Net cash provided by (used in) investing activities	119	(1,513)	236	(1,158)
Cash flows from financing activities:				
Proceeds from debt and financings	—	204	—	204
Repayments of debt and capital lease obligations	—	(59)	—	(59)
Debt financing costs	(10)	—	—	(10)
Proceeds from issuance of common stock, net	7	—	—	7
Change in amounts due from/due to consolidated affiliates	—	236	(236)	—
Net cash (used in) provided by financing activities	(3)	381	(236)	142
Net (decrease) increase in cash and cash equivalents	(94)	18	—	(76)
Cash and cash equivalents, beginning of period	5,218	1,133	—	6,351
Cash and cash equivalents, end of period	$ 5,124	$ 1,151	$ —	$ 6,275

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 19. Subsequent Events

Network Equipment Sale-Leaseback

In April 2016, certain wholly-owned subsidiaries of Sprint entered into agreements (Network Equipment Sale-Leaseback) to sell and lease-back certain network equipment to unrelated bankruptcy-remote special purpose entities (collectively, "the Network LeaseCo SPEs"). Sprint sold certain network equipment with a book value of approximately $3.0 billion to the Network LeaseCo SPEs which was used as collateral to raise approximately$2.2 billion in borrowings from external investors, including SoftBank.

The Network LeaseCo SPEs are variable interest entities for which Sprint has been identified as the primary beneficiary. As a result, Sprint is required to consolidate the Network LeaseCo SPEs and intercompany transactions and balances between Network LeaseCo and the wholly-owned Sprint subsidiaries will be eliminated in consolidation. The network assets involved in the transaction, which consisted primarily of equipment located at cell towers, will remain on Sprint's consolidated financial statements and will continue to be depreciated. Principal and interest payments on the borrowings from the external investors will be paid back in staggered, unequal payments through January 2018.

New Unsecured Financing Facility

In April 2016, Sprint Communications entered into an unsecured financing facility for$2.0 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. The loan bears interest at a rate equal to LIBOR plus a percentage that varies depending on the time of draw and matures in October 2017. Any amounts borrowed will be required to be repaid if certain debt or equity securities are issued or certain asset sales occur, as set forth more specifically in the agreement. As of May 17, 2016, no amounts had been drawn on this facility.

Handset Sale-Leaseback Tranche 2

In April 2016, Sprint entered into a second transaction with MLS (Handset Sale-Leaseback Tranche 2) to sell and lease-back certain iPhone® devices leased to customers under the iPhone Forever or iPhone for Life programs. In contrast with the first MLS transaction, this sale-leaseback arrangement will be accounted for as a financing transaction. Accordingly, the devices will remain in Property, plant and equipment, net in the consolidated balance sheets and will continue to be depreciated to their estimated residual values generally over the lease term. The proceeds received will be reflected as cash provided by financing activities on the consolidated statements of cash flows and payments made to MLS will be reflected as principal repayments and interest expense over the respective terms. Future changes in the fair value of the financing obligation will be recognized in earnings over the course of the arrangement.

Upon closing of the transaction in May 2016, Sprint sold and leased-back approximately $1.3 billion in book value of leased devices for cash proceeds totaling $1.1 billion and a DPP of $186 million, which will be settled at the end of the arrangement and is subject to certain device losses incurred by MLS.

Shentel Transaction

In April 2016, we received regulatory approval and the transaction was closed in May 2016 for a series of agreements we entered into in August 2015 with Shenandoah Telecommunications Company (Shentel) as a result of Shentel acquiring one of our wholesale partners, NTELOS Holdings Corp (nTelos). The total consideration for this transaction to acquire certain assets such as spectrum, to amend our affiliate agreement with Shentel and to expand the area in which Shentel provides wireless service to Sprint customers on more favorable economic terms included approximately $195 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. Approximately $110 million of the total purchase price will be recorded as a loss in the quarter ended June 30, 2016, which related to the termination of our pre-existing wholesale arrangement with nTelos.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of Clearwire Corporation
Bellevue, Washington

We have audited the accompanying consolidated financial statements of Clearwire Corporation and its subsidiaries (the "Company"), which comprise the consolidated balance sheet as of July 9, 2013, and the related consolidated statements of operations, comprehensive loss, cash flows, and stockholders' equity for the 190 days ended July 9, 2013, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Clearwire Corporation and its subsidiaries as of July 9, 2013, and the results of their operations and their cash flows for the 190 days ended July 9, 2013 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, effective July 9, 2013, Sprint Communications, Inc. acquired all of the outstanding stock of Clearwire Corporation in a business combination accounted for as a purchase. As a result of the acquisition, Clearwire Corporation became a consolidated subsidiary of Sprint Corporation as of that date. Our opinion is not modified with respect to this matter.

/s/ DELOITTE & TOUCHE LLP

Seattle, Washington
February 21, 2014

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Clearwire Corporation
Bellevue, Washington

We have audited the accompanying consolidated balance sheet of Clearwire Corporation and subsidiaries (the "Company") as of December 31, 2012 and the related consolidated statements of operations, comprehensive loss, cash flows, and stockholders' equity for each of the two years in the period ended December 31, 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Clearwire Corporation and subsidiaries as of December 31, 2012 and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP

Seattle, Washington
February 21, 2014

CLEARWIRE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	July 9, 2013	December 31, 2012
	(In thousands, except par value)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 193,912	$ 193,445
Short-term investments	476,224	675,112
Restricted cash	1,642	1,653
Accounts receivable, net of allowance of $2,000 and $3,145	21,226	22,769
Inventory	19,403	10,940
Prepaids and other assets	135,948	83,769
Total current assets	848,355	987,688
Property, plant and equipment, net	2,019,326	2,259,004
Restricted cash	2,019	3,709
Spectrum licenses, net	4,222,900	4,249,621
Other intangible assets, net	18,204	24,660
Other assets	137,105	141,107
Total assets	$ 7,247,909	$ 7,665,789
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 260,667	$ 177,855
Other current liabilities	332,113	227,610
Total current liabilities	592,780	405,465
Long-term debt, net	4,322,935	4,271,357
Deferred tax liabilities, net	218,450	143,992
Other long-term liabilities	961,328	963,353
Total liabilities	6,095,493	5,784,167
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Class A common stock, par value $0.0001, 1,500,000 and 2,000,000 shares authorized; 823,197 and 691,315 shares outstanding	82	69
Class B common stock, par value $0.0001, 1,500,000 and 1,400,000 shares authorized; 650,588 and 773,733 shares outstanding	65	77
Additional paid-in capital	3,477,182	3,158,244
Accumulated other comprehensive loss	(2)	(6)
Accumulated deficit	(2,926,193)	(2,346,393)
Total Clearwire Corporation stockholders' equity	551,134	811,991
Non-controlling interests	601,282	1,069,631
Total stockholders' equity	1,152,416	1,881,622
Total liabilities and stockholders' equity	$ 7,247,909	$ 7,665,789

See notes to consolidated financial statements

CLEARWIRE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	190 Days Ended July 9,	Year ended December 31,	
	2013	2012	2011
		(In thousands)	
Revenues	$ 665,602	$ 1,264,694	$ 1,253,466
Operating expenses:			
Cost of goods and services and network costs (exclusive of items shown separately below)	439,351	908,078	1,249,966
Selling, general and administrative expense	294,913	558,202	698,067
Depreciation and amortization	370,411	768,193	687,636
Spectrum lease expense	178,989	326,798	308,693
Loss from abandonment of network and other assets	833	82,206	700,341
Total operating expenses	1,284,497	2,643,477	3,644,703
Operating loss	(618,895)	(1,378,783)	(2,391,237)
Other income (expense):			
Interest income	612	1,895	2,335
Interest expense	(305,632)	(553,459)	(505,992)
Gain on derivative instruments	5,337	1,356	145,308
Other income (expense), net	1,753	(12,153)	681
Total other expense, net	(297,930)	(562,361)	(357,668)
Loss from continuing operations before income taxes	(916,825)	(1,941,144)	(2,748,905)
Income tax benefit (provision)	(185,480)	197,399	(106,828)
Net loss from continuing operations	(1,102,305)	(1,743,745)	(2,855,733)
Less: non-controlling interests in net loss from continuing operations of consolidated subsidiaries	522,505	1,182,183	2,158,831
Net loss from continuing operations attributable to Clearwire Corporation	(579,800)	(561,562)	(696,902)
Net loss from discontinued operations attributable to Clearwire Corporation, net of tax	—	(167,005)	(20,431)
Net loss attributable to Clearwire Corporation	$ (579,800)	$ (728,567)	$ (717,333)

See notes to consolidated financial statements

CLEARWIRE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	190 Days Ended July 9,	Year ended December 31,	
	2013	2012	2011
		(In thousands)	
Net loss:			
Net loss from continuing operations	$ (1,102,305)	$ (1,743,745)	$ (2,855,733)
Less: non-controlling interests in net loss from continuing operations of consolidated subsidiaries	522,505	1,182,183	2,158,831
Net loss from continuing operations attributable to Clearwire Corporation	(579,800)	(561,562)	(696,902)
Net loss from discontinued operations	—	(168,361)	(81,810)
Less: non-controlling interests in net loss from discontinued operations of consolidated subsidiaries	—	1,356	61,379
Net loss from discontinued operations attributable to Clearwire Corporation, net of tax	—	(167,005)	(20,431)
Net loss attributable to Clearwire Corporation	(579,800)	(728,567)	(717,333)
Other comprehensive income (loss):			
Unrealized foreign currency gains (losses) during the period	43	(699)	3,913
Less: reclassification adjustment of cumulative foreign currency (gains) losses to net loss from continuing operations	—	(8,739)	—
Unrealized investment holding gains (losses) during the period	(35)	56	(1,185)
Less: reclassification adjustment of investment holding gains to net loss	—	—	(4,945)
Other comprehensive income (loss)	8	(9,382)	(2,217)
Less: non-controlling interests in other comprehensive (income) loss of consolidated subsidiaries	(4)	6,056	1,851
Other comprehensive income (loss) attributable to Clearwire Corporation	4	(3,326)	(366)
Comprehensive loss:			
Comprehensive loss	(1,102,297)	(1,921,488)	(2,939,760)
Less: non-controlling interests in comprehensive loss of consolidated subsidiaries	522,501	1,189,595	2,222,061
Comprehensive loss attributable to Clearwire Corporation	$ (579,796)	$ (731,893)	$ (717,699)

See notes to consolidated financial statements

CLEARWIRE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	190 Days Ended July 9,	Year ended December 31,	
	2013	2012	2011
		(In thousands)	
Cash flows from operating activities:			
Net loss from continuing operations	$ (1,102,305)	$ (1,743,745)	$ (2,855,733)
Adjustments to reconcile net loss to net cash used in operating activities:			
Deferred income taxes	184,599	(199,199)	105,308
Non-cash gain on derivative instruments	(5,337)	(1,356)	(145,308)
Accretion of discount on debt	36,832	41,386	40,216
Depreciation and amortization	370,411	768,193	687,636
Amortization of spectrum leases	27,871	54,328	53,674
Non-cash rent expense	82,332	197,169	342,962
Loss on property, plant and equipment (Note 4)	10,085	171,780	966,441
Other operating activities	20,973	42,740	27,745
Changes in assets and liabilities:			
Inventory	(10,057)	11,200	15,697
Accounts receivable	(2,770)	50,401	(54,212)
Prepaids and other assets	(53,431)	326	22,447
Prepaid spectrum licenses	—	1,904	(4,360)
Deferred revenue	39,227	170,455	16,497
Accounts payable and other liabilities	60,329	(17,090)	(152,180)
Net cash used in operating activities of continuing operations	(341,241)	(451,508)	(933,170)
Net cash provided by (used in) operating activities of discontinued operations	—	(3,000)	2,381
Net cash used in operating activities	(341,241)	(454,508)	(930,789)
Cash flows from investing activities:			
Capital expenditures	(76,843)	(112,997)	(405,655)
Purchases of available-for-sale investments	(501,814)	(1,797,787)	(957,883)
Disposition of available-for-sale investments	699,450	1,339,078	1,255,176
Other investing activities	1,224	(655)	20,229
Net cash provided by (used in) investing activities of continuing operations	122,017	(572,361)	(88,133)
Net cash provided by (used in) investing activities of discontinued operations	—	1,185	(3,886)
Net cash provided by (used in) investing activities	122,017	(571,176)	(92,019)
Cash flows from financing activities:			
Principal payments on long-term debt	(20,566)	(26,985)	(29,957)
Proceeds from issuance of long-term debt	240,000	300,000	—
Debt financing fees	—	(6,205)	(1,159)
Equity investment by strategic investors	199	8	331,400
Proceeds from issuance of common stock	—	58,460	387,279
Net cash provided by financing activities of continuing operations	219,633	325,278	687,563
Net cash provided by financing activities of discontinued operations	—	—	—
Net cash provided by financing activities	219,633	325,278	687,563
Effect of foreign currency exchange rates on cash and cash equivalents	58	107	(4,573)
Net increase (decrease) in cash and cash equivalents	467	(700,299)	(339,818)
Cash and cash equivalents:			
Beginning of period	193,445	893,744	1,233,562
End of period	193,912	193,445	893,744
Less: cash and cash equivalents of discontinued operations at end of period	—	—	1,815
Cash and cash equivalents of continuing operations at end of period	$ 193,912	$ 193,445	$ 891,929
Supplemental cash flow disclosures:			
Cash paid for interest including capitalized interest paid	$ 256,227	$ 505,913	$ 474,849
Non-cash investing activities:			
Fixed asset purchases in accounts payable and accrued expenses	$ 18,337	$ 20,795	$ 14,144
Fixed asset purchases financed by long-term debt	$ 50,126	$ 36,229	$ 11,514
Non-cash financing activities:			
Vendor financing obligations	$ (11,128)	$ (4,644)	$ (3,332)
Capital lease obligations	$ (38,998)	$ (31,585)	$ (8,182)
Class A common stock issued for repayment of long-term debt	$ —	$ 88,456	$ —
Repayment of long-term debt through issuances of Class A common stock	$ —	$ (88,456)	$ —

See notes to consolidated financial statements

CLEARWIRE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the 190 Days Ended July 9, 2013 and the Years Ended December 31, 2012 and 2011

	Class A Common Stock		Class B Common Stock						
	Shares	Amounts	Shares	Amounts	Additional Paid In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Non-controlling Interests	Total Stockholders' Equity
	(In thousands)								
Balances at December 31, 2010	243,544	$ 24	743,481	$ 74	$ 2,221,110	$ 2,495	$ (900,493)	$ 4,546,788	$ 5,869,998
Net loss from continuing operations	—	—	—	—	—	—	(696,902)	(2,158,831)	(2,855,733)
Net loss from discontinued operations	—	—	—	—	—	—	(20,431)	(61,379)	(81,810)
Foreign currency translation adjustment	—	—	—	—	—	1,149	—	2,764	3,913
Unrealized gain on investments	—	—	—	—	—	(1,515)	—	(4,615)	(6,130)
Issuance of common stock, net of issuance costs, and other capital transactions	208,671	21	96,222	9	478,394	664	—	210,088	689,176
Share-based compensation and other transactions	—	—	—	—	15,130	—	—	11,494	26,624
Balances at December 31, 2011	452,215	45	839,703	83	2,714,634	2,793	(1,617,826)	2,546,309	3,646,038
Net loss from continuing operations	—	—	—	—	—	—	(561,562)	(1,182,183)	(1,743,745)
Net loss from discontinued operations	—	—	—	—	—	—	(167,005)	(1,356)	(168,361)
Foreign currency translation adjustment	—	—	—	—	—	(3,354)	—	(6,084)	(9,438)
Unrealized gain on investments	—	—	—	—	—	28	—	28	56
Issuance of common stock, net of issuance costs, and other capital transactions	239,100	24	(65,970)	(6)	415,467	527	—	(287,806)	128,206
Share-based compensation and other transactions	—	—	—	—	28,143	—	—	723	28,866
Balances at December 31, 2012	691,315	69	773,733	77	3,158,244	(6)	(2,346,393)	1,069,631	1,881,622
Net loss from continuing operations	—	—	—	—	—	—	(579,800)	(522,505)	(1,102,305)
Foreign currency translation adjustment	—	—	—	—	—	16	—	27	43
Unrealized loss on investments	—	—	—	—	—	(12)	—	(23)	(35)
Issuance of common stock, net of issuance costs, and other capital transactions	131,882	13	(123,145)	(12)	295,834	—	—	56,284	352,119
Share-based compensation and other transactions	—	—	—	—	23,104	—	—	(2,132)	20,972
Balances at July 9, 2013	823,197	$ 82	650,588	$ 65	$ 3,477,182	$ (2)	$ (2,926,193)	$ 601,282	$ 1,152,416

See notes to consolidated financial statements

CLEARWIRE CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business

Clearwire Corporation, including its consolidated subsidiaries, ("Clearwire", "we," "us," "our," or the "Company") is a provider of fourth generation, or 4G, wireless broadband services. We build and operate next generation mobile broadband networks that provide high-speed mobile Internet and residential Internet access services in communities throughout the country. Our current 4G mobile broadband network operates on the Worldwide Interoperability of Microwave Access technology 802.16e standard, which we refer to as mobile WiMAX. In our current 4G mobile broadband markets in the United States, we offer our services through retail channels and through our wholesale partners.

Sprint Acquisition

On December 17, 2012, we entered into an agreement and plan of merger with Sprint Nextel Corporation, which we refer to as the Merger Agreement, pursuant to which Sprint Nextel Corporation agreed to acquire all of the outstanding shares of Clearwire Corporation Class A and Class B common stock, which we refer to as Class A Common Stock and Class B Common Stock, respectively, not currently owned by Sprint Nextel Corporation, SoftBank Corp., which we refer to as SoftBank, or their affiliates. The merger, which we refer to as the Sprint Acquisition, closed on July 9, 2013, which we refer to as the Acquisition Date, and as of that date we became a wholly-owned subsidiary of Sprint Communications, Inc. (formerly known as Sprint Nextel Corporation), which we refer to as Sprint, and an indirect wholly-owned subsidiary of Sprint Corporation. At the closing of the Sprint Acquisition, the outstanding shares of common stock were converted automatically into the right to receive $5.00 per share in cash, without interest, which we refer to as the Merger Consideration. As a result of the Sprint Acquisition and the resulting change in ownership and control, the acquisition method of accounting will be applied by Sprint, pushed-down to us and included in our consolidated financial statements for all periods presented subsequent to the Acquisition Date. This will result in a new basis of presentation based on the estimated fair values of our assets and liabilities for the successor period beginning as of the day following the consummation of the merger. The estimated fair values will be based on management's judgment after evaluating several factors, including a preliminary valuation assessment.

The accompanying consolidated financial statements and notes represent the period of time prior to the Sprint Acquisition and do not reflect adjustments which will be made as a result of the Sprint Acquisition, including the acquisition method of accounting. Prior to the Sprint Acquisition, Sprint applied the equity method of accounting to its investment in Clearwire. Clearwire’s accompanying consolidated financial statements have been included as an Exhibit to Sprint’s Form 10-K as required by Regulation S-X, Rule 3.09.

Note Purchase Agreement

In connection with the Merger Agreement, on December 17, 2012, we entered into a Note Purchase Agreement, which we refer to as the Note Purchase Agreement, with Clearwire Communications LLC, which we refer to as Clearwire Communications, Clearwire Finance Inc., and together with Clearwire Communications, which we refer to as the Issuers, and Sprint, in which Sprint agreed to purchase from us at our election up to an aggregate principal amount of $800.0 million of 1.00% Exchangeable Notes due 2018, which we refer to as the Sprint Notes, in ten monthly installments of $80.0 million each on the first business day of each month, which we refer to as the Draw Date, beginning January 2013 and through the pendency of the merger. The Notes accrue interest at 1.00% per annum and are exchangeable into shares of Class A Common Stock at an exchange rate of 666.67 shares per $1,000 aggregate principal amount of the Notes, which is equivalent to a price of $1.50 per share, subject to anti-dilution protections. See Note 9, Long-term Debt, net, for further information.

CLEARWIRE CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS —(CONTINUED)

Liquidity

To date, we have invested heavily in building and maintaining our networks. We have a history of operating losses, and we expect to have significant losses in the future. We do not expect our operations to generate cumulative positive cash flows during the next twelve months.

We expect to meet our funding needs for the near future through our cash and investments held at July 9, 2013 and cash receipts from our mobile WiMAX, services from our retail and wholesale business, other than Sprint, and Sprint under the 2011 November 4G MVNO Amendment. Additionally, we anticipate receiving funds from Sprint for the deployment of our Time Division Duplex, which we refer to as TDD, Long Term Evolution, which we refer to as LTE, network and the use of additional spectrum not specified in the 2011 November 4G MVNO Amendment. As a wholly-owned subsidiary of Sprint, to the extent we are not able to fund our business through our retail and wholesale revenue streams, we expect to receive funding for any shortfall from Sprint such that we will continue to be a going concern for at least the next twelve months.

2. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which we refer to as U.S. GAAP. The following is a summary of our significant accounting policies:

Principles of Consolidation — The consolidated financial statements include all of the assets, liabilities and results of operations of our wholly-owned subsidiaries, and subsidiaries we control or in which we have a controlling financial interest. Investments in entities that we do not control and are not the primary beneficiary, but for which we have the ability to exercise significant influence over operating and financial policies, are accounted for under the equity method. All intercompany transactions are eliminated in consolidation.

Non-controlling interests on the consolidated balance sheets include third-party investments in entities that we consolidate, but do not wholly own. We classify our non-controlling interests as part of equity and we allocate net loss, other comprehensive income (loss) and other equity transactions to our non-controlling interests in accordance with their applicable ownership percentages. We also continue to attribute to our non-controlling interests their share of losses even if that attribution results in a deficit non-controlling interest balance. See Note 14, Stockholders' Equity, for further information.

Financial Statement Presentation — We have reclassified certain prior period amounts to conform with the current period presentation.

Use of Estimates — Preparing financial statements in conformity with U.S. GAAP requires management to make complex and subjective judgments. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, terms of existing contracts, observance of trends in the industry, information provided by our subscribers and information available from other outside sources, as appropriate. Additionally, changes in accounting estimates are reasonably likely to occur from period to period. These factors could have a material impact on our financial statements, the presentation of our financial condition, changes in financial condition or results of operations.

Significant estimates inherent in the preparation of the accompanying financial statements include: impairment analysis of spectrum licenses with indefinite lives, including judgments about when an impairment indicator may or may not have occurred and estimates of the fair value of our spectrum licenses, the recoverability and determination of useful lives for long-lived assets, which include property, plant and equipment and other intangible assets, tax valuation allowances and valuation of derivatives.

Cash and Cash Equivalents — Cash equivalents consist of money market mutual funds and highly liquid short-term investments, with original maturities of three months or less. Cash equivalents are stated at cost, which

CLEARWIRE CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS —(CONTINUED)

approximates market value. Cash and cash equivalents exclude cash that is contractually restricted for operational purposes. We maintain cash and cash equivalent balances with financial institutions that exceed federally insured limits. We have not experienced any losses related to these balances, and management believes the credit risk related to these balances to be minimal.

Restricted Cash — Restricted cash consists primarily of amounts to satisfy certain contractual obligations and is classified as a current or non-current asset based on its designated purpose. The majority of this restricted cash has been designated to satisfy certain lease obligations.

Investments — We have an investment portfolio comprised primarily of U.S. Government and Agency marketable debt securities. We classify marketable debt securities as available-for-sale investments and these securities are stated at their estimated fair value. Our investments are recorded as short-term investments when the original maturities are greater than three months but remaining maturities are less than one year. Our investments with maturities of more than one year are recorded as long-term investments. Unrealized gains and losses are recorded within accumulated other comprehensive income (loss). Realized gains and losses are measured and reclassified from accumulated other comprehensive income (loss) on the basis of the specific identification method.

We account for certain of our investments using the equity method based on our ownership interest and our ability to exercise significant influence. Accordingly, we record our investment initially at cost and we adjust the carrying amount of the investment to recognize our share of the earnings or losses of the investee each reporting period. We cease to recognize investee losses when our investment basis is zero. At July 9, 2013 and December 31, 2012, our balance in equity method investees was $0.

We recognize realized losses when declines in the fair value of our investments below their cost basis are judged to be other-than-temporary. In determining whether a decline in fair value is other-than-temporary, we consider various factors including market price, investment ratings, the financial condition and near-term prospects of the issuer, the length of time and the extent to which the fair value has been less than the cost basis, and our intent and ability to hold the investment until maturity or for a period of time sufficient to allow for any anticipated recovery in market value. If it is judged that a decline in fair value is other-than-temporary, a realized loss equal to the excess of the cost basis over fair value is recorded in the consolidated statements of operations, and a new cost basis in the investment is established.

Fair Value Measurements — Fair value is the price 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. In determining fair value, we consider the principal or most advantageous market in which the asset or liability would transact, and if necessary, consider assumptions that market participants would use when pricing the asset or liability.

The accounting guidance for fair value measurement requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. Financial assets and financial liabilities are classified in the hierarchy based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

CLEARWIRE CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS —(CONTINUED)

The three-tier hierarchy for inputs used in measuring fair value, which prioritizes the inputs used in the methodologies of measuring fair value for assets and liabilities, is as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in less active markets; or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3: Unobservable inputs that are significant to the fair value measurement and cannot be corroborated by market data.

If listed prices or quotes are not available, fair value is based upon internally developed or other available models that primarily use, as inputs, market-based or independently sourced market parameters, including but not limited to interest rate curves, volatilities, equity prices, and credit curves. We use judgment in determining certain assumptions that market participants would use in pricing the financial instrument, including assumptions about discount rates and credit spreads. The degree of management judgment involved in determining fair value is dependent upon the availability of observable market parameters. For assets or liabilities that trade actively and have quoted market prices or observable market parameters, there is minimal judgment involved in measuring fair value. When observable market prices and parameters are not fully available, management judgment is necessary to estimate fair value. In addition, changes in market conditions may reduce the availability and reliability of quoted prices or observable data. See Note 11, Fair Value, for further information.

Accounts Receivable — Accounts receivables are stated at amounts due from subscribers and our wholesale partners net of an allowance for doubtful accounts. See Note 15, Related Party Transactions, for further information regarding accounts receivable balances with related parties.

Inventory — Inventory primarily consists of customer premise equipment, which we refer to as CPE, and other accessories sold to retail subscribers and is stated at the lower of cost or net realizable value. Cost is determined under the average cost method. We record inventory write-downs for obsolete and slow-moving items based on inventory turnover trends and historical experience.

Property, Plant and Equipment — Property, plant and equipment, excluding construction in progress, is stated at cost, net of accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets once the assets are placed in service. Our network construction expenditures are recorded as construction in progress until the network or other asset is placed in service, at which time the asset is transferred to the appropriate property, plant and equipment, which we refer to as PP&E, category. We capitalize costs of additions and improvements, including salaries, benefits and related overhead costs associated with constructing PP&E and interest costs related to construction. The estimated useful life of PP&E is determined based on historical usage of identical or similar equipment, with consideration given to technological changes and industry trends that could impact the network architecture and asset utilization. Leasehold improvements are recorded at cost and amortized over the lesser of their estimated useful lives or the related lease term, including renewals that are reasonably assured. Included within Network and base station equipment is equipment recorded under capital leases which is generally being amortized over the lease term. Maintenance and repairs are expensed as incurred.

PP&E is assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When such events or circumstances exist, we determine the recoverability of the asset's carrying value by estimating the expected undiscounted future cash flows that are directly associated with and that are expected to arise as a direct result of the use and disposal of the asset. If the expected undiscounted future cash flows are less than the carrying amount of the asset, a loss is recognized for the difference between the fair value of the asset and its carrying value. For purposes of testing impairment, our long-lived assets, including PP&E and intangible assets with definite useful lives, and our spectrum license assets are combined into a single asset group. This represents the lowest level for which there are identifiable cash flows which

are largely independent of other assets and liabilities, and management believes that utilizing these assets as a group represents the highest and best use of the assets and is consistent with management's strategy of utilizing our spectrum licenses on an integrated basis as part of our nationwide network. For PP&E, there were no impairment losses recorded in the 190 days ended July 9, 2013 and the years ended December 31, 2012 and 2011.

In addition to the analyses described above, we periodically assess certain assets that have not yet been deployed in our networks, including equipment and cell site development costs, classified as construction in progress. This assessment includes the provision for differences between recorded amounts and the results of physical counts and the provision for excessive and obsolete equipment. See Note 4, Property, Plant and Equipment, for further information.

Internally Developed Software — We capitalize costs related to computer software developed or obtained for internal use, and interest costs incurred during the period of development. Software obtained for internal use has generally been enterprise-level business and finance software customized to meet specific operational needs. Costs incurred in the application development phase are capitalized and amortized over the useful life of the software once the software has been placed in service, which is generally three years. We periodically assess capitalized software costs that have not been placed in service to determine whether any projects are no longer expected to be completed. The capitalized cost associated with any projects that are not expected to be completed are written down. Costs recognized in the preliminary project phase and the post-implementation phase, as well as maintenance and training costs, are expensed as incurred.

Spectrum Licenses — Spectrum licenses primarily include owned spectrum licenses with indefinite lives and favorable spectrum leases. Indefinite lived spectrum licenses acquired are stated at cost and are not amortized. While owned spectrum licenses in the United States are issued for a fixed time, renewals of these licenses have occurred routinely and at nominal cost. Moreover, we have determined that there are currently no legal, regulatory, contractual, competitive, economic or other factors that limit the useful lives of our owned spectrum licenses and therefore, the licenses are accounted for as intangible assets with indefinite lives. The impairment test for intangible assets with indefinite useful lives consists of a comparison of the fair value of an intangible asset with its carrying amount. If the carrying amount of an intangible asset exceeds its fair value, an impairment loss will be recognized in an amount equal to that excess. The estimated fair value of spectrum licenses are determined by the use of the Greenfield direct value method, which estimates value through estimating discounted future cash flows of a hypothetical start-up business. Spectrum licenses with indefinite useful lives are assessed for impairment annually, or more frequently, if an event indicates that the asset might be impaired. We had no impairments for any of the periods presented for indefinite lived intangible assets.

Favorable spectrum leases are stated at cost, net of accumulated amortization, and are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying value of spectrum leases are amortized on a straight-line basis over their estimated useful lives or lease term, including expected renewal periods, as applicable. There were no impairment losses for favorable spectrum leases in the 190 days ended July 9, 2013 and the years ended December 31, 2012 and 2011.

Other Intangible Assets — Other intangible assets consist of subscriber relationships, trademarks, patents and other, and are stated at cost net of accumulated amortization. Amortization is calculated using either the straight-line method or an accelerated method over the assets' estimated remaining useful lives. Other intangible assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. There were no impairment losses for our other intangible assets in the 190 days ended July 9, 2013 and the years ended December 31, 2012 and 2011.

Derivative Instruments and Hedging Activities — It is our policy that hedging activities are executed only to manage exposures arising in the normal course of business and not for the purpose of creating speculative positions or trading. We record all derivatives on the balance sheet at fair value as either assets or liabilities. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative and whether it qualifies for hedge accounting.

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During 2010, we issued exchangeable notes that included embedded exchange options, which we refer to as the Exchange Options, which qualified as derivative instruments and are required to be accounted for separately from the host debt instruments and recorded as derivative financial instruments at fair value. The embedded Exchange Options do not qualify for hedge accounting, and as such, all future changes in the fair value of these derivative instruments will be recognized currently in earnings until such time as the Exchange Options are exercised or expire. See Note 10, Derivative Instruments, for further information.

Debt Issuance Costs — Debt issuance costs are initially capitalized as a deferred cost and amortized to interest expense under the effective interest method over the expected term of the related debt. Unamortized debt issuance costs related to extinguishment of debt are expensed at the time the debt is extinguished and recorded in other income (expenses), net in the consolidated statements of operations. Unamortized debt issuance costs are considered long-term and recorded in Other assets in the consolidated balance sheets.

Interest Capitalization — We capitalize interest related to the construction of our network infrastructure assets, as well as the development of software for internal use. Capitalization of interest commences with pre-construction period administrative and technical activities, which includes obtaining leases, zoning approvals and building permits, and ceases when the construction is substantially complete and available for use or when we suspend substantially all construction activity. Interest is capitalized on construction in progress and software under development. Interest capitalization is based on rates applicable to borrowings outstanding during the period and the balance of qualified assets under construction during the period. Capitalized interest is reported as a cost of the network assets or software assets and depreciated over the useful lives of those assets. See Note 4, Property, Plant and Equipment.

Income Taxes — We record deferred income taxes based on the estimated future tax effects of differences between the financial statement and tax basis of assets and liabilities using the tax rates expected to be in effect when the temporary differences reverse. Deferred tax assets are also recorded for net operating loss, capital loss, and tax credit carryforwards. Valuation allowances, if any, are recorded to reduce deferred tax assets to the amount considered more likely than not to be realized. We also apply a recognition threshold that a tax position is required to meet before being recognized in the financial statements. Our policy is to recognize any interest related to unrecognized tax benefits in interest expense or interest income. We recognize penalties as additional income tax expense.

Revenue Recognition — We primarily earn revenue by providing access to our high-speed wireless networks. Also included in revenue are sales of CPE and additional add-on services. In our 4G mobile broadband markets, we offer our services through retail channels and through our wholesale partners. We believe that the geographic diversity of our retail subscriber base minimizes the risk of incurring material losses due to concentration of credit risk. Sprint, our major wholesale customer, accounts for substantially all of our wholesale revenues to date, and comprises approximately 36% of total revenues during the 190 days ended July 9, 2013 and the years ended December 31, 2012 and 2011.

Revenue consisted of the following (in thousands):

	190 Days Ended July 9,	Year Ended December 31,	
	2013	2012	2011
Retail and other revenue	$ 424,723	$ 796,225	$ 759,805
Wholesale revenue	240,879	468,469	493,661
Total revenues	$ 665,602	$ 1,264,694	$ 1,253,466

Revenue from retail subscribers is billed one month in advance and recognized ratably over the service period. Revenues associated with the sale of CPE and other equipment is recognized when title and risk of loss is transferred. Billed shipping and handling costs are classified as revenue.

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Revenue arrangements with multiple deliverables are divided into separate units and, where available, revenue is allocated using vendor-specific objective evidence or third-party evidence of the selling prices; otherwise estimated selling prices are utilized. Any revenue attributable to the delivered elements is recognized currently in revenue and any revenue attributable to the undelivered elements is deferred and will be recognized as the undelivered elements are expected to be delivered over the remaining term of the agreements.

With the exception of the Universal Service Fee, which we refer to as USF, a regulatory surcharge, taxes and other fees collected from customers are excluded from revenues. USF is recorded on a gross basis and included in revenues when billed to customers. USF included in revenue for the 190 days ended July 9, 2013 and the years ended December 31, 2012 and 2011 were $0.9 million, $2.8 million and $3.9 million, respectively.

For the 190 days ended July 9, 2013 and the years ended December 31, 2012 and 2011, substantially all of our wholesale revenues were derived from our agreements with Sprint. In November 2011, we entered into the November 2011 4G MVNO Amendment. As a result, the minimum payments under the previous amendment to the 4G MVNO agreement entered into with Sprint in April 2011 were replaced with the provisions of the November 2011 4G MVNO Amendment. Under the November 2011 4G MVNO Amendment, Sprint is paying us $925.9 million for unlimited 4G mobile WiMAX services for resale to its retail subscribers in 2012 and 2013, approximately two-thirds of which was paid for service provided in 2012, and the remainder paid for service provided in 2013. As part of the November 2011 4G MVNO Amendment, we also agreed to usage based pricing for WiMAX services after 2013 and for LTE service beginning in 2012.

In 2011, revenues from wholesale subscribers were billed one month in arrears and were generally recognized as they are earned, based on terms defined in our commercial agreements with our wholesale partners. For 2011, substantially all of our wholesale revenues were derived from our agreement with Sprint. Under that agreement, revenues were earned as Sprint utilized our network, with usage-based pricing that included volume discounts.

Advertising Costs — Advertising costs are expensed as incurred or the first time the advertising occurs. Advertising expense was $22.6 million, $69.7 million and $76.4 million for the 190 days ended July 9, 2013 and the years ended December 31, 2012 and 2011, respectively.

Operating Leases — We have operating leases for spectrum licenses, towers and certain facilities, and equipment for use in our operations. Certain of our spectrum licenses are leased from third-party holders of Educational Broadband Service, which we refer to as EBS, spectrum licenses granted by the FCC. EBS licenses authorize the provision of certain communications services on the EBS channels in certain markets throughout the United States. We account for these spectrum leases as executory contracts which are similar to operating leases. Signed leases which have unmet conditions required to become effective are not amortized until such conditions are met and are included in spectrum licenses in the accompanying consolidated balance sheets, if such leases require upfront payments. For leases containing scheduled rent escalation clauses, we record minimum rental payments on a straight-line basis over the term of the lease, including the expected renewal periods as appropriate. For leases containing tenant improvement allowances and rent incentives, we record deferred rent, which is classified as a liability, and that deferred rent is amortized over the term of the lease, including the expected renewal periods as appropriate, as a reduction to rent expense.

We periodically terminate unutilized tower leases, or when early termination is not available under the terms of the lease, we advise our landlords of our intention not to renew. At the time we notify our landlords of our intention not to renew, we recognize a cease-to-use tower lease liability based on the remaining lease rentals adjusted for any prepaid or deferred rent recognized under the lease, reduced by estimated sublease rentals, if any, that could be reasonably obtained for the property.

Discontinued Operations — As a result of a strategic decision to focus investment in the United States market, during the second quarter of 2011, we committed to sell our operations in Belgium, Germany and Spain. These businesses comprised substantially all of the remaining operations previously reported in our International segment. During the year ended December 31, 2012, we completed the sale of operations in Germany, Belgium and

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Spain. Associated results of operations for the years ended December 31, 2012 and 2011 are separately reported as discontinued operations.

Summarized financial information for discontinued operations is show below (in thousands):

	Year Ended December 31,	
	2012	2011
Total revenues	$ 8,473	$ 20,767
Loss from discontinued operations before income taxes	$ (1,185)	$ (86,749)
Income tax benefit (provision)	(167,176)	4,939
Net loss from discontinued operations	(168,361)	(81,810)
Less: non-controlling interests in net loss from discontinued operations of consolidated subsidiaries	1,356	61,379
Net loss from discontinued operations attributable to Clearwire Corporation	$ (167,005)	$ (20,431)

New Accounting Pronouncements

In December 2011, the Financial Accounting Standards Board (FASB) issued authoritative guidance regarding Disclosures about Offsetting Assets and Liabilities, which requires common disclosure requirements to allow investors to better compare and assess the effect of offsetting arrangements on financial statements prepared under U.S. GAAP with financial statements prepared under IFRS. The standard was effective beginning in the first quarter 2013, requires retrospective application, and only affects disclosures in the footnotes to the financial statements. In October 2012, the FASB tentatively decided to limit the scope of this authoritative guidance to derivatives, repurchase agreements, and securities lending and securities borrowing arrangements. In January 2013, the FASB issued additional clarifying guidance which limited the scope of the disclosure requirements to derivatives, repurchase agreements and reverse purchase agreements, and securities lending and securities borrowing transactions that are either offset in accordance with specific criteria contained in U.S. GAAP or subject to a master netting arrangement or similar agreement. Based on the scope revision, this authoritative guidance did not impact our existing disclosures.

In February 2013, the FASB issued authoritative guidance regarding *Comprehensive Income: Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income,* which amends existing guidance and requires, in a single location, the presentation of the effects of certain significant amounts reclassified from each component of accumulated other comprehensive income based on its source and Statement of Comprehensive (Loss) Income line items affected by the reclassification. The guidance was effective beginning in the first quarter 2013 and did not have a material effect on our consolidated financial statements as amounts reclassified out of other comprehensive income, consisting primarily of the recognition of foreign currency gains, are immaterial for all periods presented.

In July 2013, the FASB issued authoritative guidance regarding *Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists (a consensus of the FASB Emerging Issues Task Force)*, which amends existing guidance related to the financial presentation of unrecognized tax benefits by requiring an entity to net its unrecognized tax benefits against the deferred tax assets for all available same-jurisdiction loss or other tax carryforwards that would apply in settlement of the uncertain tax positions. The amendments will be effective beginning in the first quarter of 2014 with early adoption permitted, will be applied prospectively to all unrecognized tax benefits that exist at the effective date, and are not expected to have a material effect on our consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS —(CONTINUED)

3. Investments

Investments as of July 9, 2013 and December 31, 2012 consisted of the following (in thousands):

	July 9, 2013				December 31, 2012			
		Gross Unrealized				Gross Unrealized		
	Cost	Gains	Losses	Fair Value	Cost	Gains	Losses	Fair Value
Short-term								
U.S. Government and Agency Issues	$ 476,170	$ 54	$ —	$ 476,224	$ 675,024	$ 88	$ —	$ 675,112

During the first quarter of 2012, we sold the Auction Market Preferred securities and recorded a gain of $3.3 million to Other income (expense), net on the consolidated statements of operations representing the total proceeds received. We no longer own any collateralized debt obligations or Auction Market Preferred securities.

No other-than-temporary impairment losses were recorded for the 190 days ended July 9, 2013 or the years ended December 31, 2012 or 2011.

4. Property, Plant and Equipment

Property, plant and equipment as of July 9, 2013 and December 31, 2012 consisted of the following (in thousands):

	Useful Lives (Years)	July 9, 2013	December 31, 2012
Network and base station equipment	5-15	$ 3,400,849	$ 3,396,376
Customer premise equipment	2	35,962	45,376
Furniture, fixtures and equipment	3-5	487,470	480,160
Leasehold improvements	Lesser of useful life or lease term	27,714	30,142
Construction in progress	N/A	184,022	156,630
		4,136,017	4,108,684
Less: accumulated depreciation and amortization		(2,116,691)	(1,849,680)
		$ 2,019,326	$ 2,259,004

	190 Days Ended July 9, 2013	Year Ended December 31, 2012	2011
Supplemental information (in thousands):			
Capitalized interest	$ 6,751	$ 6,598	$ 18,823
Depreciation expense	$ 362,777	$ 749,765	$ 665,344

We have entered into lease arrangements related to our network construction and equipment that meet the criteria for capital leases. At July 9, 2013 and December 31, 2012, we have recorded capital lease assets with an original cost of $151.8 million and $112.8 million, respectively, within network and base station equipment.

Construction in progress is primarily composed of costs incurred during the process of completing network projects not yet placed in service. The balance at July 9, 2013 included $145.5 million of costs related to completing network projects not yet placed in service, $38.1 million of network and base station equipment not yet assigned to a project and $0.4 million of costs related to information technology, which we refer to as IT, and other corporate projects.

CLEARWIRE CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS —(CONTINUED)

Charges associated with Property, plant and equipment

We periodically assess assets that have not yet been deployed in our networks, including equipment and cell site development costs, classified as construction in progress. We evaluate for losses related to (1) shortage, or loss incurred in deploying such equipment, (2) reserve for excessive and obsolete equipment not yet deployed in the network, and (3) abandonment of network and corporate projects no longer expected to be deployed. In addition to charges incurred in the normal course of business, this assessment includes evaluating the impact of changes in our business plans and strategic network plans on those assets.

During 2012, we solidified our TDD-LTE network architecture, including identifying the sites at which we expect to overlay TDD-LTE technology in the first phase of our deployment. Any projects that are not required to deploy TDD-LTE technology at those sites, or that are no longer viable due to the development of the TDD-LTE network architecture, were abandoned and the related costs written down. In addition, any network equipment not required to support our network deployment plans or sparing requirements were written down to estimated salvage value.

We incurred the following charges associated with PP&E for the 190 days ended July 9, 2013 and the years ended December 31, 2012 and 2011 (in thousands):

	190 Days Ended July 9,	Year Ended December 31,	
	2013	2012	2011
Abandonment of network projects no longer meeting strategic network plans	$ 671	$ 81,642	$ 397,204
Abandonment of network projects associated with terminated leases	—	—	233,468
Abandonment of corporate projects	162	564	69,669
Total loss from abandonment of network and other assets	833	82,206	700,341
Charges for disposal and differences between recorded amounts and results of physical counts[1][2]	5,315	30,961	56,188
Charges for excessive and obsolete equipment[1]	3,937	58,613	209,912
Total losses on property, plant and equipment	$ 10,085	$ 171,780	$ 966,441

(1) Included in Cost of goods and services and network costs on the consolidated statements of operations.
(2) For the year ended December 31, 2012, $14.0 million related to retail operations is included in Selling, general and administrative expense on the consolidated statements of operations.

5. Spectrum Licenses

Owned and leased spectrum licenses as of July 9, 2013 and December 31, 2012 consisted of the following (in thousands):

	July 9, 2013			December 31, 2012		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Indefinite-lived owned spectrum	$ 3,104,664	$ —	$ 3,104,664	$ 3,104,129	$ —	$ 3,104,129
Spectrum leases and prepaid spectrum	1,371,737	(265,740)	1,105,997	1,370,317	(237,317)	1,133,000
Pending spectrum and transition costs	12,239	—	12,239	12,492	—	12,492
Total spectrum licenses	$ 4,488,640	$ (265,740)	$ 4,222,900	$ 4,486,938	$ (237,317)	$ 4,249,621

Indefinite-lived Owned Spectrum Licenses — Spectrum licenses, which are issued on both a site-specific and a wide-area basis, authorize wireless carriers to use radio frequency spectrum to provide service to certain

geographical areas in the United States. These licenses are generally acquired as an asset purchase or through a business combination. In some cases, we acquire licenses directly from the governmental authority.

Spectrum Leases and Prepaid Spectrum — We also lease spectrum from third parties who hold the spectrum licenses. These leases are accounted for as executory contracts, which are treated like operating leases. Upfront consideration paid to third-party holders of these leased licenses at the inception of a lease agreement is capitalized as prepaid spectrum lease costs and is expensed over the term of the lease agreement, including expected renewal terms, as applicable. Favorable spectrum leases of $1.0 billion were recorded as an asset as a result of purchase accounting in November 2008 and are amortized over the lease term.

	190 Days Ended July 9,	Year Ended December 31,	
	2013	2012	2011
Supplemental Information (in thousands):			
Amortization of prepaid and other spectrum licenses	$ 29,022	$ 56,554	$ 55,870

As of July 9, 2013, future amortization of spectrum licenses, spectrum leases and prepaid lease costs (excluding pending spectrum and spectrum transition costs) is expected to be as follows (in thousands):

Remainder of 2013	$ 25,752
2014	53,928
2015	53,376
2016	52,588
2017	51,328
Thereafter	869,025
Total	$ 1,105,997

6. Other Intangible Assets

Other intangible assets as of July 9, 2013 and December 31, 2012 consisted of the following (in thousands):

		July 9, 2013			December 31, 2012		
	Useful lives	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Subscriber relationships	7 years	$ 108,275	$ (91,888)	$ 16,387	$ 108,275	$ (86,040)	$ 22,235
Trade names and trademarks	5 years	3,804	(3,550)	254	3,804	(3,106)	698
Patents and other	10 years	3,297	(1,734)	1,563	3,270	(1,543)	1,727
Total other intangibles		$ 115,376	$ (97,172)	$ 18,204	$ 115,349	$ (90,689)	$ 24,660

As of July 9, 2013, the future amortization of other intangible assets is expected to be as follows (in thousands):

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Remainder of 2013	$ 5,822
2014	7,740
2015	3,874
2016	329
2017	329
Thereafter	110
Total	$ 18,204

	190 Days Ended July 9, 2013	Year Ended December 31, 2012	2011
Supplemental Information (in thousands):			
Amortization expense	$ 6,483	$ 16,232	$ 20,096

We evaluate all of our patent renewals on a case by case basis, based on renewal costs.

7. Supplemental Information on Liabilities

Current liabilities

Current liabilities consisted of the following (in thousands):

	July 9, 2013	December 31, 2012
Accounts payable and accrued expenses:		
Accounts payable	$ 139,857	$ 83,701
Accrued interest	55,813	42,786
Salaries and benefits	29,816	22,010
Business and income taxes payable	31,621	20,363
Other accrued expenses	3,560	8,995
Total accounts payable and accrued expenses	260,667	177,855
Other current liabilities:		
Derivative instruments	—	5,333
Deferred revenues[1]	229,517	124,466
Current portion of long-term debt	44,510	36,080
Cease-to-use lease liability[1]	44,240	55,158
Other[1]	13,846	6,573
Total other current liabilities	332,113	227,610
Total	$ 592,780	$ 405,465

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Other long-term liabilities

Other long-term liabilities consisted of the following (in thousands):

	July 9, 2013	December 31, 2012
Deferred rents associated with tower and spectrum leases[1]	$ 795,597	$ 717,741
Cease-to-use liability[1]	104,841	114,284
Deferred revenue[1]	13,750	83,887
Other[1]	47,140	47,441
Total	$ 961,328	$ 963,353

(1) See Note 15, Related Party Transactions, for further detail regarding balances with related parties.

8. Income Taxes

The income tax provision (benefit) consists of the following for the 190 days ended July 9, 2013 and the years ended December 31, 2012 and 2011 (in thousands):

	For the 190 Days Ended July 9,	Year Ended December 31,	
	2013	2012	2011
Current taxes:			
International	$ —	$ —	$ (59)
State	881	1,800	1,579
Total current taxes	881	1,800	1,520
Deferred taxes:			
Federal	170,248	(182,520)	96,292
State	14,351	(16,679)	9,016
Total deferred taxes	184,599	(199,199)	105,308
Income tax provision (benefit)	$ 185,480	$ (197,399)	$ 106,828

The income tax rate computed using the federal statutory rates is reconciled to the reported effective income tax rate as follows:

	For the 190 Days Ended July 9,	Year Ended December 31,	
	2013	2012	2011
Federal statutory income tax rate	35.0 %	35.0 %	35.0 %
State income taxes (net of federal benefit)	0.3	0.7	0.7
Non-controlling interest	(19.9)	(21.3)	(27.5)
Basis adjustments in investments in Clearwire Communications LLC	(11.1)	1.1	(1.5)
Other, net	0.8	(1.0)	0.1
Allocation to items of equity other than other comprehensive income	12.0	(1.2)	1.7
Valuation allowance	(37.3)	(3.1)	(12.4)
Effective income tax rate	(20.2)%	10.2 %	(3.9)%

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Components of deferred tax assets and liabilities as of July 9, 2013 and December 31, 2012 were as follows (in thousands):

	July 9, 2013	December 31, 2012
Noncurrent deferred tax assets:		
Net operating loss carryforward	$ 886,883	$ 553,195
Capital loss carryforward	86,319	221,453
Other assets	331	625
Total deferred tax assets	973,533	775,273
Valuation allowance	(852,968)	(458,935)
Net deferred tax assets	120,565	316,338
Noncurrent deferred tax liabilities:		
Investment in Clearwire Communications	339,771	460,834
Other	(756)	(504)
Total deferred tax liabilities	339,015	460,330
Net deferred tax liabilities	$ 218,450	$ 143,992

We determine deferred income taxes based on the estimated future tax effects of differences between the financial statement and tax bases of assets and liabilities using the tax rates expected to be in effect when any temporary differences reverse or when the net operating loss, which we refer to as NOL, capital loss or tax credit carry-forwards are utilized.

As of July 9, 2013, excluding NOL carry-forwards that we permanently will be unable to use (as discussed below), we had United States federal tax NOL carry-forwards of approximately $2.01 billion of which $1.35 billion is subject to certain annual limitations imposed under Section 382 of the Internal Revenue Code. The NOL carry-forwards begin to expire in 2021. We had $435.4 million of tax NOL carry-forwards in foreign jurisdictions; $426.1 million have no statutory expiration date, and $9.3 million begins to expire in 2015. We also have federal capital loss carry-forwards of $227.5 million which is also subject to certain annual limitations imposed under Section 382 of the Internal Revenue Code. The capital loss carry-forwards begin to expire between 2015 and 2017. Our U.S. federal NOL carry-forwards and capital loss carry-forwards in total are subject to the annual limitations imposed under Section 382 of the Internal Revenue Code. We currently do not project that the Company will generate capital gain income to utilize the capital loss carry-forwards. However, if the Company generates sufficient capital gain income to enable utilization of capital loss carry-forwards in excess of $227.5 million, then NOL carry-forwards of up to $227.5 million may no longer be available to offset future taxable income.

We have recorded a valuation allowance against our deferred tax assets to the extent that we determined that it is more likely than not that these items will either expire before we are able to realize their benefits or that future deductibility is uncertain. As it relates to the United States tax jurisdiction, we determined that our temporary taxable difference associated with our investment in Clearwire Communications LLC, which we refer to as Clearwire Communications, will not fully reverse within the carry-forward period of the NOLs and accordingly does not represent relevant future taxable income.

Sprint Holdco LLC, which we refer to as Sprint, exchanged 57.5 million of Clearwire Communications Class B common interests, which we refer to as Class B Common Interests, and a corresponding number of shares of Class B Common Stock, for an equal number of shares of Class A Common Stock, and which we refer to as the Sprint Exchange, on July 5, 2013. Intel Capital Wireless Investment Corporation 2008A, which we refer to as Intel,

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exchanged 65.6 million Class B Common Interests, and a corresponding number of shares of Class B Common Stock, for an equal number of shares of Class A Common Stock, and which we refer to as the Intel Exchange, on July 9, 2013. The Sprint Exchange and the Intel Exchange resulted in significant changes to the financial statement and tax basis, respectively, that Clearwire has in its interest in Clearwire Communications, as well as, a decrease in the amount of temporary differences which will reverse within the NOL carryforward period (see discussion below).

Our deferred tax assets primarily represent NOL carry-forwards associated with Clearwire's operations prior to the formation of the Company on November 28, 2008 and the portion of the partnership losses allocated to Clearwire after the formation of the Company. The Company is subject to a change in control test under Section 382 of the Internal Revenue Code, that if met, would limit the annual utilization of any pre-change in control NOL carry-forward as well as the ability to use certain unrealized built in losses as future tax deductions. We believe that the Sprint Acquisition, which occurred on July 9, 2013, when combined with other issuances of our Class A Common Stock and certain third party investor transactions involving our Class A Common Stock since September 27, 2012, resulted in a change in control under Section 382 of the Internal Revenue Code. As a result of this change in control and the changes in control that occurred on September 27, 2012 and December 13, 2011, respectively, we believe that we permanently will be unable to use a significant portion of our NOL carry-forwards and credit carry-forwards, which are collectively referred to as tax attributes, that arose before the change in control to offset future taxable income. As a result of the annual limitations under Sections 382 and 383 of the Internal Revenue Code on the utilization of tax attributes following an ownership change, it was determined that approximately $2.03 billion of United States NOL carry-forwards will expire unutilized. The United States tax attributes are presented net of these limitations. In addition, subsequent changes of ownership for purposes of Sections 382 and 383 of the Internal Revenue Code could further diminish our use of remaining United States tax attributes.

We have recognized a deferred tax liability for the difference between the financial statement carrying value and the tax basis of the partnership interest. As it relates to the United States tax jurisdiction, we determined that our temporary taxable difference associated with our investment in the partnership will not completely reverse within the carry-forward period of the NOLs. The portion of such temporary difference that will reverse within the carry-forward period of the NOLs represents relevant future taxable income. Management has reviewed the facts and circumstances, including the history of NOLs, projected future tax losses, and determined that it is appropriate to record a valuation allowance against the portion of our deferred tax assets that are not deemed realizable. As a result of the Sprint Exchange and Intel Exchange, there was a net decrease in the amount of temporary difference which will reverse within the NOL carry-forward period. Therefore, management determined that it was appropriate to increase the valuation allowance recorded against our deferred tax assets, along with recording a corresponding deferred tax expense for our continuing operations. The income tax expense reflected in our condensed consolidated statements of operations for continuing operations primarily reflects United States deferred taxes and certain state taxes.

We file income tax returns for Clearwire and our subsidiaries in the United States federal jurisdiction and various state and foreign jurisdictions. As of July 9, 2013, the tax returns for Clearwire for the years 2003 through 2012 remain open to examination by the Internal Revenue Service and various state tax authorities.

Our policy is to recognize any interest related to unrecognized tax benefits in interest expense or interest income. We recognize penalties as additional income tax expense. As of July 9, 2013, we had no material uncertain tax positions and therefore accrued no interest or penalties related to uncertain tax positions.

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9. Long-term Debt, Net

Long-term debt at July 9, 2013 and December 31, 2012 consisted of the following (in thousands):

	July 9, 2013					
	Interest Rates	Effective Rate[1]	Maturities	Par Amount	Net Discount	Carrying Value
Notes:						
2015 Senior Secured Notes	12.00%	12.92%	2015	$ 2,947,494	$ (23,622)	$ 2,923,872
2016 Senior Secured Notes	14.75%	15.36%	2016	300,000	—	300,000
Second-Priority Secured Notes	12.00%	12.42%	2017	500,000	—	500,000
Exchangeable Notes	8.25%	16.93%	2040	629,250	(153,009)	476,241
Sprint Notes	1.00%	N/A [5]	2018	240,000	(227,265)	12,735
Vendor Financing Notes[3]	LIBOR based[2]	6.37%	2014/2015	31,982	—	31,982
Capital lease obligations and other[3]				122,615	—	122,615
Total debt, net				$ 4,771,341	$ (403,896)	4,367,445
Less: Current portion of Vendor Financing Notes and capital lease obligations and other[4]						(44,510)
Total long-term debt, net						$ 4,322,935

(1) Represents weighted average effective interest rate based on year-end balances.
(2) Coupon rate based on 3-month LIBOR plus a spread of 5.50% (secured) and 7.00% (unsecured). Included in the balance are unsecured notes with par amount of $15.2 million at July 9, 2013.
(3) As of July 9, 2013, par amount of approximately $138.0 million is secured by assets classified as Network and base station equipment. The remaining par amount is unsecured.
(4) Included in Other current liabilities on the consolidated balance sheet.
(5) The discount on the Sprint Notes is accreted as interest expense on a straight-line basis over the life of the notes due to the magnitude of the initial discount. For further discussion, see *Sprint Notes* below.

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	December 31, 2012					
	Interest Rates	Effective Rate[1]	Maturities	Par Amount	Net Discount	Carrying Value
Notes:						
2015 Senior Secured Notes	12.00%	12.92%	2015	$ 2,947,494	$ (27,900)	$ 2,919,594
2016 Senior Secured Notes	14.75%	15.36%	2016	300,000	—	300,000
Second-Priority Secured Notes	12.00%	12.42%	2017	500,000	—	500,000
Exchangeable Notes	8.25%	16.93%	2040	629,250	(165,050)	464,200
Vendor Financing Notes[3]	LIBOR based[2]	6.37%	2014/2015	32,056	(51)	32,005
Capital lease obligations[3]				91,638	—	91,638
Total debt, net				$ 4,500,438	$ (193,001)	4,307,437
Less: Current portion of Vendor Financing Notes and capital lease obligations[4]						(36,080)
Total long-term debt, net						$ 4,271,357

(1) Represents weighted average effective interest rate based on year-end balances.
(2) Coupon rate based on 3-month LIBOR plus a spread of 5.50% (secured) and 7.00% (unsecured). Included in the balance are unsecured notes with par amount of $4.6 million at December 31, 2012.
(3) As of December 31, 2012, par amount of approximately $118.8 million is secured by assets classified as Network and base station equipment.
(4) Included in Other current liabilities on the consolidated balance sheet.

Notes

2015 Senior Secured Notes— During the fourth quarter of 2009, Clearwire Communications completed offerings of $2.52 billion 12% senior secured notes due 2015, which we refer to as the 2015 Senior Secured Notes. The 2015 Senior Secured Notes provide for bi-annual payments of interest in June and December. In connection with the issuance of the 2015 Senior Secured Notes, we also issued $252.5 million of notes to Sprint and Comcast with identical terms as the 2015 Senior Secured Notes in replacement of equal amounts of indebtedness under the senior term loan facility.

During December 2010, Clearwire Communications issued an additional $175.0 million of 2015 Senior Secured Notes with substantially the same terms.

The holders of the 2015 Senior Secured Notes have the right to require us to repurchase all of the notes upon the occurrence of certain change of control events or a sale of certain assets, at a price of 101% of the principal amount or 100% of the principal amount, respectively, plus any unpaid accrued interest to the repurchase date. Change of control excludes a change of control by permitted holders including, but not limited to, Sprint, any of its successors and its respective affiliates. As of December 1, 2012, we may redeem all or a part of the 2015 Senior Secured Notes by paying a make-whole premium as stated in the terms, plus any unpaid accrued interest to the repurchase date.

Our payment obligations under the 2015 Senior Secured Notes are guaranteed by certain domestic subsidiaries on a senior basis and secured by certain assets of such subsidiaries on a first-priority lien basis. The 2015 Senior Secured Notes contain limitations on our activities, which among other things include incurring additional indebtedness and guarantee indebtedness; making distributions or payment of dividends or certain other restricted payments or investments; making certain payments on indebtedness; entering into agreements that restrict distributions from restricted subsidiaries; selling or otherwise disposing of assets; merger, consolidation or sales of

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substantially all of our assets; entering transactions with affiliates; creating liens; issuing certain preferred stock or similar equity securities and making investments and acquiring assets.

See Note 16, Subsequent Events.

2016 Senior Secured Notes — In January 2012, Clearwire Communications completed an offering of senior secured notes with a par value of $300.0 million, due 2016 and bearing interest at 14.75%, which we refer to as the 2016 Senior Secured Notes. The 2016 Senior Secured Notes provide for bi-annual payments of interest in June and December.

The holders of the 2016 Senior Secured Notes have the right to require us to repurchase all of the notes upon the occurrence of specific kinds of changes of control at a price of 101% of the principal plus any unpaid accrued interest to the repurchase date. Change of control excludes a change of control by permitted holders including, but not limited to, Sprint, any of its successors and its respective affiliates. Under certain circumstances, Clearwire Communications will be required to use the net proceeds from the sale of assets to make an offer to purchase the 2016 Senior Secured Notes at an offer price equal to 100% of the principal amount plus any unpaid accrued interest.

Our payment obligations under the 2016 Senior Secured Notes are guaranteed by certain domestic subsidiaries on a senior basis and secured by certain assets of such subsidiaries on a first-priority lien basis. The 2016 Senior Secured Notes contain the same limitations on our activities as those of the 2015 Senior Secured Notes.

Second-Priority Secured Notes — During December 2010, Clearwire Communications completed an offering of $500.0 million 12% second-priority secured notes due 2017, which we refer to as the Second-Priority Secured Notes. The Second-Priority Secured Notes provide for bi-annual payments of interest in June and December.

The holders of the Second-Priority Secured Notes have the right to require us to repurchase all of the notes upon the occurrence of certain change of control events or a sale of certain assets at a price of 101% of the principal amount or 100% of the principal amount, respectively, plus any unpaid accrued interest to the repurchase date. Change of control excludes a change of control by permitted holders including, but not limited to, Sprint, any of its successors and its respective affiliates. Prior to December 1, 2013, we may redeem up to 35% of the aggregate principal amount of the Second-Priority Secured Notes at a redemption price of 112% of the aggregate principal amount, plus any unpaid accrued interest to the repurchase date. After December 1, 2014, we may redeem all or a part of the Second-Priority Secured Notes by paying a make-whole premium as stated in the terms, plus any unpaid accrued interest to the repurchase date.

Our payment obligations under the Second-Priority Secured Notes are guaranteed by certain domestic subsidiaries on a senior basis and secured by certain assets of such subsidiaries on a second-priority lien basis. The Second-Priority Secured Notes contain the same limitations on our activities as those of the 2015 Senior Secured Notes.

See Note 16, Subsequent Events.

Exchangeable Notes — During December 2010, Clearwire Communications completed offerings of $729.2 million 8.25% exchangeable notes due 2040, which we refer to as the Exchangeable Notes. The Exchangeable Notes provide for bi-annual payments of interest in June and December. The Exchangeable Notes are subordinated to the 2015 Senior Secured Notes and 2016 Senior Secured Notes and rank equally in right of payment with the Second-Priority Secured Notes.

The holders of the Exchangeable Notes have the right to exchange their notes for Class A Common Stock, at any time, prior to the maturity date. We have the right to settle the exchange by delivering cash or shares of Class A Common Stock, subject to certain conditions. The initial exchange rate for each note is 141.2429 shares per $1,000 note, equivalent to an initial exchange price of approximately $7.08 per share, subject to adjustments upon the occurrence of certain corporate events, which we refer to as the Exchangeable Notes Exchange Rate. Upon exchange, we will not make additional cash payment or provide additional shares for accrued or unpaid interest, make-whole premium or additional interest.

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The holders of the Exchangeable Notes have the right to require us to repurchase all of the notes upon the occurrence of a fundamental change, including a change of control, event at a price of 100% of the principal amount plus any unpaid accrued interest to the repurchase date. The holders who elect to exchange the Exchangeable Notes in connection with the occurrence of a fundamental change will be entitled to additional shares that are specified based on the date on which such event occurs and the price paid per share of Class A Common Stock in the fundamental change, with a maximum number of shares issuable per note not to exceed 169.4915 shares per $1,000 note. If our stock price is less than $5.90 per share, subject to certain adjustments, no additional shares shall be added to the exchange rate. Upon the consummation of the Sprint Acquisition, each $1,000 principal amount of Exchangeable Notes was changed into a right to exchange such principal amount of Exchange Notes into cash equal to the product of the Merger Consideration, multiplied by the Exchangeable Notes Exchange Rate.

The holders of the Exchangeable Notes have the option to require us to repurchase for cash the Exchangeable Notes on December 1, 2017, 2025, 2030 and 2035 at a price equal to 100% of the principal amount of the notes plus any unpaid accrued interest to the repurchase date. On or after December 1, 2017, we may, at our option, redeem all or part of the Exchangeable Notes at a price equal to 100% of the principal amount of the notes plus any unpaid accrued interest to the redemption date.

Our payment obligations under the Exchangeable Notes are guaranteed by certain domestic subsidiaries in the same priority as the Second-Priority Secured Notes.

Upon issuance of the Exchangeable Notes, we recognized a derivative liability representing the embedded exchange feature with an estimated fair value of $231.5 million and an associated debt discount on the Exchangeable Notes. The discount is accreted over the expected life, approximately 7 years, of the Exchangeable Notes using the effective interest rate method. See Note 10, Derivative Instruments, for additional discussion of the derivative liability.

During the first quarter of 2012, Clearwire and Clearwire Communications entered into securities purchase agreements with certain institutional investors, which we refer to as the Exchange Transaction, pursuant to which Clearwire issued 38.0 million shares of Class A Common Stock for an aggregate price of $83.5 million, which we refer to as the Purchase Price, and Clearwire Communications repurchased $100.0 million in aggregate principal amount, plus accrued but unpaid interest, of its Exchangeable Notes for a total price equal to the Purchase Price.

See Note 16, Subsequent Events

Sprint Notes — In connection with the Merger Agreement, we entered into the Note Purchase Agreement with the Issuers and Sprint, in which Sprint agreed to purchase from us at our election up to an aggregate principal amount of $800 million of notes maturing on June 1, 2018 in ten monthly installments of $80 million. Interest on the notes is 1% and is payable semi-annually in June and December. We elected to forego the January, February and June 2013 draws and elected to take the March, April and May 2013 draws and received $240 million from Sprint.

Sprint has the right to exchange notes held in connection with the Note Purchase Agreement for Clearwire Class A common stock or Clearwire Class B common stock and Clearwire Communications Class B common units at the applicable exchange rate at any time prior to the maturity date after July 9, 2013. The applicable exchange rate is 666.67 shares of Clearwire Class A common stock (or Clearwire Class B common stock and Clearwire Communications Class B common units) per $1,000 principal, equivalent to an exchange price of approximately $1.50 per share.

The Sprint Notes are guaranteed by the Issuers' existing wholly-owned domestic subsidiaries. The Sprint Notes are expressly subordinated to the 2015 and 2016 Senior Secured Notes; rank equally in right of payments with all the Issuers' and the guarantors' other existing and future senior indebtedness; and senior to any existing and future subordinated indebtedness. The Sprint Notes do not contain any financial or operating covenants.

The Sprint Notes contain a beneficial conversion feature, which we refer to as BCF. A BCF will be recorded if the Company's stock price is greater than the exchange price on the commitment date. Therefore, on the settlement

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date of each draw of the Sprint Notes, the BCF will be calculated based on the closing price on settlement date less the exchange price of $1.50 per share multiplied by the number of shares of Clearwire Class A common stock issued. The amount of the BCF for each draw is limited to the proceeds received for that draw. The BCF is recognized as a discount to the debt and an increase to Additional paid-in capital on the consolidated balance sheets. The debt discount will be accreted from the date of issuance through the stated maturity into Interest expense on the consolidated statements of operations on a straight-line basis.

See Note 16, Subsequent Events.

At July 9, 2013, we were in compliance with our debt covenants.

Vendor Financing Notes

We have a vendor financing facility, which we refer to as the Vendor Financing Facility, which allows us to obtain financing by entering into notes, which we refer to as Vendor Financing Notes. The Vendor Financing Notes mature during 2014 and 2015 and the coupon rates are based on 3-month LIBOR plus a spread of 5.50% and 7.00% for secured and unsecured notes, respectively.

Capital Lease Obligations

Certain of our network equipment have been acquired under capital lease facilities. At the inception of the capital lease, the lower of either the present value of the minimum lease payments required by the lease or the fair value of the equipment, is recorded as a capital lease obligation. The initial non-cancelable term of these capital leases are three to twelve years and may include one or more renewal options at the end of the initial lease term that may be exercised at our discretion. Lease payments for the initial lease term and any fixed renewal periods are established at the inception of the lease and interest expense is recognized using the effective interest rate method based on the rate imputed using the contractual terms of the lease.

Our lease agreements may contain change of control provisions. In certain agreements, a change of control may exclude a change of control by permitted holders including, but not limited to, Sprint, any of its successors and its respective affiliates. Other agreements may reference circumstances involving a change of control resulting in Clearwire's credit rating falling below “Caa1” as rated by Moody's Investors Service. Upon the occurrence of a change of control, the lessor may require payment of a predetermined casualty value of the leased equipment

Future Payments — For future payments on our long-term debt see Note 12, Commitments and Contingencies.

Interest Expense — Interest expense included in our consolidated statements of operations for the 190 days ended July 9, 2013, and the years ended December 31, 2012 and 2011, consisted of the following (in thousands):

	190 Days Ended July 9,	Year Ended December 31,	
	2013	2012	2011
Interest coupon[1]	$ 275,551	$ 518,671	$ 484,599
Accretion of debt discount and amortization of debt premium, net[2]	36,832	41,386	40,216
Capitalized interest	(6,751)	(6,598)	(18,823)
Total interest expense	$ 305,632	$ 553,459	$ 505,992

(1) The year ended December 31, 2012 included $2.5 million of coupon interest relating to the Exchangeable Notes, which was settled in the non-cash Exchange Transaction.
(2) Includes non-cash amortization of deferred financing fees which are classified as Other assets on the consolidated balance sheets.

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10. Derivative Instruments

The holders' exchange rights contained in the Exchangeable Notes constitute embedded derivative instruments that are required to be accounted for separately from the debt host instrument at fair value. As a result, upon the issuance of the Exchangeable Notes, we recognized Exchange Options, with an estimated fair value of $231.5 million as a derivative liability. As a result of the Exchange Transaction, $100.0 million in par value of the Exchangeable Notes were retired and the related Exchange Options, with a notional amount of 14.1 million shares, were settled at fair value. The Exchange Options are indexed to Class A Common Stock, have a notional amount of 88.9 million shares at July 9, 2013 and December 31, 2012 and mature in2040.

We do not apply hedge accounting to the Exchange Options. Therefore, gains and losses due to changes in fair value are reported in our consolidated statements of operations. At July 9, 2013, the Exchange Options' estimated fair value was $0. At December 31, 2012, the Exchange Options' estimated fair value of $5.3 million was reported in Other current liabilities on our consolidated balance sheets. For the 190 days ended July 9, 2013 and the years ended December 31, 2012 and 2011, we recognized gains of $5.3 million, $1.4 million and $159.7 million, respectively, from the changes in the estimated fair value in Gains on derivative instruments in our consolidated statements of operations. See Note 11, Fair Value, for information regarding valuation of the Exchange Options.

11. Fair Value

The following is a description of the valuation methodologies and pricing assumptions we used for financial instruments measured and recorded at fair value on a recurring basis in our financial statements and the classification of such instruments pursuant to the valuation hierarchy.

Cash Equivalents and Investments

Where quoted prices for identical securities are available in an active market, we use quoted market prices to determine the fair value of investment securities and cash equivalents, and they are classified in Level 1 of the valuation hierarchy. Level 1 securities include U.S. Government Treasury Bills, actively traded U.S. Government Treasury Notes and money market mutual funds for which there are quoted prices in active markets or quoted net asset values published by the money market mutual fund and supported in an active market.

Investments are classified in Level 2 of the valuation hierarchy for securities where quoted prices are available for similar investments in active markets or for identical or similar investments in markets that are not active and we use "consensus pricing" from independent external valuation sources. Level 2 securities include U.S. Government Agency Discount Notes and U.S. Government Agency Notes.

Derivatives

The Exchange Options are classified in Level 3 of the valuation hierarchy. To estimate the fair value of the Exchange Options, we used an income approach based on valuation models, including option pricing models and discounted cash flow models. We maximized the use of market-based observable inputs in the models and developed our own assumptions for unobservable inputs based on management estimates of market participants' assumptions in pricing the instruments.

Upon the consummation of the Sprint Acquisition, each $1,000 principal amount of Exchangeable Notes was changed into a right to exchange such principal amount of Exchange Notes into an amount of cash equal to the product of (i) $5.00 multiplied by (ii) the exchange rate of 141.2429. Therefore, at the holder's option, each $1,000 of Exchangeable Notes can be tendered in exchange for $706.21 or a redemption price of $0.706. Given the equity underlying the Exchange Options no longer exists at the closing of the Sprint Acquisition and the value of the redemption is less than par (alternatively, the spot price of $5.00 is less than the strike price of the option of $7.08), the fair value of the Exchange Option immediately prior to the closing of the merger was $0.

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The following table summarizes our financial assets by level within the valuation hierarchy as of July 9, 2013 (in thousands):

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Financial assets:				
Cash and cash equivalents	$ 193,912	$ —	$ —	$ 193,912
Short-term investments	$ 251,244	$ 224,980	$ —	$ 476,224
Other assets — derivative warrant assets	$ —	$ —	$ 215	$ 215

The following table summarizes our financial assets and liabilities by level within the valuation hierarchy as of December 31, 2012 (in thousands):

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Financial assets:				
Cash and cash equivalents	$ 193,445	$ —	$ —	$ 193,445
Short-term investments	$ 375,743	$ 299,369	$ —	$ 675,112
Other assets — derivative warrant assets	$ —	$ —	$ 211	$ 211
Financial liabilities:				
Other current liabilities — derivative liabilities (Exchange Options)	$ —	$ —	$ (5,333)	$ (5,333)

The following table presents the change in Level 3 financial assets and liabilities measured on a recurring basis for the 190 days ended July 9, 2013 (in thousands):

	January 1, 2013	Acquisitions, Issuances and Settlements	Net Realized/Unrealized Gains Included in Earnings	Net Realized/Unrealized Gains (Losses) Included in Accumulated Other Comprehensive Income	July 9, 2013	Net Unrealized Gains (Losses) Included in 2012 Earnings Relating to Instruments Held at July 9, 2013
Other assets:						
Derivatives	$ 211	$ —	$ 4 [(1)]	$ —	$ 215	$ 4
Other current liabilities:						
Derivatives	$ (5,333)	$ —	$ 5,333 [(1)]	$ —	$ —	$ 5,333

(1) Included in Gain on derivative instruments in the consolidated statements of operations.

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The following table presents the change in Level 3 financial assets and liabilities measured on a recurring basis for the year ended December 31, 2012 (in thousands):

	January 1, 2012	Acquisitions, Issuances and Settlements	Net Unrealized Gains (Losses) Included in Earnings	Net Unrealized Gains (Losses) Included in Accumulated Other Comprehensive Income	December 31, 2012	Net Unrealized Gains (Losses) Included in 2011 Earnings Relating to Instruments Held at December 31, 2012
Other assets:						
Derivatives	$ 209	$ —	$ 2 (1)	$ —	$ 211	$ 2
Other current liabilities:						
Derivatives	$ (8,240)	$ 1,553	$ 1,354 (1)	$ —	$ (5,333)	$ 1,778

(1) Included in Gain on derivative instruments in the consolidated statements of operations.

The following is the description of the fair value for financial instruments we hold that are not subject to fair value recognition.

Debt Instruments

To estimate the fair value of the 2015 Senior Secured Notes, the 2016 Senior Secured Notes, the Second-Priority Secured Notes and the Exchangeable Notes, we used the average indicative price from several market makers.

A level of subjectivity is applied to estimate the fair value of the Sprint Notes. We use a market approach, benchmarking the price of the Sprint Notes to our Exchangeable Notes, adjusting for differences in critical terms such as tenor and strike price of the options as well as liquidity.

To estimate the fair value of the Vendor Financing Notes, we used an income approach based on the contractual terms of the notes and market-based parameters such as interest rates. A level of subjectivity is applied to estimate the discount rate used to calculate the present value of the estimated cash flows.

The following table presents the carrying value and the approximate fair value of our outstanding debt instruments at July 9, 2013 and 2012 (in thousands):

	July 9, 2013		December 31, 2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Notes:				
2015 Senior Secured Notes	$ 2,923,872	$ 3,167,127	$ 2,919,594	$ 3,180,238
2016 Senior Secured Notes	$ 300,000	$ 412,500	$ 300,000	$ 414,375
Second-Priority Secured Notes	$ 500,000	$ 583,125	$ 500,000	$ 591,565
Exchangeable Notes(1)	$ 476,241	$ 696,164	$ 464,200	$ 689,598
Sprint Notes(2)	$ 12,735	$ 176,713	$ —	$ —
Vendor Financing Notes	$ 31,982	$ 32,458	$ 32,005	$ 31,802

(1) Carrying value as of July 9, 2013 and December 31, 2012 is net of $153.0 million and $165.1 million discount, respectively, arising from the separation of the Exchange Options from the debt host instrument. The fair value of the Exchangeable

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Notes incorporates the value of the exchange feature which we have recognized separately as a derivative on our consolidated balance sheets. See Note 9, Long-term Debt, Net for additional discussion.

(2) Carrying value as of July 9, 2013 is net of $227.3 million discount arising from the BCF. See Note 9, Long-term Debt, Net for additional discussion.

12. Commitments and Contingencies

Future minimum cash payments under obligations for our continuing operations listed below (including all optional expected renewal periods on operating leases) as of July 9, 2013, are as follows (in thousands):

	Total	2013	2014	2015	2016	2017	Thereafter, including all renewal periods
Long-term debt obligations[1]	$ 4,648,725	$ 12,282	$ 12,729	$ 2,954,464	$ 300,000	$ 500,000	$ 869,250
Interest payments on long-term debt obligations[1]	2,751,195	257,101	513,316	512,700	158,563	114,313	1,195,202
Operating lease obligations	3,207,212	188,022	402,830	406,397	404,451	401,897	1,403,615
Spectrum lease obligations	6,792,437	84,210	182,997	187,529	193,215	207,181	5,937,305
Spectrum service credits and signed spectrum agreements	101,727	1,470	2,939	2,939	2,939	2,939	88,501
Capital lease obligations[2]	165,831	16,677	35,563	34,297	22,574	14,426	42,294
Purchase agreements	109,141	76,317	17,871	6,301	1,899	1,884	4,869
Total	$ 17,776,268	$ 636,079	$ 1,168,245	$ 4,104,627	$ 1,083,641	$ 1,242,640	$ 9,541,036

(1) Principal and interest payments beyond 2017 represent potential principal and interest payments on the Exchangeable Notes beyond the expected repayment in 2017.

(2) Payments include $41.3 million representing interest.

Expense recorded related to spectrum and operating leases was as follows (in thousands):

	190 days ended July 9,	Year ended December 31,	
	2013	2012	2011
Spectrum lease expense	$ 178,989	$ 326,798	$ 308,693
Operating lease expense	$ 245,010	$ 502,701	$ 637,688

Operating lease obligations — Our commitments for non-cancelable operating leases consist mainly of leased sites, including towers and rooftop locations, and office space. Certain of the leases provide for minimum lease payments, additional charges and escalation clauses. Operating leases generally have initial terms of five to seven years with multiple renewal options for additional five-year terms totaling between 20 and 25 years. Operating lease obligations in the table above include all lease payments for the contractual lease term plus one renewal period and include any remaining future lease payments for leases where notice of intent not to renew has been sent as a result of the lease termination initiatives. The estimated lease term utilized for lease expense recognition purposes for most leases includes the initial non-cancelable term plus one renewal period.

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Spectrum lease obligations - Certain of the leases provide for minimum lease payments, additional charges and escalation clauses. Leased spectrum agreements have terms of up to 30 years and the weighted average remaining lease term at July 9, 2013 was approximately 23 years, including renewal terms. We expect that all renewal periods in our spectrum leases will be renewed by us.

Spectrum service credits - We have commitments to provide Clearwire services to certain lessors in launched markets, and to reimburse lessors for certain capital equipment and third-party service expenditures, over the term of the lease. We accrue a monthly obligation for the services and equipment based on the total estimated available service credits divided by the term of the lease. The obligation is reduced as actual invoices are presented and paid to the lessors. During the 190 days ended July 9, 2013, and the years ended December 31,2012 and 2011 we satisfied $1.2 million, $3.3 million and $4.5 million, respectively, related to these commitments. The maximum remaining commitment at July 9, 2013 is $101.7 million and is expected to be incurred over the term of the related lease agreements, which generally range from 15-30 years.

Purchase agreements - Included in the table above are purchase commitments with take-or-pay obligations and/or volume commitments for equipment that are non-cancelable. The table above also includes other obligations we have that include minimum purchase commitments with certain suppliers over time for goods and services regardless of whether suppliers fully deliver them. They include, among other things, agreements for backhaul, subscriber devices and IT related and other services.

In addition, we are party to various arrangements that are conditional in nature and create an obligation to make payments only upon the occurrence of certain events, such as the actual delivery and acceptance of products or services. Because it is not possible to predict the timing or amounts that may be due under these conditional arrangements, no such amounts have been included in the table above. The table above also excludes blanket purchase order amounts where the orders are subject to cancellation or termination at our discretion or where the quantity of goods or services to be purchased or the payment terms are unknown because such purchase orders are not firm commitments.

Legal proceedings - As more fully described below, we are involved in a variety of lawsuits, claims, investigations and proceedings concerning intellectual property, business practices, commercial and other matters. We determine whether we should accrue an estimated loss for a contingency in a particular legal proceeding by assessing whether a loss is deemed probable and can be reasonably estimated. We reassess our views on estimated losses on a quarterly basis to reflect the impact of any developments in the matters in which we are involved. Legal proceedings are inherently unpredictable, and the matters in which we are involved often present complex legal and factual issues. We vigorously pursue defenses in legal proceedings and engage in discussions where possible to resolve these matters on terms favorable to us, including pursuing settlements where we believe it may be the most cost effective result for the Company. It is possible, however, that our business, financial condition and results of operations in future periods could be materially and adversely affected by increased litigation expense, significant settlement costs and/or unfavorable damage awards.

Throughout the legal proceedings disclosure, we use the terms Clearwire and the Company to refer to Clearwire Corporation, Clearwire Communications LLC, Clear Wireless LLC and its subsidiaries.

Consumer and Employment Purported Class Actions and Investigation(s)

In April 2009, a purported class action lawsuit was filed against Clearwire U.S. LLC in Superior Court in King County, Washington by a group of five plaintiffs (Chad Minnick, et al.). The lawsuit generally alleges that we disseminated false advertising about the quality and reliability of our services; imposed an unlawful early termination fee, which we refer to as ETF; and invoked allegedly unconscionable provisions of our Terms of Service to the detriment of subscribers. In November 2010, a purported class action lawsuit was filed against Clearwire by Angelo Dennings in the U.S. District Court for the Western District of Washington. The complaint generally alleges we slow network speeds when network demand is highest and that such network management violates our

agreements with subscribers and is contrary to the Company's advertising and marketing claims. Plaintiffs also allege that subscribers do not review the Terms of Service prior to subscribing, and when subscribers cancel service due to network management, we charge an ETF or restocking fee that they claim is unconscionable under the circumstances. In March 2011, a purported class action was filed against Clearwire in the U.S. District Court for the Eastern District of California. The case, Newton v. Clearwire, Inc. [sic], alleges Clearwire's network management and advertising practices constitute breach of contract, unjust enrichment, unfair competition under California's Business and Professions Code Sections 17200 et seq., and violation of California's Consumers' Legal Remedies Act. Plaintiff contends Clearwire's advertisements of “no speed cap” and “unlimited data” are false and misleading. Plaintiff alleges Clearwire has breached its contracts with customers by not delivering the Internet service as advertised. Plaintiff also claims slow data speeds are due to Clearwire's network management practices. The parties collectively settled these three lawsuits, and the settlement is in the process of administration. We have accrued an estimated amount we anticipate to pay for the settlement in Other current liabilities. The amount accrued is considered immaterial to the financial statements.

In August 2012, Richard Wuest filed a purported class action against Clearwire in the California Superior Court, San Francisco County. Plaintiff alleges that Clearwire violated California's Invasion of Privacy Act, Penal Code 630, notably §632.7, which prohibits the recording of communications made from a cellular or cordless telephone without the consent of all parties to the communication. Plaintiff seeks class certification, statutory damages, injunctive relief, costs, attorney fees, and pre- and post- judgment interest. We removed the matter to federal court. On November 2, 2012, we filed an answer to the complaint. On May 31, 2013, Plaintiff filed a First Amended Complaint adding two Clearwire call vendors to the lawsuit. We filed an answer on July 15, 2013, and discovery has begun. Class certification briefing is scheduled for the spring of 2014. The litigation is in the early stages, its outcome is unknown and an estimate of any potential loss cannot be made at this time.

On September 6, 2012, the Washington State Attorney General's Office served on Clearwire Corporation a Civil Investigative Demand pursuant to RCW 19.86.110. The demand seeks information and documents in furtherance of the Attorney General Office's investigation of possible unfair trade practices, failure to properly disclose contractual terms, and misleading advertising. On October 22, 2012, we responded to the demand. The outcome of any investigation is unknown and an estimate of any potential loss cannot be made at this time.

In April 2013, Kenneth Lindsay, a former employee and others, filed a purported collective class action lawsuit in U.S. District Court for the District of Minnesota, against Clear Wireless LLC and Workforce Logic LLC. Plaintiffs allege claims individually and on behalf of a purported nationwide collective class under the Fair Labor Standards Act, which we refer to as the FSLA, from April 9, 2010 to present. The lawsuit alleges that defendants violated the FLSA, notably sections 201 and 207 and relevant regulations, regarding failure to pay minimum wage, failure to pay for hours worked during breaks or work performed "off the clock" before, during and after scheduled work shifts, overtime, improper deductions, and improper withholding of wages, commissions and bonuses. Plaintiffs seek back wages, unpaid wages, overtime, liquidated damages, attorney fees and costs. We filed an answer to the complaint on April 30, 2013. In January, 2014, the magistrate judge granted plaintiffs’ motion for conditional class certification, and we have filed our objections to that ruling with the district judge. The litigation is in the early stages, its outcome is unknown and an estimate of any potential loss cannot be made at this time.

Shareholder Actions

On April 26, 2013, stockholders ACP Master, Ltd., Aurelius Capital Master, Ltd., and Aurelius Opportunities Fund II, LLC, filed suit in the Delaware Court of Chancery against the Company, its directors, Sprint and Sprint HoldCo., which we refer to as the ACP Action. On December 20, 2013, those entities filed an amended complaint, naming as defendants Sprint Corporation, Sprint Communications, Inc., the former directors of the Company, Starburst I, Inc., and SoftBank Corp. The amended ACP Action alleges that the directors of the Company breached their fiduciary duties in connection with the Sprint-Clearwire transaction (the “Merger”), that Sprint breached duties owed to the plaintiff stockholders by virtue of its status as a “controlling” stockholder, and that the other entities

aided and abetted the alleged breaches of duties. The ACP action seeks a declaration that Sprint and the director defendants breached their fiduciary duties, and that the other entities aided and abetted that breach; a declaration that the Special Committee and majority-of-minority conditions were insufficient safeguards and that defendants bear a burden of proving the "entire fairness" of the transaction; a declaration that the Note Purchase Agreement was the product of defendants' breach of fiduciary duties; a finding that the Merger was unfair to the plaintiffs; rescission of the Merger; and unspecified damages, fees and expenses. The defendants moved to dismiss the ACP Action in January, 2014.

On October 23, 2013, the plaintiffs in the ACP Action filed a new lawsuit in the Delaware Court of Chancery against the Company. The complaint asks the court for an appraisal of the "fair value" of plaintiffs' stock in Clearwire, and an order that Clearwire pay plaintiffs the "fair value," plus interest and costs. The Company filed its answer in November, 2013, and discovery has begun. This case and the ACP Action are in the early stages, their outcome is unknown, and an estimate of potential losses cannot be made at this time.

In addition to the matters described above, we are often involved in certain other proceedings which seek monetary damages and other relief. Based upon information currently available to us, none of these other claims are expected to have a material effect on our business, financial condition or results of operations.

13. Share-Based Payments

As of July 9, 2013, there were 25,226,048 shares available for grant under the Clearwire Corporation 2008 Stock Compensation Plan, which we refer to as the 2008 Plan, which authorizes us to grant incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units, which we refer to as RSUs, performance based RSUs and other stock awards to our employees, directors and consultants. Grants to be awarded under the 2008 Plan will be made available at the discretion of the Compensation Committee of the Board of Directors from authorized but unissued shares, authorized and issued shares reacquired, or a combination thereof.

Restricted Stock Units

We grant RSUs and performance based RSUs to certain officers and employees under the 2008 Plan. All RSUs generally have performance and service requirements or service requirements only, with vesting periods ranging from two to four years. The fair value of our RSUs is based on the grant-date fair market value of the common stock, which equals the grant date market price. Performance RSUs awarded in 2012 have one to two years performance periods and were granted once the performance objectives were established in the first quarter of 2012.

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A summary of the RSU activity for the 190 day period ended July 9, 2013, and the years ended 2012 and 2011 is presented below:

	Restricted Stock Units		Weighted-Average Grant Price		Fair Value (In Millions)	
	Future Performance and Service Required	Future Service Required	Future Performance and Service Required	Future Service Required	Future Performance and Service Required	Future Service Required
Restricted stock units outstanding — January 1, 2011	—	14,675,653	$ —	$ 5.99		
Granted	—	10,300,239	—	4.06	$ —	$ 44.9
Forfeited	—	(7,985,495)	—	5.46		
Vested	—	(6,240,674)	—	5.54	$ —	$ 24.1
Restricted stock units outstanding — December 31, 2011	—	10,749,723	$ —	$ 4.79		
Granted	6,619,937	17,857,468	1.96	2.25	$ 13.0	$ 40.2
Forfeited	(208,102)	(2,141,799)	1.99	3.32		
Vested	—	(4,501,785)	—	4.45	$ —	$ 8.4
Restricted stock units outstanding — December 31, 2012	6,411,835	21,963,607	$ 1.96	$ 2.83		
Granted	—	11,637,901	—	3.19	$ —	$ 37.1
Forfeited	(1,691,445)	(506,235)	1.96	7.77		
Vested	—	(7,913,173)	—	2.72	$ —	$ 26.0
Restricted stock units outstanding — July 9, 2013	4,720,390	25,182,100	$ 1.96	$ 3.03		

As of July 9, 2013, there were 29,902,490 RSUs outstanding and total unrecognized compensation cost of approximately $38.4 million, which is expected to be recognized over a weighted-average period of approximately 1.1 years.

Stock Options

We granted options to certain officers and employees under the 2008 Plan. All options generally vest over a four-year period and expire no later than ten years after the date of grant. The fair value of option grants was estimated on the date of grant using the Black-Scholes option pricing model.

CLEARWIRE CORPORATION AND SUBSIDIARIES
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A summary of option activity from January 1,2011 through July 9, 2013 is presented below:

	Number of Options		Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)
Options outstanding — January 1, 2011	16,443,241	$	11.80	5.69
Granted	—		—	
Forfeited	(10,701,871)		11.86	
Exercised	(1,180,619)		3.07	
Options outstanding — December 31, 2011	4,560,751	$	13.98	4.24
Granted	—		—	
Forfeited	(1,310,146)		12.94	
Exercised	—		—	
Options outstanding — December 31, 2012	3,250,605	$	14.39	4.36
Granted	—			
Forfeited	(66,732)		16.18	
Exercised	(64,750)		3.06	
Options outstanding — July 9, 2013	3,119,123	$	14.59	3.30
Vested and expected to vest — July 9, 2013	3,115,111	$	14.60	3.30
Exercisable outstanding — July 9, 2013	3,050,591	$	14.77	3.31

The intrinsic value of options exercised during the 190 days ended July 9, 2013 and the year ended December 31,2011 was $0.1 million and $2.3 million, respectively. There were no option exercises during the period ended December 31, 2012. At July 9, 2013, the aggregate intrinsic value of options outstanding was $1.3 million

CLEARWIRE CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS —(CONTINUED)

Information regarding stock options outstanding and exercisable as of July 9, 2013 is as follows:

	Options Outstanding			Options Exercisable	
Exercise Prices	Number of Options	Weighted Average Contractual Life Remaining (Years)	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
$3.00	6,666	.78	$ 3.00	6,666	$ 3.00
$3.03	610,750	4.68	3.03	610,750	3.03
$3.53 - $6.77	400,617	2.34	5.90	345,835	5.80
$7.41 - $7.87	57,500	3.26	7.57	43,750	7.57
$11.03	110,700	2.12	11.03	110,700	11.03
$15.00	200,665	2.50	15.00	200,665	15.00
$17.11	323,600	1.60	17.11	323,600	17.11
$18.00	509,497	3.14	18.00	509,497	18.00
$23.30	339,900	4.14	23.30	339,900	23.30
$25.00	559,228	3.64	25.00	559,228	25.00
Total	3,119,123	3.30	$ 14.59	3,050,591	$ 14.77

There were no options granted in 2013, 2012 and 2011. The total fair value of options vested during the 190 days ended July 9, 2013 and the years ended December 31, 2012 and 2011 was $0.5 million, $0.7 million and $6.6 million, respectively. The total unrecognized share based compensation costs related to non-vested stock options outstanding at July 9, 2013 was approximately $0.1 million and is expected to be recognized over a weighted average period of approximately four months.

Share-based compensation expense is based on the estimated grant-date fair value of the award and is recognized net of estimated forfeitures on those shares expected to vest, over a graded vesting schedule on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards. Share-based compensation expense recognized for all plans for the 190 days ended July 9, 2013, and for the years 2012 and 2011 is as follows (in thousands):

	190 Days Ended July 9,	Year Ended December 31.	
	2013	2012	2011
Options	$ 82	$ 250	$ 1,016
RSUs	20,890	28,616	25,535
Sprint Equity Compensation Plans	—	—	73
Total	$ 20,972	$ 28,866	$ 26,624

See Note 16, Subsequent Events.

14. Stockholders' Equity

Class A Common Stock

The Class A Common Stock represents the common equity of Clearwire. The holders of the Class A Common Stock are entitled to one vote per share and, as a class, are entitled to 100% of any dividends or distributions made by Clearwire, with the exception of certain minimal liquidation rights provided to the Class B Common

CLEARWIRE CORPORATION AND SUBSIDIARIES
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Stockholders, which are described below. Each share of Class A Common Stock participates ratably in proportion to the total number of shares of Class A Common Stock issued by Clearwire. Holders of Class A Common Stock have 100% of the economic interest in Clearwire and are considered the controlling interest for the purposes of financial reporting.

Upon liquidation, dissolution or winding up, the Class A Common Stock will be entitled to any assets remaining after payment of all debts and liabilities of Clearwire, with the exception of certain minimal liquidation rights provided to the Class B Common Stockholders, which are described below.

Class B Common Stock

The Class B Common Stock represents non-economic voting interests in Clearwire. Identical to the Class A Common Stock, the holders of Class B Common Stock are entitled to one vote per share. However, they do not have any rights to receive distributions other than stock dividends paid proportionally to each outstanding Class A and Class B Common Stockholder or upon liquidation of Clearwire, an amount equal to the par value per share, which is $0.0001 per share.

The sole holder, which is Sprint, is entitled to hold an equivalent number of Class B Common Interests, which, in substance, reflects their economic stake in Clearwire. This is accomplished through an exchange feature that provides the holder the right, at any time, to exchange one share of Class B Common Stock plus one Class B Common Interest for one share of Class A Common Stock.

On July 5, 2013, Sprint completed the exchange of 57.5 million shares of Class B Common Interests and a corresponding number of shares of Class B Common Stock for an equal number of shares of Class A Common Stock pursuant to the Amended and Restated Operating Agreement dated as of November 28, 2008 governing Clearwire Communications.

On July 9, 2013, Intel completed the exchange of 65.6 million shares of Class B Common Interests and a corresponding number of shares of Class B Common Stock for an equal number of shares of Class A Common Stock pursuant to the Amended and Restated Operating Agreement dated as of November 28, 2008 governing Clearwire Communications.

At July 9, 2013, prior to consideration of the Sprint Acquisition, Sprint's economic interest in Clearwire and its subsidiaries is equal to its voting interest and was approximately 50.1%.

The following table lists the voting interests in Clearwire as ofJuly 9, 2013:

Investor	Class A Common Stock	Class A Common Stock Voting % Outstanding	Class B Common Stock[1]	Class B Common Stock % Voting Outstanding	Total	Total % Voting Outstanding
Sprint	88,422,958	10.7%	650,587,860	100.0%	739,010,818	50.1%
Comcast	88,504,132	10.8%	—	—%	88,504,132	6.0%
Intel	94,076,878	11.4%	—	—%	94,076,878	6.4%
Other Shareholders	552,193,151	67.1%	—	—	552,193,151	37.5%
	823,197,119	100%	650,587,860	100%	1,473,784,979	100%

(1) The holders of Class B Common Stock hold an equivalent number of Class B Common Interests.

As a result of the Sprint Acquisition, each share of Clearwire Corporation common stock, par value $0.0001 per share, other than shares owned by Sprint, SoftBank Corp., or their affiliates, were converted into the right to receive $5.00 per share in cash.

CLEARWIRE CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS —(CONTINUED)

Clearwire Communications Interests

Clearwire is the sole holder of voting interests in Clearwire Communications. As such, Clearwire controls 100% of the decision making of Clearwire Communications and consolidates 100% of its operations. Clearwire also holds all of the outstanding Clearwire Communications Class A common interests representing 55.9% of the economics of Clearwire Communications as of July 9, 2013. The holders of the Class B Common Interests own the remaining44.1% of the economic interests. It is intended that at all times, the number of Clearwire Communications Class A common interests held by Clearwire will equal the number of shares of Class A Common Stock issued by Clearwire.

The non-voting Clearwire Communication units are designated as either Clearwire Communications Class A common interests, all of which are held by Clearwire, or Class B Common Interests, which are held by Sprint and Intel. Both classes of non-voting Clearwire Communication units participate in distributions of Clearwire Communications on an equal and proportionate basis.

The following shows the effects of the changes in Clearwire's ownership interests in Clearwire Communications (in thousands):

	190 Days ended July 9,	Year ended December 31,	
	2013	2012	2011
Clearwire's loss from equity investees	$ (226,783)	$ (758,705)	$ (612,214)
Increase/(decrease) in Clearwire's additional paid-in capital for issuance or conversion of Class B Common Stock	301,283	379,048	137,353
Increase in Clearwire's additional paid-in capital for issuance of Class A Common Stock	1,979	58,460	384,106
Other effects of changes in Clearwire's additional paid-in capital for issuance of Class A and Class B Common Stock	20,972	28,143	18,870
Net transfers from non-controlling interests	324,234	465,651	540,329
Change from net loss attributable to Clearwire and transfers to non-controlling interests	$ 97,451	$ (293,054)	$ (71,885)

Dividend Policy

We have not declared or paid any cash dividends on Class A or Class B Common Stock. We currently expect to retain future earnings, if any, for use in the operations. We do not anticipate paying any cash dividends in the foreseeable future. In addition, covenants in the indentures governing our Senior Secured Notes impose significant restrictions on our ability to pay cash dividends to our stockholders.

Non-controlling Interests in Clearwire Communications

Clearwire Communications is consolidated into Clearwire because we hold 100% of the voting interest in Clearwire Communications. Therefore, the holders of the Class B Common Interests represent non-controlling interests in a consolidated subsidiary. As a result, the income (loss) consolidated by Clearwire is decreased in proportion to the outstanding non-controlling interests. The conversion of Class B Common Interests and the corresponding number of Class B Common Stock to Class A Common Stock is recorded in Issuance of common stock, net of issuance costs, and other capital transactions on our consolidated statement of stockholders' equity.

CLEARWIRE CORPORATION AND SUBSIDIARIES
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Warrants

During the first quarter of 2013, we issued a warrant to purchase 2.0 million shares of Class A Common Stock at an exercise price of $1.75 per share related to a spectrum lease agreement. The warrants expire January 29, 2019. In connection with the Sprint Acquisition, the warrants were settled for a lump sum cash amount equal to the amount by which the Merger Consideration exceeded the exercise price of the warrants.

In addition, prior to the closing of the merger with Sprint, we had 375,000 warrants outstanding with an exercise price of $3.00. These warrants were settled for a lump sum cash amount equal to the amount by which the Merger Consideration exceeded the exercise price of the warrants.

15. Related Party Transactions

We have a number of strategic and commercial relationships with third parties that have had a significant impact on our business, operations and financial results. These relationships have been with Sprint, Intel, Comcast, Time Warner Cable, Bright House, Google, Eagle River, and Ericsson, all of which are or have been related parties. Some of these relationships include agreements pursuant to which we sell wireless broadband services to certain of these related parties on a wholesale basis, which such related parties then resell to each of their respective end user subscribers. We sell these services at terms defined in our contractual agreements.

The following amounts for related party transactions are included in our consolidated financial statements (in thousands):

	July 9, 2013	December 31, 2012
Accounts receivable	$ 16,497	$ 17,227
Prepaid assets and other assets	$ 4,235	$ 5,943
Accounts payable and accrued expenses	$ 58,210	$ 8,223
Other current liabilities:		
Cease-to-use	$ 5,650	$ 5,497
Deferred revenue	$ 200,698	$ 96,161
Other	$ 5,642	$ 5,642
Other long-term liabilities:		
Cease-to-use	$ 37,541	$ 36,793
Deferred revenue	$ 13,750	$ 83,887
Deferred rent	$ 61,053	$ 32,213
Other	$ 334	$ 2,821

	190 days Ended July 9,	Year Ended December 31,	
	2013	2012	2011
Revenue	$ 237,111	$ 465,295	$ 493,350
Cost of goods and services and network costs (inclusive of capitalized costs)	$ 75,469	$ 152,669	$ 182,671
Selling, general and administrative (inclusive of capitalized costs)	$ 26,749	$ 50,193	$ 31,453

Sprint Merger Agreement — On December 17, 2012, we entered into a Merger Agreement, pursuant to which Sprint agreed to acquire all of the outstanding shares of Class A and Class B Common Stock not currently owned by

CLEARWIRE CORPORATION AND SUBSIDIARIES
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Sprint. On July 9, 2013, Sprint completed the acquisition of Clearwire Corporation and its subsidiaries. See Note 1, Description of Business

See Note 16, Subsequent Events.

Note Purchase Agreement — In connection with the Merger Agreement, on December 17, 2012, we and certain of our subsidiaries also entered into the Note Purchase Agreement, in which Sprint agreed to purchase from us at our election up to an aggregate principal amount of $800 million of 1.00% exchangeable notes due 2018, in ten monthly installments of $80.0 million each. We elected to forego the first two draws (January 2013 and February 2013) under the Note Purchase Agreement which reduced the aggregate principal amount available to $640 million. We elected to take the March, April and May draws and received $240.0 million from Sprint. In addition, we elected to forego the June draw. See Note 9, Long-term Debt, Net, for further information.

Rollover Notes — In connection with the issuance of the 2015 Senior Secured Notes, on November 24, 2009, we issued notes to Sprint and Comcast with identical terms as the 2015 Senior Secured Notes. From time to time, other related parties may hold portions of our long-term debts, and as debtholders, would be entitled to receive interest payments from us.

Relationships among Certain Stockholders, Directors, and Officers of Clearwire — Prior to the completion of the Sprint Acquisition, Sprint, through two wholly-owned subsidiaries, Sprint HoldCo and SN UHC 1, Inc., owns the largest interest in Clearwire with an effective voting and economic interest of approximately 50.1%. After the conversion of their Class B Common Interests and corresponding number of Class B Common Stock into Class A Common Stock, Comcast, Intel and Bright House together own voting interest in Clearwire of approximately 13.0% at July 9, 2013, prior to consummation of the merger with Sprint.

Clearwire, Sprint, Intel, Comcast and Bright House are party to the Equityholders' Agreement, which sets forth certain rights and obligations of the equityholders with respect to governance of Clearwire, transfer restrictions on our common stock, rights of first refusal and pre-emptive rights, among other things.

4G MVNO Agreement — We have a non-exclusive 4G MVNO agreement, which we refer to as the 4G MVNO Agreement, with Comcast MVNO II, LLC, TWC Wireless, LLC, Bright House and Sprint Spectrum L.P.,which we refer to as Sprint Spectrum. We sell wireless broadband services to the other parties to the 4G MVNO Agreement for the purposes of the purchasers' marketing and reselling our wireless broadband services to their respective end user subscribers. The wireless broadband services to be provided under the 4G MVNO Agreement include standard network services, and, at the request of any of the parties, certain non-standard network services. We sell these services at prices defined in the 4G MVNO Agreement.

S***print Wholesale Relationship***

Under the November 2011 4G MVNO Amendment, Sprint is paying us a fixed amount for unlimited 4G mobile WiMAX services for resale to its retail subscribers in 2013, a portion of which will be paid as an offset to principal and interest due under a $150.0 million promissory note issued by us to Sprint on January 3, 2012, which we refer to as the Sprint Promissory Note. The Sprint Promissory Note has an aggregate principal amount of $150.0 million and bears interest of 11.5% per annum. On January 2, 2013, we offset $83.6 million of principal and related accrued interest to reduce the principal amount we owe to Sprint under the promissory note to $75.0 million maturing on January 2, 2014. If not previously paid, Sprint may offset the amounts payable by us under the Sprint Promissory Note, including interest, against payments then due by Sprint to Clearwire Communications under the 4G MVNO Agreement, as amended. Because the Sprint Promissory Note was entered into in conjunction with the November 2011 4G MVNO Amendment, and amounts due may be offset against payments due under the November 2011 4G MVNO Amendment, it is treated as deferred revenue for accounting purposes, and associated interest costs are being recorded as a reduction to the payable by Sprint for unlimited WiMAX service in calendar year 2013.

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As part of the 4G MVNO Agreement, we also agreed to usage based pricing for WiMAX services after 2013 and for LTE service beginning in 2012. We also agreed that Sprint may re-wholesale wireless broadband services, subject to certain conditions and we agreed to operate our WiMAX network through calendar year 2015.

For the 190 days ended July 9, 2013 and the years ended December 31, 2012 and 2011, we received $231.2 million, $537.3 million and $434.3 million, respectively, from Sprint for 4G broadband wireless services. During the 190 days ended July 9, 2013 and the years ended December 31, 2012 and 2011, wholesale revenue recorded attributable to Sprint comprised approximately 36% of total revenues and substantially all of our wholesale revenues.

3G MVNO Agreement — We entered into a non-exclusive 3G MVNO agreement with Sprint Spectrum, which we refer to as the 3G MVNO Agreement, whereby Sprint agrees to sell its code division multiple access and mobile voice and data communications service for the purpose of resale to our retail customers. The data communications service includes Sprint's existing core network services, other network elements and information that enable a third party to provide services over the network, or core network enablers, and subject to certain limitations and exceptions, new core network services, core network enablers and certain customized services. For the 190 days ended July 9, 2013 and for the years ended December 31, 2012 and 2011, we paid $1.0 million, $4.4 million, and $17.8 million, respectively, to Sprint for 3G wireless services provided by Sprint to us.

Sprint Master Site Agreement — In November 2008, we entered into a master site agreement with Sprint, which we refer to as the Master Site Agreement, pursuant to which Sprint and we established the contractual framework and procedures for the leasing of tower and antenna collocation sites to each other. Leases for specific sites will be negotiated by Sprint and us on request by the lessee. The leased premises may be used by the lessee for any activity in connection with the provision of wireless communications services, including attachment of antennas to the towers at the sites. The term of the Master Site Agreement is ten years from the date the agreement was signed. The term of each lease for each specific site will be five years, but the lessee has the right to extend the term for up to an additional 20 years. The monthly fee will increase 3% per year. The lessee is also responsible for the utility costs and for certain additional fees. During the 190 days ended July 9, 2013 and the years ended December 31, 2012 and 2011, we made rent payments under this agreement of $35.5 million, $59.6 million, and $55.8 million , respectively.

Master Agreement for Network Services — In November 2008, we entered into a master agreement for network services, which we refer to as the Master Agreement for Network Services, with various Sprint affiliated entities, which we refer to as the Sprint Entities, pursuant to which the Sprint Entities and we established the contractual framework and procedures for us to purchase network services from Sprint Entities. We may order various services from the Sprint Entities, including IP network transport services, data center co-location, toll-free services and access to the following business platforms: voicemail, instant messaging services, location-based systems and media server services. The Sprint Entities will provide a service level agreement that is consistent with the service levels provided to similarly situated subscribers. Pricing is specified in separate product attachments for each type of service; in general, the pricing is based on the mid-point between fair market value of the service and the Sprint Entities' fully allocated cost for providing the service. The term of the Master Agreement for Network Services is five years, but we will have the right to extend the term for an additional five years. Additionally, in accordance with the Master Agreement for Network Services with the Sprint Entities, we assumed certain agreements for backhaul services that contain commitments that extend up to five years.

Ericsson, Inc. — Ericsson, provides network deployment services to us, including site acquisition and construction management services. In addition, during the second quarter of 2011, we entered into a managed services agreement with Ericsson to operate, maintain and support our network. Dr. Hossein Eslambolchi, who was a member of our Board of Directors prior to the Sprint Acquistion, had a consulting agreement with Ericsson. As part of his consulting agreement, Dr. Eslambolchi received payments for his services from Ericsson. He has not received any compensation directly from us related to his relationship with Ericsson. For the 190 days ended July 9,

CLEARWIRE CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS —(CONTINUED)

2013 and for the years ended December 31, 2012 and 2011, we paid $43.9 million, $76.9 million and $41.1 million, respectively, to Ericsson for network management services.

16. Subsequent Events

We have evaluated subsequent events through February 24, 2014, the date in which the consolidated financial statements were issued. The following events occurred subsequent to July 9, 2013:

Sprint Acquisition

On July 9, 2013, Sprint completed the acquisition of Clearwire Corporation and its subsidiaries. As a result of the Sprint Acquisition and the resulting change in ownership and control, the acquisition method of accounting was applied by Sprint, pushed-down to us and included in our consolidated financial statements for all periods presented subsequent to the Acquisition Date. This resulted in a new basis of presentation based on the estimated fair values of our assets and liabilities for the successor period beginning as of the day following the consummation of the merger.

Long-term Debt, net

Using equity contributions from Sprint and available cash, we retired all of the 2015 Senior Secured Notes and all of the Second-Priority Secured Notes by December 2013.

In September 2013, Sprint exchanged all of the outstanding Sprint Notes for 160,000,800 shares of Class B Common Stock and the same amount of Class B Common Interests.

On October 17, 2013, the Issuers entered into a supplemental indenture related to the Exchangeable Notes that 1) permitted the periodic reports filed by Sprint (rather than Clearwire Corporation) with the SEC to satisfy the Issuers' reporting and related obligations in the event that Sprint and Sprint Communications unconditionally guarantee the Exchangeable Notes and 2) agreed to use commercially reasonable efforts to obtain credit ratings for the Exchangeable Notes by two national rating agencies.

On July 19, 2013, Clearwire Communications and Clearwire Finance, Inc. entered into a $3.0 billion credit agreement, which we refer to as the Sprint Credit Agreement, with Sprint Communications, Inc. where Sprint agrees to make revolving credit loans to us subject to the terms and conditions set forth in the agreement. The interest rate on outstanding loans is the LIBOR Rate as of the preceding interest payment date plus applicable margin of 4.00% to 4.75%, which is based on Moody's and S&P ratings. The interest payment date is the last business day of each fiscal quarter. The maturity date of the Sprint Credit Agreement is July 1, 2017. Under the Sprint Credit Agreement, we are not permitted to incur indebtedness unless agreed to by Sprint through written consent. As of December 31, 2013, the Sprint Credit Agreement had an outstanding balance of $315.5 million.

Share-Based Payments

In connection with the Sprint Acquisition, each outstanding and unexercised option to purchase shares of our Common Stock, whether or not then vested, was canceled in exchange for a lump sum cash amount equal to the amount, if any, by which the Merger Consideration exceeded the exercise price of such option, less applicable withholding taxes. In connection with the Sprint Acquisition, each RSU granted to a non-employee member of our board of directors, which we refer to as a Director RSU, was canceled in exchange for a lump sum cash payment equal to the product of the Merger Consideration, without interest, and the number of shares of Class A Common Stock subject to such Director RSU. In addition, each outstanding RSU granted prior to December 17, 2012 was converted into a right to receive a cash payment equal to the product of the Merger Consideration and the number of shares of Class A Common Stock subject to such unvested RSU, which we refer to as a Restricted Cash Account. On July 19, 2013, each holder of a Restricted Cash Account received a lump sum cash payment equal to 50% of the Restricted Cash Account balance, less applicable tax withholdings. The remaining balance of the Restricted Cash

CLEARWIRE CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Account will vest and be paid upon the earlier of (i) the original vesting schedule of the unvested RSUs or (ii) the one year anniversary of the merger, provided however that the holder of a Restricted Cash Account will also be paid the remaining balance upon an involuntary termination of the holder's employment. In addition, each RSU granted after December 17, 2012, which we refer to as an Unvested 2013 RSU, was converted into a right to receive a cash payment equal to the product of the Merger Consideration, without interest, and the number of shares of Class A Common Stock subject to such Unvested 2013 RSU, each of which we refer to as a 2013 Restricted Cash Account. Each 2013 Restricted Cash Account is unvested and will vest and be paid out in accordance with the original vesting conditions of the award, provided however that the holder of a 2013 Restricted Cash Account will also be paid a pro-rata portion of the 2013 Restricted Cash Account upon an involuntary termination of the holder's employment.

Other Related Party Transactions

On July 19, 2013, Clearwire Corporation entered into a services agreement with Sprint/United Management Company, a wholly-owned subsidiary of Sprint Corporation, which we refer to as the Management Company, whereas the Management Company will provide certain services to Clearwire Corporation, the parent company to Clearwire Communications, and its subsidiaries for a stated management fee based on a schedule as set forth in the agreement. No fees are due in 2013.

On July 19, 2013, Clearwire Communications, including direct and indirect subsidiaries as defined in the agreement, which we refer to as the Licensees, entered into a spectrum usage agreement with Sprint Spectrum, L.P., a wholly-owned subsidiary of Sprint Corporation, and their affiliated entities as defined in the agreement, which we refer to as the Users. The Licensees will allow the Users to use the spectrum holdings of Licensees as equipment is deployed by Users using such spectrum subject to the terms defined in the agreement. Users shall pay Licensees an annual spectrum use fee as set forth in the agreement, beginning in 2014.

On January 2, 2014, we offset against payments due under the November 2011 4G MVNO Amendment, treated as deferred revenue, $83.6 million of principal and related accrued interest to repay the amount owed by us under the Sprint Promissory Note.

Exhibit 10.10

Execution Copy

AMENDED AND RESTATED FIRST STEP TRANSFER AGREEMENT (TRANCHE 1)

dated as of April 28, 2016

among

THE ORIGINATORS FROM TIME TO TIME PARTY HERETO,

as Transferors

THE LESSEES FROM TIME TO TIME PARTY HERETO,

as Transferees

and

SPRINT SPECTRUM L.P.,

as Servicer

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AMENDED AND RESTATED FIRST STEP TRANSFER AGREEMENT (TRANCHE 1)

This AMENDED AND RESTATED FIRST STEP TRANSFER AGREEMENT (TRANCHE 1), dated as of April 28, 2016 and effective as of the Amendment Closing Date (this "Agreement"), is among THE PERSONS IDENTIFIED ON THE SIGNATURE PAGES HERETO AS ORIGINATORS, as transferors (collectively, the " Originators" and, each, an "Originator"), THE PERSONS IDENTIFIED ON THE SIGNATURE PAGES HERETO AS LESSEES, as transferees (collectively, the " Lessees" and, each, an "LESSEE") and SPRINT SPECTRUM L.P., as servicer (in such capacity, the "Servicer").

W I T N E S S E T H:

WHEREAS, the Lessees and Originators are parties to the First Step Transfer Agreement, dated as of November 19, 2015 and effective as of the Lease Closing Date (as amended, supplemented or otherwise modified from time to time prior to the date hereof, the "Original First Step Transfer Agreement");

WHEREAS, it is the intent of the parties hereto that this Agreement amend and restate in its entirety the Original First Step Transfer Agreement;

WHEREAS, pursuant to the Transaction Documents, on the Lease Closing Date, the Originators entered into a sale and leaseback transaction whereby (i) each Originator contributed the Devices and Related Customer Leases owned by such Originator to its Related Lessee, (ii) each Lessee sold the Devices and the Customer Lease-End Rights and Obligations to MLS and distributed the net cash proceeds of such sale to its Related Originator and (iii) MLS leased the Devices to the relevant Lessee; and

WHEREAS, the Parties intend that the Transaction Documents create a financing for all U.S. federal, state and local income tax purposes, and thus specifically that (i) the Cash Purchase Price paid under the Second Step Transfer Agreement at closing be treated for such purposes as amounts loaned by MLS for which the Devices provide security and (ii) all Rental Payments to MLS under the Device Leases be treated for such purposes as payments on such indebtedness owed to MLS.

Now, Therefore, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND RELATED MATTERS

SECTION 1.1 Defined Terms. In this Agreement, capitalized terms not otherwise defined herein are defined in that certain Appendix A to the Amended and Restated Master Lease Agreement (Tranche 1), dated as of the date hereof and effective as of the Amendment Closing Date (as amended, supplemented or otherwise modified from time to time, the "Master Lease Agreement"), among the Lessees, Mobile Leasing Solutions, LLC, a Delaware limited liability company, acting for itself and on behalf of Series 1 thereof ("MLS"), the Servicer and

Mizuho Bank, Ltd. (the "Collateral Agent"). In addition, the following terms used herein have the meanings indicated below:

"Agreement" shall have the meaning provided in the preamble of this Agreement.

"Amdocs Sub-Servicing Agreement" shall have the meaning provided in the Servicing Agreement.

"Collateral Agent" shall have the meaning provided above in this Section 1.1.

"Collections" shall have the meaning provided in the Servicing Agreement.

"Devices" means the Lease Closing Date Devices and each wireless mobile device contributed to a Lessee in connection with a Like-Kind Exchange for any of the foregoing Devices.

"Lease Closing Date Devices" means the wireless mobiles device identified on Schedule I hereto.

"Lessee" shall have the meaning provided in the preamble of this Agreement.

"Like-Kind Exchange Transfer Date" means the date a Like-Kind Exchange occurs.

"Master Lease Agreement" shall have the meaning provided above in this Section 1.1.

"MLS" shall have the meaning provided above in this Section 1.1.

"Non-Lockbox Receivables" shall have the meaning provided in the Servicing Agreement.

"OFAC" means the U.S. Department of the Treasury's Office of Foreign Assets Control.

"Originator" shall have the meaning provided in the preamble of this Agreement.

"Originator Indemnified Party" shall have the meaning provided in Section 6.1 of this Agreement.

"Patriot Act" means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"Purchase Date" shall have the meaning provided in the Device Repurchase Agreement.

"Related Distribution Amount" means an amount equal to the amount set forth on Schedule III under the heading "Related Distribution Amount."

"Related Customer Leases" means each lease with respect to a Device identified on Schedule II hereto.

"Related Lessee" means, with respect to any Originator, the Lessee identified as such on Annex 2.

"Related Originator" means, with respect to any Lessee, the Originator identified as such on Annex 2.

"SEC" means the Securities and Exchange Commission.

"Servicer" shall have the meaning provided in the preamble of this Agreement.

SECTION 1.2 Other Interpretive Matters. The interpretation of this Agreement, unless otherwise specified, is subject to Section 1.2 of the Master Lease Agreement.

ARTICLE II

TRANSFER AND CONTRIBUTION

SECTION 2.1. Transfer and Contribution. Upon the terms and subject to the conditions set forth in this Agreement, on the Lease Closing Date, each Originator, severally and for itself, hereby absolutely assigns by way of capital contribution to its Related Lessee, and each Lessee hereby accepts such capital contribution and acquires from its Related Originator, all of such Related Originator's right, title and interest in, to and under the Lease Closing Date Devices identified opposite such Originator's name on Schedule I (Lease Closing Date Devices) hereto and the Related Customer Leases, including, without limitation, all Customer Receivables in connection with such Related Customer Leases, all rights to discontinue the leasing program for such Lease Closing Date Devices under the Related Customer Leases and all servicing rights with respect to such Lease Closing Date Devices and such Related Customer Leases. All Customer Receivables under the Customer Leases attributable to any date prior to the Lease Closing Date shall not be transferred and shall remain the property of the Related Originator.

SECTION 2.2 Assignment and Assumption of Related Customer Lease Obligations. For the purposes of this Agreement, (x) all contributions of contractual and other rights of Originators in connection with Devices and Customer Leases shall be deemed to be absolute and irrevocable assignments thereof and (y) all acquisitions of contractual obligations by Lessees shall be deemed to be assumptions thereof. Subject to the Lessees' rights of further assignment under the Transaction Documents, from and after the Lease Closing Date (i) the Related Lessees shall have assumed the rights and obligations of the Originators under the relevant Related Customer Leases as lessors thereunder and (ii) each Originator shall relinquish its rights (including the right to discontinue the leasing program for the relevant Devices) and be released from its obligations under the relevant Related Customer Leases.

SECTION 2.3 Distributions. Simultaneously with the absolute and irrevocable assignment by each Originator to its Related Lessee of its right, title and interest in each Lease Closing Date Device and Related Customer Lease, each Lessee agrees to distribute to its Related Originator an amount equal to the Related Distribution Amount. Thereafter, the Lessees agree to distribute to their Related Originators additional amounts of cash proceeds received in

accordance with the terms of the Transaction Documents to which any Lessee is a party to the maximum extent permitted by law and such Transaction Documents.

SECTION 2.4 No Recourse. Except as specifically provided in this Agreement, the transfer of the Devices and the Related Customer Leases under this Agreement shall be without recourse to any Originator.

SECTION 2.5 Intention of the Parties. It is the express intent of each of the parties hereto that the transactions hereunder shall constitute absolute and irrevocable assignments (by way of capital contribution) of the Devices and the Related Customer Leases by each Originator to its Related Lessee (such that the Devices and the Related Customer Leases, other than those, if any, subsequently (i) repurchased by the Originators pursuant to the terms of the Transaction Documents or (ii) distributed to the Originators pursuant to Sections 2.6, 2.7 or 2.8, would not be property of any Originator's estate in the event of any Originator's bankruptcy). As a protective measure in the event that, notwithstanding the foregoing, the conveyance of the Devices and the Related Customer Leases to the Lessees is recharacterized by any third party as a pledge or other grant of security securing a loan, each Originator does hereby grant to its Related Lessee as of, (x) in the case of the Lease Closing Date Devices and Related Customer Leases, the Lease Closing Date and (y) in the case of each Like-Kind Exchange Device, the Like-Kind Exchange Transfer Date for such Like-Kind Exchange Device, a security interest in all of such Originator's now or hereafter existing right, title and interest in, to and under the Devices and the Related Customer Leases and agrees that this Agreement shall constitute a security agreement under applicable Law. Each Originator hereby authorizes its Related Lessee, MLS and the Collateral Agent or their respective designees (i) to file one or more financing or continuation statements, and amendments thereto and assignments thereof, relative to all or any of such Originator's rights in the Devices and Related Customer Leases now existing or hereafter arising in the name of such Originator and (ii) to the extent permitted by the Servicing Agreement, to notify Customers of the assignment of the Devices and the Related Customer Leases pursuant hereto.

SECTION 2.6 Like-Kind Exchanges. At any time that Servicer (on behalf of the Lessee) does a Like-Kind Exchange under the relevant Related Customer Lease and as permitted under the Servicing Agreement, on the Like-Kind Exchange Transfer Date for such Like-Kind Exchange Device, the relevant Lessee's Related Originator agrees to contribute such Like-Kind Exchange Device to such Lessee. Simultaneously with the contribution of the Like-Kind Exchange Device, the applicable Lessee shall make a distribution to its Related Originator of all of such Lessee's right, title and interest in and to the original Device.

SECTION 2.7 Transfers of Rights in Customer Leases Upon Device Repurchase. On each Purchase Date, simultaneously with the sale of any Devices by MLS to an Originator pursuant to the Device Repurchase Agreement, the applicable Lessee shall automatically make a distribution to its Related Originator of all of such Lessee's right, title and interest in and to the Related Customer Lease related to such Device.

SECTION 2.8 Redistribution Upon Transfer of Title of Device. At any time that MLS transfers title to a Device to the applicable Lessee pursuant to Sections 3.2(b) or 3.2(c) of the Master Lease Agreement or Section 2.14(b) of the Servicing Agreement, the applicable

Lessee shall make a distribution to its Related Originator of all of such Lessee's right, title and interest in and to such Device and the related Customer Lease (if applicable).

ARTICLE III

ADMINISTRATION AND COLLECTION

SECTION 3.1 Servicer. Pursuant to the Servicing Agreement, Servicer shall be responsible for the servicing, administration and collection of the Devices and Related Customer Leases for the benefit of each Lessee and MLS (and the Collateral Agent as assignee), subject to the terms set out in (including the rights to terminate Sprint Spectrum as Servicer and appoint a successor Servicer pursuant to) the Servicing Agreement.

SECTION 3.2 Power of Attorney. Each Lessee and each Originator hereby grants to Servicer an irrevocable power of attorney, with full power of substitution, coupled with an interest, to take or cause to be taken in the name of such Lessee or such Originator, as the case may be, any and all steps that are necessary or advisable to endorse, negotiate, enforce, or otherwise realize on any Collections and any checks, instruments, writings, other proceeds of the Devices or Related Customer Leases or other right of any kind held or transmitted by such Lessee or such Originator or transmitted or received by such Lessee or such Originator in connection with any Device or Related Customer Lease.

SECTION 3.3 Actions Evidencing Absolute Assignments . On and following the Lease Closing Date, each Originator shall maintain its accounting records to evidence that as of, (x) in the case of the Lease Closing Date Devices and Related Customer Leases, the Lease Closing Date and (y) in the case of each Like-Kind Exchange Device, the Like-Kind Exchange Transfer Date for such Like-Kind Exchange Device, the relevant Devices and relevant Related Customer Leases have been absolutely and irrevocably assigned to the Related Lessee in accordance with this Agreement. In addition, each Originator agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action that the Lessees, MLS, the Collateral Agent or any of their respective designees may reasonably request in order to perfect, protect or more fully evidence the absolute assignments hereunder, or to enable the Lessees, MLS or the Collateral Agent to exercise or enforce any of their respective rights with respect to the Devices and the Related Customer Leases. Without limiting the generality of the foregoing, each Originator will upon the request of the Lessees, MLS and/or the Collateral Agent authorize and file such financing or continuation statements, or amendments thereto or assignments thereof, and such other instruments or notices, as may be necessary or appropriate.

SECTION 3.4 Continuation Statements. Without limiting the generality of Section 3.3 above, each Originator shall authorize and deliver and file or cause to be filed appropriate continuation statements not earlier than six months and not later than one month prior to the fifth anniversary of the date of filing of the financing statements filed in connection with the Lease Closing Date or any other financing statement filed pursuant to this Agreement, if the Final Settlement Date shall not have occurred.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.1 Mutual Representations and Warranties. Each Originator represents and warrants to the Lessees, and each Lessee represents and warrants to the Originators, as of the Lease Closing Date and as of the Amendment Effective Date, as follows:

(a) Organization and Good Standing. It has been duly organized or incorporated in, and is validly existing as a corporation, exempted company, partnership or limited liability company, as applicable, in good standing under the Laws of its jurisdiction of organization or incorporation, with power and authority to own its properties and to conduct its business as such properties are presently owned and such business is presently conducted and will be conducted except to the extent that such failure could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Due Qualification. It is duly qualified to do business as a foreign organization in good standing, if applicable, and has obtained all necessary qualifications, licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualifications, licenses or approvals, except where the failure to be in good standing or to hold any such qualifications, licenses and approvals could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Power and Authority; Due Authorization. It (i) has all necessary power and authority to (A) execute and deliver this Agreement and the other Transaction Documents to which it is a party in any capacity and (B) carry out the terms of and perform its obligations under the Transaction Documents applicable to it and (ii) has duly authorized by all necessary corporate, partnership or limited liability company action, as applicable, the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party.

(d) Binding Obligations. This Agreement constitutes, and each other Transaction Document to be signed by such party when duly executed and delivered will constitute, a legal, valid and binding obligation of such party, enforceable against such party 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.

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party and the performance by it of the terms hereof and thereof will not (i) violate or result in a default under (A) its articles or certificate of incorporation, memorandum and articles of association, by-laws, certificate of formation, limited liability company agreement, partnership agreement or other organizational documents, as applicable, or (B) in the

context of the transactions contemplated by this Agreement and the other Transaction Documents applicable to it, any material indenture, agreement or instrument binding on it, (ii) result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement or instrument except for any Lien that could not reasonably be expected to have a Material Adverse Effect or arising under the Transaction Documents, or (iii) violate in any material respect any Law applicable to it or any of its properties.

(f) Bulk Sales Act. No transaction contemplated hereby requires compliance by it with any bulk sales act or similar Law.

(g) No Proceedings. There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to its actual knowledge, threatened against or affecting it (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, (ii) seeking to prevent the servicing of the Devices and the Related Customer Leases by Servicer or the consummation of the purposes of this Agreement or of any of the other Transaction Documents to which it is a party, or (iii) that otherwise involve this Agreement or any other Transaction Document to which it is a party, except, solely with respect to this clause (iii), as set forth in Schedule 8 to the Servicing Agreement.

(h) Governmental Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for its due execution, delivery and performance of this Agreement or any other Transaction Document to which it is a party or the transactions contemplated hereby or thereby, except for the filing of the UCC financing statements referred to in such Transaction Documents and filings with the SEC to the extent required by applicable Law.

SECTION 4.2 Additional Representations and Warranties of the Originators. Each Originator represents and warrants to the Lessees (i) as of the Lease Closing Date, (ii) as of the Amendment Closing Date, and (iii) as of each Like-Kind Exchange Transfer Date, provided, however, (a) in the case of clause (ii) each Originator does not make the representation in Section 4.2(l) and (b) in the case of clause (iii), each Originator only makes the representation and warranty in Section 4.2(l)(i) and only in respect of the Like-Kind Exchange Device transferred as of the applicable Like-Kind Exchange Transfer Date, as follows:

(a) Absolute Assignment. This Agreement constitutes an absolute and irrevocable assignment by way of capital contribution of the Devices and the Related Customer Leases to its Related Lessee.

(b) Use of Proceeds. The use of all funds obtained by it under this Agreement will not conflict with or contravene any of Regulations T, U and X promulgated by the Board of Governors of the Federal Reserve System.

(c) Quality of Title. At the time of its assignment to its Related Lessee hereunder, each Device and each Related Customer Lease, is owned by it free and clear

of any Liens (other than Permitted Device Liens); when its Related Lessee acquires such Devices and Related Customer Leases hereunder, such Lessee shall have acquired them for fair consideration and reasonably equivalent value, free and clear of any Lien (other than Permitted Device Liens); and no valid effective financing statement or other instrument similar in effect covering any Device and any Related Customer Lease is on file in any recording office, except such as may be filed (i) in favor of its Related Lessee in accordance with this Agreement or any other Transaction Document (and assigned to MLS and further assigned to the Collateral Agent) or (ii) in connection with any Permitted Device Lien.

(d) UCC Details. Its true legal name as registered in the sole jurisdiction in which it is organized and the jurisdiction of such organization are specified in Annex 1 and its chief executive office is at the address specified in Annex 1 (or at such other location, notified to Lessees, MLS and Collateral Agent). Except as described in Annex 1, it has never had any trade names, fictitious names, assumed names or "doing business as" names and is "located" in the jurisdiction specified in Annex 1 for purposes of Section 9-307 of the UCC. It is organized in only a single jurisdiction.

(e) Servicer Collection Account. The names and addresses of all banks or financial institutions with Servicer Collection Accounts ("Collection Account Banks"), together with the account numbers of the Servicer Collection Accounts at such Collection Account Banks, are specified in Schedule 3 of the Servicing Agreement (or have been notified to and approved by the Collateral Agent and MLS in accordance with Section 2.10(d) of the Servicing Agreement).

(f) Servicing Programs. No license or approval is required for the Lessees', the Collateral Agent's or MLS's use of any software or other computer program used by such Originator, the Servicer or any Sub-Servicer in the servicing of the Related Customer Leases originated by such Originator, other than under the Amdocs Sub-Servicing Agreement and those which have been obtained and are in full force and effect.

(g) Adverse Change. Since March 31 2015, there has been no Material Adverse Effect with respect to such Originator.

(h) Credit and Collection Policies; Compliance with Law. It has complied with the Credit and Collection Policies in all material respects and such policies have not changed in any material respect since the date of origination. It has complied with all applicable Law except where the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(i) Investment Company Act. It is not an "investment company" under (and as defined in) the Investment Company Act.

(j) Tax Returns and Payments. It has filed all federal income tax returns and all other material tax returns that are required to be filed by it and has paid all taxes due pursuant to such returns or pursuant to any assessment received by it, except (i) for any

such taxes or assessments, if any, that are being appropriately contested in good faith by appropriate proceedings and with respect to which adequate reserves in conformity with GAAP have been provided, or (ii) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect. No tax lien has been filed, and, to its actual knowledge, no claim is being asserted, with respect to any such tax or assessment that could reasonably be expected to result in a Material Adverse Effect.

(k) No Sanctions. It is not a Sanctioned Person. To its knowledge after due inquiry, no Customer was a Sanctioned Person at the time of such Originator's entry into any Related Customer Lease with such Customer. It and its Affiliates: (i) have less than 15% of their assets in Sanctioned Countries and (ii) derive less than 15% of their operating income from investments in, or transactions with, Sanctioned Persons or Sanctioned Countries. Neither it nor any of its Subsidiaries engages in activities related to Sanctioned Countries except for such activities as are (A) specifically or generally licensed by OFAC or (B) otherwise in compliance with OFAC's sanctions regulations.

(l) Eligible Devices and Related Customer Leases. Each Device is (i) an Eligible Device and (ii) each Related Customer Lease is an Eligible Lease.

SECTION 4.3 Breach of Eligibility Representation and Warranty. If on any day there is discovered a breach of any of the representations or warranties of any Originator set forth in Section 4.2(l) with respect to any Device or Related Customer Lease as of the date such representations and warranties are made, then, to the extent the Servicer is required to make a payment in a respect of a Deemed Collection pursuant to Section 2.14(b) of the Servicing Agreement, the Related Originator agrees to make such payment to the Servicer on the same terms as the Servicer is required to make a payment to MLS under Section 2.14(b) of the Servicing Agreement.

ARTICLE V

GENERAL COVENANTS

SECTION 5.1 Mutual Covenants. At all times from the Lease Closing Date to the Final Settlement Date, each Lessee and each Originator shall:

(a) Compliance with Laws, Etc. Comply with all applicable Laws, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) Preservation of Existence. Except as expressly permitted by Section 5.3(c) or (d) with respect to the Originators or the Master Lease Agreement with respect to the Lessees, preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its organization, and qualify and remain qualified in good standing in each jurisdiction where the failure to qualify or preserve and maintain such existence, rights, franchises, privileges and qualification could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Separateness. Not take any actions inconsistent with the terms of Section 6.1 of the Second Step Transfer Agreement or any Lessee's organizational documents.

(d) Taxes. Each transfer contemplated hereunder is intended to be an exempt sale for resale for sales and use tax purposes as the purchaser or transferee intends to re-sell or lease each Device in the same form or condition in which it was transferred to others in the normal course of the transferee's business. Each Originator and each Lessee will cooperate to take all steps to timely prepare and secure any exemption certificate, resale certificate or similar documentation requested or required by any jurisdiction for purposes of qualifying for or documenting such exemption.

SECTION 5.2 Additional Covenants of the Originators. At all times from the Lease Closing Date to the Final Settlement Date, each Originator shall (or shall cause the Servicer to):

(a) Keeping of Records and Books of Account; Delivery. Maintain and implement, or cause to be maintained and implemented, administrative and operating procedures (including an ability to recreate records evidencing the Devices and the Related Customer Leases in the event of the destruction of the originals thereof, backing up on at least a daily basis on a separate backup computer from which electronic file copies can be readily produced and distributed to third parties being agreed to suffice for this purpose), and keep and maintain, or cause to be kept and maintained (or transferred to Servicer), all documents, books, records and other information necessary or advisable for the collection of all Collections in respect of all Devices and the Related Customer Leases.

(b) Location of Records. Keep its chief executive office and principal place of business, and the offices where it keeps its Records (and any original documents relating thereto), at the address of such Originator referred to in Annex 1 or, upon thirty (30) days' prior written notice to the Collateral Agent and MLS, at such other locations in jurisdictions where all action required by Section 5.2(f) shall have been taken and completed.

(c) Credit and Collection Policies. Until such Device or the Related Customer Lease is contributed to its Related Lessee, comply in all material respects with its Credit and Collection Policy in regard to each Device and the Related Customer Lease.

(d) Collections. Except as otherwise permitted under this Agreement, instruct, or cause the Servicer to instruct, all Customers to cause all Collections in respect of Devices and Related Customer Leases to be deposited directly in a Servicer Collection Account covered by an Account Control Agreement. In the event such Originator or any of its Affiliates receives any Collections such Person will promptly (but not later than three (3) Business Days following receipt) deposit such Collections in a Servicer Collection Account covered by an Account Control Agreement, except Non-Lock Box Receivables. The Originators shall cooperate with the Lessees and the Servicer in collecting amounts due from Customers in respect of the Devices and

Related Customer Leases. Each Originator hereby grants to the Lessees and the Servicer an irrevocable power of attorney, with full power of substitution, coupled with an interest, to take or cause to be taken in the name of such Originator all steps necessary or advisable to endorse, negotiate or otherwise realize on any Collections and any checks, instruments or other proceeds of the Devices and Related Customer Leases held or transmitted by such Originator or transmitted or received by such Lessee (whether or not from such Originator) in connection with any Device or Related Customer Lease transferred by it hereunder.

(e) PATRIOT ACT Information . Promptly following a request therefor, provide any documentation or other information that any Lessee, MLS or the Collateral Agent reasonably requests in order to comply with its ongoing obligations under the applicable "know your customer" and anti money laundering rules and regulations, including the PATRIOT Act.

(f) Further Assurance. From time to time, at its expense, promptly execute and deliver all further instruments and documents, and take all further action that the Lessees, MLS or the Collateral Agent or any of their respective designees may reasonably request, in order to perfect, protect or more fully evidence the assignments and contributions hereunder, or to enable the Lessees, MLS and the Collateral Agent to exercise or enforce any of their respective rights with respect to the Devices and Related Customer Leases. Without limiting the generality of the foregoing, each Originator will upon the request of the Lessees, MLS or the Collateral Agent authorize and file such financing or continuation statements, or amendments thereto or assignments thereof, and such other instruments or notices, as may be necessary or appropriate.

(g) Agreed Upon Procedures. Cooperate reasonably with Servicer and the designated accountants for each annual agreed-upon procedures report required pursuant to Section 8.1(i) of the Servicing Agreement.

(h) Location. Each Originator shall at all times maintain its jurisdiction of organization and its chief executive office within a jurisdiction in the United States in which Article Nine of the UCC (2001 or later revision) is in effect.

(i) Tax Matters. Each Originator shall pay all applicable taxes required to be paid by it when due and payable in connection with the transfer hereunder of the Devices and Related Customer Leases, and acknowledges that neither the Collateral Agent nor MLS shall have any responsibility with respect thereto. Each Originator shall pay and discharge, or cause the payment and discharge of, all federal income taxes (and all other material taxes) of such Originator when due and payable, except (i) such as may be paid thereafter without penalty, (ii) such as may be contested in good faith by appropriate proceedings and for which an adequate reserve has been established and is maintained in accordance with GAAP or (iii) where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(j) Provision of Wireless Services. Each Originator will or will cause one or more of its Affiliates to provide wireless network services to Customers in accordance with each Related Customer Lease or other agreement, contract or other document (including any purchase order or invoice) related to any rights or obligations of any party under a Related Customer Lease, subject to the Credit and Collection Policy.

SECTION 5.3 Negative Covenants of Each Originator. From the Lease Closing Date until the Final Settlement Date, each Originator shall not:

(a) Liens, Etc. Except as otherwise explicitly provided herein and in the other Transaction Documents, create or suffer to exist any Lien, other than Permitted Device Liens upon or with respect to, any Device or Related Customer Lease or any interest therein (other than Devices and Related Customer Leases, if any, subsequently (i) repurchased by the Originators pursuant to the terms of the Transaction Documents or (ii) distributed to the Originators pursuant to Sections 2.6, 2.7 or 2.8), or any Servicer Collection Account to which any Collections of any of the foregoing are sent, or any right to receive income or proceeds (other than distributions made to such Originator in accordance with the Transaction Documents or any proceeds of Collections remitted to such Originator hereunder to the extent such Originator owes no other amounts hereunder) from or in respect of any of the foregoing or, prior to the Final Settlement Date, its equity interest in it Related Lessee, if any.

(b) Nondisturbance of Devices or Customer Leases. Claim ownership in or otherwise interfere with a Lessee's (or the Servicer's, MLS' or the Collateral Agent's) rights in the Devices or any Related Customer Lease, except if such Originator repurchases such Device pursuant to the Device Repurchase Agreement or if such Device or Related Customer Lease is distributed to such Originator pursuant to Sections 2.6, 2.7 or 2.8.

(c) Mergers, Sales, Etc. Consolidate or merge with or into any other Person or sell, lease or transfer all or substantially all of its property and assets, or agree to do any of the foregoing, unless (i) no Lease Event of Default has occurred and is continuing or would result immediately after giving effect thereto, (ii) if such Originator is not the surviving entity or if such Originator sells, leases or transfers all or substantially all of its property and assets, the surviving entity or the Person purchasing or being leased the assets is a Subsidiary of Sprint and agrees to be bound by the terms and provisions applicable to such Originator hereunder, (iii) Sprint reaffirms in a writing, in form and substance reasonably satisfactory to MLS and the Collateral Agent, that its obligations under the Performance Support Agreement shall apply to the surviving entity and (iv) each of MLS and the Collateral Agent receives such additional certifications and opinions of counsel as it shall reasonably request.

(d) Change in Organization, Etc. Change its jurisdiction of organization or its name, identity or corporate organization structure or make any other change such that any financing statement filed or other action taken to perfect its Related Lessee's or MLS's interests hereunder and under the Second Step Transfer Agreement, as applicable, would become seriously misleading or would otherwise be rendered ineffective, unless such

Originator shall have given its Related Lessee, MLS and the Collateral Agent not less than 30 days' prior written notice of such change and shall have cured such circumstances.

(e) Actions Impairing Quality of Title. Take any action that could reasonably be expected to cause a Related Lessee not to have valid ownership, free and clear of any Lien (other than any Permitted Device Lien), of the Devices and Related Customer Leases transferred under this Agreement (other than Devices and Related Customer Leases, if any, subsequently (i) repurchased by the Originators pursuant to the terms of the Transaction Documents or (ii) distributed to the Originators pursuant to Sections 2.6, 2.7 or 2.8).

ARTICLE VI

INDEMNIFICATION

SECTION 6.1 Each Originator's Indemnity. Without limiting any other rights that any such Person may have hereunder or under applicable Law, each Originator severally but not jointly, hereby agrees to indemnify and hold harmless its Related Lessee, such Lessee's Affiliates and all of their respective successors, transferees, participants and assigns, all Persons referred to in Section 7.4 hereof, and all officers, members, managers, directors, shareholders, employees and agents of any of the foregoing (each an "Originator Indemnified Party"), forthwith on demand, from and against any and all damages, losses, claims, liabilities and related costs and expenses, including reasonable and documented attorneys' fees and disbursements but excluding Taxes (all of the foregoing being collectively referred to as "Originator Indemnified Amounts") awarded against or incurred by any of them arising out of the ownership, assignment or lease, as applicable, of the Devices and the Related Customer Leases pursuant to the Transaction Documents or arising out of or relating to or resulting from the actions or inactions of the Originators; provided, however, notwithstanding anything to the contrary in this Article VI, Originator Indemnified Amounts shall be excluded to the extent (w) resulting from the gross negligence or willful misconduct on the part of such Originator Indemnified Party as determined by a final non-appealable judgment by a court of competent jurisdiction, (x) resulting from a claim brought by any Person against an Originator Indemnified Party (other than any Sprint Party) for breach of such Originator Indemnified Party's (other than any Sprint Party's) obligations under any Transaction Document as determined by a final non-appealable judgment by a court of competent jurisdiction, (y) constituting recourse with respect to the market or residual value of a Device or the value of a Customer Lease or a Customer Receivable by reason of bankruptcy or insolvency, or the financial or credit condition or financial default, of the related Customer or as a result of an Insolvency Event with respect to any Lessee and (z) resulting from a claim that Lessees are not required to indemnify under Article IV of the Master Lease Agreement. Without limiting the foregoing, each Originator shall indemnify, subject to the limits set forth in this Section 6.1, and hold harmless each Originator Indemnified Party for any and all Originator Indemnified Amounts arising out of, relating to or resulting from:

(i) the transfer by any Originator of any interest in any Device or Related Customer Lease;

(ii) any representation or warranty made by any Originator under or in connection with any Transaction Document to which it is a party, or any other information or report delivered by or on behalf of any Originator pursuant hereto, that shall have been untrue, false or incorrect when made or deemed made;

(iii) the failure of any Originator to comply with the terms of any Transaction Document applicable to it or any applicable Law (including with respect to any Device or Related Customer Lease), or the nonconformity of any Device or Related Customer Lease with any such Law;

(iv) the lack of an enforceable ownership interest or a first priority perfected security interest in the Devices or Related Customer Leases transferred, or purported to be transferred, to any Lessee pursuant to this Agreement against all Persons (including any bankruptcy trustee or similar Person);

(v) the failure to file, or any delay in filing of, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable Laws with respect to any Device or Related Customer Lease transferred by any Originator, or purported to be transferred by any Originator, to any Lessee pursuant to this Agreement whether at the time of any purchase or acquisition, as applicable, or at any time thereafter;

(vi) any suit or claim related to the Devices or Related Customer Leases transferred, or purported to be transferred, to any Lessee pursuant to this Agreement (including any products liability or environmental liability claim arising out of or in connection with the Devices or Related Customer Leases);

(vii) failure by any Originator to comply with the "bulk sales" or analogous Laws of any jurisdiction; or

(viii) any commingling by such Originator of any funds relating to the Customer Receivables with any of its own funds or the funds of any other Person other than Non-Lockbox Receivables.

SECTION 6.2 Contribution. If for any reason the indemnification provided above in this Article VI is unavailable to an Originator Indemnified Party or is insufficient to hold an Originator Indemnified Party harmless, then each Originator shall contribute to the amount paid or payable by such Originator Indemnified Party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by such Originator Indemnified Party on the one hand and such Originator on the other hand but also the relative fault of such Originator Indemnified Party as well as any other relevant equitable considerations.

ARTICLE VII

MISCELLANEOUS

SECTION 7.1 Amendments, etc. No amendment or waiver of any provision of this Agreement or consent to any departure by any Originator therefrom shall in any event be effective unless the same shall be in writing and signed by the Lessee Representative, MLS and the Collateral Agent and (if an amendment) the Originators, and if such amendment or waiver affects the obligations of Sprint, Sprint consents in writing thereto, and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Each Originator may not amend or otherwise modify any other Transaction Document executed by it without the written consent of the Lessee Representative, MLS and the Collateral Agent, and if such amendment or waiver affects the obligations of Sprint, Sprint consents in writing thereto.

SECTION 7.2 No Waiver; Remedies. No failure on the part of any Lessee or any Originator Indemnified Party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise 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 rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by Law.

SECTION 7.3 Notices, Etc. The provisions of Section 21 (*Notices*) of the MLS Intercreditor Agreement shall apply as if fully set forth herein.

SECTION 7.4 Binding Effect; Assignment. Each Originator acknowledges that MLS may rely upon the terms of this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Except as provided below, no party may assign its rights and obligations hereunder in whole or in part without the prior written consent of each of the other parties (not to be unreasonably withheld or delayed). Each Originator acknowledges that Lessees' rights under this Agreement and rights in the Devices and Related Customer Leases may be sold outright or assigned as collateral to MLS under the Second Step Transfer Agreement and may be further assigned as collateral to the Collateral Agent on behalf of the Financing Parties, and the Originators consent to such assignments. The parties hereto agree that MLS and the Collateral Agent (and any assignee of any of them) is each an intended third-party beneficiary of this Agreement and is entitled to enforce the rights of Lessees arising hereunder, including requiring payment of any amounts required to be paid to MLS or any other Originator Indemnified Party to be paid directly to the MLS Collection Account (Tranche 1).

SECTION 7.5 Survival. The rights and remedies with respect to any breach of any representation and warranty made by any Originator or any Lessee pursuant to Article IV, the indemnification provisions of Article VI, and the provisions of Sections 7.4, 7.5, 7.6, 7.8, 7.9, 7.10, 7.11, 7.12 and 7.14 shall survive any termination of this Agreement.

SECTION 7.6 Costs and Expenses. In addition to its obligations under Article VI, each Originator agrees to pay on demand all reasonable and documented out-of-

pocket costs and expenses incurred by Lessees and any other Originator Indemnified Party in connection with the negotiation, preparation, execution and delivery of any amendment of or consent or waiver under this Agreement (whether or not consummated), or the enforcement of, or any actual or reasonably claimed breach of, this Agreement, including reasonable and documented accountants', auditors', consultants' and attorneys' fees and expenses to any of such Persons and the fees and charges of any nationally recognized statistical rating agency or any independent accountants, auditors, consultants or other agents incurred in connection with any of the foregoing or in advising such Persons as to their respective rights and remedies under this Agreement in connection with any of the foregoing.

SECTION 7.7 Execution in Counterparts; Integration. This Agreement may be executed in any number of counterparts and by the different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement. Executed counterparts may be delivered electronically. This Agreement, together with the other Transaction Documents, contains a final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire understanding among the parties hereto with respect to the subject matter hereof, superseding all prior oral or written understandings.

SECTION 7.8 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, BUT WITHOUT REGARD TO ANY OTHER CONFLICT OF LAWS PROVISIONS THEREOF).

SECTION 7.9 Waiver of Jury Trial. EACH ORIGINATOR AND EACH LESSEE HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR ANY AMENDMENT, INSTRUMENT OR DOCUMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH OR ARISING FROM ANY BANKING OR OTHER RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT A JURY.

SECTION 7.10 Consent to Jurisdiction; Waiver of Immunities. EACH ORIGINATOR AND EACH LESSEE HEREBY ACKNOWLEDGES AND AGREES THAT:

(a) IT IRREVOCABLY (i) SUBMITS TO THE JURISDICTION, FIRST, OF ANY UNITED STATES FEDERAL COURT, AND SECOND, IF FEDERAL JURISDICTION IS NOT AVAILABLE, OF ANY NEW YORK STATE COURT, IN EITHER CASE SITTING IN NEW YORK CITY, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, (ii) AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED ONLY IN SUCH NEW YORK STATE OR FEDERAL COURT AND NOT IN ANY OTHER COURT, AND (iii) WAIVES, TO THE FULLEST EXTENT IT

MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING.

(b) TO THE EXTENT THAT IT HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM THE JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID TO EXECUTION, EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, IT HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER OR IN CONNECTION WITH THIS AGREEMENT.

SECTION 7.11 Confidentiality. Each party hereto agrees to comply with, and be bound by, the confidentiality provisions of Section 20 (*Confidential Information*) of the MLS Intercreditor Agreement as if fully set forth herein.

SECTION 7.12 No Proceedings. The provisions of Section 24.2 (*No Proceedings Against MLS*) of the MLS Intercreditor Agreement shall apply as if fully set forth herein.

SECTION 7.13 No Recourse Against Other Parties . No recourse under any obligation, covenant or agreement of any Lessee contained in this Agreement shall be had against any stockholder, employee, officer, director, member, manager incorporator or organizer of any Lessee.

SECTION 7.14 Severability. Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized signatories, as of the date first above written.

SPRINT SPECTRUM L.P.
SPRINTCOM, INC.
NORTHERN PCS SERVICES, LLC
SPRINT TELEPHONY PCS, L.P.
AMERICAN PCS COMMUNICATIONS, LLC
PHILLIECO, LLC
TEXAS TELECOMMUNICATIONS, LLC
ALAMOSA WISCONSIN, LLC
AIRGATE PCS, INC.
LOUISIANA UNWIRED, LLC
GEORGIA PCS MANAGEMENT, L.L.C.
INDEPENDENT WIRELESS ONE CORPORATION
SOUTHWEST PCS, LLC
ALAMOSA MISSOURI, LLC
WASHINGTON OREGON WIRELESS, LLC
IPCS WIRELESS, INC.
GULF COAST WIRELESS, LLC
HORIZON PERSONAL COMMUNICATIONS, INC.
BRIGHT PERSONAL COMMUNICATIONS SERVICES, LLC,
ENTERPRISE COMMUNICATIONS, LLC
each an Originator

By: /s/ Janet M. Duncan
Name: Janet M. Duncan
Title: Vice President and Treasurer

TEXAS UNWIRED
an Originator

By: Louisiana Unwired LLC, as Partner

By:__/s/ Janet M. Duncan_____
Name: Janet M. Duncan
Title: Vice President and Treasurer

By: SprintCom, Inc., as Partner

By:____ /s/ Janet M. Duncan_____
Name: Janet M. Duncan
Title: Vice President and Treasurer

SPRINT SPECTRUM L.P., as Servicer

By: /s/ Janet M. Duncan
Name: Janet M. Duncan
Title: Vice President and Treasurer

For and on behalf of each of:
SLV - I LLC
SLV - II LLC
SLV - III LLC
SLV - IV LLC
SLV - V LLC
SLV - VI LLC
SLV - VII LLC
SLV - VIII LLC
SLV - IX LLC
SLV - X LLC
SLV - XI LLC
SLV - XII LLC
SLV - XIII LLC
SLV - XIV LLC
SLV - XV LLC
SLV - XVI LLC
SLV - XVII LLC
SLV - XVIII LLC
SLV - XIX LLC
SLV - XX LLC
SLV - XXI LLC
SLV - XXII LLC, each a Lessee

By:____/s/ Stefan K. Schnopp_____
Name: Stefan K. Schnopp
Title: Director

Exhibit 10.11

EXECUTION COPY

AMENDED AND RESTATED SECOND STEP TRANSFER AGREEMENT

(TRANCHE 1)

dated as of April 28, 2016

among

THE LESSEES FROM TIME TO TIME PARTY HERETO,

as Sellers

and

MOBILE LEASING SOLUTIONS, LLC,

as Buyer

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AMENDED AND RESTATED SECOND STEP TRANSFER AGREEMENT
(TRANCHE 1)

This AMENDED AND RESTATED SECOND STEP TRANSFER AGREEMENT (TRANCHE 1), dated as of April 28, 2016 and effective as of the Amendment Closing Date (this "Agreement"), is among THE PERSONS IDENTIFIED ON THE SIGNATURE PAGES HERETO AS LESSEES, as sellers (collectively, the " Lessees" and, each, a "Lessee"), and MOBILE LEASING SOLUTIONS, LLC, a Delaware limited liability company, acting for itself and on behalf of Series 1 thereof, as buyer (the "Buyer").

W I T N E S S E T H:

WHEREAS, the Lessees and Mobile Leasing Solutions are parties to the Second Step Transfer Agreement, dated as of November 19, 2015 and effective as of the Lease Closing Date (as amended, supplemented or otherwise modified from time to time prior to the date hereof, the "Original Second Step Transfer Agreement");

WHEREAS, it is the intent of the parties hereto that this Agreement amend and restate in its entirety the Original Second Step Transfer Agreement;

WHEREAS, pursuant to that certain Amended and Restated First Step Transfer Agreement (Tranche 1), dated as of the date hereof and effective as of the Amendment Closing Date (as amended, supplemented or otherwise modified from time to time, the "First Step Transfer Agreement"), among the Originators and the Lessees, on the Lease Closing Date the Originators contributed and from time to time the Originators will contribute Devices and Related Customer Leases to the Lessees as further described in the First Step Transfer Agreement;

WHEREAS, each Lessee wishes to sell and the Buyer wishes to purchase the Devices and the Customer Lease-End Rights and Obligations under the Related Customer Leases pursuant to and in accordance with the terms hereof;

WHEREAS, the Devices and the Customer Lease-End Rights and Obligations under the Related Customer Leases will be held in the name of Mobile Leasing Solutions on behalf of Series 1;

WHEREAS, the Buyer has agreed to pay to the Lessees the Cash Purchase Price, the Deferred Purchase Price Amount and the Contingent Purchase Price, in each case, in accordance with the terms hereof;

WHEREAS, pursuant to that certain Amended and Restated Master Lease Agreement (Tranche 1), dated as of the date hereof and effective as of the Amendment Closing Date (as amended, supplemented or otherwise modified from time to time, the "Master Lease Agreement"), by and among the Lessees, Servicer, the Buyer and Collateral Agent, as supplemented by each Device Lease Schedule agreed as of the Lease Closing Date by the Lessees and the Buyer and, if applicable, amended pursuant to Section 2.14 of the Master Lease Agreement (the Master Lease Agreement, together with each Device Lease Schedule,

collectively, the "Device Leases" and, each, a "Device Lease"), on the Lease Closing Date the Buyer commenced leasing the Lease Closing Date Devices to the relevant Lessee;

WHEREAS, Servicer is servicing the Devices and Related Customer Leases for Lessees and the Buyer pursuant to the Servicing Agreement;

WHEREAS, the Parties intend that the Transaction Documents create a financing for all U.S. federal, state and local income tax purposes, and thus specifically that (i) the Cash Purchase Price paid under this Agreement at closing be treated for such purposes as amounts loaned by the Buyer for which the Devices provide security and (ii) the Rental Payments payable to the Buyer under the Device Leases be treated for such purposes as payments on such indebtedness owed to the Buyer;

Now, Therefore, in consideration of the premises set forth above, the terms and conditions contained herein and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS AND RELATED MATTERS

SECTION 1.1 Defined Terms. In this Agreement, capitalized terms not otherwise defined herein have the meaning provided for such terms in Appendix A to the Master Lease Agreement. In addition, the following terms used herein have the meanings indicated below:

"Agreement" shall have the meaning provided in the preamble of this Agreement.

"Available Funds" shall have the meaning provided in the Servicing Agreement.

"Buyer" shall have the meaning provided in the preamble of this Agreement.

"Buyer Obligations" shall have the meaning provided in Section 7.1(b) of this Agreement.

"Buyer Permitted Lien" means

(a) Liens created under the Transaction Documents;

(b) Liens securing Debt under any Permitted Additional Tranche and "Permitted Liens" as defined in the transaction documents relating to any Permitted Additional Tranche;

(c) Liens for taxes not yet due or that are being contested in good faith by appropriate proceedings diligently conducted, provided that adequate reserves with respect thereto are maintained on the books of the Buyer in conformity with GAAP;

(d) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation;

(e) Liens on insurance policies and proceeds thereof securing the financing of the premiums with respect thereto;

(f) Liens on equipment arising from precautionary UCC financing statements regarding operating leases of equipment;

(g) (i) Liens that are contractual or common law rights of set-off relating to (A) the establishment of depository relations in the ordinary course of business with banks not given in connection with the issuance of Debt or (B) pooled deposit or sweep accounts of the Buyer to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Buyer and (ii) other Liens securing cash management obligations (that do not constitute Debt) in the ordinary course of business;

(h) Liens of a collecting bank arising under Section 4-208 or Section 4-210 of the UCC on items in the course of collection; or

(i) nonrecourse Liens on and purchase money security interests in immaterial assets of Mobile Leasing Solutions arising in the ordinary course of business.

"Cash Purchase Price" shall have the meaning provided in Section 2.3(i) of this Agreement.

"Collections" shall have the meaning provided in the Servicing Agreement.

"Contingent Device Purchase Price" means an amount (which may be less than zero) equal to:

(a) the sum of:

(i) the aggregate Device Net Sale Proceeds in respect of all Device disposals on or prior to the Final Settlement Date; plus

(ii) the sum of all Device Dilution Payments on or prior to the Final Settlement Date; plus

(iii) the sum of all Customer Purchase Price Amounts on or prior to the Final Settlement Date; plus

(iv) the aggregate Sprint Net Sale Proceeds in respect of all Device disposals on or prior to the Final Settlement Date; plus

(v) the sum of all Forward Purchase Price Amounts in respect of all Device disposals on or prior to the Final Settlement Date; minus

(b) the sum of:

(i) the aggregate Device Residual Values for each of the Devices referred to in clause (a)(i), (ii), (iii), (iv) and (v) as of the applicable Expected Sales Date of such

Device; provided, however, the Device Residual Value for a Device shall only be counted once in determining the amount of this clause (b)(i); plus

(ii) the sum of all Supplemental Fixed Amounts;

provided, the deductions in clause (b) shall be without duplication of any amounts deducted from the calculation of Deferred Purchase Price Amount.

"Contingent Rent Purchase Price" means an amount (which may be less than zero) equal to

(a) the sum of:

(i) all Excess Rental Payments on or prior to the Final Settlement Date; plus

(ii) all Other Payments on or prior to the Final Settlement Date; plus

(iii) the MLS Collection Account Interest; minus

(b) the sum of:

(i) the sum of all Rental Payments and other amounts due and owing to the Buyer by any Lessee, Servicer or Guarantor as of the Final Settlement Date; plus

(ii) the aggregate additional interest expense incurred by the Buyer in respect of the Facilities as a result of the Buyer not receiving Device Net Sale Proceeds (or Device Dilution Payments, Customer Purchase Price Amounts, Sprint Net Sale Proceeds or Forward Purchase Price Amounts in lieu thereof) for a Device on or prior to the applicable Expected Sales Date of such Device; provided such interest expense with respect to each applicable Device shall be calculated for the period between the Expected Sales Date of such Device and the earlier of the (x) Final Settlement Date and (y) the date on which the Device Net Sale Proceeds (or Device Dilution Payments, Customer Purchase Price Amounts, Sprint Net Sale Proceeds or Forward Purchase Price Amounts in lieu thereof) for such Device are actually received by the Buyer at the rate set forth in the applicable Financing Document on an amount equal to the Device Residual Value of such Device as of the Expected Sales Date; provided, further, this clause (ii) shall exclude additional interest expense with respect to any Device returned to the Buyer (or its Nominated Agent) that satisfies the Device Return Condition for any period after the Device Disposal Period for such Device;

(iii) all unreimbursed costs and fees of the Buyer (or its Nominated Agent) as of the Final Settlement Date to repair and restore Devices that when returned were not in Device Return Condition; provided any such repair cost or expense was incurred by the Buyer (or its Nominated Agent) in accordance with the Transaction Documents; plus

(iv) the sum of the aggregate Device Residual Values for each Non-Returned Device (other than Non-Returned Devices in respect of which a Device Dilution Payment was made) as of the applicable Expected Sales Date of such Device without duplication

of amounts deducted in clause (b)(ii) of the definition of Contingent Device Purchase Price;

provided, however, the deductions in (b)(i)-(iv) shall be without duplication of any amounts deducted from the calculation of Deferred Purchase Price Amount.

"Contingent Purchase Price" means the sum of the Contingent Device Purchase Price plus the Contingent Rent Purchase Price; provided, however, in no event shall this amount be less than zero.

"Customer Lease-End Rights and Obligations" means, with respect to any Related Customer Lease for a Device, (a) during the Term of a Device Lease for such Device, (i) the right to receive possession of such Device if returned by the Customer, (ii) the right to receive purchase price payments or payments in lieu of delivery by Customers under such Related Customer Lease, (iii) the obligation to deliver title to such Device to the relevant Customer free and clear of any Adverse Claims arising by and through the Buyer upon payment of the purchase price or payment in lieu of delivery and all other amounts due and owing for such Device under such Related Customer Lease, (iv) the right to terminate such Related Customer Lease in accordance with the early termination provisions thereof if the Sprint Parties discontinue the Sprint Parties' leasing program for Devices and (v) the right to set the fair market value of such Device under such Related Customer Lease in relation to the Customer's purchase option in respect of such Device after the Scheduled Customer Lease Term and (b) at all times after the Term of a Device Lease for such Device, all rights and obligations under such Related Customer Lease other than the right to receive all Customer Receivables attributable to any period during the Scheduled Customer Lease Term.

"Customer Purchase Price Amounts" means with respect to any Device, all purchase price payments and payments in lieu of delivery of such Device received by the Buyer, directly or indirectly from the relevant Customers under the applicable Related Customer Lease. For the avoidance of doubt this amount shall not include payments on account of scheduled Customer Receivables.

"Debt" means, at any time, indebtedness of any Person at any time, without duplication, all obligations of such Person for money borrowed or raised, all obligations (other than accounts payable and other similar items arising in the ordinary course of business) of such Person for the deferred payment of the purchase price of property, and all capital lease obligations or other obligations which, in each case, in accordance with GAAP, would be included in determining total liabilities as shown on the liability side of the balance sheet of such Person and all guarantees (whether contingent or otherwise) of such Person guaranteeing the Debt of any other Person, whether directly or indirectly (other than endorsements for collection or deposit in the ordinary course of business).

"Deemed Collections" shall have the meaning provided in the Servicing Agreement.

"Deferred Purchase Price" shall have the meaning provided in Section 2.3(b) of this Agreement.

"Deferred Purchase Price Amount" shall have the meaning provided in Section 3.1 of this Agreement.

"Deferred Purchase Price Interest" shall have the meaning provided in Schedule VI of this Agreement.

"Delivery Costs" shall have the meaning provided in the Device Repurchase Agreement.

"Device Dilution Payment" means with respect to any Device, any payment to the Buyer on account of Dilutions in respect of the Device Residual Value for such Device pursuant to Sections 2.7(b), 2.7(d), or 2.14(b)(ii) of the Servicing Agreement, Sections 2.9(a)(ii)(3) or 2.9(a)(iii)(3) of the Master Lease Agreement.

"Device Disposal Period" means, with respect to a Device, the period from the return of the Device to the Buyer (or its Nominated Agent) to the earlier of (a) in the case of a Device (other than a Reparable Device or Incremental Device), 30 days thereafter, in the case of a Reparable Device, 45 days thereafter and in the case of an Incremental Device, 60 days thereafter and (b) the date such Device is disposed of.

"Device Handling Fee" shall have the meaning provided in the Support Services Agreement.

"Device Losses" means with respect to a Device, an amount (which may be less than zero) equal to (a) the sum of (i) the Device Net Sale Proceeds in respect of the disposal of such Device on or prior to the Final Settlement Date, (ii) any Device Dilution Payment in respect of such Device on or prior to the Final Settlement Date, (iii) any Customer Purchase Price Amount in respect of such Device on or prior to the Final Settlement Date, (iv) the Sprint Net Sale Proceeds in respect of the disposal of such Device on or prior to the Final Settlement Date and (v) the Forward Purchase Price Amount in respect of the disposal of such Device on or prior to the Final Settlement Date; minus (b) the sum of (i) the Device Residual Value for such Device as of the applicable Expected Sales Date of such Device plus (ii) the sum of all Rental Payments and other amounts due and owing to the Buyer by any Lessee, Servicer or Guarantor as of the Final Settlement Date in respect of such Device; plus (iii) the aggregate additional interest expense incurred by the Buyer in respect of the Facilities as a result of the Buyer not receiving Device Net Sale Proceeds (or Device Dilution Payments, Customer Purchase Price Amounts, Sprint Net Sale Proceeds or Forward Purchase Price Amounts in lieu thereof) in respect of such Device on or prior to the applicable Expected Sales Date of such Device, provided such interest expense with respect to such Device shall be calculated for the period between the Expected Sales Date of such Device and the earlier of the (x) Final Settlement Date and (y) the date on which the Device Net Sale Proceeds (or Device Dilution Payments, Customer Purchase Price Amounts, Sprint Net Sale Proceeds or Forward Purchase Price Amounts in lieu thereof) for such Device are actually received by the Buyer at the rate set forth in the applicable Financing Document on an amount equal to the Device Residual Value of such Device as of the Expected Sales Date; provided, further, this clause (b)(iii) shall exclude additional interest expense with respect to a Device that is returned to the Buyer (or its Nominated Agent) and satisfies the Device Return Condition for any period after the Device Disposal Period for such Device; plus (iv) all unreimbursed costs and fees of the Buyer (or its Nominated Agent) as of the Final

Settlement Date to repair and restore such Device that when returned was not in the Device Return Condition, provided any such repair cost or expense was incurred by the Buyer (or its Nominated Agent) in accordance with the Transaction Documents; plus (v) the Supplemental Fixed Amount in respect of such Device, provided, however, the deductions in (b)(i)-(v) shall be without duplication of any amounts deducted from the calculation of Contingent Purchase Price and clause (b)(i) of Section 3.1.

"Device Net Sale Proceeds" means, with respect to a Device sold by the Buyer (or its Nominated Agent) in the secondary market, the Device Sale Proceeds for such Device less the Device Handling Fee payable with respect to such sale.

"Device Repayment Purchase Price" shall have the meaning provided in the Servicing Agreement.

"Devices" means the Lease Closing Date Devices and each wireless mobile device received by the Buyer in connection with a Like-Kind Exchange for any of the foregoing Devices.

"Device Sale Proceeds" means, with respect to a Device sold by the Buyer (or its Nominated Agent), the gross proceeds of sale of such Device.

"Excess Rental Payment" means (i) with respect to a Customer Lease, all monthly Customer Receivables paid by Customers in respect of any period after the Scheduled Customer Lease Term of such Customer Lease and (ii) without duplication of any amounts in clause (i), all monthly Customer Receivables and Rent Dilutions and payments under the Sprint Guarantee transferred by Servicer or Guarantor to the MLS Collection Account (Tranche 1) in respect of a Device Lease Payment Date in excess of the Rental Payment due on such Device Lease Payment Date.

"Facilities" means the Senior Loans and the Senior Subordinated Loans.

"Financing Documents" means each of the documents evidencing the Facilities.

"Forward Purchase Agreement" shall have the meaning provided in the Servicing Agreement.

"Forward Purchase Price Amount" means, with respect to a Device sold by the Buyer (or its Nominated Agent) to Forward Purchaser under the Forward Purchase Agreement, the Fixed Price (as defined in the Forward Purchase Agreement) for such Device as of the Sale Date (as defined in the Forward Purchase Agreement) of such Device less the Originator Charge.

"Forward Purchaser" means Hon Hai Precision Ind. Co., Ltd.

"Income Tax" means any tax imposed on the net income or profits of any Person and any similar Taxes, including any minimum Tax, net worth Tax, capital stock Tax or similar Tax.

"Incremental Device" shall have the meaning provided in the Support Services Agreement.

"Independent Director" means a natural person who (I) is not at the time of initial appointment, or at any time while serving as Independent Director of a Lessee, and has not been at any time during the preceding five (5) years: (a) a stockholder, member, director, manager (with the exception of serving as an independent manager or independent director of any Lessee), officer, employee, partner, attorney or counsel of such Lessee or Guarantor or any of their respective Affiliates (other than the other Lessees); (b) a supplier or other Person who derives any of its purchases or revenues from its activities with such Lessee or Guarantor or any of their respective Affiliates (except in such person's capacity as an independent manager or independent director of any Lessee); or (c) a member of the immediate family of any such supplier, stockholder, member, director, manager, officer, employee, partner, attorney, counsel or other Person described in clauses (a) or (b) above and (II) (1) has prior experience as an independent manager or independent director for a company whose charter documents required the unanimous consent of all independent managers or independent directors thereof before such company could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal or state law relating to bankruptcy and (2) has at least three years of relevant employment experience.

"Investment Company Act" means the Investment Company Act of 1940, as amended.

"Lease Closing Date Devices" means the wireless mobile device identified on Schedule I hereto.

"Lessee Permitted Additional Tranche" means, in respect of any Lessee, any transaction or arrangement whereby (i) such Lessee sells (directly or indirectly) mobile wireless devices and rights in customer leases to Mobile Leasing Solutions acting for itself and/or on behalf of any Series (other than Series 1) and leases back (directly or indirectly) such devices from Mobile Leasing Solutions acting for itself and/or on behalf of any Series (other than Series 1) and (ii) Mobile Leasing Solutions acting for itself and/or on behalf of any Series finances such sale pursuant to a Permitted Additional Tranche.

"Lessee Permitted Additional Tranche Transaction Documents" means the documents mutually agreed to by the relevant Lessees and Mobile Leasing Solutions acting for itself and/or on behalf of any Series evidencing a Lessee Permitted Additional Tranche.

"Lessee Representative" shall have the meaning provided in Section 8.14 of this Agreement.

"Like-Kind Exchange Transfer Date" means the date a Like-Kind Exchange occurs.

"MLS Collection Account Interest" means, as of the Final Settlement Date, the sum of (i) the aggregate amount of interest payments on or credited to the MLS Collection Account (Tranche 1) accrued to such date minus (ii) the aggregate amount of interest payments on or credited to the MLS Collection Account (Tranche 1) paid to the Lessee Representative pursuant to the Waterfall to such date.

"Mobile Leasing Solutions" means Mobile Leasing Solutions LLC, a Delaware limited liability company.

"Net Device Losses" means, with respect to any Device for which the calculation of Device Losses resulted in an amount less than zero, an amount equal to the lesser of (i) the Deferred Purchase Price with respect to such Device and (ii) the Device Losses with respect to such Device (assuming the Device Losses are expressed as a positive amount solely for purposes of this clause (ii)). As an example, if Device Losses are -50, for purposes of clause (ii), Device Losses would be expressed as 50.

"OFAC" shall have the meaning provided in the First Step Transfer Agreement.

"Originator Charge" shall have the meaning provided in the Support Services Agreement.

"Originator Device Fee" shall have the meaning provided in the Device Repurchase Agreement.

"Other Payments" means the sum of all Collections received by the Buyer, directly or indirectly, from Customers under the Related Customer Leases (other than scheduled Customer Receivables and Customer Purchase Price Amounts).

"PATRIOT Act" shall have the meaning provided in the First Step Transfer Agreement.

"Permitted Additional Tranches" means any transaction entered into by Mobile Leasing Solutions acting for itself and/or on behalf of any Series (other than Series 1) constituting non-recourse secured debt of Mobile Leasing Solutions and/or such Series secured by mobile wireless devices and customer leases of such Series (whether held by such Series directly or held in the name of Mobile Leasing Solutions on behalf of such Series) arising from a mobile telephony operator's cellular telephony business and which may also be secured by the membership interests in such Series and/or other assets of such Series (whether held by such Series directly or held in the name of Mobile Leasing Solutions on behalf of such Series), which collateral does not constitute collateral securing any other financing of Mobile Leasing Solutions (acting on behalf of itself or any Series) and in respect of which the Persons providing such financing in connection with such transaction and their agents have entered into intercreditor arrangements containing the Required Intercreditor Provision limiting the rights of such Persons and their agents to the specific collateral securing such non-recourse debt.

"Purchase Price" shall have the meaning provided in Section 2.3 of this Agreement.

"Qualified Purchaser" means a "qualified purchaser" within the meaning of Section 2(a)(51) of the Investment Company Act.

"Related Customer Leases" means each Customer Lease with respect to a Lease Closing Date Device identified on Schedule II hereto.

"Related Originator" shall have the meaning provided in the First Step Transfer Agreement.

"Related Purchase Price" shall have the meaning provided in Section 2.3 of this Agreement.

"Rent Dilution" means a Dilution in respect of a scheduled Customer Receivable.

"Rent Payment Shortfall" means, as of any date of determination, the sum of all accrued and unpaid Rental Payments as of such date.

"Required Intercreditor Provision" shall have the meaning provided in the MLS Intercreditor Agreement.

"Senior Loan Lenders" shall have the meaning provided in the Servicing Agreement.

"Servicer Report" shall have the meaning provided in the Servicing Agreement.

"Sprint Net Sale Proceeds" means, with respect to (i) a Device sold by the Buyer (or its Nominated Agent) to any Originator under the Device Repurchase Agreement, the Device Sale Proceeds for such Device less the Originator Device Fee less, to the extent not included in the Originator Device Fee, Delivery Costs and sales and transfer Taxes (not including any Income Taxes), if any, payable with respect to such transfer incurred in connection with such sale, (ii) a Device for which any Lessee has made payment under Section 2.11(c) of the Master Lease Agreement, the amount paid under Section 2.11(c)(ii) of the Master Lease Agreement or (iii) a Device for which the Servicer has made payment under Section 5.2 of the Servicing Agreement, without duplication of any amounts in clause (ii), the amount paid under Section 5.2(ii) of the Servicing Agreement.

"Supplemental Fixed Amount" shall have the meaning provided in the Forward Purchase Agreement.

"Support Services Agreement" shall have the meaning provided in the Servicing Agreement.

"Transfer" shall have the meaning provided in Section 7.1(b) of this Agreement.

SECTION 1.2 Other Interpretive Matters. The interpretation of this Agreement, unless otherwise specified, is subject to Section 1.2 of the Master Lease Agreement.

ARTICLE II

AGREEMENT TO PURCHASE AND SELL

SECTION 2.1 Purchase and Sale. On the Lease Closing Date, each Lessee, severally and for itself, sold to the Buyer, and, in consideration of the payment of the Purchase Price in accordance with Section 2.3, the Buyer purchased from the relevant Lessee, all of such Lessee's right, title and interest in, to and under (a) each Lease Closing Date Device and (b) the Customer Lease-End Rights and Obligations under each Related Customer Lease.

SECTION 2.2 Assignment and Assumption of Customer Lease-End Rights and Obligations. For the purposes of this Agreement, (x) all sales of contractual and other rights of Lessees in connection with Devices and Related Customer Leases shall be deemed to be absolute and irrevocable assignments thereof and (y) all purchases of contractual obligations by the Buyer

shall be deemed to be assumptions thereof. From and after the Lease Closing Date (i) the Buyer shall have assumed the Customer Lease-End Rights and Obligations under the Related Customer Leases and (ii) each Lessee shall have relinquished its rights and be released from its obligations under the Customer Lease-End Rights and Obligations under the Related Customer Leases. For the avoidance of doubt, from and after the Lease Closing Date until the Term of a Device Lease for such Device has terminated or expired, the relevant Lessee shall be the lessor of record of the Device under the Related Customer Lease and own the right to receive all scheduled Customer Receivables in connection with such Related Customer Lease. Furthermore, for the avoidance of doubt, except for the obligations assigned to the Buyer herein, nothing herein shall relieve the relevant Lessee (or the Servicer on its behalf) from performing its obligations under the relevant Customer Leases.

SECTION 2.3 Purchase Price. The purchase price for the Lease Closing Date Devices and the Customer Lease-End Rights and Obligations under the Related Customer Leases sold by each Lessee to the Buyer on the Lease Closing Date (each, a "Related Purchase Price" and, in the aggregate, the "Purchase Price") shall be payable by the Buyer as follows:

(a) first, on the Lease Closing Date, the Buyer shall pay to the Lessee Representative, on behalf of the Lessees, a portion of the Related Purchase Price in cash (in immediately available funds) in the amount set forth on Schedule III under the heading "Cash Purchase Price" (the "Cash Purchase Price");

(b) second, a portion of such Related Purchase Price in the amount set forth on Schedule III under the heading "Deferred Purchase Price" shall be deferred (the "Deferred Purchase Price") and paid to the Lessee Representative, on behalf of the Lessees, in accordance with Section 3.1; and

(c) third, the remaining portion of such Related Purchase Price shall be deferred and paid to the Lessee Representative, on behalf of the Lessees, on the Final Settlement Date in accordance with Section 3.2 as the Contingent Purchase Price.

SECTION 2.4 Reserved.

SECTION 2.5 No Recourse. Except as specifically provided in this Agreement, the purchase and sale of the Devices and the Customer Lease-End Rights and Obligations under this Agreement shall be without recourse to any Lessee.

SECTION 2.6 Intention of the Parties. It is the express intent of each of the parties hereto that each purchase and sale hereunder shall (except for U.S. federal, state and local income tax purposes) each severally constitute a true sale and absolute assignment of the Devices and the Customer Lease-End Rights and Obligations by each Lessee to the Buyer (such that the Devices and the Customer Lease-End Rights and Obligations, other than those, if any, subsequently repurchased by the Lessees pursuant to the terms of the Transaction Documents or exchanged pursuant to a Like-Kind Exchange, would not be property of any Lessee's estate in any Insolvency Event relating to any Lessee). As a protective measure in the event that, notwithstanding the foregoing, the conveyance of the Devices and the Customer Lease-End Rights and Obligations to the Buyer is recharacterized by any third party as a pledge securing a

loan, each Lessee does hereby grant to Mobile Leasing Solutions for the benefit of Series 1 as of, (x) in the case of the Lease Closing Date Devices and Customer Lease-End Rights and Obligations in respect of the Related Customer Leases, the Lease Closing Date and (y) in the case of each Like-Kind Exchange Device, the Like-Kind Exchange Transfer Date for such Like-Kind Exchange Device, a security interest in all of such Lessee's now or hereafter existing right, title and interest in, to and under the Devices and the Customer Lease-End Rights and Obligations and agrees that this Agreement shall constitute a security agreement under applicable law. Each Lessee hereby authorizes the Buyer, or its respective designees (i) to file one or more financing or continuation statements, and amendments thereto and assignments thereof, relative to all or any of the Devices and the Customer Lease-End Rights and Obligations now existing or hereafter arising in the name of such Lessee and (ii) to the extent permitted by Law and the Servicing Agreement, to notify Customers of the assignment of the Devices and related Customer Lease-End Rights and Obligations pursuant hereto.

SECTION 2.7 Like-Kind Exchanges. At any time that Servicer (on behalf of the Lessee) does a Like-Kind Exchange under the relevant Customer Lease and as permitted under the Servicing Agreement, the Lessee shall be deemed to have sold to the Buyer the Device subject to the Like-Kind Exchange ("Like-Kind Exchange Device") on the Like-Kind Exchange Transfer Date for such Like-Kind Exchange Device in exchange for the Related Purchase Price for such Device that was or would have been payable in respect of the original Device, provided, however, the Contingent Purchase Price calculation for net disposal proceeds shall be made using the net disposal proceeds relating to the Like-Kind Exchange Device and not the original Device. Any amount payable by the Buyer in respect of the original Device shall instead be payable by the Buyer in respect of such Like-Kind Exchange Device except the Contingent Purchase Price shall be adjusted as described above. Nothing in this Section 2.7 shall operate as to require the Buyer to pay any additional amounts of Cash Purchase Price or Deferred Purchase Price on account of the Like-Kind Exchange Device that would not otherwise have been payable by the Buyer under the Transaction Documents with respect to the original Device. For the avoidance of doubt, at the time of any Like-Kind Exchange, any amounts of the Related Purchase Price previously paid in respect of the original Device will be deemed to have been paid in respect of the Related Purchase Price of the Like-Kind Exchange Device.

ARTICLE III

PAYMENT OF DEFERRED PURCHASE PRICE AMOUNT AND CONTINGENT PURCHASE PRICE

SECTION 3.1 Deferred Purchase Price Amount. The Buyer shall pay the Lessee Representative, on behalf of the Lessees, on any Settlement Date in accordance with the Waterfall, an aggregate amount (which shall not be less than zero) (the "Deferred Purchase Price Amount") equal to (I)(a) the sum of (i) the aggregate Deferred Purchase Price plus (ii) the remainder of (x) the aggregate amount of Deferred Purchase Price Interest accrued to such date minus (y) the aggregate amount of Deferred Purchase Price Interest paid to the Lessees to such date minus (b) the sum of (i) the aggregate amount of Rent Payment Shortfalls to such date without duplication of any amounts deducted from the calculation of Contingent Rent Purchase Price and Net Device Losses plus (ii) the aggregate Net Device Losses to such date; minus (II) the aggregate amount paid to such date pursuant to clause (I).

SECTION 3.2 Contingent Purchase Price. On the Final Settlement Date, the Buyer shall pay the Lessee Representative, on behalf of the Lessees, in accordance with the Waterfall, the Contingent Purchase Price. In the event the Buyer does not have sufficient Available Funds to pay the Contingent Purchase Price solely as a result of (i) Marketing Services Provider's failure to timely pay to the Buyer the Device Net Sale Proceeds in accordance with the Support Services Agreement or in respect of Marketing Services Provider's collection of Device Net Sale Proceeds occurring after the Final Settlement Date and/or (ii) Forward Purchaser's failure to timely pay to the Buyer all amounts due and owing under the Forward Purchase Agreement (the "Insufficient Amount"), the Lessees hereby agree that the Contingent Purchase Price shall be reduced by the Insufficient Amount (so long as the Contingent Purchase Price shall not be less than zero after giving effect to such reduction) and the Buyer shall transfer any claim it has to the Insufficient Amount to the Lessee Representative and agrees to cooperate with Lessee Representative in connection with pursuing any claim for the Insufficient Amount as reasonably requested by Lessee Representative from time to time.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.1 Mutual Representations and Warranties. Each Lessee represents and warrants to the Buyer, and the Buyer represents and warrants to the Lessees, as of the Lease Closing Date and as of the Amendment Closing Date, as follows:

(a) Power and Authority; Due Authorization . It (i) has all necessary power and authority to (A) execute and deliver this Agreement and the other Transaction Documents to which it is a party in any capacity and (B) carry out the terms of and perform its obligations under the Transaction Documents applicable to it and (ii) has duly authorized by all necessary corporate or limited liability company action, as applicable, the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party.

(b) Binding Obligations. This Agreement constitutes, and each other Transaction Document to be signed by such party when duly executed and delivered by it will constitute, a legal, valid and binding obligation of such party, enforceable against such party 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.

(c) No Violation. The consummation of the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party and the performance by it of the terms hereof and thereof will not (i) violate or result in a default under (A) its articles or certificate of incorporation, memorandum and articles of association, by-laws, certificate of formation, limited liability company agreement, or other organizational documents, as applicable, or (B) any material indenture or other material agreement or instrument binding on it, (ii) result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture,

agreement or instrument except for any Lien that could not reasonably be expected to have a Material Adverse Effect or arising under the Transaction Documents, or (iii) violate in any material respect any Law applicable to it or any of its properties.

(d) Bulk Sales Act. No transaction contemplated hereby requires compliance by it with any bulk sales act or similar Law.

(e) No Proceedings. There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to its Knowledge, threatened against or affecting it (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, (ii) seeking to prevent the consummation of the transactions contemplated by this Agreement or any of the other Transaction Documents, or (iii) that otherwise involve this Agreement or any other Transaction Document to which it is a party, except, solely with respect to this clause (iii), as set forth in Schedule 8 to the Servicing Agreement.

(f) Governmental Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for its due execution, delivery and performance of this Agreement or any other Transaction Document to which it is a party or the transactions contemplated hereby or thereby, except, as applicable, for the filing of UCC financing statements required under the Transaction Documents and filings with the Securities Exchange Commission to the extent required by applicable Law.

SECTION 4.2 Additional Representations and Warranties of the Lessees. Each Lessee represents and warrants to the Buyer (i) as of the Lease Closing Date, (ii) as of the Amendment Closing Date and (iii) as of each Like-Kind Exchange Transfer Date, provided, however, (a) in the case of clause (ii) each Lessee does not make the representation in Section 4.2(k) and (b) in the case of clause (iii), each Lessee only makes the representation and warranty in Section 4.2(k)(i) and only in respect of the Like-Kind Exchange Device transferred as of the applicable Like-Kind Exchange Transfer Date, as follows:

(a) Organization and Good Standing. It has been duly organized or incorporated in, and is validly existing as a corporation, exempted company or limited liability company, as applicable, in good standing under the Laws of its jurisdiction of organization or incorporation (where applicable), with power and authority to own its properties and to conduct its business as such properties are presently owned and such business is presently conducted and will be conducted, except to the extent that such failure could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Due Qualification. It is duly qualified to do business as a foreign organization in good standing, if applicable, and has obtained all necessary qualifications, licenses and approvals, in all jurisdictions in which the ownership or lease of its property or the conduct of its business requires such qualifications, licenses or approvals, except where the failure to be in good standing or to hold any such qualifications, licenses and

approvals could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Valid Sale. This Agreement constitutes an absolute and irrevocable valid sale of the Devices and the Customer Lease-End Rights and Obligations to the Buyer.

(d) Use of Proceeds. The use of all funds obtained by it under this Agreement will not conflict with or contravene any of Regulations T, U and X promulgated by the Board of Governors of the Federal Reserve System.

(e) Quality of Title. At the time of its sale to the Buyer hereunder, each Device and the Customer Lease-End Rights and Obligations in respect of each Related Customer Lease, is owned by it free and clear of any Adverse Claim (other than Permitted Device Liens); when the Buyer purchases such Devices and Customer Lease-End Rights and Obligations, the Buyer shall have acquired them for fair consideration and reasonably equivalent value, free and clear of any Adverse Claims (other than Permitted Device Liens) and no valid effective financing statement or other instrument similar in effect covering any Device and any Customer Lease-End Rights and Obligations is on file in any recording office, except such as may be filed (i) in favor of the relevant Lessee in accordance with the First Step Transfer Agreement or any other Transaction Document (and assigned to Mobile Leasing Solutions for the benefit of Series 1 and further assigned to the Collateral Agent) or (ii) in connection with any Permitted Device Lien.

(f) UCC Details. Its true legal name as registered in the sole jurisdiction in which it is organized and the jurisdiction of such organization are specified in Schedule IV and its chief executive office is at the address specified in Schedule IV (or at such other location, notified to the Buyer and Collateral Agent). Except as described in Schedule IV, it has never had any trade names, fictitious names, assumed names or "doing business as" names and is "located" in the jurisdiction specified in Schedule IV for purposes of Section 9-307 of the UCC. It is organized in only a single jurisdiction.

(g) Adverse Change. Since the date of their formation, there has been no change in the financial condition, business or prospects of the Lessees, taken as a whole, that could reasonably be expected to result in a Material Adverse Effect.

(h) Investment Company Act. It is not an "investment company" under (and as defined in) the Investment Company Act.

(i) Tax Returns and Payments. It has filed all federal income tax returns and all other material tax returns that are required to be filed by it and has paid all taxes due pursuant to such returns or pursuant to any assessment received by it, except (i) for any such taxes or assessments, if any, that are being appropriately contested in good faith by appropriate proceedings and with respect to which adequate reserves in conformity with GAAP have been provided or (ii) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect. No tax lien has been filed, and, to its Knowledge, no claim is being asserted, with respect to any such tax or assessment that could reasonably be expected to result in a Material Adverse Effect.

(j) No Sanctions. It is not a Sanctioned Person. To its knowledge after due inquiry, no Customer was a Sanctioned Person at the time of the relevant Originator's entry into any Related Customer Lease with such Customer. It and its Affiliates: (i) have less than 15% of their assets in Sanctioned Countries and (ii) derive less than 15% of their operating income from investments in, or transactions with, Sanctioned Persons or Sanctioned Countries. Neither it nor any of its Affiliates engages in activities related to Sanctioned Countries, except for such activities as are (A) specifically or generally licensed by OFAC or (B) otherwise in compliance with OFAC's sanctions regulations.

(k) Eligible Devices and Related Customer Leases. (i) Each Device is an Eligible Device and (ii) each Related Customer Lease is an Eligible Lease.

SECTION 4.3 Additional Representations and Warranties of the Buyer. The Buyer represents and warrants to the Lessees as of Lease Closing Date and as of the Amendment Closing Date, as follows:

(a) Organization and Good Standing. (i) Mobile Leasing Solutions is a limited liability company duly constituted, validly existing as a limited liability company and in good standing under the Laws of its jurisdiction of organization, (ii) Series 1 is a series of Mobile Leasing Solutions duly constituted and validly existing under the Laws of its jurisdiction of organization and (iii) the Buyer has the limited liability company power and authority to own its properties and to conduct its business as such properties are presently owned and such business is presently conducted and will be conducted, except to the extent that such failure could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Due Qualification. Mobile Leasing Solutions is duly qualified to do business as a foreign organization in good standing, if applicable, and has obtained all necessary qualifications, licenses and approvals, in all jurisdictions in which the ownership or lease of its property or the conduct of its business requires such qualifications, licenses or approvals, except where the failure to be in good standing or to hold any such qualifications, licenses and approvals could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Investment Company Act. It is not an "investment company" under (and as defined in) the Investment Company Act.

ARTICLE V

GENERAL COVENANTS

SECTION 5.1 Mutual Covenants. At all times from the Lease Closing Date to the Final Settlement Date, each Lessee and the Buyer shall:

(a) Compliance with Laws, Etc. Comply with all applicable Laws, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) Preservation of Existence. Except as expressly permitted by Sections 5.2(h) or 5.2(i) with respect to the Lessees, preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its organization, and qualify and remain qualified in good standing in each jurisdiction where the failure to qualify or preserve and maintain such existence, rights, franchises, privileges and qualification could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Tax. (i) Agree for all U.S. federal, state and local income tax purposes, (x) to treat the Cash Purchase Price paid hereunder as amounts loaned by the Buyer for which the Devices transferred hereunder provide security, and to treat the Rental Payments payable to the Buyer under the Device Leases as payments on such indebtedness owed to the Buyer, (y) to treat any proceeds from any sale of a Device and any Excess Rental Payments as income of the Lessees, with the Buyer retaining the related cash only to secure payment of amounts due under such indebtedness and (z) not to treat the Buyer as the owner of the Devices, unless, after the Lease Closing Date, a Change in Law occurs and, as confirmed by an Opinion of Counsel and after consultation in good faith with the other Parties and their respective tax advisors, there is no substantial authority, within the meaning of Section 6662 of the Code, for such treatment, or there is a Final Determination of such treatment.

(ii) The Parties acknowledge that the Buyer has entered into the Tax Services Agreement with the Servicer and Sprint, which will govern responsibility for filing any Tax Returns and paying any Taxes that are due with respect to any payment made or any transfer of Devices or Customer Lease-End Rights and Obligations hereunder. All payments made, or deemed made, pursuant to this Agreement shall be made free and clear of, and without deduction for, any Taxes except to the extent required by applicable Law. The Parties do not expect payments made pursuant to this Agreement to be subject to withholding or other deduction of Taxes. Prior to withholding any Taxes from any payment hereunder, the Buyer and the Lessee Representative shall consult in good faith as to the withholding to be made; and

(iii) Each transfer of the Devices contemplated hereunder is intended to be an exempt sale for resale for sales and use tax purposes as the purchaser or transferee intends to re-sell or lease each Device in the same form or condition in which it was purchased to others in the normal course of the purchaser or transferee's business. The Parties will cooperate to take all steps to timely prepare and secure any exemption certificate, resale certificate or similar documentation requested or required by any jurisdiction for purposes of qualifying for or documenting such exemption.

SECTION 5.2 Additional Covenants of the Lessees. At all times from the Lease Closing Date to the Final Settlement Date, each Lessee shall:

(a) Evidence of Purchase. Maintain its accounting records to evidence that as of (x) in the case of the Lease Closing Date Devices and Related Customer Leases, the Lease Closing Date and (y) in the case of each Like-Kind Exchange Device, the date the Like-Kind Exchange for such Like-Kind Exchange Device occurs, the relevant Devices and

relevant Customer Leases have been irrevocably transferred to the Buyer as in accordance with this Agreement.

(b) Keeping of Records and Books of Account; Delivery. Maintain and implement, or cause to be maintained and implemented, administrative and operating procedures (including an ability to recreate records evidencing the Devices and the Related Customer Leases in the event of the destruction of the originals thereof, backing up on at least a daily basis on a separate backup computer from which electronic file copies can be readily produced and distributed to third parties being agreed to suffice for this purpose), and keep and maintain, or cause to be kept and maintained (or transferred to Servicer), all documents, books, records and other information necessary or advisable for the collection of all Collections in respect of all Devices and the Related Customer Leases.

(c) Location of Records. Keep its chief executive office and principal place of business at the address of such Lessee referred to in Schedule IV or, upon thirty (30) days' prior written notice to the Collateral Agent and the Buyer, at such other locations in jurisdictions where all action required under the Master Lease Agreement shall have been taken and completed.

(d) PATRIOT ACT Information . Promptly following a request therefor, provide any documentation or other information that the Buyer or any of its assignees under the Transaction Documents reasonably requests in order to comply with its ongoing obligations under the applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act.

(e) Continuation Statements. Authorize and deliver and file or cause to be filed appropriate continuation statements not earlier than six months and not later than one month prior to the fifth anniversary of the date of filing of the financing statements filed in connection with the Lease Closing Date or any other financing statement filed pursuant to this Agreement, in each case naming such Lessee as debtor, if the Final Settlement Date shall not have occurred.

(f) Further Assurances. From time to time, at its expense, promptly execute and deliver all further instruments and documents, and take all further action that the Buyer or any of its assignees under the Transaction Documents may reasonably request in order to perfect, protect or more fully evidence the purchases, sales and assignments and security interests hereunder, or to enable the Buyer or any such assignee to exercise or enforce any of their respective rights with respect to the Devices and the Related Customer Leases. Without limiting the generality of the foregoing, each Lessee will upon the request of the Buyer or any of its assignees under the Transaction Documents authorize and file such financing or continuation statements, or amendments thereto or assignments thereof, and such other instruments or notices, as may be necessary or appropriate.

(g) Tax Matters. Pay and discharge, or cause the payment and discharge of, all federal income taxes (and all other material taxes) of such Lessee when due and payable, except (x) such as may be paid thereafter without penalty, (y) such as may be contested in good faith by appropriate proceedings and for which an adequate reserve has been

established and is maintained in accordance with GAAP or (z) where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(h) Mergers, Sales, Etc. Not consolidate or merge with or into any other Person or sell, lease or transfer all or substantially any portion of its property and assets, or agree to do any of the foregoing, unless (i) the Buyer shall have received 30 days' prior notice thereof, (ii) no Lease Event of Default or Lease Default has occurred and is continuing or would result immediately after giving effect thereto, (iii) the Buyer shall have consented in writing thereto, if the resulting entity following such merger, consolidation or other restructuring is any Person other than a Lessee, (iv) Guarantor reaffirms in a writing, in form and substance reasonably satisfactory to the Buyer, that its obligations under the Sprint Guarantee and the Performance Support Agreement shall apply to the surviving entity and (v) the Buyer receives such additional certifications and opinions of counsel as it shall reasonably request.

(i) Change in Organization, Etc. Not change its jurisdiction of organization or incorporation or its name, identity or corporate organization structure or make any other change such that (i) any financing statement filed or other action taken to perfect the Buyer's interests hereunder would become seriously misleading or would otherwise be rendered ineffective unless such Lessee shall have given the Buyer and the Collateral Agent not less than 30 days' prior written notice of such change or (ii) it would no longer be a special purpose entity or would result in a violation of its corporate separateness covenants in Section 6.1.

SECTION 5.3 Additional Covenants of the Buyer. At all times from the Lease Closing Date to the Final Settlement Date, the Buyer shall:

(a) Notices. Promptly (but in any event within three (3) Business Day after obtaining Knowledge thereof) notify the Lessee Representative of the existence of any Default or Event of Default (or the equivalent thereof) under and as defined in the applicable Financing Documents describing with particularity the nature of such event.

(b) Books and Records. Maintain proper books of record and account, in which full, true and correct entries in conformity with tax-based accounting consistently applied will be made of all financial transactions and matters involving the assets and business of the Buyer.

(c) Inspection Rights. Permit representatives and independent contractors of the Lessees, at their own expense, to visit and inspect any of its offices, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its officers having direct knowledge or responsibility of the subject matter in order to confirm the Buyer's performance of its obligations under this Agreement, provided, however, that such visits, inspections or examinations will be made at a reasonable time during normal business hours with due regard for, and minimal disruption of, the business of the Buyer, and will not (a) occur more frequently than once in any 12-month period and (b) be made without

five (5) Business Days' prior written notice. For the avoidance of doubt, nothing in this Section 5.3(c) shall permit any representative or independent contractor of any Lessee to make any such visits, inspections or examinations in respect of the corporate, financial and operating records or the affairs, finances and accounts of any Series of Mobile Leasing Solutions other than Series 1 thereof.

(d) Enforcement of Support Services Agreement. Promptly enforce the obligations of Marketing Services Provider under the Support Services Agreement to cause the resale of Devices in accordance with the Support Services Agreement and the deposit of proceeds in respect thereof, in accordance with the terms of such agreement and the other Transaction Documents.

(e) Replacement of Logistics Services Provider and/or Marketing Services Provider. If a termination event has occurred and is continuing under Section 10.1 of the Support Services Agreement, upon one (1) Business Day prior written notice of any Sprint Party to the Buyer requesting termination of the Support Services Agreement, deliver written notice to the Logistics Services Provider and Marketing Services Provider terminating the Support Services Agreement.

(f) Fair Market Value under Customer Leases for Devices. Promptly (and in no event later than one (1) Business Day) after request by any Sprint Party, provide such Sprint Party with the fair market value in relation to a Customer's purchase option of a Device under a Related Customer Lease for any period after the relevant Scheduled Customer Lease Term, provided, however, the Buyer's determination of the fair market value of such Device shall be the higher of (x) the Secondary Market Value of such Device on the basis that such Device is a Grade B Device and (y) the fair market value of such Device determined by the relevant Sprint Party acting reasonably provided in writing by a Sprint Party to the Buyer at the time of or prior to any Sprint Party's request under this Section 5.3(f).

(g) [Reserved].

(h) [Reserved].

(i) [Reserved].

(j) [Reserved].

(k) Special Purpose Entity/Bankruptcy Remoteness. Comply with the special purpose entity and bankruptcy remoteness provisions set forth in Schedule V.

(l) Indebtedness Covenant. Except for Debt incurred in respect of the Transaction, not create, incur, assume, guarantee, permit to exist or otherwise become directly or indirectly liable for or in respect of any Debt or other obligation or purchase any asset (whether or not pursued for gain or other pecuniary advantage), except in accordance with or as permitted by the Transaction Documents.

(m) Liens. Not create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than Buyer Permitted Liens.

(n) Application of Collections. Not declare or make or permit any other Person to declare or make, directly or indirectly, any payment or distribution of cash constituting Collections or Rental Payments other than in accordance with the Waterfall or Section 2.9 of the MLS Intercreditor Agreement.

(o) Amendment or Waiver of Transaction Documents. Not cause, consent to, or permit, any termination, modification, amendment, variance or waiver of timely compliance with any term or condition of any of the Transaction Documents (other than the Sprint Transaction Documents) without (i) first providing five (5) Business Days' prior notice to the Lessee Representative along with a copy of or the terms of the proposed modification, amendment, variance or waiver and (ii) in the case of any modification, amendment, variance or waiver that would reasonably be expected to be materially adverse to any Sprint Party (provided, that any modification or amendment intended to facilitate a Permitted Additional Tranche shall not be deemed to be materially adverse to any Sprint Party solely because such Permitted Additional Tranche is intended to provide financing to a mobile telephony carrier other than a Sprint Party) first obtaining the prior written consent of the Lessee Representative; provided, however, the Buyer shall promptly provide the Lessee Representative with a copy of any such modification, amendment, variance or waiver.

(p) Actions Under Related Customer Leases. Not take enforcement actions or exercise remedies or take any other action under the Related Customer Leases other than through the Servicer.

(q) Information. Provide and cause Marketing Services Provider to provide (i) to the Servicer all data and other information necessary to permit the Servicer to prepare and deliver each Servicer Report in accordance with and at the times required under the Servicing Agreement and (ii) such other data and information reasonably available to such parties and reasonably requested by any Sprint Party in connection with performing its obligations under the Transaction Documents; provided, however, MLS shall have no obligation to provide any data or information from Marketing Services Provider that MLS does not receive from Marketing Services Provider or is not permitted to be provided to a Sprint Party by Marketing Services Provider.

(r) Further Assurances. From time to time, at the expense of the Lessees, promptly execute and deliver all further instruments and documents, and take all further action that the Lessee Representative may reasonably request, in order to perfect, protect or more fully evidence the purchases, sales and assignments and security interests hereunder or under the other Transaction Documents, or to enable the Lessees or any Affiliate thereof to exercise or enforce any of their respective rights hereunder and under the other Transaction Documents. Without limiting the generality of the foregoing, the Buyer will upon the request of the Lessee Representative authorize and file such financing or continuation statements, or amendments thereto or assignments thereof, and such other

instruments or notices, and take such other actions, as may be necessary or appropriate to perfect and protect any Liens granted by the Buyer to the Lessees.

ARTICLE VI

CORPORATE SEPARATENESS

SECTION 6.1 Corporate Separateness. Each Lessee hereby acknowledges that the Buyer is entering into the transactions contemplated by this Agreement and the other Transaction Documents in reliance upon each Lessee's identity as a legal entity separate from Guarantor, the Servicer, the Originators and their respective Affiliates. In addition to and consistent with the other covenants set forth herein, each Lessee shall take such actions as shall be required in order that:

(a) Special Purpose Entity. Each Lessee will be a special purpose limited liability company whose primary activities are restricted in its memorandum and articles of association to: (i) acquiring, owning, holding or selling interests in (x) the Devices and Related Customer Leases in accordance with the Transaction Documents and (y) any wireless mobile devices and related customer leases in accordance with any Lessee Permitted Additional Tranche Transaction Documents, (ii) granting security interests in (x) the Devices, the Related Customer Leases and any of its other assets in respect of which a security interest is required to be granted by it under the Transaction Documents and (y) any wireless mobile devices, related customer leases and any of its other assets in respect of which a security interest is required to be granted by it under any Lessee Permitted Additional Tranche Transaction Documents, (iii) entering into and exercising its rights and performing its obligations under (x) the Related Customer Leases and the other Transaction Documents and (y) any customer lease subject to a Lessee Permitted Additional Tranche to which it is a party and any other Lessee Permitted Additional Tranche Transaction Document to which it is a party, (iv) acting as (x) lessor under Related Customer Leases and any other customer leases subject to any Lessee Permitted Additional Tranche to which it is a party and (y) lessee under the Device Leases and any other device leases subject to any Lessee Permitted Additional Tranche to which it is a party, (v) receiving amounts due to it under the Transaction Documents and any Lessee Permitted Additional Tranche Transaction Document and declaring and paying dividends and distributions to its Related Originator from such amounts, (vi) paying amounts due by it under the Transaction Documents and any Lessee Permitted Additional Tranche Transaction Document and (vii) conducting such other activities as it deems necessary or appropriate to carry out the primary activities described above or as otherwise contemplated by the Transaction Documents or any Lessee Permitted Additional Tranche Transaction Document.

(b) Commingling. Except as otherwise expressly permitted by the Originator Intercreditor Agreement, no Lessee shall commingle any of its assets or funds with those of any of its Affiliates (other than any other Lessee);

(c) Independent Director. At least one member of each Lessee's board of directors shall be an Independent Director and the memorandum and articles of association of such

Lessee shall provide: (i) for the same definition of "Independent Director" as used herein, (ii) that such Lessee's board of directors shall not approve, or take any other action to cause the filing of, a voluntary bankruptcy petition with respect to such Lessee unless the Independent Director shall approve the taking of such action in writing before the taking of such action and (iii) that the provisions required by clauses (i) and (ii) of this sentence cannot be amended (x) except in accordance with this Agreement and (y) without the prior written consent of the Independent Director and the Buyer;

(d) Corporate Formalities. Each Lessee will strictly observe corporate formalities in its dealings with the Servicer, the Originators and any Affiliates thereof (other than any other Lessee). Except as permitted under the Transaction Documents or any Lessee Permitted Additional Tranche Transaction Document, the Lessees shall not maintain joint bank accounts or other depository accounts to which the Servicer, the Originators and any Affiliates (other than any other Lessee) thereof has independent access, other than the Servicer's right to access such accounts in accordance with the Transaction Documents or any Lessee Permitted Additional Tranche Transaction Document. Each Lessee shall procure that its Related Originator maintain such Lessee's memorandum and articles of association and other organizational documents in conformity with this Agreement;

(e) Conduct of Business. Each Lessee shall conduct its affairs strictly in accordance with its organizational documents and observe all necessary, appropriate and customary company formalities, including, but not limited to, holding all regular and special members' and board of directors' (or managers') meetings appropriate to authorize all corporate action, keeping separate and accurate minutes of its meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, and maintaining accurate and separate books, records and accounts, including, but not limited to, intercompany transaction accounts;

(f) No Other Business or Debt. No Lessee shall engage in any business or activity except as set forth in the Transaction Documents to which it is a party or any Lessee Permitted Additional Tranche Transaction Document to which it is a party nor incur any indebtedness or liability other than as expressly permitted by the Transaction Documents to which it is a party or any Lessee Permitted Additional Tranche Transaction Document to which it is a party.

(g) Books and Records. Each Lessee's books and records will be maintained separately from those of the Servicer, the Originators and any of their Affiliates (other than any other Lessee) and in a manner such that it will not be difficult or costly to segregate, ascertain or otherwise identify the assets and liabilities of such Lessee from the assets and liabilities of the Servicer, the Originators and any of their Affiliates (other than any other Lessee);

(h) Operating Expenses. Each Lessee's operating expenses will not be borne by the Servicer, any Originator or any of their Affiliates (other than any other Lessee), except to the extent paid from capital contributions from its equity holders or as expressly contemplated by the Transaction Documents or any Lessee Permitted Additional Tranche Transaction Document.

(i) Disclosure of Transactions. All financial statements of the Servicer, the Originators, and any of their Affiliates that are consolidated to include any Lessee will disclose that (i) such Lessee's sole business consists of the purchase or acceptance through capital contributions of wireless mobile devices and related customer leases from its Related Originator, the subsequent retransfer to the Buyer of or granting of a security interest to Mobile Leasing Solutions for the benefit of Series 1 in such devices and certain rights and obligations under the related customer leases, the subsequent lease back of such devices from the Buyer, and performing its obligations under (x) the Related Customer Leases and the other Transaction Documents to which it is a party and (y) any other customer lease subject to a Lessee Permitted Additional Tranche to which it is a party and Lessee Permitted Additional Tranche Transaction Document to which it is a party, (ii) such Lessee is a separate legal entity with its own separate creditors who will be entitled, upon its liquidation, to be satisfied out of the Lessee's assets prior to any assets or value in the Lessee becoming available to the Lessee's equity holders and (iii) the assets of the Lessee are not available to pay creditors of the Servicer, any Originator or any Affiliate thereof (other than any other Lessee);

(j) Arm's-Length Relationships. Each Lessee shall maintain an arm's-length relationship with the Servicer, each Originator, and its other Affiliates (other than the other Lessees). Except as expressly contemplated by the Transaction Documents or any Lessee Permitted Additional Tranche Transaction Document, no Lessee, on the one hand, or the Servicer, any Originator, or any of its other Affiliates, on the other hand, will be or will hold itself out to be responsible for the debts of the other (other than any other Lessee) or the decisions or actions respecting the daily business and affairs of the other. Each Lessee, the Servicer, any Originators, and the Lessee's other Affiliates will immediately correct any known misrepresentation with respect to the foregoing, and they will not operate or purport to operate as an integrated single economic unit with respect to each other or in their dealings with any other entity (other than among the Lessee);

(k) Allocation of Overhead. To the extent that any Lessee, on the one hand, and the Servicer, any Originator or any Affiliate thereof, on the other hand, have offices in the same location, there shall be a fair and appropriate allocation of overhead costs between them, and such Lessee shall bear its fair share of such expenses, which may be paid through the Servicing Fee or otherwise;

(l) Identification. Each Lessee shall at all times hold itself out to the public under such Lessee's own name as a legal entity separate and distinct from its equity holders, members, managers, the Servicer, any Originator or any Affiliate thereof (other than any other Lessee);

(m) Capital. Each Lessee shall maintain adequate capital in light of its contemplated business operations;

(n) Additional Agreements. Each Lessee also agrees that:

(i) no Lessee shall issue any security of any kind except certificates evidencing equity interests issued to its Related Originator in connection with its

formation, or incur, assume, guarantee or otherwise become directly or indirectly liable for or in respect of any obligation other than (i) such Lessee's liability for obligations under the Transaction Documents and any Lessee Permitted Additional Tranche Transaction Document to which it is a party, (ii) as otherwise expressly permitted or contemplated by the Transaction Documents or any Lessee Permitted Additional Tranche Transaction Document to which it is a party and (iii) ordinary course operating expenses;

(ii) no Lessee shall sell, pledge or dispose of any of its assets, except as permitted by, or as provided in, the Transaction Documents or any Lessee Permitted Additional Tranche Transaction Document to which it is a party;

(iii) no Lessee shall purchase any asset (or make any investment, by share purchase, loan or otherwise) except as specifically permitted by, or as provided in, the Transaction Documents or any Lessee Permitted Additional Tranche Transaction Document to which it is a party;

(iv) no Lessee shall make any payment, directly or indirectly, to, or for the account or benefit of, any owner of any security interest or equity interest in such Lessee or any Affiliate of any such owner (except, in each case, as expressly permitted by, or as provided in, the Transaction Documents or any Lessee Permitted Additional Tranche Transaction Document to which it is a party);

(v) no Lessee shall make, declare or otherwise commence or become obligated in respect of, any dividend, stock or other security redemption or purchase from, or any distribution or other payment to, or for the account or benefit of, any owner of any equity interest in such Lessee or any Affiliate of any such owner other than from funds received by it under Transaction Documents or Lessee Permitted Additional Tranche Transaction Documents to which it is a party and so long as, in any case, the result would not directly or indirectly cause such Lessee to be considered insolvent;

(vi) No Lessee shall have any employees; and

(vii) Each Lessee will provide for not less than ten (10) Business Days' prior written notice to the Buyer of any removal, replacement or appointment of any director that is currently serving or is proposed to be appointed as an Independent Director of such Lessee, such notice to include the identity of the proposed replacement Independent Director, together with a certification that such replacement satisfies the requirements for an Independent Director set forth in this Agreement and the memorandum and articles of association of such Lessee.

ARTICLE VII

INVESTMENT COMPANY ACT PROVISIONS

SECTION 7.1 Representations and Agreements of the Lessees. Each Lessee makes the representations and warranties in Section 7.1(a), (c), (d), (e) and (f) to the Buyer as of the Lease Closing Date and as of the Amendment Closing Date and makes the agreements in Section 7.1(b) and (f) from the Lease Closing Date to the Final Settlement Date.

(a) Assuming the correctness of the representations and agreements of the Buyer in Section 7.2, each Lessee represents that it is a Qualified Purchaser.

(b) Each Lessee understands and agrees that, if in the future it decides to sell, transfer, assign, pledge or otherwise dispose of in whole or in part (each, a "Transfer") its interest in the Deferred Purchase Price Amount or the Contingent Purchase Price (collectively, the "Buyer Obligations"), such Lessee will only Transfer such Buyer Obligations to a Qualified Purchaser (it being understood and agreed that any subsequent Transfers of such Buyer Obligations shall only be made to a Qualified Purchaser).

(c) Each Lessee is acquiring the Buyer Obligations for its own account, for investment purposes only and not with a view to distribute or resell such Buyer Obligations in whole or in part.

(d) Each Lessee was offered the Buyer Obligations through private negotiations, not through any general solicitation or general advertising, or through any solicitation by a person not previously known to such Lessee in connection with investments generally.

(e) Each Lessee has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its investment in the Buyer Obligations and is able to bear such risks, and has obtained, in its judgment, sufficient information from the Buyer or its authorized representatives to evaluate the merits and risks of such investment. Each Lessee has evaluated the risks of investing in the Buyer Obligations and has determined that the Buyer Obligations is a suitable investment for it. Each Lessee can afford a complete loss of the investment in the Buyer Obligations and can afford to hold the investment in the Buyer Obligations for an indefinite period of time.

(f) Assuming the correctness of the representations and agreements of the Buyer in Section 7.2, if any Lessee would be an "investment company" under the Investment Company Act but for the exceptions provided by section 3(c)(1) or 3(c)(7) thereof, then it hereby: (i) represents and warrants that it has obtained the consent to its treatment as a Qualified Purchaser from the appropriate beneficial owners of its securities in accordance with the requirements of Section 2(a)(51)(C) of, and Rule 2a51-2 promulgated under, the Investment Company Act; (ii) consents to the treatment of the Buyer as a Qualified Purchaser; and (iii) represents and warrants that it has obtained the consent to such treatment from the appropriate beneficial owners of its securities in accordance with the requirements of Section 2(a)(51)(C) of, and Rule 2a51-2 promulgated under, the Investment Company Act.

SECTION 7.2 Representations and Agreements of the Buyer. The Buyer makes the representations and warranties in Section 7.2(a), (c), (d), (e) and (f) to the Lessees as of the Lease Closing Date and as of the Amendment Closing Date and makes the agreements in Section 7.2(b) and (f) from the Lease Closing Date to the Final Settlement Date.

(a) Assuming the correctness of the representations and agreements of the Lessees in Section 7.1, the Buyer represents that it is a Qualified Purchaser.

(b) The Buyer understands and agrees that, if in the future it decides to Transfer any Device Lease, the Buyer will only Transfer such Device Lease to a Qualified Purchaser (it being understood and agreed that any subsequent Transfers of such Device Lease shall only be made to a Qualified Purchaser).

(c) The Buyer is acquiring the Device Leases for its own account, for investment purposes only and not with a view to distribute or resell such Device Leases in whole or in part.

(d) The Buyer was offered the Device Leases through private negotiations, not through any general solicitation or general advertising, or through any solicitation by a person not previously known to the Buyer in connection with investments generally.

(e) The Buyer has such knowledge and experience in financial and business matters that the Buyer is capable of evaluating the merits and risks of its investment in the Device Leases and is able to bear such risks, and has obtained, in the Buyer's judgment, sufficient information from the Lessees or their authorized representatives to evaluate the merits and risks of such investment. The Buyer has evaluated the risks of investing in the Device Leases and has determined that the Device Leases are a suitable investment for the Buyer. The Buyer can afford a complete loss of the investment in the Device Leases and can afford to hold the investment in the Device Leases for an indefinite period of time.

(f) Assuming the correctness of the representations and agreements of the Lessees in Section 7.1 and that the Senior Loan Lenders and the Senior Subordinated Loan Creditors have obtained and given the consents described in this Section 7.2(f) to the extent applicable to such Senior Loan Lenders and such Senior Subordinated Loan Creditors for purposes of this Section 7.2(f), if the Buyer would be an "investment company" under the Investment Company Act but for the exceptions provided by section 3(c)(1) or 3(c)(7) thereof, then the Buyer hereby: (i) represents and warrants that it has obtained the consent to its treatment as a Qualified Purchaser from the appropriate beneficial owners of its securities in accordance with the requirements of Section 2(a)(51)(C) of, and Rule 2a51-2 promulgated under, the Investment Company Act; (ii) consents to the treatment of the Lessees as Qualified Purchasers; and (iii) represents and warrants that it has obtained the consent to such treatment from the appropriate beneficial owners of its securities in accordance with the requirements of Section 2(a)(51)(C) of, and Rule 2a51-2 promulgated under, the Investment Company Act.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.1 Amendments, etc. No amendment or waiver of any provision of this Agreement or consent to any departure by any Lessee therefrom shall in any event be effective unless the same shall be in writing and signed by the Buyer and the Lessee Representative and, if such amendment or waiver affects the obligations of Guarantor or any of its Affiliates (other than

the Lessees), Guarantor consents in writing thereto, and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 8.2 No Waiver; Remedies. No failure on the part of the Buyer or any Lessee to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise 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 rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by Law.

SECTION 8.3 Notices, Etc. The provisions of Section 21 of the MLS Intercreditor Agreement shall apply as if fully set forth herein.

SECTION 8.4 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Each Lessee acknowledges that the Buyer's rights under this Agreement may be assigned as collateral to the Collateral Agent for the benefit of the Finance Parties, and Lessees consent to such assignment; provided that such assignment shall neither release the Buyer from the performance of its obligations under this Agreement nor impair any Lessee's rights under this Agreement. The parties hereto agree that the Collateral Agent (and any of its assignees) is an intended third-party beneficiary of this Agreement and is entitled to enforce the rights of the Buyer arising hereunder.

SECTION 8.5 Survival. The rights and remedies with respect to any breach of any representation and warranty made by any Lessee or the Buyer pursuant to Article IV and the provisions of Sections 8.4, 8.5, 8.6, 8.8, 8.9, 8.10, 8.11, 8.12 and 8.14 shall survive any termination of this Agreement.

SECTION 8.6 Costs and Expenses. Each party agrees to pay on demand all reasonable and documented out-of-pocket costs and expenses incurred by the other party in connection with the negotiation, preparation, execution and delivery of any amendment of or consent or waiver under this Agreement (whether or not consummated) requested by such party, or the enforcement of, or any actual or reasonably claimed breach of, this Agreement, including reasonable and documented accountants', auditors', consultants' and attorneys' fees and expenses to any of such Persons and the reasonable and documented fees and charges of any independent accountants, auditors, consultants or other agents incurred in connection with any of the foregoing or in advising such Persons as to their respective rights and remedies under this Agreement in connection with any of the foregoing.

SECTION 8.7 Execution in Counterparts; Integration. This Agreement may be executed in any number of counterparts and by the different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement. Executed counterparts may be delivered electronically. This Agreement, together with the other Transaction Documents, contains a final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire understanding among the parties hereto with respect to the subject matter hereof, superseding all prior oral or written understandings.

SECTION 8.8 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, BUT WITHOUT REGARD TO ANY OTHER CONFLICT OF LAWS PROVISIONS THEREOF).

SECTION 8.9 Waiver of Jury Trial. EACH LESSEE AND THE BUYER HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR ANY AMENDMENT, INSTRUMENT OR DOCUMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH OR ARISING FROM ANY BANKING OR OTHER RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT A JURY.

SECTION 8.10 Consent to Jurisdiction; Waiver of Immunities. EACH LESSEE AND THE BUYER HEREBY ACKNOWLEDGES AND AGREES THAT:

(a) IT IRREVOCABLY (i) SUBMITS TO THE JURISDICTION, FIRST, OF ANY UNITED STATES FEDERAL COURT, AND SECOND, IF FEDERAL JURISDICTION IS NOT AVAILABLE, OF ANY NEW YORK STATE COURT, IN EITHER CASE SITTING IN NEW YORK CITY, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, (ii) AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED ONLY IN SUCH NEW YORK STATE OR FEDERAL COURT AND NOT IN ANY OTHER COURT, AND (iii) WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING.

(b) TO THE EXTENT THAT IT HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM THE JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID TO EXECUTION, EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, IT HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER OR IN CONNECTION WITH THIS AGREEMENT.

SECTION 8.11 Confidentiality. Each party hereto agrees to comply with, and be bound by, the confidentiality provisions of Section 20 of the MLS Intercreditor Agreement as if they were set forth herein.

SECTION 8.12 No Proceedings. The provisions of Section 24.2 of the MLS Intercreditor Agreement shall apply as if fully set forth herein.

SECTION 8.13 Severability. Any provisions of this Agreement that are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of

such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 8.14 Lessee Representative.

(a) Each Lessee hereby irrevocably appoints and constitutes SLV- III LLC ("Lessee Representative") as its agent and attorney-in-fact to (i) provide all notices and instructions to be given by the Lessees or any thereof under this Agreement and the other Transaction Documents (and any notice or instruction provided by Lessee Representative shall be deemed to be given by the applicable Lessee and shall bind such Lessee), (ii) receive notices and instructions to be given to the Lessees or any thereof under this Agreement and the other Transaction Documents (and any notice or instruction provided to the Lessee Representative shall be deemed to have been given to the applicable Lessee), (iii) make payments required to be paid by the Lessees or any thereof under this Agreement and the other Transaction Documents (and any payment made by Lessee Representative shall be deemed to be paid by the applicable Lessee), (iv) receive payments and disbursements to be made to the Lessees or any thereof under this Agreement and the other Transaction Documents (and any payment made to Lessee Representative shall be deemed to be paid to the applicable Lessee), (v) grant any security interest required to be granted by any Lessee under the Transaction Documents, including any security interest in the Servicer Collection Accounts, and execute and deliver any deposit account control agreement with respect to any such security interest granted by a Lessee in the Servicer Collection Accounts or other deposit accounts in the name of any Lessee, (vi) take any such action on behalf of the Lessees as the Lessee Representative deems appropriate to effectuate the sale and leaseback arrangements contemplated under the Transaction Documents and to exercise such other powers as are reasonably incidental thereto to carry out the purposes of this Agreement and the other Transaction Documents (and any action by Lessee Representative shall be deemed to be made by the applicable Lessee and shall bind such Lessee) and (vii) execute and deliver any amendments, consents, waivers or other instruments related to this Agreement and the other Transaction Documents on behalf of the other Lessees (and any such amendment, consent, waiver or other instrument shall be binding upon and enforceable against each other Lessee to the same extent as if made directly by such Lessee).

(b) Lessee Representative hereby accepts the appointment by the Lessees to act as the agent and attorney-in-fact of the Lessees pursuant to this Section 8.14. Lessee Representative shall ensure that the disbursement of any payments to any Lessee paid to or for the account of Lessee Representative shall be paid to or for the account of such Lessee.

(c) No resignation or termination of the appointment of Lessee Representative as agent as aforesaid shall be effective, except after ten (10) Business Days' prior written notice to the Buyer. If Lessee Representative resigns under this Agreement, the Lessees shall be entitled to appoint a successor Lessee Representative (which shall be a Lessee). Upon the acceptance of its appointment as successor Lessee Representative hereunder, such successor Lessee Representative shall succeed to all the rights, powers and duties of

the retiring Lessee Representative and the term "Lessee Representative" shall mean such successor Lessee Representative and the retiring or terminated Lessee Representative's appointment, powers and duties as Lessee Representative shall be terminated.

SECTION 8.15 Mobile Leasing Solutions as Series LLC. Each Party hereto hereby acknowledges and agrees that Mobile Leasing Solutions is a series limited liability company, and that accordingly the obligations and liabilities of the Buyer hereunder and under the other Transaction Documents are and will be enforceable against the Buyer solely to the extent of the Series 1 Assets, and not against any other assets of Mobile Leasing Solutions or against any other Series of Mobile Leasing Solutions or any assets of any such other Series (whether held directly by such other Series or by Mobile Leasing Solutions on behalf of such other Series).

SECTION 8.16 Limited Recourse. Notwithstanding anything to the contrary contained in this Agreement or any other Transaction Document, the obligations and liabilities of the Buyer under each of the Transaction Documents to which it is a party are solely the obligations and liabilities of the Buyer and shall be payable solely to the extent of the Series 1 Pledged Assets, and the proceeds of the realization thereof from whatever means, applied in accordance with this Agreement and the other Transaction Documents. If the Series 1 Pledged Assets and the proceeds of the realization thereof from whatever means, including pursuant to the enforcement of the MLS Security Documents, applied in accordance with the MLS Intercreditor Agreement and the other Transaction Documents, are insufficient to discharge in full the obligations and liabilities of the Buyer under the MLS Intercreditor Agreement and the other Transaction Documents, the rights of the Sprint Parties to receive any further amounts in respect of such obligations and liabilities shall be extinguished and none of the Sprint Parties may take any further action to recover such amounts. For the avoidance of doubt, no recourse shall be had to the assets of Mobile Leasing Solutions or the assets of any Series of Mobile Leasing Solutions other than the Series 1 Pledged Assets to satisfy the obligations and liabilities of the Buyer under this Agreement or any other Transaction Document.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized signatories, as of the date first above written.

For and on behalf of each of:
SLV - I LLC
SLV - II LLC
SLV - III LLC
SLV - IV LLC
SLV - V LLC
SLV - VI LLC
SLV - VII LLC
SLV - VIII LLC
SLV - IX LLC
SLV - X LLC
SLV - XI LLC
SLV - XII LLC
SLV - XIII LLC
SLV - XIV LLC
SLV - XV LLC
SLV - XVI LLC
SLV - XVII LLC
SLV - XVIII LLC
SLV - XIX LLC
SLV - XX LLC
SLV - XXI LLC
SLV - XXII LLC, each a Lessee

By: /s/ Stefan K. Schnopp
Name: Stefan K. Schnopp
Title: Director

SLV- III LLC, as Lessee Representative

By: /s/ Stefan K. Schnopp
Name: Stefan K. Schnopp
Title: Director

MOBILE LEASING SOLUTIONS, LLC,
a Delaware limited liability company,
acting for itself and on behalf of Series 1 thereof

as Buyer

By: /s/ Jeff Krisel
Name: Jeff Krisel
Title: President, Chief Executive Officer and Secretary

Exhibit 10.12

AMENDED AND RESTATED MASTER LEASE AGREEMENT (TRANCHE 1)

Dated as of April 28, 2016

among

MOBILE LEASING SOLUTIONS, LLC,

as Lessor

and

LESSEES FROM TIME TO TIME PARTY HERETO,

as Lessee

and

SPRINT SPECTRUM L.P.

as Servicer

and

Mizuho Bank, LTD.

as Collateral Agent

COUNTERPART NO. [____] OF 5 SERIALLY NUMBERED MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT (IF ANY) THAT THIS DOCUMENT CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS DOCUMENT MAY BE CREATED THROUGH THE TRANSFER AND POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

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AMENDED AND RESTATED MASTER LEASE AGREEMENT (TRANCHE 1)

This AMENDED AND RESTATED MASTER LEASE AGREEMENT (TRANCHE 1), dated as of April 28, 2016 and effective as of the Amendment Closing Date, (this "Agreement") is among **MOBILE LEASING SOLUTIONS, LLC,** a Delaware limited liability company, acting for itself and on behalf of Series 1 thereof ("Lessor"), **THE PERSONS IDENTIFIED ON THE SIGNATURE PAGES HERETO AS LESSEES** (collectively, "Lessees" and, each, a "Lessee"), **Sprint Spectrum L.P.**, a Delaware limited partnership ("Sprint Spectrum" or "Servicer"), and **Mizuho Bank, Ltd.**, as collateral agent for the Finance Parties ("Collateral Agent").

W I T N E S S E T H:

WHEREAS, Mobile Leasing Solutions, Lessees, Sprint Spectrum and Collateral Agent are parties to that certain Master Lease Agreement dated as of November 19, 2015 and effective as of the Lease Closing Date (as amended, supplemented or otherwise modified from time to time prior to the date hereof, the "Existing Master Lease Agreement");

WHEREAS, on the date hereof, Mobile Leasing Solutions converted from a Delaware limited liability company to a Delaware series limited liability company and the assets and liabilities relating to the Existing Master Lease Agreement were designated as assets and liabilities attributable and/or allocated to Series 1 of Mobile Leasing Solutions;

WHEREAS, the parties hereto wish to amend and restate the Existing Master Lease Agreement in its entirety with this Agreement for the purpose of establishing the new terms and conditions by which Lessor will lease Devices from time to time to the relevant Lessee;

WHEREAS, the Devices and the Customer Lease-End Rights and Obligations under the Related Customer Leases will be held in the name of Mobile Leasing Solutions on behalf of Series 1; and

WHEREAS, the leasing of the Devices shall be governed by the terms and conditions in this Agreement, as well as the terms and conditions set forth in the relevant Device Lease Schedule and any related documentation.

NOW, THEREFORE, in consideration of the premises and the mutual promises contained in this Agreement, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1 Defined Terms. Capitalized terms used and not otherwise defined in this Agreement are used as defined in (or by reference in) Appendix A (*Definitions*).

SECTION 1.2 Interpretation. For purposes of this Agreement and the other Sprint Transaction Documents, unless the context otherwise requires:

(a) accounting terms not otherwise defined herein, and accounting terms partly defined herein to the extent not defined, shall have the respective meanings given to them under, and shall be construed in accordance with, GAAP;

(b) terms used in Article 9 of the UCC in the State of New York, and not specifically defined herein, are used herein as defined in such Article 9;

(c) the words "hereof", "herein" and "hereunder" and words of similar import used in this Agreement or in any other Sprint Transaction Document refer to this Agreement (or the certificate or other document in which they are used) as a whole and not to any particular provision of this Agreement (or such certificate or document);

(d) references to any clause, section, schedule or exhibit are references to clauses, sections, schedules and exhibits in or to this Agreement (or the certificate or other document in which the reference is made) and references to any paragraph, subsection, clause or other subdivision within any section or definition refer to such paragraph, subsection, clause or other subdivision of such section or definition;

(e) the term "including" means "including without limitation";

(f) references to any Law refer to that Law as amended from time to time and include any successor Law;

(g) references to any agreement or other document refer to that agreement or other document as from time to time amended or supplemented, or as the terms of such agreement are waived or modified, in each case in accordance with the terms of such agreement or document;

(h) references to any Party include that Party's successors and permitted assigns;

(i) headings in this Agreement or in any other Sprint Transaction Document are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision thereof;

(j) unless otherwise specifically provided with respect to any computation of a period of time, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including", the words "to" and "until" each means "to but excluding", and the word "within" means "from and excluding a specified date and to and including a later specified date";

(k) a reference to assets includes present and future properties, undertakings, revenues, rights and benefits of every description;

(l) a reference to an authorization includes an approval, authorization, consent, exemption, filing, license, notarization, registration and resolution;

(m) a reference to a disposal of any asset, undertaking or business includes a sale, lease, license, transfer, loan or other disposal by a person of that asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions);

(n) unless otherwise defined, capitalized terms defined in this Agreement in the singular form shall have a corresponding meaning when used in the plural form, and vice versa; and

(o) "$", "USD" and "dollars" denote the lawful currency of the United States of America.

ARTICLE II

DEVICE LEASES

SECTION 2.1 Agreement to Lease

(a) Agreement to Lease. On the Lease Closing Date, Lessor agreed to lease the Devices transferred from Lessees to Lessor pursuant to the Second Step Transfer Agreement to Lessees and Lessees agreed to lease such Devices from Lessor on the terms and conditions set forth in this Agreement and the Device Lease Schedule with respect to the relevant Devices being leased (this Agreement together with a Device Lease Schedule, each a "Device Lease" and, collectively, the "Device Leases"). This Agreement is intended to be incorporated by reference into each Device Lease Schedule agreed to from time to time as particular Devices are leased by Lessor to the relevant Lessee. Each Device Lease is intended to be a separate instrument of lease. As to Devices leased pursuant to any such individual Device Lease, the terms of the applicable Device Lease Schedule shall control over the terms of this Agreement in the event of conflict. The rights, remedies, powers and privileges of Lessor and the relevant Lessee under each Device Lease shall be interpreted separately and apart from any other Device Lease.

(b) Acceptance of each Device Lease. Entry into each Device Lease is subject to the relevant Lessee and Lessor agreeing to a Device Lease Schedule. The relevant Lessee agrees to initially provide or cause to be provided to Lessor the information required by each Device Lease Schedule to the extent such information is available to such Lessee. Lessor agrees to evaluate the information provided by the relevant Lessee, work with the relevant Lessee to reconcile any discrepancies and provide or cause to be provided any additional information required for each Device Lease Schedule, in each case, as promptly as possible.

(c) Intention of the Parties. It is the express intent of each of the parties hereto that each Device Lease constitute a true lease and not a sale of the Devices. As a protective measure in the event that, notwithstanding the foregoing, the lease of the Devices to Lessees is recharacterized by any third party as a sale, then solely in that event and for the expressly limited purposes thereof, each Lessee does hereby grant to Mobile Leasing Solutions for the benefit of Series 1 a security interest in all of such Lessee's now or hereafter existing right, title and interest to, and under the Devices and agrees that this Agreement shall constitute a security agreement under applicable Law. Each Lessee hereby authorizes Lessor or its respective designee to file one or more financing or continuation statements, and amendments thereto and assignments thereof, relative to all or any of such Lessee's rights in the Devices now existing or hereafter arising in the name of such Lessee.

SECTION 2.2 Deemed Delivery

(a) Upon the relevant Lessee and Lessor agreeing to a Device Lease on the Lease Closing Date, Lessor shall be deemed to have delivered the relevant Device under such Device Lease to the relevant Lessee and the relevant Lessee will be deemed to have accepted such Device.

(b) Each Lessee accepts the leasing of the Devices by it and receives the Devices on an "as-is where-is" basis.

SECTION 2.3 Ownership of the Devices

(a) Ownership. At all times during the Term of each Device Lease, full legal title to the Device subject to such Device Lease will remain vested in Lessor to the exclusion of Lessees, notwithstanding the possession and use thereof by Lessees or any Customers. Lessees and Servicer each agree that at all times during the Term of each Device Lease for each Device, it shall not (i) imply or represent that any Person other than Lessor owns the Devices, (ii) sell or dispose of or directly or indirectly attempt to sell or dispose of the Devices in any way other than to a Customer pursuant to a Customer Lease, (iii) part with possession of the Devices without the prior written consent of Lessor other than pursuant to Section 2.4 (Subleasing) or as otherwise contemplated herein, or (iv) place on the Devices any plates, stickers or marks that are inconsistent with the ownership of the Devices by Lessor. For the avoidance of doubt, and without limiting the obligations of Servicer under the Servicing Agreement, Lessees shall have no obligation with respect to a Customer's use or stewardship of a Device.

(b) Liens. At all times during the Term of each Device Lease, Lessees and Servicer shall not directly or indirectly give or allow another Person to give any interest in or Lien over the Device subject to such Device Lease or over such Device Lease, other than Permitted Device Liens. Lessees shall promptly, at their own cost and expense, take such action as may be necessary to duly discharge or eliminate any such Liens (other than Permitted Device Liens) upon obtaining Knowledge thereof.

SECTION 2.4 Subleasing

(a) Lessor acknowledges that the relevant Lessee is subleasing each Device subject to a Device Lease to a Customer. The relevant Lessee agrees to ensure that:

(i) at such time that a Customer Lease is in effect, the Customer is legally and contractually bound by the terms of such Customer Lease with respect to a relevant Device;

(ii) no Customer Lease prevents such Lessee from complying with its obligations under a Device Lease to which it is a party or any other Transaction Document to which it is a party;

(iii) neither such Lessee, nor any Customer Lease, shall directly or indirectly give any impression or confirmation or otherwise provide that the relevant Customer shall be or may become the legal and beneficial owner of any Device at any time other

than if the Customer exercises any option to purchase the Device under such Customer Lease as permitted thereby;

(iv) reserved;

(v) such Lessee has all material licenses and authorizations necessary in connection with such Lessee's subleasing of the Devices to the Customers pursuant to the Customer Leases; and

(vi) the Customer Leases will be administered in accordance with this Agreement and the Servicing Agreement.

SECTION 2.5 Software and Other Rights

(a) The Devices may contain software in which none of the parties hereto have ownership or other proprietary rights. Where required by a software owner or manufacturer, the relevant Lessee will enter into a license or other agreement for the use of the software. Any such agreement will be separate and distinct from each Device Lease, and Lessor will have no rights or obligations thereunder unless otherwise agreed by it in writing. To the extent that Lessor is the owner or has rights in software related to the Devices and such rights are transferable by Lessor, Lessor hereby grants to Lessees such rights that Lessor has (if any) to use such software during the Term of the applicable Device Lease. No separate license fee is payable by Lessees to Lessor in relation to such software. Lessee acknowledges that Lessor has made no representation or warranty to Lessees as to Lessor's title to or ability to grant rights to Lessees for any software available on any Device.

SECTION 2.6 Approved Devices

(a) Lessor and Lessees acknowledge and agree that a full list of Approved Devices as at the date hereof is set out on Schedule 3 (*Schedule of Approved Devices*) to this Agreement ("Schedule of Approved Devices").

(b) Lessor shall be entitled at any time to amend or replace, the Schedule of Approved Devices without Lessee's consent in order to add additional Devices of a new Type to such Approved Schedule and/or remove Devices from the Schedule of Approved Devices.

(c) Upon any amendment or replacement of the Schedule of Approved Devices in accordance with Section 2.6(b) (*Approved Devices*)Lessor shall provide Lessees with a new Schedule of Approved Devices (in the form set out in Schedule 3 (*Schedule of Approved Devices*)). The Approved Devices for the purposes of any Device Lease entered into pursuant to Section 2.1 (*Agreement to* Lease) following such amendment or replacement shall be the Devices listed on such new Schedule of Approved Devices and such new Schedule of Approved Devices shall replace all previous schedules.

(d) For the avoidance of doubt, any amendment or replacement of the Schedule of Approved Devices shall not, however, affect any Device Leases which are in place prior to Lessor providing the new Schedule of Approved Devices to Lessees.

SECTION 2.7 Term

(a) The term (the "Term") of each Device Lease shall commence on the relevant Device Lease Commencement Date and, subject to paragraph (b) below, end on the Device Lease Expiration Date.

(b) Each Device leased under a Device Lease shall be leased for the Term of such Device Lease, subject to termination of the Device Lease with respect to a particular Device in accordance with Section 2.9 (*Termination of a Device Lease*).

SECTION 2.8 Rent and Other Payments

(a) Rent. Lessees will pay or cause to be paid to Lessor or its Nominated Agent (by paying into the MLS Collection Account (Tranche 1), or any other bank account as notified by Lessor) on each Device Lease Payment Date, throughout the Term of each Device Lease, the Rental Payments for each Device subject to a Device Lease. Rental Payments for each Device subject to a Device Lease are payable for each calendar month (or the relevant portion thereof) on the Device Lease Payment Date until the Device Lease for such Device terminates. The Lessor will deliver an invoice to Lessees in the amount of the Rental Payments due for each month on the 5th Business Day of such month. Once paid, each Rental Payment is not refundable for any reason unless such Rental Payment has been paid in error or when not actually due and payable. Each transfer of Available Funds into the MLS Collection Account (Tranche 1) during the calendar month of the applicable Device Lease Payment Date shall be deemed satisfaction, first, of Lessees' obligation to make a scheduled Rental Payment on the relevant Device Lease Payment Date and second, any other payment due and owing or elected to be paid under any Sprint Transaction Document by any Sprint Party that is payable to the MLS Collection Account (Tranche 1), including under Section 2.9, to the extent of the amount paid into the MLS Collection Account (Tranche 1) during the relevant period. Promptly following each Device Lease Payment Date, to the extent that there were insufficient Available Funds available to be applied to satisfy the scheduled Rental Payment on such Device Lease Payment Date, the Lessor shall make a demand under the Sprint Guarantee in the amount of such shortfall.

(b) [Reserved]

(c) Electronic Fund Transfers. Lessees shall take all necessary actions so that all payments under each Device Lease will be made by electronic funds transfer.

(d) Obligations Absolute. During the Term of each Device Lease, Lessees' obligation to make the Rental Payments and other payments due under such Device Lease is absolute and unconditional and is not affected or reduced by:

(i) any Lessee or any Customer being unable to use the relevant Devices;

(ii) the failure by any Customer (x) to make any payment under a Customer Lease or otherwise or (y) to return a Device to the relevant Lessee or Lessor;

(iii) the relevant Devices being damaged, lost, stolen or not in the possession of any Lessee or any Customer, or not working at any time;

(iv) any set-off, counterclaim or other right any Lessee has or claims to have against Lessor or another Person; or

(v) Lessor's title to or ability to grant rights to use software being defective for any reason, or the unavailability of any required software to any Lessees or any Customer.

Notwithstanding any other provision of this Agreement or any Device Lease to the contrary, no Lessee shall be impaired in the exercise of any right it may have to assert and sue upon any claim it may have against Lessor in a separate action.

SECTION 2.9 Termination of a Device Lease. The Device Lease with respect to a Device will be terminated upon the occurrence of any of the following:

(a) Servicer Termination of the Customer Lease. Servicer may at its option, if requested by the relevant Lessee prior to the Device Lease Expiration Date, terminate a Customer Lease with respect to a Device on the below terms and, upon such termination of the relevant Customer Lease, the Device Lease with respect to such Device will be terminated:

(i) Return Device Satisfying the Device Return Condition but Customer has not paid all Customer Receivables. If at any time during the Term of the Device Lease for such Device, (A) the relevant Customer returns such Device satisfying the Device Return Condition but has not paid all amounts due and owing under the related Customer Lease, such Device is delivered to Lessor (or its Nominated Agent) and (B) payment is made by the Servicer to Lessor of (1) all previously accrued and unpaid Rental Payments, if any, plus (2) the Rental Payments that would have accrued under the Device Lease during the remainder of the Scheduled Device Lease Term, if any.

(ii) Return Device Not Satisfying the Device Return Condition. If the relevant Customer returns such Device not satisfying the Device Return Condition, (A) such Device is delivered to Lessor (or its Nominated Agent) and (B) payment is made by the Servicer to Lessor of the sum of (1) all previously accrued and unpaid Rental Payments, if any, plus (2) the Rental Payments that would have accrued under the Device Lease during the remainder of the Scheduled Device Lease Term, if any, plus (3) the Device Residual Value for such Device as of the Expected Sales Date.

(iii) Non-Returned Device. If the Customer has not returned such Device (other than as a result of an exercise by the Customer of its purchase option or by making a payment in lieu of delivery of the Device), payment is made by the Servicer to Lessor of the sum of (1) all previously accrued and unpaid Rental Payments, if any, plus (2) the Rental Payments that would have accrued during the remainder of the Scheduled Device Lease Term, if any, plus (3) the Device Residual Value for such Device as of the Expected Sales Date.

(b) Termination of the Customer Lease By Customer Performance. If the Customer Lease terminates in accordance with its terms under the following scenarios:

(i) if the relevant Customer returns such Device satisfying the Device Return Condition prior to the last day of the Scheduled Customer Lease Term of the related Customer Lease, (A) such Device is delivered to Lessor (or its Nominated Agent) and (B) payment is made to Lessor of the sum of (1) all previously accrued and unpaid Rental Payments, if any, plus (2) the Rental Payments that would have accrued during the remainder of the Scheduled Device Lease Term, if any;

(ii) if the relevant Customer returns such Device satisfying the Device Return Condition on or at any time after the last day of the Scheduled Customer Lease Term, (A) such Device is delivered to Lessor (or its Nominated Agent) and (B) payment is made to Lessor of all previously accrued and unpaid Rental Payments, if any;

(iii) if prior to the last day of the Scheduled Customer Lease Term the Customer has made a payment in lieu of delivery of such Device, payment is made to Lessor of the sum of (A) all previously accrued and unpaid Rental Payments, if any, plus (B) the Rental Payments that would have accrued during the remainder of the Scheduled Device Lease Term, if any, plus (C) the required purchase price payment under the Customer Lease;

(iv) if on the last day of the Scheduled Customer Lease Term of the related Customer Lease the Customer exercises a purchase option in relation to such Device under the Customer Lease, payment to Lessor of the purchase option price under the Customer Lease plus all previously accrued and unpaid Rental Payments, if any; or

(v) if at any time after the last day of the Scheduled Customer Lease Term of the related Customer Lease the Customer exercises a purchase option in relation to such Device under the Customer Lease, payment to Lessor of the purchase option price as of the purchase option exercise date plus all previously accrued and unpaid Rental Payments, if any.

(c) Originator Repurchase Event. If the relevant Originator purchases a Rent Shortfall Returned Device in accordance with the Device Repurchase Agreement.

Notwithstanding anything in this Agreement or any other Transaction Document to the contrary, no termination or deemed termination of a Customer Lease pursuant to this Agreement or any other Transaction Document shall impair the relevant Lessee from the exercise of any right it may have to assert and sue upon any claim it may have against a Customer. For the avoidance of doubt, after the termination of a Device Lease with respect to a Device in accordance with this Section 2.9, all Customer Lease-End Rights and Obligations under the relevant Customer Lease shall hereby pass from Lessor to the relevant Lessee on an as-is basis without any warranty whatsoever from Lessor and any amount received by any Sprint Party from the relevant Customer or any other Person on account of the related Customer Lease for such Device shall be the property of such Sprint Party and may be retained by such Sprint Party.

SECTION 2.10 Title Transfer. Upon a Customer Lease termination under Section 2.9(b)(iii), (iv) or (v) (*Termination of the Customer Lease by Customer Performance*) Lessor shall transfer to the relevant Customer title to the relevant Device free and clear of all Liens

(including any rights of the relevant Lessee therein which such Lessee agrees to automatically and concurrently release) by and through Lessor.

SECTION 2.11 Returned Devices

(a) Returned Devices. At all times during the Term of each Device Lease, Lessees covenant and agree to return or cause the return of each Device (including each Device exchanged for a Like-Kind Exchange Device) to the Device Return Address of Lessor (or its Nominated Agent) within the Required Return Period to the extent it has received such Device from the relevant Customer. For the avoidance of doubt, Lessees' obligation under this Section 2.11 (*Returned Devices*) is not in any way conditional upon returned Devices satisfying the Device Return Condition.

(b) Procedure for Returned Devices. Upon the return of a Device by the relevant Customer during the Term, the relevant Lessee will or will cause Servicer to:

(i) at Lessor's expense (which includes all transport, insurance and related costs within its jurisdiction), ship such Device within the Required Return Period to the Device Return Address of Lessor (or its Nominated Agent);

(ii) ensure that such Device is packed in a manner normally used for the transportation of similar Devices;

(iii) use commercially reasonable efforts to procure that the Device contains no network block, barring or password protection and in particular, Lessee shall ensure that the Devices will be unlocked by Servicer for use on any wireless network;

(iv) use commercially reasonable efforts to procure that the Customer disables the "Find My iPhone" feature at the time of the Customer's return of such Device and, if the Customer does not disable the "Find my iPhone" feature, carry out the Non-Return Remedies in respect of that Customer (other than a Protected Customer) and such Device shall be treated as a Non-Returned Device for the purposes of this Transaction;

(v) provide the PUK for each Device to Lessor; and

(vi) pay, or reimburse the Lessor for, any shipping costs and expenses incurred pursuant to Section 2.11(b)(i) (*Procedure for Returned Devices*) above within 5 Business Days of shipping such Devices.

(c) Lessee Failure to Return. If any Lessee (or its Nominated Agent) fails to return to Lessor (or its Nominated Agent) by the earlier of (x) the Final Settlement Date and (y) the later of the end of the applicable Required Return Period and the applicable Device Lease Expiration Date, any Device returned to any Sprint Party by a Customer, the relevant Lessee shall pay to Lessor the sum of (i) if such Device is not returned as a result of any Sprint Party's willful misconduct or gross negligence, an amount equal to the Originator Device Fee (as defined in the Device Repurchase Agreement) and (ii) the higher of (A) the Device Residual Value for such Device as of the Expected Sales Date, or (B) the Secondary Market Value for such Device as of

the Expected Sales Date on the basis that such Device is a Grade B Device, no later than the earlier of (1) the Final Settlement Date and (2) 5 Business Days after Lessee having Knowledge of such failure to return unless Servicer has already paid such amount.

SECTION 2.12 Non-Return Remedies

If a Customer (other than a Protected Customer) is in breach of a payment or a delivery obligation under its Customer Lease which has not been remedied by the Customer, Servicer, any Lessee or any other Person (other than the Guarantor) by the Non-Return Remedies Commencement Date:

(a) Servicer shall use commercially reasonable efforts to collect, without incurring any obligation to the extent that (notwithstanding its commercially reasonable efforts) it does not collect, the Customer's payment under the Customer Lease (and all further payments made by the Customer thereunder, including the Customer's payment for or in respect of the Device) and shall remit any such Customer payments it does collect (i) to the extent such amount has not been previously remitted to Lessor as a regularly scheduled Rental Payment or another payment due and owing to Lessor under this Agreement, to Lessor and (ii) otherwise to the relevant Lessee; and

(b) neither Servicer nor any other Sprint Party will provide any new or incremental device, accessory, network service (or other asset or service) which it is not already providing (or already obligated to provide, or will be obligated to provide with the passage of time and/or a payment or performance by Customer which Servicer or other Sprint Party is obligated to accept) as of the date of such breach under contract (including pursuant to applicable terms and conditions) to such Customer (by sale, lease or otherwise) until such breach is remedied (the "Non-Return Remedies"),

provided that paragraphs (a) and (b) above shall not apply if Servicer terminates the Customer Lease in accordance with Section 2.7 (*Right to Terminate Customer Leases*) of the Servicing Agreement.

SECTION 2.13 Like-Kind Exchanges. If at any time during the Term of a Device Lease, the Servicer performs a Like-Kind Exchange, the Like-Kind Exchange Device shall be automatically substituted for the original Device and such Like-Kind Exchange Device shall be subject to the relevant Device Lease to the same extent and on the same terms as the original Device, including the Rental Payments, which shall be the same as the Rental Payments that would otherwise have been due with respect to the original Device. Lessor agrees that, upon consummation of the Like-Kind Exchange, title to the original Device free and clear of all Liens by and through Lessor shall pass automatically from Lessor to Lessee on an as-is basis without any warranty whatsoever from Lessor.

SECTION 2.14 Updates to Devices Subject to Device Leases and Data File The Devices subject to the relevant Device Lease shall be deemed to be automatically amended without further action upon a Like-Kind-Exchange or the termination of any Device Lease with respect to any Device. Upon the request of any Lessee or Lessor, Servicer shall provide a status report reflecting the Devices then leased pursuant to any Device Lease. Upon the request of

Collateral Agent, Servicer or any Lessee, Lessor shall provide updated Device Lease Schedules and an updated Data File.

SECTION 2.15 Quiet Enjoyment

Lessor covenants that during the Term of a Device Lease, so long as no Lease Event of Default shall have occurred and be continuing, neither Lessor nor any Person claiming any interest in the Devices by, through or under Lessor shall disturb Lessees' quiet enjoyment of the Devices and the Customer Leases under such Device Lease. Collateral Agent covenants that during the Term of a Device Lease, so long as no Lease Event of Default shall have occurred and be continuing, Collateral Agent shall not disturb Lessees' quiet enjoyment of the Devices and the Customer Leases under such Device Lease

ARTICLE III

LEASE EVENTS OF DEFAULT

SECTION 3.1 Lease Events of Default

A Lease Event of Default occurs if:

(a) (i) any Lessee (or the Servicer on its behalf) fails to pay to the MLS Collection Account (Tranche 1) all Customer Receivables received by such Lessee in satisfaction of any Rental Payment obligation on the due date thereof or (ii) any Lessee (or the Guarantor on its behalf) fails to make any Rental Payment on or before the Business Day prior to the Scheduled Monthly Reporting Date immediately following the due date thereof;

(b) any Lessee (or the Guarantor on its behalf) fails to pay any other amount (other than as set forth in Section 3.1(a) (*Lease Events of Default*)) due and payable under this Agreement or a Device Lease unless such breach is remedied within 10 Business Days following the date of receipt of a written notice from Lessor specifying the breach;

(c) any Lessee breaches Section 2.3(b) (*Liens)*, Section 2.12 (*Non-Return Remedies*), Section 4.1(a) (*Indemnities*), Section 6.7 (*Licenses and approvals*), Section 7.1(i) (*Notification of Default*), Section 7.2(b) (*No Modification of Customer Leases*), or Section 7.2(c) (*Change in Credit and Collection Policy or Business*) of this Agreement, and such breach is not remedied within 10 Business Days of the date of receipt of written notice from Lessor specifying the breach;

(d) any Lessee breaches any other representation, warranty, covenant or other provision of this Agreement or any other Transaction Document in any material respect (other than as specified in paragraphs (a), (b) and (c) above), and such breach is not remedied within 10 Business Days of the date of receipt of written notice from Lessor specifying the breach;

(e) any Originator breaches any provision of any Transaction Document to which it is a party in any material respect and such breach is not remedied within 10 Business Days of the date of receipt of written notice from Lessor specifying the breach;

(f) [reserved];

(g) a Servicer Replacement Event occurs;

(h) Sprint's license to provide wireless telephony services is terminated and not replaced;

(i) the occurrence of an Insolvency Event with respect to a Sprint Party;

(j) the Guarantor fails to pay any amount due and payable under the Sprint Guarantee, or the Sprint Guarantee is terminated or ceases to be in full force and effect for any reason (other than termination in accordance with its terms) before the Final Settlement Date, unless such breach is remedied within 5 Business Days of the date of receipt of a written notice from Lessor specifying the breach;

(k) a Change of Control has occurred; or

(l) the Performance Support Provider fails to perform any of its obligations under the Performance Support Agreement, or the Performance Support Agreement is terminated or ceases to be in full force and effect for any reason before the Final Settlement Date, unless such breach is remedied within 5 Business Days of the date of receipt of a written notice from Lessor specifying the breach.

SECTION 3.2 Remedies

(a) Upon the occurrence and continuance of a Lease Event of Default, Lessor may terminate this Agreement and/or any one or more (including all) of the Device Leases (or any portion thereof) by providing written notice of termination to the relevant Lessees. Lessor shall be deemed to have given each Lessee a notice terminating all relevant Device Leases immediately upon the occurrence of an Insolvency Event with respect to any Lessee or the Guarantor. For the avoidance of doubt, the occurrence of a Lease Event of Default under a Device Lease will trigger a Lease Event of Default under all Device Leases entered into under this Agreement (regardless of the identity of the Lessee under a particular Device Lease and whether a Lease Event of Default has occurred under a particular Device Lease) unless otherwise waived by Lessor.

(b) If this Agreement or any Device Lease hereunder (or any portion thereof) has been terminated pursuant to paragraph (a) above:

(i) in relation to the occurrence of the Lease Event of Default under Section 3.1(d) (*Lease Events of Default*) above then Lessees shall pay only the Present Value Device Lease Amount for the relevant Devices within 5 Business Days of receipt of an invoice from Lessor. Upon payment of the Present Value Device Lease Amount, title free and clear of all Liens arising by and through Lessor to the relevant Devices (and all Customer Lease-End Rights and Obligations) shall hereby pass from Lessor to the relevant Lessee on an as-is basis without any warranty whatsoever from Lessor and no further Rental Payments shall be payable by the relevant Lessee in respect of such Devices and the Device Leases for such Devices shall terminate;

(ii) subject to Section 3.2(c) (*Remedies*), in relation to the occurrence of any Lease Events of Defaults (other than the Lease Event of Default under Section 3.1(d) (*Lease Events of Default*)) prior to the end of the Term, then Lessees must pay the Device Lease Early Termination Amount for the relevant Devices to Lessor within 5 Business Days of receipt of an invoice from Lessor. Upon payment of the Device Lease Early Termination Amount, title free and clear of all Liens by and through Lessor to the relevant Devices (and all Customer Lease-End Rights and Obligations) shall hereby pass from Lessor to the relevant Lessee on an as-is basis without any warranty whatsoever from Lessor and no further Rental Payments shall be payable by the relevant Lessee in respect of such Devices and the Device Leases for such Devices shall terminate.

(c) Notwithstanding anything herein to the contrary, upon the occurrence and continuance of any Lease Event of Default which does not satisfy the below criteria, the sole remedy shall be that Lessees pay the Present Value Device Lease Amount for the relevant Devices within 5 Business Days of receipt of an invoice from Lessor:

(i) the default covenant provision is customary in financing arrangements;

(ii) the occurrence of the Lease Event of Default is objectively determinable (for example, subjective acceleration clauses would not satisfy this condition);

(iii) predefined criteria, related solely to any Sprint Party and their operations, have been established for the determination of the Lease Event of Default; and

(iv) it is reasonable to assume, based on the facts and circumstances that exist at Device Lease inception, that the Lease Event of Default will not occur. In applying this condition, it is expected that any Person making such determination would consider recent trends in Lessees' operations.

Upon payment of the Present Value Device Lease Amount in accordance with this Section 3.2(c) (*Remedies*), title free and clear of all Liens by and through Lessor to the relevant Devices (and all Customer Lease-End Rights and Obligations) shall hereby pass from Lessor to the relevant Lessee on an as-is basis without any warranty whatsoever from Lessor and no further Rental Payments shall be payable by the relevant Lessee in respect of such Devices and the Device Leases for such Devices shall terminate.

ARTICLE IV

INDEMNITIES

SECTION 4.1 Indemnities

(a) Lessees hereby indemnify Lessor and the Series 1 Members (each a "Lessee Indemnitee") and hold any Lessee Indemnitee harmless from, any and all losses, claims, damages, liabilities, charges, Lessee Covered Taxes, penalties, levies and related expenses (including the reasonable and documented fees and expenses of counsel for Lessor), including, on account of funds borrowed, contracted for or used to fund any amount payable by a Lessee Indemnitee in connection with the purchase or the lease of any Devices subject to a Device Lease

or proceedings related thereto (the "Liabilities") incurred by any Lessee Indemnitee, without duplication of any other amount paid, as a result of:

(i) a Device Lease (or any part of it) being void, voidable or unenforceable for any reason;

(ii) the Devices being lost, stolen, damaged, or destroyed by, or confiscated from, in each case, any Lessee;

(iii) the sublease of any Devices to a Customer;

(iv) any information provided by or on behalf of a Sprint Party or any Affiliate for inclusion in a Device Lease Schedule being incorrect;

(v) a Device Lease terminating in relation to some or all of the Devices before the end of the Term of that Device Lease, except as otherwise expressly contemplated under this Agreement;

(vi) any failure by a Lessee to comply with its obligations in the Transaction Documents to which it is a party; or

(vii) any Lease Event of Default other than (x) a Lease Event of Default under Section 3.1(d) (*Lease Events of Default*) or (y) a Lease Event of Default that does not satisfy the criteria in Section 3.2(c) (*Lease Events of Default*);

provided, however, Lessee's indemnity will not extend to (x) any Liability to the extent determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, fraud or willful misconduct of any Lessee Indemnitee, or (y) any Liability arising as a result of a Device being a Non-Returned Device; provided that for purposes of clause (x) above, no Lessee Indemnitee shall have a duty to (1) undertake an independent investigation into facts not disclosed to Lessor because of gaps in Servicer's information tracking and (2) know and comply with consumer leasing regulations (or industry custom) in connection with the Devices and Customer Leases.

(b) Indemnity Continuing. Lessees' indemnity is a continuing obligation, separate and independent from Lessee's other obligations. Lessees' indemnity continues after a Device Lease ends or is terminated and it is not necessary for Lessor to incur an expense or cost or make a payment before it enforces a right of indemnity.

(c) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Law, the parties hereto shall not assert, and each party hereto hereby waives, any claim against any other party hereto, on any theory of liability, for special, indirect, consequential (including lost profits) or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Transaction Document or any agreement or instrument contemplated hereby, or the transactions contemplated hereby or thereby (save for claims in connection with breaches of confidentiality).

ARTICLE V

CONDITIONS PRECEDENT

The purchase from, and lease to Lessees, of any Devices on the Lease Closing Date, shall be subject to the satisfaction of, or the waiver in writing by Lessor of, each of the conditions precedent set forth below:

(a) Lessee has provided the Agreed Schedule Information with respect to all Devices subject to the Device Leases;

(b) the Device Lease Schedules contain with respect to each Device to be leased, the information set out in Schedule 1 (*Device Lease Schedule*);

(c) all Devices that are to be subject to such Device Lease are Approved Devices;

(d) at the time of its contribution under the First Step Transfer Agreement, each Originator is the owner of unencumbered legal and beneficial title to each Device that is to be subject to such Device Lease (other than the rights of Customers under the Customer Leases);

(e) the Devices are Eligible Devices and the Customer Leases are Eligible Leases;

(f) the representations and warranties of each Sprint Party set forth in Article VI or in any other Transaction Document are true and correct in all material respects on and as of the Lease Closing Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case, such representations and warranties shall have been true and correct as of such earlier date;

(g) no Lease Event of Default has occurred and is continuing;

(h) all documents (including Customer Leases) required to be in effect with respect to the relevant Devices, are duly executed by each party other than Lessor;

(i) all Sprint Transaction Documents have been executed and delivered to Lessor;

(j) receipt of evidence that all Agreed Start-Up Costs have been paid or will be paid simultaneously with the consummation of the Transaction;

(k) receipt of the Data File which contains all information for each Device Lease Schedule to which each Lessee and Lessor agree; and

(l) Lessees shall have obtained any approvals, legal opinions, filings or other documents reasonably requested by Lessor.

Lessees acknowledge and agree that this Agreement is not a committed facility and that Lessor is not obligated to purchase or lease any Devices to Lessee or enter into any Device Lease.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

Each Lessee represents and warrants to Lessor that, as of the Lease Closing Date and as of the Amendment Closing Date (with reference to the circumstances existing on each such date):

SECTION 6.1 Organization and Good Standing

It has been duly organized or incorporated in, and is validly existing as a corporation, exempted company, partnership or limited liability company, as applicable, in good standing under, the Laws of its jurisdiction of organization or incorporation, with power and authority to own its properties and to conduct its business as such properties are presently owned and such business is presently conducted and will be conducted, except to the extent that such failure could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

SECTION 6.2 Due Qualification

It is duly qualified to do business as a foreign organization in good standing, if applicable, and has obtained all necessary qualifications, licenses and approvals, in all jurisdictions in which its ownership or lease of property or the conduct of its business (including its obligations under this Agreement) requires such qualifications, licenses or approvals, except where the failure to be in good standing or to hold any such qualifications, licenses and approvals could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

SECTION 6.3 Power and Authority; Due Authorization

It (i) has all necessary power and authority to (A) execute and deliver this Agreement and (B) carry out the terms of and perform its obligations under this Agreement, and (ii) has duly authorized by all necessary corporate, partnership or limited liability company action, as applicable, the execution, delivery and performance of this Agreement.

SECTION 6.4 Binding Obligations

This Agreement constitutes a legal, valid and binding obligation of such party, enforceable against such party 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 6.5 No Violation

The due execution, delivery and performance by it of this Agreement shall not (i) violate or result in a default under, (A) its articles or certificate of incorporation, memorandum and articles of association, by-laws, certificate of formation, limited liability company agreement,

partnership agreement or other organizational documents, as applicable, or (B) in the context of the transactions contemplated by this Agreement and the other Transaction Documents, any material indenture, agreement or instrument binding on it, (ii) result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement or instrument, except for any Lien that could not reasonably be expected to have a Material Adverse Effect or that arises under the Transaction Documents, or (iii) violate in any material respect any Law applicable to it or any of its properties.

SECTION 6.6 No Proceedings

There are no actions, suits or proceedings by or before any arbitrator or governmental authority pending against or, to its Knowledge, threatened against or affecting it (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, (ii) seeking to prevent the consummation of the purposes of this Agreement or the transactions contemplated hereby or (iii) that involve this Agreement, except, solely with respect to this clause (iii), as set forth in Schedule 8 of the Servicing Agreement.

SECTION 6.7 Licenses and approvals

No license, authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for its due execution, delivery and performance of this Agreement or the transactions contemplated hereby, in each case, that has not been made or obtained other than registrations and notifications that are permitted to be obtained after the Lease Closing Date, which Servicer shall obtain or cause to be obtained within the statutorily prescribed timeframe.

SECTION 6.8 Software licenses

The execution and performance of the First Step Transfer Agreement and the Second Step Transfer Agreement do not infringe any licenses or other agreements for the use of the software connected to the Devices.

ARTICLE VII

COVENANTS

At all times from the Lease Closing Date to the Final Settlement Date, unless Lessor shall otherwise consent in writing:

SECTION 7.1 Affirmative Covenants

(a) Reporting Requirements. Each Lessee will furnish to Lessor promptly following a request therefor, any documentation Lessor reasonably requests relating to such Lessee, the transactions contemplated hereby or the Lessee Collateral in order to comply with its obligations under the Transaction Documents, protect Lessor’s interest as contemplated by this Agreement or any other Transaction Document or to comply with applicable Law; provided, Lessees shall not be required to furnish any information to the extent that any Lessee has determined in good

faith it is prohibited from furnishing such other information by any Law or a Contractual Obligation or because such information is Relevant Personal Data subject to Section 7.1(h) (*Personal Data*) (it being understood and agreed that this Section 7.1(a) (*Reporting Requirements*) shall not be applied to augment the periodic reporting obligations of Sprint under Section 4(e) of the Performance Support Agreement).

(b) Change in Accountants. Promptly after the occurrence thereof, the relevant Lessee shall provide the Lessor notice of any change in the accountants of such Lessee.

(c) Preservation of Existence. Except as expressly permitted by Sections 5.2(h) or 5.2(i) of the Second Step Transfer Agreement, each Lessee shall (i) do all things necessary to remain duly organized, validly existing and qualified in good standing in its jurisdiction of organization, except where the failure to qualify or be in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect and (ii) maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, except where the failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(d) Compliance with Laws, Etc. Each Lessee shall comply with all applicable Laws, regulations and standards of all jurisdictions applicable to each party's performance under this Agreement (including, without limitation, consumer protection requirements, the U.S. Foreign Corrupt Practices Act and international anti-money laundering laws applicable to it) except where the failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Lessees shall also comply with all applicable international export laws and sanctions regulations applicable to it with respect to the export of the Devices except where the failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(e) Keeping of Records and Books of Account. Lessees shall (and shall cause Servicer to) maintain and implement administrative and operating procedures (including an ability to recreate records evidencing Customer Receivables and any related contract in the event of the destruction of the originals thereof), and keep and maintain, all documents, books, computer tapes, disks, Records and other information reasonably necessary or advisable for the collection and administration of all Customer Receivables (including records adequate to permit the daily identification of each new Customer Receivable and all Collections of and adjustments to each existing Customer Receivable). Lessees shall give Lessor prompt notice of any material change in its administrative and operating procedures referred to in the previous sentence.

(f) Furnishing of Information. Subject to any limitation in Section 7.1(h) (*Personal Data*), Lessees shall furnish or cause to be furnished to Lessor from time to time such information with respect to the Customer Receivables and other Lessee Collateral as Lessor may reasonably request (it being understood and agreed that this Section 7.1(f) (*Furnishing of Information*) shall not be applied to augment or duplicate the reporting obligations of Servicer under the Servicing Agreement).

(g) Inspection of Records. Upon reasonable advance notice by Lessor to Lessees, Lessees shall, at any time and from time to time during regular business hours, as requested by

Lessor permit Lessor, or its agents or representatives, at the expense of Lessees (provided that unless a Lease Event of Default shall have occurred and be continuing, Lessees shall not be responsible for the expense of any such inspections other than one inspection per year by Lessor) (i) to examine and make copies of and take abstracts from all books, records and documents (including computer tapes and disks) reasonably related to Lessee Collateral, including any related Customer Leases, and (ii) to visit the offices and properties of Lessees for the purpose of examining such materials described in clause (i), and to discuss matters reasonably related to the Customer Leases and Device Leases or Lessees' performance hereunder, and under the other Transaction Documents to which any Lessee is a party, with any of the officers, directors, relevant employees or independent public accountants of the relevant Lessee having Knowledge of such matters. Subject to Section 20 (*Confidential Information*) of the MLS Intercreditor Agreement, Lessor and such agents and representatives shall be bound to treat any information received pursuant to this paragraph (g) as confidential.

(h) Personal Data. Notwithstanding anything in any Transaction Document to the contrary, each Lessee shall ensure that no Relevant Personal Data is transmitted or delivered to, or otherwise received by, Lessor if such transmission, delivery or receipt would result in the violation by such Person of any Applicable Data Protection Laws or any Contractual Obligation; provided that, upon the request of Lessor at any time after a Lease Event of Default has occurred and is continuing, the relevant Lessee shall, in each case, at its own expense, co-operate, assist and otherwise take all necessary actions as may be required to ensure that all Relevant Personal Data is transferred to Lessor (or such other Person as Lessor may direct) in accordance with all applicable Law and any Contractual Obligations, including entering into any further deeds or documents which may be required to comply with any such legislation or regulations relating to data protection.

(i) Notification of Default. Lessees shall furnish to Lessor and Collateral Agent as soon as possible and in any event within two (2) Business Days after any Lessee obtains Knowledge of (A) the occurrence of any Lease Event of Default or Lease Default, a statement by an appropriate officer of the relevant Lessee setting forth details of such Lease Event of Default or Lease Default and the action which it proposes to take with respect thereto, which information shall be updated promptly from time to time; (B) any litigation, investigation, proceeding or fact or circumstance that may exist at any time between it and any Person that could reasonably be expected to result in a Material Adverse Effect or any litigation or proceeding to which it is a party relating to any Transaction Document, notice of such litigation, investigation, proceeding, fact or circumstance; and (C) the existence of a Material Adverse Effect, notice of such Material Adverse Effect.

(j) Audit. In relation to the administration of Devices and the Device Leases, each Lessee shall upon reasonable advance notice provide access to its databases to Deloitte or another independent accounting firm selected by Lessor not more than twice per calendar year, on a confidential basis, at the expense of Lessor, to confirm compliance in all material respects of certain procedures with respect to certain documents and records relating to the administration of Device, Customer and Customer Lease information, including without limitation the following:

(i) access to database to confirm, among others, the identity, ownership, pricing and status of the Devices,

(ii) access to database to confirm, among others, the name and contact details of the Customers, control compliance with underwriting standards, and compliance with relevant policies and laws, and

(iii) access to database to confirm the existence and details of the Customer Leases.

SECTION 7.2 Negative Covenants

At all times from the Lease Closing Date to the Final Settlement Date, unless Lessor shall otherwise consent in writing:

(a) No Modification of a Device. Lessees will not modify, alter or change the Devices in any Lessee's possession, and will not permit the Devices in any Lessee's possession to be modified, altered or changed; provided, however, none of the Lessees shall be responsible for any modifications, alterations or changes made by Customers or for any repairs made by a third-party maintenance provider on behalf of any Customer; provided, further, this Section 7.2(a) shall not restrict Like-Kind Exchanges.

(b) No Modification of Customer Leases. Lessees shall not amend, waive or otherwise modify any term or condition of any Customer Lease, other than for the avoidance of doubt, any amendments, waivers and modifications made by Servicer in accordance with the Servicing Agreement or this Agreement.

(c) Change in Credit and Collection Policy or Business. Lessees shall not (i) make or consent to any change or amendment to the Credit and Collection Policy, other than for the avoidance of doubt, any changes or amendments made by Servicer in accordance with the Servicing Agreement or (ii) make any change in the character of their business.

(d) Dilution. No Lessee shall take any action or omit to take any action that is within the relevant Lessee's control that would cause a Dilution (if taken by Servicer, any Sub-Servicer or any of their agents or representatives); provided that this Section 7.2(d) (*Dilution*) shall not limit Servicer's ability to take actions and pay Dilutions under Section 2.9 (*Termination of a Device Lease*) or under the Servicing Agreement.

ARTICLE VIII
EXCLUSION OF LIABILITY; ACKNOWLEDGEMENT

SECTION 8.1 Exclusion of Liability

(a) To the full extent permitted by any applicable Law, each party excludes all express or implied terms, conditions and warranties other than those set out herein and in each Device Lease.

(b) Except as expressly provided for under the Transaction Documents, Lessor shall have no liability for:

(i) replacing the relevant Devices with the same or similar Devices, or paying the cost of replacing the relevant Devices, such obligation to remain at all times with the relevant Lessee under the relevant Customer Lease; or

(ii) repairing the relevant Devices or paying for their repair, such obligation to remain at all times with the relevant Lessee in accordance with the relevant Customer Lease.

(c) If the supplier or manufacturer of Devices has given Lessor warranties for those Devices then, to the full extent permitted by Law, the relevant Lessee or Servicer may during the Term make any claim on the supplier or manufacturer that Lessor could have made.

(d) Lessees shall not be liable for any default or other underperformance by any Customer under its Customer Lease.

SECTION 8.2 Acknowledgments. Each Lessee acknowledges that:

(a) it has not relied on Lessor's skill or judgment in deciding to enter into any Device Lease;

(b) it has taken its own advice as to the taxation, accounting and financial consequences of entering into any Device Lease, and has not relied on Lessor in relation to any of these matters;

(c) it does not enter into any Device Lease as trustee of any trust or settlement;

(d) it alone is responsible for examining the Devices before accepting them and for satisfying itself of, among other things:

(i) their compliance with their description;

(ii) their condition, suitability and fitness for Lessee's purposes; and

(iii) the validity of any supplier's, manufacturer's or dealer's warranties or guarantees and entitlements to patents or other intellectual property rights;

(e) except for any representation, warranty or undertaking that may be implied by Law, Lessor has not made any representation, warranty or undertaking about the condition or quality of any Devices, their suitability or fitness for purpose, or their safety; and

(f) Lessor may (but is not obliged to) do anything which should have been done by a Lessee under a Device Lease but which Lessor reasonably considers the relevant Lessee has not done properly.

ARTICLE IX
COLLATERAL

SECTION 9.1 Granting Clause to Lessor. In order to secure the prompt and full payment and performance as and when due of any and all obligations and indebtedness of Lessees to Lessor under this Agreement, now existing or hereafter created, each Lessee hereby collaterally assigns to Mobile Leasing Solutions for the benefit of Series 1, and grants to Mobile Leasing Solutions for the benefit of Series 1 a security interest, in, all of such Lessee's right, title and interest in, to and under all of the following personal property, whether now owned by or owing to, or hereafter acquired by or arising in favor of such Lessee, and regardless of where located, in each case, solely to the extent relating to the Devices and the Customer Leases (all of which will be collectively referred to as the "Lessee Collateral"), including:

(1) all Accounts;

(2) all Chattel Paper;

(3) all Documents;

(4) all Deposit Accounts (including the Servicer Collection Accounts);

(5) all Commercial Tort Claims (now or hereafter arising);

(6) all Customer Leases;

(7) the Transfer Agreements; and

(8) all accessions to, substitutions for and replacements, proceeds, insurance proceeds and products of the foregoing, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto.

SECTION 9.2 Granting Clause to Collateral Agent. Additionally, (i) each Lessee hereby grants to Collateral Agent a security interest, solely to the extent relating to the Devices and the Customer Leases, in all of such Lessee's right, title and interest in, to and under the Servicer Collection Accounts and all proceeds of the foregoing and (ii) the Lessee Representative hereby grants to Collateral Agent a security interest in all of such Lessee Representative's right, title and interest in, to and under the Lessee Representative Account (Tranche 1) and all proceeds of the foregoing.

SECTION 9.3 UCC Financing Statements. Each Lessee authorizes Lessor to file, transmit, or communicate, as applicable, from time to time, Uniform Commercial Code financing statements, along with amendments and modifications thereto, in all filing offices reasonably selected by Lessor, listing the applicable Lessee as the debtor and Mobile Leasing Solutions for the benefit of Series 1 as the secured party, and describing the collateral covered thereby in such manner as Lessor may elect, in each case without such Lessee's signature. Each Lessee also hereby ratifies its authorization for Lessor to have filed in any filing office any financing statements filed prior to the date hereof.

SECTION 9.4 No Assumption of Liability. The Lien on Lessee Collateral granted hereunder is given as security only and shall not subject Lessor to, or in any way modify, any obligation or liability of Lessees relating to any Lessee Collateral.

SECTION 9.5 Further Assurances. Promptly upon request, but not later than three Business Days thereafter, each Lessee shall deliver such instruments, assignments, or other documents or agreements, and shall take such actions, as Lessor reasonably deems appropriate under applicable Law to evidence or perfect its Lien on any Lessee Collateral, or otherwise to give effect to the intent of this Agreement.

SECTION 9.6 Power of Attorney. In addition to all of the powers granted to Lessor in this Article IX, each Lessee hereby appoints and constitutes Lessor as such Lessee's attorney-in-fact to sign such Lessee's name on any documents, instruments and other items consistent with the terms of this Agreement and the other Sprint Transaction Documents which Lessor may deem necessary or advisable to accomplish the purposes hereof (but Lessor shall not be obligated to and shall have no liability to any Lessee or any third party for failure to so do or take action), and, upon the occurrence and during the continuance of a Lease Event of Default, (i) to convey any item of Lessee Collateral to any purchaser thereof and (ii) to make any payment or take any act necessary or desirable to protect, collect or preserve any Lessee Collateral. Lessor's authority hereunder shall include, without limitation, the authority to execute and give receipt for any certificate of ownership or any document, to transfer title to any item of Lessee Collateral and to take any other actions arising from or incident to the powers granted to Lessor under this Agreement. This power of attorney is coupled with an interest and is irrevocable.

ARTICLE X

TAXES

SECTION 10.1 Consistency of Treatment. Lessor, Servicer, and Lessees acknowledge and agree, for all U.S. federal, state and local income tax purposes, the parties intend (i) to treat the Cash Purchase Price under the Second Step Transfer Agreement at closing as amounts loaned by Lessor for which the Devices provide security, and to treat the Rental Payments payable to Lessor under the Device Leases created by this Agreement and each Device Lease Schedule as payments on such indebtedness owed to the Lessor, and (ii) not to treat such Device Leases as "true leases" or treat the Lessor as the owner of the Devices. The Lessor, Servicer, and Lessees agree not to take any position on any federal, state or local income tax return or filing that is inconsistent with the previous sentence unless, after the Lease Closing Date, a Change in Law occurs and, as confirmed by an Opinion of Counsel and after consultation in good faith with Lessor, Servicer and Lessees and their respective tax advisors, there is no substantial authority, within the meaning of Section 6662 of the Code, for such treatment, or there is a Final Determination of such treatment.

SECTION 10.2 Taxes. The Lessees will be responsible for Taxes with respect to the Device Leases as provided in the Tax Services Agreement.

SECTION 10.3 Payments. All payments made, or deemed made, pursuant to this Agreement shall be made free and clear of, and without deduction for, any Taxes except to the

extent required by applicable law. Prior to withholding any Taxes other than Lessee Covered Taxes from any payment hereunder, Lessee(s) and/or Servicer shall consult with Lessor in good faith as to the withholding to be made.

SECTION 10.4 Gross Up. If a withholding or deduction of Lessee Covered Taxes is required by law, with respect to any payment made to Lessor under a Device Lease during the Term of such Device Lease, Servicer and/or relevant Lessee(s) shall:

(a) withhold or deduct the required amount from the covered payment;

(b) pay (or procure the payment of) directly to the relevant authority the full amount required to be so withheld or deducted;

(c) promptly forward to the recipient, with a copy to Lessor, an official receipt or other documentation reasonably satisfactory to Lessor evidencing such payment to such authority; and

(d) pay (or procure the payment of) to Lessor such additional amount or amounts as is necessary to ensure that the net amount actually received by Lessor will equal the full amount Lessor would have received had no such withholding or deduction of Lessee Covered Taxes been required.

SECTION 10.5 Non-Duplication. The parties acknowledge that Lessor (and the Series 1 Members) have entered into the Tax Services Agreement with Servicer and Sprint and that such agreement addresses matters covered by this Agreement, and, specifically, provides an indemnity to Lessor for Lessee Covered Taxes. The Parties agree that indemnities calculated in respect of the Tax Services Agreement shall take into account any gross-up made under Section 10.4 (*Gross Up*) to the extent required to avoid duplication.

ARTICLE XI
MISCELLANEOUS

SECTION 11.1 Amendments, etc.

No amendment or other modification of any provision of this Agreement shall be effective unless the same shall be in writing and signed by the parties hereto and, if such amendment or other modification has the effect of changing Section 2.11(c)(i) of this Agreement, this Section 11.1, Section 11.6 or Schedule 6 to this Agreement, consented to by Brightstar (such consent not to be unreasonably withheld or delayed). No waiver of an obligation of any party hereto shall be effective unless in writing and signed by the other parties hereto.

SECTION 11.2 No Waiver

No failure on the part of any party hereto to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise 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 rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by Law.

SECTION 11.3 Notices

Section 21 (*Notices*) of the MLS Intercreditor Agreement is incorporated into this Agreement by way of reference.

SECTION 11.4 Data File

The parties agree that the Data File to be delivered on or about the Lease Closing Date shall become an integral part of this Agreement on the Lease Closing Date.

SECTION 11.5 Binding Effect

The parties to this Agreement may not assign any rights under this Agreement, except with the consent of the other parties to this Agreement except Lessor may collaterally assign its rights under this Agreement for the benefit of the Finance Parties.

SECTION 11.6 Third Party Rights

This Agreement shall, to the extent provided herein, inure to the benefit of the Finance Parties. Each party hereto acknowledges that Lessor's rights under this Agreement may be assigned to Collateral Agent and consents to such assignment and to the exercise of those rights directly by Collateral Agent. Each party hereto acknowledges that Brightstar is an express third party beneficiary of Section 2.11(c)(i) of this Agreement, Section 11.1, this Section 11.6 and Schedule 6 to this Agreement.

SECTION 11.7 Execution in Counterparts; Integration

This Agreement may be executed in any number of counterparts and by the different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement. Executed counterparts may be delivered electronically. This Agreement, together with the other Transaction Documents, contains a final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire understanding among the parties hereto with respect to the subject matter hereof, superseding all prior oral or written understandings with respect hereto.

SECTION 11.8 Governing Law

THIS AGREEMENT AND THE DEVICE LEASES SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, BUT WITHOUT REGARD TO ANY OTHER CONFLICT OF LAWS PROVISIONS THEREOF).

SECTION 11.9 Waiver of Jury Trial

EACH PARTY HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, THE DEVICE LEASES, ANY OTHER TRANSACTION DOCUMENT OR UNDER ANY AMENDMENT, INSTRUMENT OR DOCUMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH OR THEREWITH OR ARISING FROM ANY RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT A JURY.

SECTION 11.10 Consent to Jurisdiction; Waiver of Immunities

EACH PARTY HERETO HEREBY ACKNOWLEDGES AND AGREES THAT:

(a) IT IRREVOCABLY (i) SUBMITS TO THE JURISDICTION, FIRST, OF ANY UNITED STATES FEDERAL COURT, AND SECOND, IF FEDERAL JURISDICTION IS NOT AVAILABLE, OF ANY NEW YORK STATE COURT, IN EITHER CASE SITTING IN NEW YORK CITY, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, (ii) AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED ONLY IN SUCH NEW YORK STATE OR FEDERAL COURT AND NOT IN ANY OTHER COURT, AND (iii) WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING.

(b) TO THE EXTENT THAT IT HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM THE JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID TO EXECUTION, EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, IT HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER OR IN CONNECTION WITH THIS AGREEMENT.

SECTION 11.11 No Proceedings

The provisions of Section 24.2 (*No Proceedings against MLS*) of the MLS Intercreditor Agreement shall apply as if fully set forth herein.

SECTION 11.12 Severability

Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 11.13 Mobile Leasing Solutions as Series LLC

Each Party hereto hereby acknowledges and agrees that Mobile Leasing Solutions is a series limited liability company, and that accordingly the obligations and liabilities of Lessor hereunder and under the other Transaction Documents are and will be enforceable against Lessor solely to the extent of the Series 1 Assets, and not against any other assets of Mobile Leasing Solutions or against any other Series of Mobile Leasing Solutions or any assets of any such other Series (whether held directly by such Series or by Mobile Leasing Solutions on behalf of such other Series).

SECTION 11.14 Limited Recourse.

Notwithstanding anything to the contrary contained in this Agreement or any other Transaction Document, the obligations and liabilities of Lessor under each of the Transaction Documents to which it is a party are solely the obligations and liabilities of Lessor and shall be payable solely to the extent of the Series 1 Pledged Assets, and the proceeds of the realization thereof from whatever means, applied in accordance with the MLS Intercreditor Agreement and the other Transaction Documents. If the Series 1 Pledged Assets and the proceeds of the realization thereof from whatever means, including pursuant to the enforcement of the MLS Security Documents, applied in accordance with the MLS Intercreditor Agreement and the other Transaction Documents, are insufficient to discharge in full the obligations and liabilities of Lessor under this Agreement and the other Transaction Documents, the rights of the other Parties to receive any further amounts in respect of such obligations and liabilities shall be extinguished and none of the other Parties may take any further action to recover such amounts. For the avoidance of doubt, no recourse shall be had to the assets of Mobile Leasing Solutions or the assets of any Series of Mobile Leasing Solutions other than the Series 1 Pledged Assets to satisfy the obligations and liabilities of Lessor under this Agreement or any other Transaction Document.

SIGNATURE PAGE (MASTER LEASE AGREEMENT)

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

For and on behalf of:

SLV - I LLC
SLV - II LLC
SLV - III LLC
SLV - IV LLC
SLV - V LLC
SLV - VI LLC
SLV - VII LLC
SLV - VIII LLC
SLV - IX LLC
SLV - X LLC
SLV - XI LLC
SLV - XII LLC
SLV - XIII LLC
SLV - XIV LLC
SLV - XV LLC
SLV - XVI LLC
SLV - XVII LLC
SLV - XVIII LLC
SLV - XIX LLC
SLV - XX LLC
SLV - XXI LLC
SLV - XXII LLC, each a Lessee

By: /s/ Stefan K. Schnopp_____
Name: Stefan K. Schnopp
Title: Director

This is Counterpart No. 1 of a total of 5 counterparts. Only Counterpart No. 1 shall be considered chattel paper for purposes of the Uniform Commercial Code and a security interest may be perfected only by Counterpart No.1.

MOBILE LEASING SOLUTIONS, LLC,
a Delaware limited liability company,
acting for itself and on behalf of Series 1 thereof,
as Lessor

By: /s/ Jeff Krisel_____
Name: Jeff Krisel
Title: President, Chief Executive Officer and Secretary

This is Counterpart No. 1 of a total of 5 counterparts. Only Counterpart No. 1 shall be considered chattel paper for purposes of the Uniform Commercial Code and a security interest may be perfected only by Counterpart No.1.

SPRINT SPECTRUM L.P.
as Servicer

By: /s/ Janet M. Duncan_____
Name: Janet M. Duncan
Title: Vice President and Treasurer

This is Counterpart No. 1 of a total of 5 counterparts. Only Counterpart No. 1 shall be considered chattel paper for purposes of the Uniform Commercial Code and a security interest may be perfected only by Counterpart No.1.

MIZUHO BANK, LTD.
as Collateral Agent

By: /s/ Richard A. Burke
Name: Richard A. Burke
Title: Managing Director

This is Counterpart No. 1 of a total of 5 counterparts. Only Counterpart No. 1 shall be considered chattel paper for purposes of the Uniform Commercial Code and a security interest may be perfected only by Counterpart No.1.

SLV - III LLC, as Lessee Representative

By: /s/ Stefan K. Schnopp_____
Name: Stefan K. Schnopp
Title: Director

This is Counterpart No. 1 of a total of 5 counterparts. Only Counterpart No. 1 shall be considered chattel paper for purposes of the Uniform Commercial Code and a security interest may be perfected only by Counterpart No.1.

APPENDIX A

DEFINITIONS

"**1934 Act**" means the Securities Exchange Act of 1934;

"**Account Bank**" has the meaning given to that term in the Servicing Agreement;

"**Account Control Agreement**" has the meaning given to that term in the Servicing Agreement;

"**Actual Repair Costs**" means the amounts specified in Schedule 6 (*Repair Costs*) or any updated amounts provided by the Lessee Representative from time to time reflecting the actual repair costs generally charged by Sprint for repairs of the Eligible Devices;

"**Affiliate**" means, with respect to any 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; provided, however, for purposes of the Sprint Transaction Documents, neither Brightstar nor any of its Subsidiaries shall be considered Affiliates of any Sprint Party;

"**Agreed Schedule Information**" means, with respect to a Device Lease:

(a) a description of the Device to be subject to such Device Lease;

(b) the Device Lease Commencement Date;

(c) the Scheduled Customer Lease Term;

(d) the Device Lease Expiration Date;

(e) the Device Lease Payment Dates;

(f) the Rental Payments due under the Device Lease; and

(g) the Device Residual Values for the Device subject to the Device Lease.

"**Agreed Start-Up Costs**" means all costs and expenses which Lessor is responsible to pay in the amount agreed between the Lessor and the relevant provider of services;

"**Agreement**" has the meaning given to that term in the preamble of this Agreement;

"**Amendment Closing Date**" has the meaning given to that term in the Omnibus Consent;

"**Applicable Data Protection Law**" means all relevant provisions of the Data Protection Act 1998 and any other applicable data protection legislation, guidelines and industry

standards (to the extent applicable) in the jurisdictions from which and to which the relevant Services are to be performed;

"**Approved Devices**" means each of the devices listed on the Schedule of Approved Devices as the same may be updated and amended from time to time in accordance with Section 2.6 (*Approved Devices*) of this Agreement;

"**Available Funds**" has the meaning given to that term in the Servicing Agreement;

"**Bankruptcy Code**" means Title 11 of the United States Code;

"**Brightstar**" means Brightstar Corp., a Delaware corporation;

"Business Day" means a day other than Saturday or Sunday on which commercial banks in New York City, New York are not authorized or required to be closed for business;

"**Cash Purchase Price**" has the meaning given to that term in the Second Step Transfer Agreement;

"**Change in Law**" means any amendment to or change in the Tax laws (or any regulations or rulings thereunder) of a jurisdiction or any political subdivision thereof, or any amendment or change in the administrative or judicial interpretation of such laws, which becomes legally effective with respect to the relevant documents or transactions, and which occurs or is announced after the date of the Existing Master Lease Agreement. For the purpose of this definition "change" includes the introduction of a new law or interpretation, but does not include as of any date a proposal that is not effective;

"**Change of Control**" means the occurrence of any of the following:

(a) SoftBank ceases to own (directly or indirectly) more than 50% of the Voting Securities of Sprint;

(b) the occurrence of any of the following: (i) 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 Sprint's 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 1934 Act) other than to one or more Permitted Holders or (ii) the adoption of any plan relating to Sprint's liquidation or dissolution;

(c) Sprint shall cease to own (directly) 100% of the Voting Securities of SCI;

(d) SCI shall cease to own (directly or indirectly) 100% of the Voting Securities of Sprint Spectrum and each Originator; or

(e) Sprint shall cease to own (directly or indirectly) 100% of the Voting Securities of Lessees;

"**Collateral Agent**" has the meaning given to that term in the preamble of this Agreement;

"**Contractual Obligation**" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound which has been entered into in good faith;

"**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, and "**Controlling**" and "**Controlled**" have meanings correlative thereto**;**

"**Credit and Collection Policy**" has the meaning given to that term in the Servicing Agreement;

"**Customer**" means the "lessee" of a Device under a Customer Lease and an obligor on a related Customer Receivable;

"**Customer Lease**" means a contract originally entered into between an Originator and a Customer, in substantially the form attached as Schedule 4 of this Agreement;

"**Customer Lease-End Rights and Obligations**" has the meaning given to that term in the Second Step Transfer Agreement;

"**Customer Receivable**" means all rental and other payment obligations of a Customer under the relevant Customer Lease attributable to any date on or after the Lease Closing Date; provided that, for purposes of determining whether such Customer Receivable is a Defaulted Customer Receivable or Delinquent Receivable or whether the relevant Customer Lease is an Eligible Lease, "Customer Receivable" shall mean all rental and other payment obligations of a Customer under the relevant Customer Lease attributable to any date during the term of such Customer Lease;

"**Data File**" means the Adobe Acrobat pdf-file in read-only format with file name "Device Lease Schedule.pdf" on a CD ROM identified and agreed to by Lessees and Lessor on the Lease Closing Date as the same may be amended from time to time in accordance with Section 2.14 (*Updates to Devices Subject to Device Leases and Data File)* of this Agreement;

"**Defaulted Customer Receivable**" means any Customer Receivable, or any part thereof, which is written off or remains unpaid for more than sixty (60) days or for which any Lessee or Servicer has any Knowledge that the Customer thereon is subject to an Insolvency Event;

"**Defaulted Device Return**" means (a) the failure by a Customer to timely return a Device pursuant to the terms of the Customer Lease on or prior to the Required Return Date therefor and such Customer's Customer Lease represents a Defaulted Customer

Receivable; or (b) the return of a Device by a Customer not in the Device Return Condition;

"**Delinquent Receivables**" means any Customer Receivable that is considered in collections pursuant to the Credit and Collections Policy, provided, that upon such Customer Receivable being written off in accordance with the Credit and Collections Policy, such Customer Receivable shall not be considered a Delinquent Receivable;

"**Device**" means a mobile wireless handset that is subject to a Device Lease at the time such handset is initially acquired by Lessor;

"**Device Lease**" has the meaning given to that term under Section 2.1(a) (*Agreement to Lease*) of this Agreement;

"**Device Lease Commencement Date**" means with respect to a Device Lease, the commencement date of such Device Lease as specified in the relevant Device Lease Schedule;

"**Device Lease Early Termination Amount**" means with respect to a Device under a Device Lease that has been terminated prior to the end of the Term, an amount equal to the sum of (a) any previously unpaid Rental Payments, (b) the Rental Payments that would have accrued under such Device Lease during the remainder of the Scheduled Device Lease Term, if any, plus (b) the Device Residual Value of such Device as of the Expected Sales Date of such Device;

"**Device Lease Expiration Date"** means with respect to a Device Lease, the scheduled expiration date of such Device Lease as set forth in the relevant Device Lease Schedule;

"**Device Lease Payment Date**" means the last Business Day of a calendar month unless otherwise provided in the Device Lease Schedules;

"**Device Lease Schedule**" means a schedule substantially in the form of Schedule 1 to this Agreement and initially included in the Data File, as the same may be amended from time to time in accordance with Section 2.14 (*Updates to Devices Subject to Device Lease and Data File*) of this Agreement;

"**Device Repurchase Agreement**" means the Amended and Restated Device Repurchase Agreement (Tranche 1), dated as of the date hereof and effective as of the Amendment Closing Date, between the Originators and Lessor;

"**Device Residual Value**" means the device residual value as set forth in Schedule 2 (Device Residual Values);

"**Device Return Address**" means the following address:

(a) Mobile Leasing Solutions, LLC, Dept 5001, 1950 USG Drive, Libertyville, IL 60048; or

(b) any other address in the continental United States that Lessor designates by written notice to Lessees and Servicer;

"**Device Return Condition**" means with respect to a Device, the return conditions described below:

(a) such Device is fully functional with no technical problems, with only reasonable wear and tear due to normal use.

(b) Functional Criteria

(i) such Device must be in a standard "working" condition, able to charge and power on and perform all core functions;

(ii) such Device has no activation locks (i.e. not network or iCloud locked);

(iii) Customer data must be cleared;

(iv) such Device's LCD display must be functional with no visible damage; and

(v) such Device's external ports and buttons are free from damage, and are fully functional.

(c) Cosmetic Criteria

(i) such Device may have scratches on the front glass; provided that each scratch is reasonably consistent with normal use and are less than 50mm in length and 2mm in width, but no cracks on the front glass;

(ii) such Device may have unlimited scratches on housing; provided that each scratch is reasonably consistent with normal use and are less than 80mm in length and 2mm in width;

(iii) such Device housing may have reasonable dents associated with normal wear, but no cracks;

(iv) such Device does not have any missing parts that would render it unfit to function; and

(v) such Device's external liquid indicators may be tripped but there must be no visible water damage or corrosion.

"**Dilution**" means a reduction in the Unpaid Balance attributable to any modification of any Customer Lease by Servicer (or any Sub-Servicer or any agent or representative of either thereof) after the contribution thereof to the relevant Lessee, including as a result of any non cash items including credits, rebates, billing errors, cash discounts, volume discounts, allowances, disputes, set offs, counterclaims, charge-backs, returned or

repossessed goods, sales and marketing discounts, warranties, any unapplied credit memos and other adjustments that are made in respect of a Customer Lease and shall include, but not be limited to, circumstances in which Servicer (or any Sub-Servicer or any agent or representative of either thereof):

(a) specifies (including by posting to its website) a purchase option price for a Device less than the fair market value notified by Lessor in writing to any Sprint Party upon request in accordance with Section 5.3(f) (*Fair Market Value under Customer Leases for Devices*) of the Second Step Transfer Agreement;

(b) forgives or reduces prior to the expiry of the Scheduled Customer Lease Term, any monthly Customer Receivable, retrospectively or prospectively, in the monthly invoice or otherwise, to an amount which is lower than that set out in the Data File;

(c) reduces, after the expiry of the Scheduled Customer Lease Term, a monthly Customer Receivable to an amount less than the monthly Customer Receivable payable during the Scheduled Customer Lease Term;

(d) modifies the rental payments, or any other payment amount or obligation of a Customer, or the timing thereof, in a manner that is economically less favorable to Lessor;

(e) charges a customer for repairs in an amount less than the Actual Repair Costs;

(f) charges a customer for unreasonable wear and tear in an amount less than the Actual Repair Costs;

(g) discontinues the leasing program and forgives the Customer any or all remaining rental payments under any Customer Lease; and

(h) agrees to the terms of a return that are less favorable to Lessor than as set out in the returns policy at www.sprint.com/returns (as in existence on the Lease Closing Date);

"**Eligible Devices**" means Apple: (a) iPhone 6 16 GB all colors; (b) iPhone 6 64 GB, all colors; (c) iPhone 6 128 GB, all colors; (d) iPhone 6 Plus 16 GB all colors; (e) iPhone 6 Plus 16 GB all colors; and (e) iPhone 6 Plus 128 GB, all colors;

"**Eligible Leases**" means, as of any date of determination, a Customer Lease:

(a) (i) which represents the lease of goods initially leased by an Originator and the Customer Receivables in respect of which are billed to the related Customer in the ordinary course of business, (ii) with respect to which (x) all obligations of the Originator in connection with which have been fully performed, and (y) not more than thirty-one (31) days have passed since such Customer Receivable was billed to the related Customer, (iii) the Customer Receivables with respect to which, no portion is in respect of any amount as to which the related Customer is permitted to withhold payment until the occurrence of a specified event or condition, (iv) the

Customer Receivables with respect to which, is not owed to any Originator or any Lessee as a bailee or consignee for another Person, and (v) the Customer Receivables with respect to which, is not issued under cash-in-advance or cash-on-account terms;

(b) which constitutes either “chattel paper”, "electronic chattel paper" or an “account” as defined in Section 9-102(a) of the UCC;

(c) the Customer Receivable with respect to which is not a Defaulted Customer Receivable or a Delinquent Receivable;

(d) under which the Customer is not a Governmental Authority; provided, that any Customer Lease under which the lessee is a Governmental Authority but an employee of such Governmental Authority is personally liable for the Customer Receivables related to such Customer Lease shall be an "Eligible Lease";

(e) the transfer of which pursuant to the Transfer Agreements does not violate or contravene any Law or any related Transaction Document;

(f) which is denominated and payable only in U.S. Dollars in the United States to any Sprint Party;

(g) that (i) is in full force and effect and constitutes the legal, valid and binding obligation of the related Customer to pay lease payments and other amounts to a Sprint Party enforceable against such Customer in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or similar laws relating to and limiting creditors’ rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or in law), (ii) is not subject to any dispute, offset, netting, litigation, counterclaim or defense whatsoever (including defenses arising out of violations of usury Laws) (other than potential discharge in a bankruptcy of the related Customer), (iii) is not subject to any Lien (other than Permitted Device Liens), and (iv) the Unpaid Balance of which is not subject to reduction, cancellation, setoff, special refunds or credits for any reason, including without limitation as a result of defective or rejected goods;

(h) that does not contravene any Law applicable thereto (including Laws relating to usury, consumer protection, truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy) in any respect which could, individually or in the aggregate, reasonably be expected to have a material adverse effect on the validity, collectability or enforceability of the related Customer Receivable or would or could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect and with respect to which the origination thereof did not violate any such Law in any such respect;

(i) which (i) was originated by the applicable Originator in the ordinary course of its business, (ii) satisfies the requirements of the Credit and Collections Policy in all

material respects and (iii) has been acquired by the applicable Lessee from its Related Originator pursuant to and in accordance with the terms of the First Step Transfer Agreement;

(j) the Customer under which is not (i) the Lessor or any of the Members, or (ii) Sprint, any Originator, the Servicer or a Subsidiary of any of them or identified on Sprint's or the Servicer's records as an employee of Sprint, the Servicer of any of their respective Subsidiaries;

(k) the Customer under which is not a Sanctioned Person;

(l) the Customer under which is required to make payments no less frequently than monthly under such Customer Lease;

(m) the Customer under which is either (i) a Customer of an Originator or any of its Affiliates (prior to the transfer of the Customer Lease to the relevant Lessee) that is a Prime Customer, or (ii) a Customer of an Originator or any of its Affiliates (prior to the transfer of the Customer Lease to the relevant Lessee) that is a Near Prime Customer;

(n) arose under an Customer Lease which (i) is substantially in the form of Schedule 4 (*Customer Leases*) hereto; and (ii) relates to an Eligible Device which is compatible with market technology and service platforms;

(o) the Customer under which is an active paying subscriber of Sprint’s or any of its Affiliates’ wireless services;

(p) that (A) has been outstanding beyond the date that is one payment after the origination date of such Customer Lease or (B) the Customer under which has been an active paying subscriber of Sprint's or any of its Affiliates' wireless services for a minimum of thirteen (13) months immediately before the origination date of such Customer Lease;

(q) the Customer under which has not elected to participate in the iPhone Forever Program;

(r) all sales taxes to be paid in connection with the origination of such Customer Receivable have been fully paid or will be scheduled to be fully paid upon payment of installments on such Customer Lease to the extent required by applicable Laws;

(s) the Customer Receivable with respect to which, as of any date of determination, is not a Non Lock-Box Receivable (as defined in the Servicing Agreement) comprising any part of any amount in excess of 6.00% of the Unpaid Balance of all Eligible Leases; and

(t) which, as of any date of determination when aggregated with all other Customer Leases no Customer’s aggregate Unpaid Balance for all such Customer’s

Customer Leases exceeds 1.00% of the aggregate balance of the Unpaid Balance of all Eligible Leases, provided, that in the case of a Customer having one or more Affiliate Customers, all such Customers shall be considered a single Customer;

"**Expected Sales Date**" means, with respect to a Device, the expected sales date of such Device as of the commencement of the Device Lease, in each case, as specified in the relevant Device Lease Schedule;

"**Final Determination**" means the final resolution of liability for any Lessee Covered Tax, for any issue and for any taxable period, by or as a result of (i) IRS Form 870-AD (or any similar or successor IRS form) or a comparable form under any state, local or foreign law on the date of acceptance by or on behalf of the relevant Tax Authority, except that a Form 870-AD or comparable form that reserves the right of the taxpayer to file a claim for refund and/or the right of the Tax Authority to assert a further deficiency shall not constitute a Final Determination with respect to the item or items so reserved, (ii) a final decision, judgment, decree or other order by any court of competent jurisdiction that can no longer be appealed or reheard (except that a decision of a U.S. Court of Appeals or highest state court shall be considered final notwithstanding the possibility of an application for a writ of certiorari can be made to the U.S. Supreme Court, unless such a writ has been applied for and granted), (iii) a closing agreement or similar agreement entered into with a Tax Authority in connection with an administrative or judicial proceeding, (iv) an allowance of a refund or credit in respect of an overpayment of Tax, but only after the expiration of all periods of limitations during which such refund or credit may be recovered by the jurisdiction imposing the Tax, (v) any other final resolution, including by reason of the expiration of the applicable period of limitations or the execution of a pre-filing agreement with the applicable Tax Authority, or (vi) the occurrence of any event which the Servicer and Lessor agree in writing is a Final Determination;

"**Final Settlement Date**" means 28 February 2018 unless Lessees, Lessor, the Senior Agent (to the extent any Senior Loans are outstanding) and the Senior Subordinated Loan Creditor (to the extent any Senior Subordinated Loans are outstanding) agree on a different date;

"**Finance Parties**" has the meaning given to that term in the Servicing Agreement;

"**First Step Transfer Agreement**" means the Amended and Restated First Step Transfer Agreement (Tranche 1), dated as of the date hereof and effective as of the Amendment Closing Date among Lessees and each other Person party thereto as an Originator;

"**GAAP**" means, generally accepted accounting principles in the United States of America;

"**Governmental Authority**" means any federal, state, regional or local government or political subdivision thereof and any Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

"**Grade A**" means with respect to a Device, such Device is like new.

"**Grade B**" means with respect to a Device, such Device is fully functional with no technical problems, but does not satisfy Grade A.

"**Guarantor**" means Sprint;

"**Incremental Rate**" has the meaning given to that term in Schedule 5 (*Additional Information*);

"**Insolvency Event**" shall be deemed to have occurred with respect to a Person if either:

(a) (i) a case or other proceeding shall be commenced, without the application or consent of such Person, in any court, seeking the liquidation, reorganization, debt arrangement, dissolution, winding up, or composition or readjustment of debts of such Person, the appointment of a trustee, receiver, custodian, liquidator, assignee, sequestrator (or other similar official) for such Person or all or substantially all of its assets, or any similar action with respect to such Person under any Law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and such case or proceeding shall continue unstayed or undismissed for a period of sixty (60) days; or (ii) an order for relief in respect of such Person shall be entered in an involuntary case under federal bankruptcy laws or other similar Laws now or hereafter in effect; or

(b) such Person (i) shall commence a voluntary case or other proceeding under any applicable bankruptcy, insolvency, reorganization, debt arrangement, dissolution or other similar Law now or hereafter in effect, (ii) shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) for, such Person or for any substantial part of its property, or (iii) shall make any general assignment for the benefit of creditors, or shall fail to, or admit in writing its inability to, pay its debts generally as they become due, or, if a corporation or similar entity, its board of directors (or any board or Person holding similar rights to control the activities of such Person) shall vote to implement any of the foregoing;

"**iPhone Forever Program**" means the program offered by the Originators or the Servicer pursuant to which a Customer may, if such Customer has agreed to participate in such program upon entering into the relevant Customer Lease, in consideration for making a specified additional monthly payment with respect to such Customer Lease, elect to trade in the Device subject to such Customer Lease upon the manufacturer of such Device releasing an upgraded version of such Device;

"**Knowledge**" means, with respect to any Person (other than an individual) as to any event or circumstance, the actual knowledge of a Responsible Officer of such Person (without independent investigation or inquiry and without imputing to such Responsible Officer the knowledge of any third party) or receipt by such Person of written notice of such event or circumstance;

"**Laws**" means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration

thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law;

"**Lease Closing Date**" means December 2, 2015;

"**Lease Default**" means an event or circumstance which, after the giving of notice or lapse of time, or both, would become a Lease Event of Default;

"**Lease Event of Default**" has the meaning given to that term under Section 3.1 (*Lease Events of Default*) of this Agreement;

"**Lessee**" has the meaning given to that term in the preamble of this Agreement;

"**Lessee Collateral**" has the meaning given to that term under Section 9.1 (*Granting Clause to Lessee*) of this Agreement;

"**Lessee Covered Taxes**" has the meaning given that term under the Tax Services Agreement;

"Lessee Indemnitee" has the meaning given to that term under Section 4.1(a) (*Indemnities*) of this Agreement;

"**Lessee Representative**" has the meaning given to that term under the Second Step Transfer Agreement;

"**Lessee Representative Account (Tranche 1)**" has the meaning given to that term under the Servicing Agreement;

"Lessor" has the meaning given to that term in the preamble of this Agreement;

"**Lessor's Liens**" means (a) any Lien arising out of a voluntary or involuntary transfer by Lessor of any of its rights, title or interest in the Devices or the Device Leases (other than (i) this Lease or any Transaction Document, (ii) any transfer to any Sprint Party, as a result of a Lease Event of Default or in connection with the exercise by the relevant Sprint Party of any rights or options under the Transaction Documents or (iii) any Lien arising by, through or under any Lessee) or (b) any Lien of any Person arising by, through or under Lessor, not based upon or relating to the Transaction Documents or the transactions contemplated thereby;

"**Liabilities**" has the meaning given to that term under Section 4.1(a) (*Indemnities*) of this Agreement;

"**Lien**" means any mortgage, deed of trust, pledge, security interest, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including any conditional sale or other title retention agreement and any financing lease having substantially the same economic effect as any of the foregoing;

"**Like-Kind Exchange**" means, with respect to a Customer Lease, an exchange of a Device pursuant to which the replacement Device is a Type of Device that is currently an Approved Device that satisfies the Device Return Condition, is the same Type (or a Type with a higher Device Residual Value) as the exchanged Device, and with respect to which the scheduled Customer Receivables under the modified Customer Lease are not less in amount, frequency and number than under the Customer Lease immediately prior to such modification;

"**Like-Kind Exchange Device**" means a replacement Device subject to a Like-Kind Exchange;

"**Logistics Services Provider**" has the meaning given to that term under the Servicing Agreement;

"**Material Adverse Effect**" means, with respect to any event or circumstance, a material adverse effect on:

(a) if a particular Person is specified, (i) the ability of such Person to perform its obligations under any Transaction Document to which it is a party or (ii) if a particular Person is not specified, the ability of any Originator, Servicer, any Lessee or Sprint to perform its obligations under the Transaction Document to which it is a party;

(b) (i) the validity or enforceability of any Sprint Transaction Document or (ii) the value, validity, enforceability or collectability of any material portion of Lessee Collateral; or

(c) the status, existence, perfection, priority, enforceability or other rights and remedies of Collateral Agent or Lessor associated in respect of its interest in Lessee Collateral;

"**Members**" has the meaning given to that term in the MLS LLC Agreement;

"**MLS Collection Account (Tranche 1)**" means the account notified by the Lessor in writing to Servicer, Lessees and Collateral Agent;

"**MLS Intercreditor Agreement**" means the Amended and Restated Intercreditor Agreement (Tranche 1) dated as of the date hereof and effective as of the Amendment Closing Date among the Lessee Representative, the Senior Agent, the Senior Subordinated Loan Creditor, Lessor and the other parties thereto;

"**MLS LLC Agreement**" means the Second Amended and Restated Limited Liability Company Agreement of Mobile Leasing Solutions, dated on or about the date hereof, between the Members;

"**MLS Security Documents**" has the meaning set forth in the MLS Intercreditor Agreement;

"**Mobile Leasing Solutions**" means Mobile Leasing Solutions, LLC, a Delaware limited liability company;

"**Near Prime Customer**" means any Customer under a Customer Lease that was not a Prime Customer as of the date of origination of such Customer Lease, and which as of the date of origination of such Customer Lease (i) had a credit class designation of "Q2", "H1", "S5" or "T4", or any equivalent credit class as set forth in the Credit and Collection Policies, and (ii) required a down payment of less than 35% of the device manufacturer's suggested retail price, by the internal scoring system of the Servicer or an Originator;

"**Nominated Agent**" means, with respect to a Party, a Person appointed to act as that Party's agent with respect to that Party's obligations and rights under the Transaction Documents;

"**Non-Return Remedies**" has the meaning given to that term under Section 2.12(b) (*Non-Return Remedies*) of this Agreement;

"**Non-Return Remedies Commencement Date**" means:

(a) in relation to a non-payment of any amount due under a Customer Lease, the date on which Servicer suspends service to the relevant Customer in accordance with the Credit and Collection Policies;

(b) in relation to Device that is Non-Returned Device pursuant to Section (a) of the definition of Defaulted Device Returns, the Required Return Date therefor; and

(c) in relation to a Device that, at the time of its return did not satisfy the Device Return Condition, the date on which the Device was returned to a Sprint Party;

"**Non-Returned Device**" means any Device that is subject to a Defaulted Device Return;

"**Omnibus Consent**" means the Omnibus Consent Agreement, dated as of the date hereof and effective as of the Amendment Closing Date, among Sprint, Lessor, Lessees, Originators, the Senior Agent, the Senior Subordinated Loan Creditor, the Series 1 Members, Brightstar, Servicer and the other parties thereto;

"**Opinion of Counsel**" means the written opinion of a nationally or internationally recognized counsel that is selected by a Party to decide questions of law raised by Transaction Documents;

"**Originators**" has the meaning given to that term under the First Step Transfer Agreement;

"**Party**" and "**Parties**" means, with respect to any Transaction Document, each party to the relevant agreement;

"**Performance Support Agreement**" means the Amended and Restated Performance Support Agreement (Tranche 1), dated as of the date hereof and effective as of the Amendment Closing Date, between Sprint and Lessor;

"**Performance Support Provider**" means Sprint;

"**Permitted Device Liens**" means

(a) Liens arising pursuant to any Transaction Document;

(b) Liens of Customers under the Customer Leases;

(c) Lessor's Liens;

(d) Liens for taxes not yet due or that are being contested in good faith by appropriate proceedings diligently conducted and inchoate materialmen's, mechanic's, workmen's, repairmen's, employee's, or other like Liens arising in the ordinary course of business of Lessee for sums not yet due or that are being contested in good faith by appropriate proceedings diligently conducted, provided that adequate reserves with respect thereto are maintained in conformity with GAAP; and

(e) any customary rights of setoff, revocation, refund or chargeback and, as applicable, statutory or common law liens, in each case, of any Account Bank under the applicable Account Control Agreement.

"**Permitted Holder**" means SoftBank and its Affiliates;

"**Person**" means a natural individual, partnership, sole proprietorship, limited liability company, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, Governmental Authority or any other entity of whatever nature;

"**Present Value Device Lease Amount**" means an amount equal to the sum of (a) all previously accrued and unpaid Rental Payments, if any, plus (b) the remaining Rental Payments that would have accrued during the remainder of the Scheduled Device Lease Term, if any, discounted to present value at the Incremental Rate;

"**Prime Customer**" means any Customer that was categorized as "Prime" by the internal scoring system of the Servicer or an Originator as of the date of origination of the relevant Customer Lease or had graduated to such status as of the Lease Closing Date;

"**Protected Customers**" means any current or former Customer that (i) is or has been subject to protections under the Servicemembers Civil Relief Act (the "**SCRA**"), but only with respect to, and to the extent of, Customer Receivables that are subject to the protections of the SCRA, or (ii) is a debtor in a bankruptcy proceeding, to the extent that the automatic stay applies to such debtor's Customer Receivables under Section 362 of the Bankruptcy Code;

"**PUK**" means personal identification number unlock key;

"**Records**" means all contracts (including the Customer Lease), if any, and other documents, purchase orders, invoices, agreements, books, records and any other media,

materials or devices for the storage of information (including tapes, disks, punch cards, computer programs and databases and related property) maintained by Servicer or Lessees with respect to the Customer Receivables;

"**Related Originator**" has the meaning given to that term under Annex 2 (*Related Originators; Related Lessees*) of the First Step Transfer Agreement;

"**Relevant Personal Data**" has the meaning given to that term under Section 8.1(l) of the Servicing Agreement;

"**Rent Shortfall Returned Device**" means a Returned Device in respect of which the Customer has not paid all accrued and unpaid Customer Receivables with respect to such Device during the Scheduled Customer Lease Term;
"**Rental Payment**" means, with respect to each Device Lease, the rental payments specified in the relevant Device Lease Schedule;

"**Reparable Device**" has the meaning given to that term under the Device Repurchase Agreement;

"**Required Return Date**" means the date a Customer is required to return a Device, which is promptly following the termination of a Customer Lease and in any event not later than 30 calendar days following the termination of the Customer Lease;

"**Required Return Period**" means to the extent a Sprint Party has received a Device from a Customer, the period ending 30 days after the earlier of (a) the last day of the Scheduled Customer Lease Term for such Device, and (b) the actual receipt by a Sprint Party of such Device;

"**Responsible Officer**" means, as applicable, (i) an authorized officer of Lessor, or (ii) an authorized officer of any Sprint Party. Any document delivered hereunder that is signed by a Responsible Officer of Lessor or any Sprint Party, as applicable, will be conclusively presumed to have been authorized by all necessary corporate, limited liability company, partnership and/or other action on the part of Lessor or such Sprint Party, as applicable, and such Responsible Officer will be conclusively presumed to have acted on behalf of Lessor or such Sprint Party, as applicable;

"**Returned Device**" has the meaning given to that term under Section 2.3(a) of the Device Repurchase Agreement;

"**Sanctions**" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by any Sanctions Authority;

"**Sanctions Authorities**" has the meaning given to it in the definition of Sanctioned Person;

"**Sanctioned Country**" means, at any time, a country which is itself the subject or target of any country-wide Sanctions;

"**Sanctioned Person**" means, at any time:

(a) any person listed in any Sanctions-related list of designated persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State ("**Sanctions Authorities**");

(b) any person operating, organized or resident in a Sanctioned Country; or

(c) any person owned or controlled by any such person or persons.

"**Scheduled Customer Lease Term**" means, with respect to any Customer Lease, the period beginning at the time such Customer Lease and the associated Device are contributed by an Originator to a Lessee and ending on the last day of the relevant Customer's obligatory monthly rental payment obligations under such Customer Lease as set forth in the relevant Device Lease Schedule;

"**Scheduled Device Lease Term**" means, with respect to any Device Lease, the period commencing on the Device Lease Commencement Date and ending on the last day of the Scheduled Customer Lease Term;

"**Scheduled Monthly Reporting Date**" has the meaning given to that term under the Servicing Agreement;

"**Schedule of Approved Devices**" has the meaning given to that term under Section 2.6(a) (*Approved Devices*) of this Agreement;

"**SCI**" means Sprint Communications, Inc;

"**Second Step Transfer Agreement**" means the Amended and Restated Second Step Transfer Agreement (Tranche 1), dated as of the date hereof and effective as of the Amendment Closing Date, between Lessees and Lessor;

"**Secondary Market Value**" has the meaning given to that term under the Device Repurchase Agreement;

"Senior Agent" has the meaning given to that term under the Servicing Agreement;

"**Senior Loan Agreement**" has the meaning given to that term under the Servicing Agreement;

"**Senior Loan**" has the meaning given to that term under the Servicing Agreement;

"**Senior Subordinated Loan**" has the meaning given to that term under the Servicing Agreement;

"**Senior Subordinated Loan Creditor**" has the meaning given to that term under the Servicing Agreement;

"**Series**" has the meaning given to that term under the MLS LLC Agreement;

"**Series 1**" means Series 1 of Mobile Leasing Solutions;

"**Series 1 Assets**" means the assets of Series 1, whether held by Series 1 directly or held in the name of Mobile Leasing Solutions on behalf of Series 1;

"**Series 1 Members**" means the Members, in their respective capacities as holders of Series 1 Units (as defined in the MLS LLC Agreement) of Mobile Leasing Solutions;

"**Series 1 Pledged Assets**" means the Series 1 Assets that are subject to the MLS Security Documents;

"**Servicer**" has the meaning given to that term under the Servicing Agreement;

"**Servicer Collection Accounts**" has the meaning given to that term under the Servicing Agreement;

"**Servicer Replacement Event**" has the meaning given to it under Section 3.1 of the Servicing Agreement;

"**Servicing Agreement**" means the Amended and Restated Servicing Agreement (Tranche 1), dated as of the date hereof and effective as of the Amendment Closing Date, among Lessor, Servicer, Lessees and Collateral Agent;

"**Settlement Date**" has the meaning given to that term in the MLS Intercreditor Agreement;

"**SoftBank**" means SoftBank Corp.;

"**Sprint**" means Sprint Corporation, a Delaware corporation;

"**Sprint Guarantee**" means the Amended and Restated Guaranty (Tranche 1), dated as of the date hereof and effective as of the Amendment Closing Date, by Sprint in favor of Lessor;

"**Sprint Party**" means Sprint, each Originator, Servicer, each Lessee, and each other Subsidiary of Sprint party to a Transaction Document;

"**Sprint Spectrum**" has the meaning given to that term in the preamble of this Agreement;

"**Sprint Transaction Documents**" has the meaning given to that term under the Servicing Agreement;

"**Sub-Servicer**" has the meaning given to that term under the Servicing 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;

"**Tax Authority**" has the meaning given to that term under the Tax Services Agreement;

"**Taxes**" means all income, gross receipts, rental, franchise, excise, stamp, occupational, capital, value added, sales, use, ad valorem (real and personal), property (real and personal) and taxes, fees, levies, imposts, charges or withholdings of any nature whatsoever, together with any assessments, penalties, fines, additions to tax and interest thereon, howsoever imposed, by any Governmental Authority or other taxing authority in the United States or by any foreign government, foreign governmental subdivision or other foreign or international taxing authority;

"**Tax Services Agreement**" has the meaning given to that term under the Servicing Agreement;

"**Term**" has the meaning given to that term under Section 2.7 (*Term*) of this Agreement;

"**Transaction**" means, collectively, the transactions contemplated by the Transaction Documents;

"**Transaction Documents**" has the meaning given to that term under the Servicing Agreement;

"**Transfer Agreements**" means the First Step Transfer Agreement and the Second Step Transfer Agreement;

"**Type**" means, with respect to a Device, the make, model, memory and color of such Device;

"**Uniform Commercial Code**" or "**UCC**" shall mean the Uniform Commercial Code (or any similar or equivalent legislation), as in effect from time to time in any applicable jurisdiction;

"**Unpaid Balance**" means, with respect to any Customer Lease at any time, all remaining Customer Receivables payable by a Customer under such Customer Lease at and after such time;

"**Voting Securities**" means, with respect to any Person, 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); and

"**Waterfall**" has the meaning given to that term under the Servicing Agreement.

Exhibit 10.13

Execution Copy

AMENDED AND RESTATED PERFORMANCE SUPPORT AGREEMENT (TRANCHE 1)

THIS AMENDED AND RESTATED PERFORMANCE SUPPORT AGREEMENT (TRANCHE 1) dated as of April 28, 2016 and effective as of the Amendment Closing Date (this "Agreement"), is between SPRINT CORPORATION, a Delaware corporation ("Performance Support Provider") and MOBILE LEASING SOLUTIONS, LLC, a Delaware limited liability company, acting for itself and on behalf of Series 1 thereof ("Performance Beneficiary").

WHEREAS, Performance Support Provider and Mobile Leasing Solutions are parties to the Performance Support Agreement, dated as of November 19, 2015 and effective as of the Lease Closing Date (as amended, supplemented or otherwise modified from time to time prior to the date hereof, the "Original Performance Support Agreement");

WHEREAS, it is the intent of the parties hereto that this Agreement amend and restate in its entirety the Original Performance Support Agreement;

WHEREAS, pursuant to that certain Amended and Restated First Step Transfer Agreement (Tranche 1) dated as of the date hereof and effective as of the Amendment Closing Date (as amended, supplemented or otherwise modified from time to time, the "First Step Transfer Agreement"), among the Originators, as transferors, and the Lessees, as transferees, and Servicer, on the Lease Closing Date the Originators contributed and from time to time the Originators will contribute Devices and related Customer Leases to the Lessees as further described in the First Step Transfer Agreement;

WHEREAS, pursuant to that certain Amended and Restated Second Step Transfer Agreement (Tranche 1) dated as of the date hereof and effective as of the Amendment Closing Date (as amended, supplemented or otherwise modified from time to time, the "Second Step Transfer Agreement"), among the Lessees, as sellers, and Performance Beneficiary, as buyer, (i) on the Lease Closing Date the Lessees sold and from time to time the Lessees will sell Devices and the Customer Lease-End Rights and Obligations (as defined in the Second Step Transfer Agreement) under the related Customer Leases to Performance Beneficiary as further described in the Second Step Transfer Agreement and (ii) the Performance Beneficiary has agreed to pay to the Lessees the Purchase Price (as defined in the Second Step Transfer Agreement), all as further described in the Second Step Transfer Agreement;

WHEREAS, pursuant to that certain Amended and Restated Master Lease Agreement (Tranche 1), dated as of the date hereof and effective as of the Amendment Closing Date (as amended, supplemented or otherwise modified from time to time, the "Master Lease Agreement"; capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Master Lease Agreement), by and among the Lessees, Servicer, Performance Beneficiary and Collateral Agent, as supplemented by each Device Lease Schedule (the Master Lease Agreement, together with each Device Lease Schedule agreed as of the Lease Closing Date by the Lessees and Performance Beneficiary and, if applicable, amended pursuant to Section 2.14 of the Master Lease Agreement, collectively, the "Device Leases" and, each, a

"Device Lease"), on the Lease Closing Date, Performance Beneficiary commenced leasing the Lease Closing Date Devices to the relevant Lessee;

WHEREAS, pursuant to that certain Amended and Restated Servicing Agreement (Tranche 1), dated as of the date hereof and effective as of the Amendment Closing Date (as amended, supplemented or otherwise modified from time to time, the "Servicing Agreement"), by and among the Lessees, Servicer, Performance Beneficiary and Collateral Agent, Servicer will service the Devices and related Customer Leases for Lessees and Performance Beneficiary as further described in the Servicing Agreement;

WHEREAS, the Parties intend that the Transaction Documents create a financing for all U.S. federal, state and local income tax purposes, and thus specifically that (i) the Cash Purchase Price paid under the Second Step Transfer Agreement at closing be treated for such purposes as amounts loaned by Performance Beneficiary for which the Devices provide security and (ii) the Rental Payments payable to Performance Beneficiary under the Device Leases be treated for such purposes as payments on such indebtedness owed to Performance Beneficiary;

WHEREAS, Performance Support Provider is the direct or indirect parent of each of the Originators, the Lessees and Servicer (each, a "Covered Entity" and, collectively, the "Covered Entities") and will receive substantial direct and indirect benefits from the sale and leaseback arrangements contemplated by the First Step Transfer Agreement, the Second Step Transfer Agreement, the Device Leases and the other Sprint Transaction Documents; and

WHEREAS, it is a condition precedent to Performance Beneficiary entering into the Omnibus Consent that Performance Support Provider shall have executed and delivered this Agreement.

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Undertaking. Performance Support Provider hereby absolutely, unconditionally and irrevocably assures and undertakes for the benefit of Performance Beneficiary the due and punctual performance and observance by the Covered Entities of all their respective covenants, agreements, undertakings, indemnities and other obligations (including, in each case, those related to the breach by any Covered Entity of its respective representations and warranties), whether monetary or non-monetary and regardless of the capacity in which incurred (including all of its payment, repurchase, indemnity and similar obligations, including in respect of Dilutions), under the Transaction Documents to which any Covered Entity is a party but excluding any covenant, agreement, undertaking, indemnity and other obligation of any Lessee to pay any Rental Payment, Device Lease Early Termination Amount or Present Value Device Lease Amount, whether or not constituting a Guaranteed Obligation under the Sprint Guarantee) (collectively, the "Performance Support Obligations"), irrespective of: (a) the validity, binding effect, legality, subordination, disaffirmance, enforceability or amendment, restatement, modification or supplement of, or waiver of

compliance with, the Master Lease Agreement, the other Transaction Documents or any documents related hereto or thereto, (b) any change in the existence, formation or ownership of, or the bankruptcy or insolvency of, any Covered Entity, (c) any extension, renewal, settlement, compromise, exchange, waiver or release in respect of any Performance Support Obligation (or any collateral security therefor, including the property sold, contributed (or purportedly sold or contributed) or otherwise pledged or transferred by any Originator under the First Step Transfer Agreement or by any Lessee under the Second Step Transfer Agreement) or by any party to this Agreement, the other Transaction Documents or any related documents, (d) the existence of any claim, set-off, counterclaim or other right that Performance Support Provider or any other Person may have against any Covered Entity or any other Person, (e) any impossibility or impracticability of performance, illegality, force majeure, act of Governmental Authority or other circumstance that might otherwise constitute a legal or equitable discharge or defense available to, or provide a discharge of, Performance Support Provider, (f) any Law affecting any term of any of the Performance Support Obligations, the Device Leases or any other Transaction Document or any rights of Performance Beneficiary with respect thereto or otherwise, (g) the failure by Performance Beneficiary to take any steps to perfect and maintain perfected its interest in any collateral security or (h) any failure to obtain any authorization or approval from or other action by, or to make any notification to or filing with, any Governmental Authority required in connection with the performance of the Performance Support Obligations or otherwise.

Without limiting the generality of the foregoing, Performance Support Provider agrees that if any Covered Entity shall fail in any manner whatsoever to perform or observe any of its Performance Support Obligations when the same shall be required to be performed or observed under any applicable Transaction Document to which it is a party, Performance Support Provider will itself duly and punctually perform or observe or cause to be performed or observed such Performance Support Obligations. Performance Support Provider hereby expressly waives diligence, presentment, demand, protest or notice of any kind whatsoever, as well as any requirement that Performance Beneficiary exhaust any right to take any action against any Covered Entity or any other Person (including the filing of any claims in the event of a receivership or bankruptcy of any Covered Entity or any other Person), or with respect to any collateral at any time securing any of the Performance Support Obligations, and hereby consents to any and all extensions of time of the due performance of any or all of the Performance Support Obligations. Performance Support Provider hereby irrevocably waives, and agrees that it shall not exercise or assert, any right to reimbursement from any Lessee or any Originator that it may acquire by way of subrogation or otherwise. Performance Support Provider also hereby expressly waives all other defenses it may have as a guarantor or a surety generally or otherwise based upon suretyship, impairment of collateral or otherwise in connection with the Performance Support Obligations, whether in equity or at law. Notwithstanding anything to the contrary herein, it is expressly acknowledged that this Agreement is not a guarantee of the collection of any particular Customer Receivable, and there shall be no recourse to Performance Support Provider for any non-payment or delay in payment of any Customer Receivable solely by reason of the bankruptcy, insolvency or lack of creditworthiness of the related Customer or the uncollectability of any such Customer Receivable or for any Performance Support Obligations the payment of which could otherwise constitute recourse to Performance Support Provider or

any Covered Entity for uncollectible Customer Receivables; provided that, for the avoidance of doubt, this paragraph shall not relieve Performance Support Provider or any Covered Entity from making any payments required to be made by it pursuant to any Transaction Document to which it is a party with respect to any Deemed Collections (as defined in the Servicing Agreement).

Section 2. Confirmation. Performance Support Provider hereby confirms that the transactions contemplated by the Transaction Documents have been arranged among the Covered Entities and Performance Beneficiary, as applicable, with Performance Support Provider's full knowledge and consent and any amendment, restatement, modification or supplement of, or waiver of compliance with, the Transaction Documents in accordance with the terms thereof by any of the foregoing shall be deemed to be with Performance Support Provider's full knowledge and consent. Performance Support Provider hereby confirms that on the date hereof it owns (directly or indirectly) 100% of the equity interests of each Covered Entity. Performance Support Provider agrees to notify Performance Beneficiary in the event that it ceases to own (directly or indirectly) 100% of the equity interests of any Covered Entity.

Section 3. Representations and Warranties. Performance Support Provider represents and warrants to Performance Beneficiary as of the Lease Closing Date and as of the Amendment Closing Date, as follows:

(a) Organization and Good Standing. It has been duly organized and is validly existing as a corporation in good standing under the Laws of its jurisdiction of organization, with power and authority to own its properties and to conduct its business as such properties are presently owned and such business is presently conducted.

(b) Due Qualification. It is duly qualified to do business in good standing, and has obtained all necessary qualifications, licenses and approvals, in all jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualifications, licenses or approvals, except where the failure to be in good standing or to hold any such qualifications, licenses and approvals could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Power and Authority; Due Authorization . It (i) has all necessary power and authority to (A) execute and deliver this Agreement and the other Transaction Documents to which it is a party and (B) carry out the terms of and perform its obligations under this Agreement and the other Transaction Documents to which it is a party and (ii) has duly authorized by all necessary corporate action the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party.

(d) Binding Obligations. This Agreement constitutes, and each other Transaction Document to be signed by it when duly executed and delivered by it will constitute, a legal, valid and binding obligation of Performance Support Provider, enforceable against it 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.

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party and the performance by it of the terms hereof and thereof will not (i) violate or result in a default under (A) its certificate of incorporation or by-laws or (B) in the context of the transactions contemplated by this Agreement and the other Transaction Documents applicable to it, any material indenture, agreement or instrument binding on it, (ii) result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement or instrument except for any Lien arising pursuant to the Transaction Documents or that could not reasonably be expected to have a Material Adverse Effect, or (iii) violate in any material respect any Law applicable to it or any of its properties.

(f) No Proceedings. There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to its actual knowledge, threatened against it (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 or (ii) relating to the consummation of the purposes of this Agreement or of any of the other Transaction Documents to which it is a party except as set forth on Schedule 8 of the Servicing Agreement.

(g) Governmental Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by it of this Agreement or the other Transaction Documents to which it is a party or the transactions contemplated hereby or thereby except for filings with the Securities and Exchange Commission (the "SEC") to the extent required by Law.

(h) Financial Condition. All financial statements of Performance Support Provider and its consolidated Subsidiaries (including the notes thereto) delivered to Performance Beneficiary pursuant to Section 4 present fairly, in all material respects, the actual financial position and results of operations and cash flows of Performance Support Provider and its consolidated Subsidiaries as of the dates and for the periods presented or provided, 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 Performance Support Provider. Since March 31, 2015, there has been no material adverse change in the business, assets, operations or financial condition of Performance Support Provider and its Subsidiaries, taken as a whole.

(i) Accurate Reports. 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 it represents only that it acted in good faith and utilized assumptions reasonable at the time made and due care in the preparation of such statement or projection) furnished or to be furnished by or on behalf of it (excluding information received from Customers) in writing (including, without limitation, by electronic delivery) to Performance Beneficiary in connection with this Agreement or any other Transaction Document 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 Performance Support Provider with the SEC pursuant to the 1934 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.

(j) 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.

As used in this Section 3(j), the following terms shall have the following meanings:

"Code" means the Internal Revenue Code of 1986, as amended.

"ERISA" means the U.S. Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means, with respect to any Person, any trade or business (whether or not incorporated) that, together with such Person, 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 Performance Support Provider, the Servicer, any Originator, any Lessee or any ERISA Affiliate thereof of any liability under Title IV of ERISA with respect to the termination of any Plan, (e) the receipt by Performance Support Provider, the Servicer, any Originator, any Lessee or any ERISA Affiliate thereof 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 Performance Support Provider, the Servicer, any Originator, any Lessee or any ERISA Affiliate thereof of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan, or (g) the receipt by Performance Support Provider, the Servicer, any Originator, any Lessee or any ERISA Affiliate thereof of any notice, or the receipt by any Multiemployer Plan from Performance Support Provider, the Servicer, any Originator, any Lessee or any ERISA Affiliate thereof 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).

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"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 Performance Support Provider, the Servicer, any Originator, any Lessee or any ERISA Affiliate thereof 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.

"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.

(k) Tax Returns and Payments. It has filed all federal income tax returns and all other material tax returns that are required to be filed by it and has paid all taxes due pursuant to such returns or pursuant to any assessment received by it, except (i) for any such taxes or assessments that are being appropriately contested in good faith by appropriate proceedings and with respect to which adequate reserves in conformity with GAAP have been provided or (ii) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect. No tax lien has been filed, and, to its actual knowledge, no claim is being asserted, with respect to any such tax or assessment that could reasonably be expected to result in a Material Adverse Effect.

Section 4. Covenants. Performance Support Provider covenants and agrees that, from the Lease Closing Date until (i) all the Performance Support Obligations are indefeasibly paid and satisfied in full and (ii) all the Guaranteed Obligations under and as defined in the Sprint Guarantee are indefeasibly paid and satisfied in full, it shall observe and perform the following covenants:

(a) Compliance with Laws. It shall comply with all applicable Laws, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) Preservation of Corporate Existence. Except as expressly permitted under Section 4(c), it shall preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its organization, and qualify and remain qualified in good standing in all jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualifications, except where the failure to be in good standing or to qualify or preserve or maintain such existence, rights, franchises or privileges could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Mergers, Sales, Etc. It shall not consolidate with or merge with or into any other Person or sell, lease or transfer all or substantially all of its property and assets, unless (i) no Lease Default or Lease Event of Default has occurred and is continuing or would result immediately after giving effect thereto, (ii) if it is not the surviving entity or if it sells, leases or transfers all or substantially all of its property and assets, the surviving entity or the Person purchasing or being leased the assets agrees to be bound by the terms and provisions applicable to Performance Support Provider hereunder and under the Transaction Documents to which

Performance Support Provider is a party, (iii) Performance Support Provider reaffirms in a writing, in form and substance reasonably satisfactory to Performance Beneficiary, that its obligations under this Agreement and any other Transaction Document to which it is a party shall apply to the surviving entity, and (iv) Performance Beneficiary receives such additional certifications and opinions of counsel as it shall reasonably request.

(d) Other Information. It shall promptly, from time to time, provide such other information, documents, records or reports respecting the condition or operations, financial or otherwise, of any Covered Entity as Performance Beneficiary may from time to time reasonably request relating to the Covered Entities and the transactions contemplated by this Agreement and any other Transaction Document, in order to protect the interests of Performance Beneficiary and Mobile Leasing Solutions, LLC, a Delaware limited liability company ("Mobile Leasing Solutions"), under or as contemplated by this Agreement or any other Transaction Document or to comply with any Law or any regulatory authority; provided that Performance Support Provider shall not be required to furnish such other information to the extent that Performance Support Provider has determined in good faith that it is prohibited from furnishing such other information by any Law or a Contractual Obligation or because such information is Relevant Personal Data subject to Section 7.1(h) of the Master Lease Agreement or Section 8.1(l) of the Servicing Agreement (it being understood and agreed that this Section 4(d) shall not be applied to augment the periodic reporting obligations of Performance Support Provider under this Agreement).

(e) Reporting Requirements. It shall, unless Performance Beneficiary shall otherwise consent in writing, furnish to Performance Beneficiary each of the following:

(i) Quarterly Financial Statements. Within 45 days after the close of each of the first three fiscal quarters of each fiscal year, its Form 10-Q as filed with the SEC.

(ii) Annual Financial Statements. Within 75 days after the end of each of its fiscal years, the audited consolidated statements of operations, changes in stockholders' equity and cash flows of Performance Support Provider and its Subsidiaries for such fiscal year and the related audited consolidated balance sheet for Performance Support Provider and its Subsidiaries as of the end of such fiscal year, setting forth in each case in comparative form the corresponding figures for the previous fiscal year, all reported on by Deloitte LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit), to the effect that such audited consolidated financial statements present fairly in all material respects the financial condition and results of operations of Performance Support Provider and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied.

(iii) Compliance Certificate. Together with the financial statements required hereunder, a compliance certificate in substantially the form of Exhibit A attached hereto signed by an authorized officer of Performance Support Provider and dated the date of such annual financial statement or such quarterly financial statement, as the case may be.

Documents and information required to be delivered pursuant to this Section 4 (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically, and, if so delivered, shall be deemed to have been delivered on the date on which Performance Support Provider posts such documents, or provides a link thereto, on its website or another relevant website, if any, to which Performance Beneficiary has access (whether a commercial, third-party website or whether sponsored by Performance Beneficiary or any express third-party beneficiary of this Agreement). Any information provided by Performance Support Provider under this Section 4(e) or any other provision of this Agreement shall be subject to the confidentiality provisions set forth in Section 20 of the MLS Intercreditor Agreement or otherwise applicable to such information pursuant to the terms of any other Transaction Document.

(f) Provision of Wireless Services. It will or will cause one or more Affiliates to provide wireless network services to Customers in accordance with each Customer Lease or other agreement, contract or document (including any terms and conditions, purchase order or invoice) related to any rights or obligations of any party under a Customer Lease, subject to the Credit and Collection Policy.

(g) Leasing Program. It will not and will cause its Affiliates not to discontinue the leasing program relating to the Devices or Related Customer Leases or take any corporate action to discontinue such leasing program.

(h) Non-Return Remedies. It will and will cause the Covered Entities and, if applicable, any other Sprint Party, to comply with the Non-Return Remedies.

(i) Fair Market Value Consideration. It will not and will cause each Covered Entity not to publish or disseminate on its website or otherwise the fair market value consideration for any Device purchasable by a Customer pursuant to such Customer's purchase option in the relevant Customer Lease for any period after the relevant Scheduled Customer Lease Term other than the fair market value consideration specified by Performance Beneficiary in writing to Performance Support Provider pursuant to Section 5.3(f) of the Second Step Transfer Agreement.

(j) Arm's Length Relationship. It will and will cause the Covered Entities to maintain an arm's-length relationship with Performance Beneficiary (for the avoidance of doubt, the parties hereto agree that the Transaction Documents and the transactions contemplated by the Transaction Documents are arm's-length commercial transactions between the Sprint Parties, on the one hand, and the Performance Beneficiary, on the other). Performance Support Provider will not and will cause each Covered Entity not to hold itself out as being in any way connected or associated with the business of Performance Beneficiary (other than solely as a result of the transactions and relationships contemplated by the Transaction Documents and except that Servicer may act as agent for Performance Beneficiary in accordance with the Servicing Agreement).

(k) No Modification. It will not and will cause each Covered Entity not to make alterations or modifications to the Devices other than in the ordinary course of business, except

that no Sprint Party shall be responsible for any alteration, modification or change made to a Device by a Customer or for any repairs made by a third-party maintenance provider on behalf of a Customer. Performance Support Provider will not and will cause each Covered Entity not to amend, waive or otherwise modify any term or condition of any Customer Lease except in accordance with Section 8.2(a) of the Servicing Agreement.

Section 5. Miscellaneous.

(a) Each of Performance Support Provider and Performance Beneficiary agrees that any payments hereunder will be made to the MLS Collection Account (Tranche 1) on the date when due in electronically transmitted funds.

(b) No amendment or waiver of any provision of this Agreement nor consent to any departure by Performance Support Provider therefrom shall be effective unless the same shall be in writing and signed by Performance Beneficiary and Performance Support Provider. No failure on the part of Performance Beneficiary to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

(c) This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns. The parties hereto may not assign, delegate or otherwise transfer any rights or obligations hereunder except as permitted under Section 11.5 of the Master Lease Agreement and, in any event, except as permitted under Section 4(c), Performance Support Provider shall not assign, delegate or otherwise transfer any of its obligations or duties hereunder without the prior written consent of Performance Beneficiary. Performance Support Provider expressly acknowledges that all of Performance Beneficiary's right, title and interest in, to and under this Agreement shall be assigned as collateral to the Collateral Agent for the benefit of the Finance Parties, and Performance Support Provider consents to such assignment. The parties hereto agree that the Collateral Agent (and any assignee thereof) is an intended third-party beneficiary of this Agreement and is entitled to enforce the rights of Performance Beneficiary arising hereunder, including requiring payment of any amounts required to be paid to Performance Beneficiary to be paid directly to the MLS Collection Account (Tranche 1).

(d) **THIS AGREEMENT, INCLUDING THE RIGHTS AND DUTIES OF THE PARTIES HERETO, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BUT WITHOUT REGARD TO ANY OTHER CONFLICT OF LAWS PROVISIONS THEREOF).**

(e) **EACH PARTY HERETO HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR ANY AMENDMENT, INSTRUMENT OR DOCUMENT DELIVERED OR THAT MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH**

AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT A JURY.

(f) **EACH PARTY HERETO HEREBY ACKNOWLEDGES AND AGREES THAT:**

(i) **IT IRREVOCABLY (A) SUBMITS TO THE JURISDICTION, FIRST, OF ANY UNITED STATES FEDERAL COURT, AND SECOND, IF FEDERAL JURISDICTION IS NOT AVAILABLE, OF ANY NEW YORK STATE COURT, IN EITHER CASE SITTING IN NEW YORK, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OTHER TRANSACTION DOCUMENT, (B) AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED ONLY IN SUCH NEW YORK STATE OR FEDERAL COURT AND NOT IN ANY OTHER COURT, AND (C) WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING.**

(ii) **TO THE EXTENT THAT IT HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM THE JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID TO EXECUTION, EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, IT HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER OR IN CONNECTION WITH THIS AGREEMENT.**

(g) Performance Support Provider agrees to do all such things and execute all such documents as Performance Beneficiary may reasonably consider necessary or desirable to give full effect to this Agreement and to perfect or preserve the rights and powers of Performance Beneficiary hereunder or with respect hereto.

Section 6. Termination of Agreement.

(a) This Agreement and Performance Support Provider's obligations hereunder shall remain operative and continue in full force and effect from the Lease Closing Date until such time as (i) all the Performance Support Obligations are indefeasibly paid and satisfied in full and (ii) all the Guaranteed Obligations under and as defined in the Sprint Guarantee are indefeasibly paid and satisfied in full, provided that this Agreement and Performance Support Provider's obligations hereunder shall continue to be effective or shall be reinstated, as the case may be, if at any time payment or other satisfaction of any of the Performance Support Obligations is rescinded or must otherwise be restored or returned upon the bankruptcy, insolvency or reorganization of any Covered Entity as though such payment had not been made or other satisfaction had not occurred. To the fullest extent permitted by Law, no invalidity, irregularity

or unenforceability by reason of the bankruptcy, insolvency, reorganization or other similar Laws or any other Law or order of any Governmental Authority thereof purporting to reduce, amend or otherwise affect the Performance Support Obligations shall impair, affect or be a defense to or claim against the obligations of Performance Support Provider under this Agreement.

(b) This Agreement shall survive the insolvency of any Covered Entity, Performance Beneficiary or any other Person and the commencement of any case or proceeding by or against any Covered Entity or any other Person under any bankruptcy, insolvency, reorganization or other similar Law. No automatic stay under any bankruptcy, insolvency, reorganization or other similar Law with respect to any Covered Entity or any other Person (other than the Performance Support Provider to the extent required by applicable law) shall postpone the obligations of Performance Support Provider under this Agreement.

Section 7. **Set-off**. Performance Beneficiary is hereby authorized at any time during the continuance of a Lease Event of Default (in addition to any other rights it may have) to setoff, appropriate and apply (without presentment, demand, protest or other notice, each of which are hereby expressly waived) any indebtedness held or owing by Performance Beneficiary to or for the account of Performance Support Provider against amounts owing by Performance Support Provider hereunder (even if contingent and unmatured).

Section 8. **Entire Agreement; Severability; No Party Deemed Drafter**. This Agreement and the other Transaction Documents constitute the entire agreement of the parties hereto with respect to the matters set forth herein. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by Law or any other agreement, and this Agreement shall be in addition to any other guaranty of or collateral security for any of the Performance Support Obligations. The provisions of this Agreement are severable, and in any action or proceeding involving any state corporate or limited liability company law, or any bankruptcy, insolvency, reorganization or other similar Law, if the obligations of Performance Support Provider hereunder would otherwise be held or determined to be avoidable, invalid or unenforceable on account of the amount of Performance Support Provider's liability under this Agreement, then, notwithstanding any other provision of this Agreement to the contrary, the amount of such liability shall, without any further action by Performance Support Provider or Performance Beneficiary, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding. Any provisions of this Agreement that are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Each of the parties hereto hereby agrees that no party hereto shall be deemed to be the drafter of this Agreement.

Section 9. **Expenses**. Performance Support Provider agrees to pay on demand:

(a) all reasonable and documented out-of-pocket costs and expenses incurred by Performance Beneficiary in connection with any amendment, restatement or supplement of, or

consent or waivers under, this Agreement or any enforcement of, or any actual or reasonably claimed breach of, or claim under, this Agreement, including the reasonable fees and expenses of counsel incurred in connection therewith and all accountants', attorneys', auditors', consultants' and other agents' fees and expenses incurred in connection with any of the foregoing or in advising such Persons as to their respective rights and remedies under this Agreement; and

(b) all stamp and other similar Taxes and fees payable or determined to be payable in connection with the execution and delivery, and, if applicable, filing and recording, of this Agreement, and agrees to indemnify and hold harmless Performance Beneficiary against any liabilities with respect to or resulting from any delay in paying or omission to pay such Taxes and fees;

provided, however, that so long as no Lease Default or Lease Event of Default has occurred and remains continuing, Performance Support Provider's obligation under this Section 9 to pay the reasonable and documented attorneys' fees and expenses incurred by Performance Beneficiary shall be limited to paying the reasonable and documented fees and expenses of one law firm selected by Performance Beneficiary in its sole discretion; provided, further, however, that, for the avoidance of doubt, such limitation shall not apply to any reasonable and documented attorneys' fees and expenses incurred by Performance Beneficiary during the continuance of a Lease Default or Lease Event of Default even if such event subsequently ceases to be continuing.

Section 10. Indemnities by Performance Support Provider. Without limiting any other rights that Performance Beneficiary may have hereunder or under applicable Law, Performance Support Provider agrees to indemnify and hold harmless each Lessee Indemnitee forthwith and on demand from and against any and all damages, losses, claims, liabilities and related costs and expenses (including all filing fees, if any), including reasonable and documented attorneys' fees and disbursements (all of the foregoing being collectively referred to as "Indemnified Amounts") incurred by any of them and arising out of, relating to or resulting from (but not including amounts that are expressly excluded from Performance Support Obligations): (a) any breach by Performance Support Provider (in any capacity) of any of its obligations or duties under this Agreement or any other Transaction Document; (b) the untruth or inaccuracy of any representation or warranty made by Performance Support Provider (in any capacity) hereunder or under any other Transaction Document; (c) the failure of any information provided to any such Lessee Indemnitee by, or on behalf of, Performance Support Provider (in any capacity) to be true and correct; (d) any negligence or willful misconduct of Performance Support Provider (in any capacity) arising out of, relating to, in connection with, or affecting any transaction contemplated by the Transaction Documents; or (e) the failure by Performance Support Provider (in any capacity) to comply with any applicable Law, rule or regulation with respect to this Agreement or any other Transaction Document to which it is a party, the transactions contemplated hereby or thereby, the Performance Support Obligations or otherwise; provided, however, notwithstanding anything to the contrary in this Section 10, excluding Indemnified Amounts solely to the extent (x) resulting from the gross negligence or willful misconduct on the part of such Lessee Indemnitee as determined by a final non-appealable judgment by a court of competent jurisdiction, (y) resulting from a claim brought by Performance Support Provider or any Covered Entity against a Lessee Indemnitee for breach of

such Lessee Indemnitee's obligations under any Transaction Document as determined by a final non-appealable judgment by a court of competent jurisdiction or (z) constituting recourse with respect to a Customer Receivable by reason of bankruptcy or insolvency, or the financial or credit condition or financial default, of the related Customer.

Section 11. **Addresses for Notices**. The provisions of Section 21 (Notices) of the MLS Intercreditor Agreement shall apply as if fully set forth herein.

Section 12. **Mobile Leasing Solutions as Series LLC**. Each Party hereto hereby acknowledges and agrees that Mobile Leasing Solutions is a series limited liability company, and that accordingly the obligations and liabilities of Performance Beneficiary hereunder and under the other Transaction Documents are and will be enforceable against Performance Beneficiary solely to the extent of the assets of Series 1 (whether held by Series 1 directly or held in the name of Mobile Leasing Solutions on behalf of Series 1) (the "Series 1 Assets"), and not against any other assets of Mobile Leasing Solutions or against any other Series of Mobile Leasing Solutions or any assets of any such other Series (whether held directly by such other Series or by Mobile Leasing Solutions on behalf of such other Series).

Section 13. **Limited Recourse**. Notwithstanding anything to the contrary contained in this Agreement or any other Transaction Document, the obligations and liabilities of Performance Beneficiary under each of the Transaction Documents to which it is a party are solely the obligations and liabilities of Performance Beneficiary and shall be payable solely to the extent of the Series 1 Assets that are subject to the MLS Security Documents (the "Series 1 Pledged Assets"), and the proceeds of the realization thereof from whatever means, applied in accordance with this Agreement and the other Transaction Documents. If the Series 1 Pledged Assets and the proceeds of the realization thereof from whatever means, including pursuant to the enforcement of the MLS Security Documents, applied in accordance with the MLS Intercreditor Agreement and the other Transaction Documents, are insufficient to discharge in full the obligations and liabilities of Performance Beneficiary under the MLS Intercreditor Agreement and the other Transaction Documents, the rights of the Sprint Parties to receive any further amounts in respect of such obligations and liabilities shall be extinguished and none of the Sprint Parties may take any further action to recover such amounts. For the avoidance of doubt, no recourse shall be had to the assets of Mobile Leasing Solutions or the assets of any Series of Mobile Leasing Solutions other than the Series 1 Pledged Assets to satisfy the obligations and liabilities of Performance Beneficiary under this Agreement or any other Transaction Document.

[Signatures Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

SPRINT CORPORATION

By: /s/ Janet M. Duncan
Name: Janet M. Duncan
Title: Vice President and Treasurer

MOBILE LEASING SOLUTIONS, LLC,
a Delaware limited liability company,
acting for itself and on behalf of Series 1 thereof

By: /s/ Jeff Krisel
Name: Jeff Krisel
Title: President, Chief Executive Officer and Secretary

Exhibit 10.14

Execution Copy

AMENDED AND RESTATED GUARANTY (TRANCHE 1)

THIS AMENDED AND RESTATED GUARANTY (TRANCHE 1) dated as of April 28, 2016 and effective as of the Amendment Closing Date (this "Guaranty"), is between SPRINT CORPORATION, a Delaware corporation ("Guarantor") and MOBILE LEASING SOLUTIONS, LLC, a Delaware limited liability company, acting for itself and on behalf of Series 1 thereof ("Guaranty Beneficiary").

WHEREAS, Guarantor and Mobile Leasing Solutions are parties to the Guaranty, dated as of November 19, 2015 and effective as of the Lease Closing Date (as amended, supplemented or otherwise modified from time to time prior to the date hereof, the "Original Guaranty");

WHEREAS, it is the intent of the parties hereto that this Guaranty amend and restate in its entirety the Original Guaranty;

WHEREAS, pursuant to that certain Amended and Restated First Step Transfer Agreement (Tranche 1) dated as of the date hereof and effective as of the Amendment Closing Date (as amended, supplemented or otherwise modified from time to time, the "First Step Transfer Agreement"), among the Originators, as transferors, and the Lessees, as transferees, and Servicer, on the Lease Closing Date the Originators contributed and from time to time the Originators will contribute Devices and related Customer Leases to the Lessees as further described in the First Step Transfer Agreement;

WHEREAS, pursuant to that certain Amended and Restated Second Step Transfer Agreement (Tranche 1) dated as of the date hereof and effective as of the Amendment Closing Date (as amended, supplemented or otherwise modified from time to time, the "Second Step Transfer Agreement"), among the Lessees, as sellers, and Guaranty Beneficiary, as buyer, (i) on the Lease Closing Date the Lessees sold and from time to time the Lessees will sell Devices and the Customer Lease-End Rights and Obligations (as defined in the Second Step Transfer Agreement) under the related Customer Leases to Guaranty Beneficiary as further described in the Second Step Transfer Agreement and (ii) the Guaranty Beneficiary has agreed to pay to the Lessees the Purchase Price (as defined in the Second Step Transfer Agreement), all as further described in the Second Step Transfer Agreement;

WHEREAS, pursuant to that certain Amended and Restated Master Lease Agreement (Tranche 1), dated as of the date hereof and effective as of the Amendment Closing Date (as amended, supplemented or otherwise modified from time to time, the "Master Lease Agreement"; capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Master Lease Agreement), by and among the Lessees, Servicer, Guaranty Beneficiary and Collateral Agent, as supplemented by each Device Lease Schedule (the Master Lease Agreement, together with each Device Lease Schedule agreed as of the Lease Closing Date by the Lessees and Performance Beneficiary and, if applicable, amended pursuant to Section 2.14 of the Master Lease Agreement, collectively, the "Device Leases" and, each, a

"Device Lease"), on the Lease Closing Date Guaranty Beneficiary commenced leasing the Lease Closing Date Devices to the relevant Lessee;

WHEREAS, pursuant to that certain Amended and Restated Servicing Agreement (Tranche 1), dated as of the date hereof and effective as of the Amendment Closing Date (as amended, supplemented or otherwise modified from time to time, the "Servicing Agreement"), by and among the Lessees, Servicer, Guaranty Beneficiary and Collateral Agent, Servicer will service the Devices and related Customer Leases for Lessees and Guaranty Beneficiary as further described in the Servicing Agreement;

WHEREAS, the Parties intend that the Transaction Documents create a financing for all U.S. federal, state and local income tax purposes, and thus specifically that (i) the Cash Purchase Price paid under the Second Step Transfer Agreement at closing be treated for such purposes as amounts loaned by Guaranty Beneficiary for which the Devices provide security and (ii) Rental Payments payable to Guaranty Beneficiary under the Device Leases be treated for such purposes as payments on such indebtedness owed to Guaranty Beneficiary;

WHEREAS, Guarantor is the direct or indirect parent of each of the Lessees and will receive substantial direct and indirect benefits from the sale and leaseback arrangements contemplated by the First Step Transfer Agreement, the Second Step Transfer Agreement, the Device Leases and the other Sprint Transaction Documents; and

WHEREAS, it is a condition precedent to Guaranty Beneficiary entering into the Omnibus Consent that Guarantor shall have executed and delivered this Guaranty.

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Guaranty. Guarantor hereby absolutely, unconditionally and irrevocably guarantees, for the benefit of Guaranty Beneficiary, the due and punctual payment by the Lessees of (i) the Rental Payments to the extent constituting a Rent Payment Shortfall (as defined in the Second Step Transfer Agreement), if any, due and payable under each Device Lease, and (ii) any Device Lease Early Termination Amount or Present Value Device Lease Amount due and payable under the Master Lease Agreement and provided further that in no event shall Guarantor's aggregate liability under this Guaranty under clauses (i) and (ii) above exceed an amount equal to 20% of the Cash Purchase Price (collectively, as limited, the "Guaranteed Obligations"), in each case, irrespective of: (a) the validity, binding effect, legality, subordination, disaffirmance, enforceability or amendment, restatement, modification or supplement of, or waiver of compliance with, the Master Lease Agreement, the Device Leases, any other Transaction Document or any documents related hereto or thereto, (b) any change in the existence, formation or ownership of, or the bankruptcy or insolvency of, any Lessee or any other Sprint Party, (c) any extension, renewal, settlement, compromise, exchange, waiver or release in respect of any Guaranteed Obligation (or any collateral security therefor, including the property sold, contributed (or purportedly sold or contributed) or otherwise pledged or

transferred by any Originator under the First Step Transfer Agreement or by any Lessee under the Second Step Transfer Agreement) or by any party to this Guaranty, the Device Leases, any other Transaction Document or any related documents, (d) the existence of any claim, set-off, counterclaim or other right that Guarantor or any other Person may have against any Lessee or any other Person, (e) any impossibility or impracticability of performance, illegality, force majeure, act of Governmental Authority or other circumstance that might otherwise constitute a legal or equitable discharge or defense available to, or provide a discharge of, Guarantor, (f) any Law affecting any term of any of the Guaranteed Obligations, the Device Leases or any other Transaction Document or any rights of Guaranty Beneficiary with respect thereto or otherwise, (g) the failure by Guaranty Beneficiary to take any steps to perfect and maintain perfected its interest in any collateral security or (h) any failure to obtain any authorization or approval from, or other action by, or to make any notification to or filing with, any Governmental Authority required in connection with the performance of the Guaranteed Obligations or otherwise. This Guaranty is a guaranty of payment and not merely of collection.

Without limiting the generality of the foregoing, Guarantor agrees that if any Lessee shall fail in any manner whatsoever to pay any of its Guaranteed Obligations when the same shall be required to be paid under the Device Leases or the Second Step Transfer Agreement, then Guarantor will itself pay within two Business Days following demand such Guaranteed Obligations. Guarantor hereby expressly waives diligence, presentment, demand, protest or notice of any kind whatsoever, as well as any requirement that Guaranty Beneficiary exhaust any right to take any action against any Lessee or any other Person (including the filing of any claims in the event of a receivership or bankruptcy of any Lessee or any other Person), or with respect to any collateral at any time securing any of the Guaranteed Obligations, and hereby consents to any and all extensions of time of the due performance of any or all of the Guaranteed Obligations. Guarantor hereby irrevocably waives, and agrees that it shall not exercise or assert, any right to reimbursement from any Lessee or any Originator that it may acquire by way of subrogation or otherwise. Guarantor also hereby expressly waives all other defenses it may have as a guarantor or a surety generally or otherwise based upon suretyship, impairment of collateral or otherwise in connection with the Guaranteed Obligations, whether in equity or at law. Notwithstanding anything to the contrary herein, it is expressly acknowledged that this Guaranty is not a guarantee of the performance by any Customer of its obligations under its Customer Lease, and there shall be no recourse to Guarantor for any non-payment or non-performance or delay in payment or performance of any Customer Lease solely by reason of the bankruptcy, insolvency or lack of creditworthiness of the related Customer or the uncollectability of the obligations under such Customer Lease or for any Guaranteed Obligations the payment of which could otherwise constitute recourse to Guarantor or any Lessee for uncollectible obligations under Customer Leases, in each case above, except to the extent that the guarantee of any Rent Payment Shortfall constituting Guaranteed Obligations indirectly constitutes such recourse.

Section 2. **Confirmation**. Guarantor hereby confirms that the transactions contemplated by the Transaction Documents have been arranged among the Lessees, the Originators and Guaranty Beneficiary, as applicable, with Guarantor's full knowledge and consent and any amendment, restatement, modification or supplement of, or waiver of

compliance with, the Transaction Documents in accordance with the terms thereof by any of the foregoing shall be deemed to be with Guarantor's full knowledge and consent. Guarantor hereby confirms that on the date hereof it owns (directly or indirectly) 100% of the equity interests of each Lessee. Guarantor agrees to notify Guaranty Beneficiary in the event that it ceases to own (directly or indirectly) 100% of the equity interests of any Lessee.

Section 3. Miscellaneous.

(a) Each of Guarantor and Guaranty Beneficiary agrees that any payments hereunder will be made to the MLS Collection Account (Tranche 1) on the date when due in electronically transmitted funds.

(b) No amendment or waiver of any provision of this Guaranty nor consent to any departure by Guarantor therefrom shall be effective unless the same shall be in writing and signed by Guaranty Beneficiary and Guarantor. No failure on the part of Guaranty Beneficiary to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

(c) This Guaranty shall bind and inure to the benefit of the parties hereto and their respective successors and assigns. The parties hereto may not assign, delegate or otherwise transfer any rights or obligations hereunder except as permitted under Section 11.5 of the Master Lease Agreement, and, in any event, except as permitted under Section 4(c) of the Performance Support Agreement, Guarantor shall not assign, delegate or otherwise transfer any of its obligations or duties hereunder without the prior written consent of Guaranty Beneficiary. Guarantor expressly acknowledges that all of Guaranty Beneficiary's right, title and interest in, to and under this Guaranty shall be assigned as collateral to the Collateral Agent for the benefit of the Finance Parties, and Guarantor consents to such assignment. The parties hereto agree that the Collateral Agent (and any assignee thereof) is an intended third-party beneficiary of this Guaranty and is entitled to enforce the rights of Guaranty Beneficiary arising hereunder, including requiring payment of any amounts required to be paid to Guaranty Beneficiary to be paid directly to the MLS Collection Account (Tranche 1).

(d) **THIS GUARANTY, INCLUDING THE RIGHTS AND DUTIES OF THE PARTIES HERETO, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BUT WITHOUT REGARD TO ANY OTHER CONFLICT OF LAWS PROVISIONS THEREOF).**

(e) **EACH PARTY HERETO HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS GUARANTY, ANY OTHER TRANSACTION DOCUMENT OR ANY AMENDMENT, INSTRUMENT OR DOCUMENT DELIVERED OR THAT MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH**

AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT A JURY.

(f) **EACH PARTY HERETO HEREBY ACKNOWLEDGES AND AGREES THAT:**

(i) **IT IRREVOCABLY (i) SUBMITS TO THE JURISDICTION, FIRST, OF ANY UNITED STATES FEDERAL COURT, AND SECOND, IF FEDERAL JURISDICTION IS NOT AVAILABLE, OF ANY NEW YORK STATE COURT, IN EITHER CASE SITTING IN NEW YORK, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY AND ANY OTHER TRANSACTION DOCUMENT, (ii) AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED ONLY IN SUCH NEW YORK STATE OR FEDERAL COURT AND NOT IN ANY OTHER COURT, AND (iii) WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING.**

(ii) **TO THE EXTENT THAT IT HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM THE JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID TO EXECUTION, EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, IT HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER OR IN CONNECTION WITH THIS GUARANTY.**

(g) Guarantor agrees to do all such things and execute all such documents as Guaranty Beneficiary may reasonably consider necessary or desirable to give full effect to this Guaranty and to perfect or preserve the rights and powers of Guaranty Beneficiary hereunder or with respect hereto.

Section 4. Termination of Guaranty.

(a) This Guaranty and Guarantor's obligations hereunder shall remain operative and continue in full force and effect from the Lease Closing Date until such time as all the Guaranteed Obligations are duly performed and indefeasibly paid and satisfied in full, provided that this Guaranty and Guarantor's obligations hereunder shall continue to be effective or shall be reinstated, as the case may be, if at any time payment or other satisfaction of any of the Guaranteed Obligations is rescinded or must otherwise be restored or returned upon the bankruptcy, insolvency or reorganization of any Lessee as though such payment had not been made or other satisfaction had not occurred. To the fullest extent permitted by Law, no invalidity, irregularity or unenforceability by reason of the bankruptcy, insolvency, reorganization or other similar Laws or any other Law or order of any Governmental Authority

thereof purporting to reduce, amend or otherwise affect the Guaranteed Obligations shall impair, affect or be a defense to or claim against the obligations of Guarantor under this Guaranty.

(b) This Guaranty shall survive the insolvency of any Lessee, Guaranty Beneficiary or any other Person and the commencement of any case or proceeding by or against any Lessee or any other Person under any bankruptcy, insolvency, reorganization or other similar Law. No automatic stay under any bankruptcy, insolvency, reorganization or other similar Law with respect to any Lessee or any other Person (other than Guarantor to the extent required by applicable law) shall postpone the obligations of Guarantor under this Guaranty.

Section 5. **Set-off**. Guaranty Beneficiary is hereby authorized at any time during the continuance of a Lease Event of Default (in addition to any other rights it may have) to setoff, appropriate and apply (without presentment, demand, protest or other notice, each of which are hereby expressly waived) any indebtedness held or owing by Guaranty Beneficiary to or for the account of Guarantor against amounts owing by Guarantor hereunder (even if contingent and unmatured).

Section 6. **Entire Agreement; Severability; No Party Deemed Drafter**. This Guaranty and the other Transaction Documents constitute the entire agreement of the parties hereto with respect to the matters set forth herein. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by Law or any other agreement, and this Guaranty shall be in addition to any other guaranty of or collateral security for any of the Guaranteed Obligations. The provisions of this Guaranty are severable, and in any action or proceeding involving any state corporate or limited liability company law, or any bankruptcy, insolvency, reorganization or other similar Law, if the obligations of Guarantor hereunder would otherwise be held or determined to be avoidable, invalid or unenforceable on account of the amount of Guarantor's liability under this Guaranty, then, notwithstanding any other provision of this Guaranty to the contrary, the amount of such liability shall, without any further action by Guarantor or Guaranty Beneficiary, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding. Any provisions of this Guaranty that are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Each of the parties hereto hereby agrees that no party hereto shall be deemed to be the drafter of this Guaranty.

Section 7. **Expenses**. Guarantor agrees to pay on demand:

(a) all reasonable and documented out-of-pocket costs and expenses incurred by Guaranty Beneficiary in connection with any amendment, restatement or supplement of, or consent or waiver under, this Guaranty, or any enforcement of, or any actual or reasonably claimed breach of, or claim under, this Guaranty, including the reasonable fees and expenses of counsel incurred in connection therewith and all accountants', attorneys', auditors', consultants'

and other agents' fees and expenses incurred in connection with any of the foregoing or in advising such Persons as to their respective rights and remedies under this Guaranty; and

(b) all stamp and other similar Taxes and fees payable or determined to be payable in connection with the execution and delivery, and, if applicable, filing and recording, of this Guaranty, and agrees to indemnify and hold harmless Guaranty Beneficiary against any liabilities with respect to or resulting from any delay in paying or omission to pay such Taxes and fees; provided, however, that so long as no Lease Default or Lease Event of Default has occurred and remains continuing, Guarantor's obligation under this Section 7 to pay the reasonable and documented attorneys' fees and expenses incurred by Guaranty Beneficiary shall be limited to paying the reasonable and documented fees and expenses of one law firm selected by Guaranty Beneficiary in its sole discretion; provided, further, however, that, for the avoidance of doubt, such limitation shall not apply to any reasonable and documented attorneys' fees and expenses incurred by Guaranty Beneficiary during the continuance of a Lease Default or Lease Event of Default even if such event subsequently ceases to be continuing.

Section 8. **Addresses for Notices**. The provisions of Section 21 (Notices) of the MLS Intercreditor Agreement shall apply as if fully set forth herein.

Section 9. **Mobile Leasing Solutions as Series LLC**. Each Party hereto hereby acknowledges and agrees that Mobile Leasing Solutions is a series limited liability company, and that accordingly the obligations and liabilities of Guaranty Beneficiary hereunder and under the other Transaction Documents are and will be enforceable against Guaranty Beneficiary solely to the extent of the assets of Series 1 (whether held by Series 1 directly or held in the name of Mobile Leasing Solutions on behalf of Series 1) (the "Series 1 Assets"), and not against any other assets of Mobile Leasing Solutions or against any other Series of Mobile Leasing Solutions or any assets of any such other Series (whether held directly by such other Series or by Mobile Leasing Solutions on behalf of such other Series).

Section 10. Limited Recourse. Notwithstanding anything to the contrary contained in this Guaranty or any other Transaction Document, the obligations and liabilities of Guaranty Beneficiary under each of the Transaction Documents to which it is a party are solely the obligations and liabilities of Guaranty Beneficiary and shall be payable solely to the extent of the Series 1 Assets that are subject to the MLS Security Documents (the "Series 1 Pledged Assets"), and the proceeds of the realization thereof from whatever means, applied in accordance with this Guaranty and the other Transaction Documents. If the Series 1 Pledged Assets and the proceeds of the realization thereof from whatever means, including pursuant to the enforcement of the MLS Security Documents, applied in accordance with the MLS Intercreditor Agreement and the other Transaction Documents, are insufficient to discharge in full the obligations and liabilities of Guaranty Beneficiary under the MLS Intercreditor Agreement and the other Transaction Documents, the rights of the Sprint Parties to receive any further amounts in respect of such obligations and liabilities shall be extinguished and none of the Sprint Parties may take any further action to recover such amounts. For the avoidance of doubt, no recourse shall be had to the assets of Mobile Leasing Solutions or the assets of any Series of Mobile Leasing Solutions

other than the Series 1 Pledged Assets to satisfy the obligations and liabilities of Guaranty Beneficiary under this Guaranty or any other Transaction Document.

[Signatures Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Guaranty as of the date first written above.

SPRINT CORPORATION
as Guarantor

By: /s/ Janet M. Duncan
Name: Janet M. Duncan
Title: Vice President and Treasurer

MOBILE LEASING SOLUTIONS, LLC,
a Delaware limited liability company,
acting for itself and on behalf of Series 1 thereof, as Guaranty Beneficiary

By: /s/ Jeff Krisel
Name: Jeff Krisel
Title: President, Chief Executive Officer and
Secretary

Exhibit 10.70

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into as of April 1, 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 Robert Hackl (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 Chief Experience Officer and President National Sales 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 Chief Experience Officer and President National Sales 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.

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 80 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 $600,000.

(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) Conditioned on the Executive providing evidence verifying the forfeiture of his long-term incentive from his previous employer , the Executive shall receive a sign-on bonus of $500,000 (the "Sign-on Bonus"), less applicable tax withholdings and other authorized deductions, with $150,000 payable as soon as administratively practicable after the Effective Date, $125,000 payable as soon as administratively practicable after the one-year anniversary of the Effective Date, and $225,000 payable as soon as administratively practicable after the two-year anniversary of the Effective Date. Executive agrees to repay the 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 July 31, 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.

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 31st 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 31st 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 31st 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/her]** 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/ Sandra J. Price
Sandra J. Price
Senior Vice President - Human Resources

EXECUTIVE

/s/ Robert Hackl
Robert Hackl

Exhibit 10.76

SECOND AMENDMENT TO
AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Second Amendment (the "Amendment") to that certain Amended and Restated Employment Agreement made and entered into as of December 31, 2008 by and between Sprint Nextel Corporation, now known as Sprint Communications, Inc., and JAIME A. JONES (the "Agreement"), and amended effective December 13, 2012, is entered into on this 24th day of March, 2016. Certain capitalized terms shall have the meaning ascribed to them in the Agreement.

WHEREAS, the Company and the Executive desire to amend the Agreement as provided herein.

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 hereby agree Section 8 of the Agreement shall be amended, effective in connection with 2016 assignment of Executive's Place of Performance to Atlanta, Georgia, as shown in double underline (deletions in strikethrough) below:

8. Place of Performance. In connection with his employment by the Company as Area President - South, the Executive shall be based at the ~~principal~~ executive offices of the Company in the vicinity of Atlanta, Georgia or Overland Park, Kansas (the "Place of Performance"), except for travel reasonably required for Company business. If the Company relocates the Executive's place of work more than 50 miles from his place of work prior to such relocation, the Executive shall relocate to a residence within (a) 50 miles of such relocated executive offices or (b) such total miles that does not exceed the total number of miles the Executive commuted to his place of work prior to relocation of the Executive's place of work. 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 policy applicable to senior executives, except that the requirement to list his home in the vicinity of Overland Park for a period of at least 90 days before a corporate buyout of the property commences will be reduced to at least 20 days.

In all other respects, the terms, conditions and provisions of the Agreement shall remain the same.

IN WITNESS WHEREOF, the Company has caused this Amendment to be signed by an officer pursuant to the authority of its Board, and the Executive has executed this Amendment, as of the date set forth above.

SPRINT COMMUNICATIONS, INC. EXECUTIVE

/s/ Sandra J. Price /s/ Jaime A. Jones
By: Sandra J. Price, JAIME A. JONES
Senior Vice President, Human Resources

Exhibit 10.88

SPRINT CORPORATION

CHANGE IN CONTROL SEVERANCE PLAN

(Effective January 1, 2007 and
Amended and Restated Effective January 1, 2008, September 17, 2013, and November 6, 2015)

SPRINT CORPORATION
CHANGE IN CONTROL SEVERANCE PLAN
(Amended and Restated Effective January 1, 2008, September 17, 2013, and November 6, 2015)

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ARTICLE ONE

INTRODUCTION

1.01 Purpose of the Plan

The Sprint Corporation Change in Control Severance Plan (the "Plan") provides primarily for severance compensation benefits for certain key employees following termination of employment in connection with and/or following a Change in Control. Given the level of acquisition and change in control activity in today's business environment, the Board recognizes and understands that many key employees face uncertainty with respect to their job security. In addition, the Board believes that the concerns of key employees regarding a possible Change in Control transaction may cause them to consider career changes in an effort to assure financial security for themselves and their families. Consequently, the Corporation desires to increase the willingness of its key employees to remain with the Corporation (or its Subsidiaries) notwithstanding the employment uncertainties related to a possible Change in Control by providing certain economic benefits in the event of a Change in Control, thus allowing such key employees to make career decisions without undue time pressure and financial uncertainty.

The Plan is intended to provide severance compensation and benefits pursuant to the Plan if a Change in Control of the Corporation has occurred and the Participant's employment is either (a) terminated by a Company without Cause or (b) voluntarily terminated by the Participant for Good Reason in accordance with the terms of this Plan. The purpose and intent of the Plan is to help the Corporation attract and retain key employees and reduce distractions resulting from a potential Change in Control. The Board has considered the effect that a Change in Control of the Corporation may have on key employees of the Corporation and its Subsidiaries, and has found that such a Plan is in the best interest of the Corporation and its stockholders.

Capitalized terms used throughout the Plan have the meanings set forth in Article Two, except as otherwise defined in the Plan or where the context clearly requires otherwise.

1.02 Plan Status

The Plan is intended to be a plan providing Severance Benefits following a Change in Control. The Plan is intended to be a top hat plan for a select group of management or highly compensated executives, subject only to the administration and enforcement provisions of ERISA.

1.03 Entire Plan

This document, including any Appendix hereto, and any documents incorporated herein by reference set forth the provisions of the Plan effective as of the date of this current amendment and restatement of the Plan.

1.04 Administration

The Compensation Committee of the Board (the "Compensation Committee") shall administer the Plan; provided, however, that none of the members of the Compensation Committee will be a Participant. The powers and duties of the Compensation Committee in administering the Plan are set forth in Section 6.02.

ARTICLE TWO

DEFINITIONS

2.01 Defined Terms. For purposes of this Plan the following terms shall have the following meanings:

(a) "Accounting Firm" means a nationally recognized accounting firm, or actuarial, benefits or compensation consulting firm (with experience in performing the calculations regarding the applicability Section 280G of the Code and of the tax imposed by Section 4999 of the Code) selected by the Corporation.

(b) "Applicable Multiple" means the number specified under the heading "Applicable Multiple" on Appendix II for the Participant's designated Severance Benefit Classification.

(c) "Applicable Period" means the period specified under the heading "Applicable Period" on Appendix II for the Participant's designated Severance Benefits Classification.

(d) "Base Salary" means the annual base salary of any Participant, exclusive of any bonus, special pay or other benefits a Participant may receive, and for purposes of Article Four means such annual base salary in effect (i) on the date immediately preceding the date of the relevant Change in Control or (ii) on the date of the Participant's termination of employment with a Company, whichever is higher.

(e) "Board" means the Board of Directors of the Corporation.

(f) "Business Transaction" has the meaning set forth in Section 2.01(h)(ii).

(g) "Cause" means a termination of a Participant's employment due to the Participant's:

(i) conviction of, or entering into a plea of either guilty or *nolo contendere* to, any felony, including, but not limited to, a felony involving moral turpitude, embezzlement, theft or similar act that occurred during or in the course of the Participant's employment with a Company;

(ii) willful and continued failure to substantially perform his duties for a Company, after receiving written notice from or on behalf of such Company and having had a thirty (30) day opportunity to cure the deficiency;

(iii) willful misconduct or gross negligence that results in material harm to a Company; or

(iv) willful violation of the Corporation's policies that results in material harm to a Company.

For purposes of this Plan, an act, or failure to act, shall not be deemed to be "willful" unless it is done, or omitted to be done, by the Participant in bad faith or without a reasonable belief that the action or omission was in the best interests of a Company.

(h) "Change in Control" means, effective with respect to transactions occurring after September 16, 2013, the occurrence of any of the following events:

(i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person"), except SOFTBANK CORP. or any other entity that "controls," is "controlled by" or is "under common control with the Corporation or SOFTBANK CORP. within the meaning of Rule 405 of Regulation C under the Securities Act, becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of thirty percent (30%) or more of the combined voting power of the then-outstanding Voting Stock of the Corporation; except, that:

(A) for purposes of this clause (i), the following acquisitions shall not constitute a Change in Control: (1) any acquisition of Voting Stock of the Corporation directly from the Corporation that is approved by a majority of the Incumbent Directors, (2) any acquisition of Voting Stock of the Corporation by the Corporation or any Subsidiary, (3) any acquisition of Voting Stock of the Corporation by the trustee or other fiduciary holding securities under any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any Subsidiary, and (4) any acquisition of Voting Stock of the Corporation by any Person pursuant to a Business Transaction that complies with clauses (A), (B) and (C) of clause (ii) below;

(B) if any Person becomes the beneficial owner of thirty percent (30%) or more of combined voting power of the then-outstanding Voting Stock of the Corporation as a result of a transaction or series of transactions described in sub-clause (1) of clause (i)(A) above and such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock of the Corporation representing one percent (1%) or more of the then-outstanding Voting Stock of the Corporation, other than as a result of (x) a transaction described in sub-clause (1) of clause (i)(A) above, or (y) a stock dividend, stock split or similar transaction effected by the Corporation in which all holders of Voting Stock are treated equally then such subsequent acquisition shall be treated as a Change in Control;

(C) a Change in Control will not be deemed to have occurred if a Person becomes the beneficial owner of thirty percent (30%) or more of the Voting Stock of the Corporation as a result of a reduction in the number of shares of Voting Stock of the Corporation outstanding pursuant to a transaction or series of

transactions that is approved by a majority of the Incumbent Directors unless and until such Person thereafter becomes the beneficial owner of additional shares of Voting Stock of the Corporation representing one percent (1%) or more of the then-outstanding Voting Stock of the Corporation, other than as a result of a stock dividend, stock split or similar transaction effected by the Corporation in which all holders of Voting Stock are treated equally; and

(D) if at least a majority of the Incumbent Directors determine in good faith that a Person has acquired beneficial ownership of thirty percent (30%) or more of the Voting Stock of the Corporation inadvertently, and such Person divests as promptly as practicable, but no later than the date, if any, set by the Incumbent Directors a sufficient number of shares so that such Person beneficially owns less than thirty percent (30%) of the Voting Stock of the Corporation, then no Change in Control shall have occurred as a result of such Person's acquisition; or

(ii) the consummation of a reorganization, merger or consolidation of the Corporation with, or the acquisition of the stock or assets of the Corporation by, another Person, or similar transaction (each, a "Business Transaction"), unless, in each case, immediately following such Business Transaction (A) the Voting Stock of the Corporation outstanding immediately prior to such Business Transaction continues to represent, directly or indirectly, (either by remaining outstanding or by being converted into Voting Stock of the surviving entity or any parent thereof), more than fifty percent (50%) of the combined voting power of the then outstanding shares of Voting Stock or comparable equity interests of the entity resulting from such Business Transaction (including, without limitation, an entity which as a result of such transaction owns the Corporation or all or substantially all of the Corporation's assets either directly or through one or more subsidiaries), (B) no Person (other than the Corporation or SOFTBANK CORP. or any other entity that "controls," is "controlled by" or is "under common control with the Corporation or SOFTBANK CORP. within the meaning of Rule 405 of Regulation C under the Securities Act, such entity resulting from such Business Transaction, or any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any Subsidiary or such entity resulting from such Business Transaction) beneficially owns, directly or indirectly, thirty percent (30%) or more of the combined voting power of the then outstanding shares of Voting Stock of the entity resulting from such Business Transaction, and (C) at least a majority of the members of the board of directors of the entity resulting from such Business Transaction were Incumbent Directors at the time of the execution of the initial agreement or of the action of the Board providing for such Business Transaction; or

(iii) during any consecutive eighteen (18) month period, more than thirty percent (30%) of the Board ceases to be comprised of Incumbent Directors;

(iv) consummation of a transaction that implements in whole or in part a resolution of the stockholders of the Corporation authorizing a sale of all or substantially all of Corporation's assets or a complete liquidation or dissolution of the Corporation, except pursuant to a Business Transaction that complies with sub-clauses (A), (B) and (C) of clause (ii) above; or

(v) the cessation of the listing of, or the cessation of the requirement to list, all classes of the Corporation's equity securities on a national securities exchange.

(i) "Chief Executive Officer" means the Chief Executive Officer of the Corporation.

(j) "CIC Severance Protection Period" 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. A CIC Severance Protection Period shall also include the time period before the occurrence of a Change in Control for Participants who are subject to a Pre-CIC Termination with respect to the affected Participant.

(k) "Code" means the Internal Revenue Code of 1986, as amended and the proposed, temporary and final regulations promulgated thereunder. 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.

(l) "Company" means as the context requires, the Corporation, any Participating Employer, or any entity to which a Participant's employment is transferred, at the direction of the Corporation, and with which the Corporation would be considered a single employer as described in the definition of Separation from Service.

(m) "Compensation Committee" has the meaning set forth in Section 1.04.

(n) "Corporation" means Sprint Corporation, a Delaware corporation, or any successor company.

(o) "Director" means a member of the Board.

(p) "Effective Date" means January 1, 2007.

(q) "Employment Agreement" means any written employment agreement between a Company and a Participant.

(r) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder. Reference to any section or subsection of ERISA includes reference to any comparable or succeeding

provisions of any legislation that amends, supplements or replaces such section or subsection.

(s) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the regulations promulgated thereunder. Reference to any section or subsection of the Exchange Act includes reference to any comparable or succeeding provisions of any legislation that amends, supplements or replaces such section or subsection.

(t) "Excise Tax" shall mean, collectively, (i) the tax imposed by Section 4999 of the Code by reason of being "contingent on a change in ownership or control" of the Corporation, within the meaning of Section 280G of the Code, or (ii) any similar tax imposed by state or local law, or (iii) any interest or penalties with respect to any excise tax described in clause (i) or (ii).

(u) "Good Reason" means a Participant's resignation from employment with a Company in accordance with Section 6.15(b) after any of the actions listed below are directed at the Participant without the Participant's written consent (unless cured prior to such resignation):

(i) Such Company's material breach of an Employment Agreement with the Participant, if any;

(ii) significant and adverse change in duties and responsibilities which results in a change in a Participant's tier (and adjusting as appropriate for any changes to the Corporation's system of classifying employees implemented subsequent to the Effective Date) as compared with a Participant's responsibilities or duties immediately prior to the Change in Control;

(iii) reduction in a Participant's Base Salary as compared with the Participant's Base Salary immediately prior to the Change in Control, except for across-the-board reductions generally applicable to all senior executives;

(iv) reduction in a Participant's Target Bonus as compared with the Participant's Target Bonus in effect immediately prior to the Change in Control, except for across-the-board reductions generally applicable to all senior executives;

(v) the failure to provide long-term incentive opportunities to the Participant at a level that is generally comparable to all senior executives;

(vi) reduction in the aggregate value of Section 2.01(u)(iii), (iv) and (v) as compared with such benefits in effect immediately prior to the Change in Control, except for across-the-board reductions of not more than ten percent (10%) generally applicable to all senior executives;

(vii) reduction in aggregate employee benefits provided to the Participant as compared to the value of aggregate employee benefits provided

immediately prior to the Change in Control, except for across-the-board reductions generally applicable to all senior executives;

(viii) a Company requires the Participant to have the Participant's principal location of work changed to a location more than fifty (50) miles from the location thereof immediately prior to the Change in Control; or

(ix) failure of any successor to a Company to assume the Participant's Employment Agreement or this Plan, as applicable;

provided, however, that a Participant's right to resign his employment for Good Reason will lapse unless such resignation occurs within sixty (60) days of the event giving rise to Good Reason in accordance with Section 6.15(b) (the "Good Reason Period"). Notwithstanding the foregoing, the lapse of such Participant's right to resign for Good Reason will only apply to the event giving rise to Good Reason. For the avoidance of doubt, the Participant shall have the right to resign for Good Reason, as provided in this Section 2.01(u), upon the occurrence of a subsequent and independent event giving rise to Good Reason.

(v) "Good Reason Period" has the meaning set forth in Section 2.01(u).

(w) "Incumbent Directors" means the individuals who, as of the Effective Date, are Directors of the Corporation, and any individual becoming a Director after the Effective Date whose election, nomination for election by the Corporation's stockholders, or appointment, was approved by a vote of at least two-thirds of the then Incumbent Directors (either by a specific vote or by approval of the proxy statement of the Corporation in which such person is named as a nominee for director, without objection to such nomination); provided, however, that an individual shall not be an Incumbent Director if such individual's election or appointment to the Board occurs as a result of an actual or threatened election contest (as described in Rule 14a-12(c) of the Exchange Act) with respect to the election or removal of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

(x) "Initial Term" has the meaning set forth in Section 5.02.

(y) "JAMS" has the meaning set forth in Section 6.08(a).

(z) "Parties" has the meaning set fourth in Section 6.08(a).

(aa) "Participant" means each full-time employee of a Company who is recommended to the Compensation Committee by the Chief Executive Officer for participation in the Plan and whose participation in the Plan has been approved by the Compensation Committee as provided in Article Three and who continues to remain employed by a Company either up through a Change in Control or up to a termination of employment that qualifies as a Pre-CIC Termination, except as otherwise removed from Participation pursuant to Article Three.

(bb) "Participating Employer" means the Corporation and any Subsidiary of the Corporation that is designated as a Participating Employer under the Plan by the Board, excluding, however, any division of the Corporation or of a Subsidiary or affiliate of the Corporation that is designated by the Board as ineligible to participate in the Plan. Appendix III contains a list of the Participating Employers currently participating in the Plan that have adopted the Plan pursuant to Article Six.

(cc) "Payment" has the meaning set forth in Section 4.05.

(dd) "Person" has the meaning set forth in Section 2.01(h)(i).

(ee) "Plan" has the meaning set forth in Section 1.01, as such may be amended from time to time, or any successor plan, program or arrangement thereto.

(ff) "Pre-CIC Termination" means the termination of a Participant without Cause if (i) the termination occurs in the six-month period before a Change in Control at the request of a third party in contemplation of a Change in Control, (ii) the Change in Control occurs, and (iii) the termination constitutes a Separation from Service.

(gg) "Release" means a release of claims and a non-compete agreement and other restrictive covenants in a form provided to the Participant by the Corporation in connection with the payment of benefits under this Plan.

(hh) "Release Consideration and Revocation Period" means the combined total of the Release Consideration Period and the Release Revocation Period.

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

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

(kk) "Renewal Term" has the meaning set forth in Section 5.02.

(ll) "Separation from Service" means "separation from service" from an Employer as described under Code Section 409A and any governing Internal Revenue Service guidance and Treasury regulations. A Participant who is a Board member does not have a Separation from Service until he or she has a Separation from Service with respect to both his or her employment and his or her Board membership. "Employer" means the Corporation and any affiliate with which the Corporation is treated as a single employer under Code Section 414(b) or 414(c), as modified in (i) and (ii) below.

(i) 50 Percent-Owned Entities. In applying Code Sections 1563(a)(1), (2), and (3) to Code Section 414(b), the language "at least 50 percent" is used instead of "at least 80 percent" each place it appears. In applying Treasury Regulation Section 1.414(c)-2 to trades or businesses (whether or not incorporated) that are under common control under Code Section 414(c),

"at least 50 percent" is used instead of "at least 80 percent" each place it appears.

(ii) 20 Percent-Owned Entities. In addition to (i) above, where the Compensation Committee determines that legitimate business criteria exist with respect to a particular entity, in applying Code Sections 1563(a)(1), (2), and (3) under Code Section 414(b), the language "at least 20 percent" is used instead of "at least 80 percent" each place it appears. In applying Treasury Regulation Section 1.414(c)-2 to 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" each place it appears.

(iii) Service Level. A Separation from Service occurs when the Participant's level of services drops to 21 percent or less of the average level of service provided by the Participant over the immediately preceding 36-month period (or if providing services for less than 36 months, that lesser period). If a Participant's status changes from an employee to an independent contractor, or from an independent contractor to an employee, services provided in both capacities are taken into account.

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

(nn) "Severance Benefits" means Severance Pay and the other benefits payable to a Participant pursuant to Article Four of the Plan.

(oo) "Severance Benefits Classification" means a Participant's severance benefits classification, as specified for the Participant on Appendix I and as set forth on Appendix II.

(pp) "Severance Pay" means the cash severance payments payable to a Participant pursuant to Section 4.01 of the Plan.

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

(rr) "STIP" means the Corporation's short term incentive plan, under Section 8 of the Corporation's Omnibus Incentive Plan, effective May 8, 2007, as may be amended from time to time, or any successor plan, program or arrangement thereto.

(ss) "Subsidiary" means any entity in which the Corporation, directly or indirectly, beneficially owns more than fifty percent (50%) of such entity's equity interest by vote and value.

(tt) "Target Bonus" means a Participant's target (i.e., based on 100% attainment of stated objectives) short-term incentive opportunity under the STIP.

(uu) "Voting Stock" means securities entitled to vote generally in the election of directors.

ARTICLE THREE

ELIGIBILITY AND PARTICIPATION

3.01 Eligibility on the Effective Date

Each full-time employee of the Corporation or a Participating Employer who has been recommended to the Compensation Committee to be a Tier I, Tier II, or Tier III Executive by the Chief Executive Officer and whose participation in the Plan has been approved by the Compensation Committee, as of the Effective Date will be a Participant in the Plan.

3.02 Future Eligibility

Except as provided in the next sentence, each full-time employee of the Corporation or a Participating Employer who is recommended to the Compensation Committee to be a Tier I, Tier II, or Tier III Executive by the Chief Executive Officer will be a Participant in the Plan only if the Compensation Committee approves his or her participation after the Effective Date and before a Change in Control.

3.03 Plan Participants

Appendix I lists, as of the date of this current amendment and restatement of the Plan, the individuals whom the Compensation Committee has designated as Participants in accordance with Sections 3.01 and 3.02.

3.04 End of Participation

At any time prior to the six (6) month period preceding the occurrence of a Change in Control, the Compensation Committee may authorize a Company to provide a Participant with written notice of termination of the Participant's designation as a Participant in the Plan.

ARTICLE FOUR

SEVERANCE BENEFITS

4.01 Severance Benefits

(a) Eligibility. A Participant will be eligible for the Severance Benefits described in this Section, subject to the remainder of this paragraph and Section 4.02, if a Change in Control occurs and, during the CIC Severance Protection Period, (a) a Company terminates the Participant's employment without Cause (b) the Participant voluntarily terminates employment for Good Reason during the applicable Good Reason Period or (c) the Company that employs the Participant ceases to constitute a single employer with the Corporation, as described in the definition of Separation from Service, and such termination of employment or change in status constitutes a Separation from Service. In addition, as a condition of receiving Severance Benefits, the Participant must execute a Release within the Release Consideration Period and deliver it to the Company with the Release Revocation Period expired without revocation.

(b) Amount, Time, and Form of Benefit. A Participant described in (a) above will be entitled to the following benefits, subject to the conditions described below.

(i) Pro Rata Target Bonus for Performance Periods Beginning on or Before January 1, 2009. In lieu of any benefit that may be paid under the STIP, the prorated portion of the Participant's Target Bonus for the year in which the Participant's Separation from Service occurs (prorated for the portion of the performance period before the Separation from Service date in accordance with the terms of the STIP and related administrative guidelines under the STIP). This amount is payable in a lump sum on the Separation from Service date. A resignation for Good Reason under this Plan is deemed to be a termination without Cause under the STIP.

(ii) Pro Rata Bonus for Performance Periods Beginning After January 1, 2009. In lieu of any benefit that may be paid under the STIP, a prorated portion of the Participant's bonus (determined as described below) for the year in which the Participant's Separation from Service occurs (prorated for the portion of the performance period before Separation from Service date in accordance with the terms of the STIP and related administrative guidelines under the STIP). If the Separation from Service occurs in the same calendar year in which the Change in Control occurs, the prorated bonus will be based on a prorated portion of the Participant's Target Bonus payable in a lump sum on the Separation from Service date. If the Separation from Service occurs after the calendar year in which the Change in Control occurs, the prorated bonus will be based on a prorated portion of the Participant's actual bonus for the performance period, based on satisfaction of the pre-established performance targets, payable in a lump sum on the date payments under the STIP are paid to Executives

who remain employed but no later than June 15 of the fiscal year following the Separation from Service date.

(iii) CIC Severance Amount. Except as provided in the next sentence, an amount-payable in accordance with (iv) below-equal to: the Participant's Applicable Multiple (based on the Participant's Severance Benefits Classification) multiplied by the sum of the Participant's (x) Base Salary and (y) Target Bonus, in each case, for the year in which the Participant's termination occurs ("CIC Severance Amount"). If, however, the Participant's Separation from Service is for Good Reason due to a reduction of the Participant's Target Bonus under Section 2.01(u)(iv), the Participant's Target Bonus under this subsection will be the Participant's Target Bonus in effect immediately before the reduction.

(iv) Form and Timing of Payment. The CIC Severance Amount under (iii) above is payable at the time and in the form provided in this subsection, subject to the six-month delay for Specified Employees under Section 4.02(b). This amount is composed of two parts: the amount to which the Participant would otherwise be entitled under an Employment Agreement or Separation Plan with respect to Base Salary and annual short term incentive compensation in the absence of this Plan, assuming the conditions resulting in entitlement to such benefits has occurred, ("Base Severance Amount"), and the additional amount, if any, provided under (iii) above ("CIC Enhancement"). These amounts are payable as follows, depending for each individual Participant upon whether the Change in Control is a "change in control event" as defined in the applicable Section 409A Treasury Regulations ("409A CIC") or not ("Non-409A CIC").

(A) 409A CIC. All CIC Severance Amounts payable as a result of a 409A CIC are payable in a lump sum. For any Participant whose Separation from Service occurs before a Change in Control under circumstances constituting a Pre-CIC Termination, any CIC Severance Amount payable under this Plan is reduced by amounts previously paid with respect to Base Salary and annual short term incentive compensation under an Employment Agreement or Separation Plan to the Participant for any period after the Separation from Service. The CIC Severance Amount is payable on (x) the Executive's Separation from Service date; or (y) for a Pre-CIC Termination, the closing date of the 409A CIC, except that if the Release Consideration and Revocation Period ends on or after December 15 of the calendar year in which the Participant incurs a Separation from Service, the CIC Severance Amount is payable on the first business day in the following calendar year.

(B) Non-409A CIC. All CIC Enhancements payable as a result of a Non-409A CIC are payable in a lump sum. All Base Severance Amounts payable as a result of a Separation from Service in connection with a Non-409A CIC are payable in the form provided

under the applicable Employment Agreement or Separation Plan. For any Participant whose Separation from Service occurs before a Change in Control under circumstances constituting a Pre-CIC Termination, any Base Severance Amount payable under this Plan is reduced by amounts previously paid with respect to Base Salary and annual short term incentive compensation under an Employment Agreement or Separation Plan to the Participant for any period after the Separation from Service. The CIC Severance Amounts are payable (or installment payments will commence) on (x) the Executive's Separation from Service date; or (y) for a Pre-CIC Termination, the closing date of the Non-409ACIC, except that if the Release Consideration and Revocation Period ends on or after December 15 of the calendar year in which the Participant incurs a Separation from Service, any payments under this section 4.01(b)(iv)(B) that are otherwise payable in the calendar year of the Participant's Separation from Service shall be paid in a lump sum on the first business day of the following calendar year.

(v) Health Coverage. A Participant may continue participation at then-existing participation and coverage levels for the Applicable Period following the Separation from Service in the Corporation's group health and life insurance plans comparable to the terms in effect from time to time for the Corporation's senior executives, including any co-payment and premium payment requirements, except that: (A) after the Applicable Period expires, the Participant will retain any rights to continue coverage under the group health plans under the benefits continuation provisions pursuant to Section 4980B of the Code and to continue coverage under any life insurance plans by paying the applicable premiums of such plans; (B) the Participant will no longer be eligible to receive the benefits otherwise receivable under this subsection as of the date that the Participant becomes eligible to receive comparable benefits from a new employer or otherwise; and (C) no Company may provide a cash payment in lieu of the benefits provided under this subsection.

(vi) Outplacement. For a period ending on the last day of the second calendar year following the year in which the Participant's Separation from Service occurred, the Participant will receive outplacement services from a firm selected by the applicable Company, at the Company's expense, in an amount not to exceed $35,000. No Company may provide a cash payment in lieu of this outplacement benefit.

(c) Equity and Long-Term Incentives. This Plan does not affect the vesting or payment of any equity or long-term incentive grants or awards. Unvested equity and other long-term incentives as specified in individual award agreements, if applicable, shall vest and pay with respect to each Participant in accordance with their terms.

(d) Reimbursements. Any reimbursements by a Company to a Participant of any eligible expenses under this Plan that are not otherwise exempt from Code Section 409A ("Reimbursements") will be made promptly and, in any event, on or before the last day of the Participant's taxable year following the taxable year in which the expense was incurred. The amount of any Reimbursements, and the value of any in-kind benefits not otherwise exempt from Code Section 409A to be provided during any taxable year of a Participant will not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other of taxable years of such Participant, except for any limit on the amount of expenses that may be reimbursed under an arrangement described in Code Section 105(b). The right to Reimbursements, or in-kind benefits, will not be subject to liquidation or exchange for another benefit.

(e) Benefits in Lieu of Other Severance. Any Severance Benefits payable under this Section 4.01 will be paid solely in lieu of, not in addition to, any severance amounts payable under an Employment Agreement or Separation Plan on account of the Participant's termination from employment, except to the extent that the Employment Agreement provides greater benefits than the Severance Benefits under this Plan. If the Employment Agreement provides a greater benefit, that excess amount will be paid in accordance with the Employment Agreement. In no event may there be duplication of benefits under this Plan and any Employment Agreement or Separation Plan.

4.02 Section 409A

(a) In General. The Company intends that benefits provided under the Plan will not be subject to tax under Code Section 409A. Notwithstanding any provision of the Plan to the contrary, the Plan is to be interpreted and construed consistent with this intent. To the extent that any provision of the Plan were to conflict with section 409A or that the administration of the Plan were to fail to satisfy the requirements of section 409A, that provision will be deemed null and void to the extent permitted by applicable law.

(b) Distributions. Notwithstanding any provision of the Plan to the contrary, distributions under the Plan may only be made upon an event and in a manner permitted under Code Section 409A. In no event may a Participant, directly or indirectly, designate the calendar year of payment, except as permitted by Code Section 409A. The right to a series of payments under the Plan will be treated as a right to a series of separate payments. If a distribution or benefit subject to Code Section 409A is being made to a Specified Employee due to the Participant's Separation from Service, distribution or payment will be delayed until the earlier to occur of the Participant's death or the day that is six months and one day following the Participant's Separation from Service (the "Delay Period"). The postponed payments will be paid to the Participant on the last day of the Delay Period.

(c) No Representations or Warranties. The Corporation does not, however, assume any economic burdens associated with Code Section 409A. Although the

Corporation intends to administer the Plan to prevent taxation under Code Section 409A, it does not represent or warrant that the Plan complies with any provision of federal, state, local, or non-United States law. The Corporation, its subsidiaries, and their respective directors, officers, employees and advisers will not be liable to any Participant (or any other individual claiming a benefit through the Participant) for any tax, interest, or penalties the Participant may owe as a result of participation in the Plan. And neither the Corporation nor its subsidiaries or affiliates have any obligation to indemnify or otherwise protect any Participant from any obligation to pay taxes under Code Section 409A.

4.03 Forfeiture

Any right of the Participant to receive Severance Benefits hereunder shall be forfeited to the extent of any amounts payable or benefits due after any breach of Section 6.09 by the Participant.

4.04 Legal Fees

All expenses of a Participant incurred in enforcing the Participant's rights and/or to recover the Participant's benefits under this Article Four, including but not limited to, attorneys' fees, court costs, arbitration costs, and other expenses shall be paid by the Corporation. The Corporation shall pay, or reimburse the Participant for such fees, costs and expenses, promptly upon presentment of appropriate documentation, but only if, to the extent and at the earliest date(s) such payment or reimbursement does not violate Code Section 409A.

4.05 Applicable Provisions if Excise Tax Applies

Anything in the Plan to the contrary notwithstanding, if it is determined (as hereafter provided) that any payment or distribution by or on behalf of a Company to or for the benefit of the Participant, whether paid or payable or distributed or distributable pursuant to the terms of the Plan or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement, including without limitation any stock option, stock appreciation right or similar right, or the lapse or termination of any restriction on or the vesting or exercisability of any of the foregoing (a "Payment"), would be subject to the Excise Tax, but for the application of this sentence, then the Payment shall be reduced to the minimum extent necessary (but in no event to less than zero) so that no portion of any such Payment, as so reduced, constitutes an "Excess Parachute Payment" within the meaning of Section 280G of the Code; provided, however, that the foregoing reduction shall be made only if and to the extent that such reduction would result in an increase in the aggregate Payment to be provided, determined on an after-tax basis (taking into account the Excise Tax imposed, any tax imposed by any comparable provision of state law, and any applicable federal, state and local income taxes). The fact that the Participant's right to a Payment may be reduced by reason of the limitations contained in this Section 4.05 shall not of itself limit or otherwise affect any other rights of the Participant other than under the Plan. In the event that a Payment intended to be provided under the Plan is required to be reduced pursuant to this Section 4.05, the Corporation may effect such reduction in any manner it deems appropriate.

(a) All determinations required to be made under this Section 4.05, including whether an Excise Tax is payable by the Participant and the amount of such Excise Tax, shall be made by the Accounting Firm. The Corporation shall direct the Accounting Firm to submit its determination and detailed supporting calculations to the relevant Company and the Participant within fifteen (15) calendar days after the date of the Participant's termination, if applicable, and any other such time or times as may be requested by such Company or the Participant. If the Accounting Firm determines that no Excise Tax is payable by the Participant, it shall, at the same time as it makes such determination, furnish the Participant with an opinion that the Participant has substantial authority not to report any Excise Tax on the Participant's federal, state, local income or other tax return.

(b) The Corporation and the Participant shall each provide the Accounting Firm access to and copies of any books, records and documents in the possession of the Corporation or the Participant, as the case may be, reasonably requested by the Accounting Firm, and otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the determination contemplated by Section 4.05(a). Any reasonable determination by the Accounting Firm of the type contemplated by Section 4.05(a) (and supported by the calculations done by the Accounting Firm) shall be binding upon such Company and the Participant.

(c) The federal, state and local income or other tax returns filed by the Participant shall be prepared and filed on a consistent basis with the determination of the Accounting Firm with respect to the Excise Tax, if any, payable by the Participant. The Participant shall make proper payment of the amount of any Excise Tax, and upon request, provide to the Corporation true and correct copies (with any amendments) of the Participant's federal income tax return as filed with the Internal Revenue Service and corresponding state and local tax returns, if relevant, as filed with the applicable taxing authority, and such other documents reasonably requested by the Corporation, evidencing such filing and payment.

(d) The Corporation will pay the fees and expenses of the Accounting Firm for its services in connection with the determinations and calculations contemplated by Section 4.05(a) and Section 4.05(c). If such fees and expenses are initially paid by the Participant, subject to Section 4.02, the Corporation shall reimburse the Participant the full amount of such fees and expenses within ten (10) business days after receipt from the Participant of reasonable evidence of payment.

ARTICLE FIVE

AMENDMENT AND TERMINATION

5.01 Amendment

The Corporation reserves the right to amend, modify or change the Plan, at any time without any Participant's consent; provided, however, that any amendment, modification or change that adversely affects a Participant's severance benefits and/or rights will not apply to a Participant if the revision is made within six (6) months prior to the occurrence of a Change in Control without the Participant's written consent (and before all payments and benefits hereunder or at or following the occurrence of such Change in Control associated with such Change in Control are paid or made available as set forth herein), except as may be otherwise required to comply with changes in applicable laws or regulations, including as set forth in Section 4.02.

5.02 Termination

The term of the Plan shall be for an initial term of two (2) years commencing on the Effective Date and shall continue through December 31, 2008 (the "Initial Term"); provided, however, that at the end of the Initial Term and on each succeeding anniversary of the Effective Date, the Plan will be automatically extended by an additional one (1) year (each, a "Renewal Term"), unless, not less than one (1) year prior to the end of the Initial Term or any Renewal Term, a Company has given the Participants written notice of nonrenewal. Notwithstanding the foregoing, following the commencement of any discussions with a third party that result in a Change in Control, the Plan shall continue subject to Section 5.01, until the applicable Participating Employer has fully performed all of such Participating Employer's obligations under the Plan with respect to all Participants, and shall have paid all Severance Benefits under the Plan in full to all Participants.

ARTICLE SIX

MISCELLANEOUS

6.01 Participant Rights

Each Company intends this Plan to constitute a legally enforceable obligation between (A) such Company and (B) each Participant.

It is also intended that the Plan shall confer vested and non-forfeitable rights for each Participant to receive benefits to which the Participant is entitled under the terms of the Plan with Participants being third party beneficiaries.

Except as provided in the definitions of Cause and Good Reason, nothing in this Plan shall be construed to confer on any Participant any right to continue in the employ of any Company or a Subsidiary or affiliate of the Corporation or to affect in any way the right of the Corporation or a Subsidiary or affiliate of the Corporation to terminate a Participant's employment without prior notice at any time for any reason or no reason.

6.02 Authority of the Compensation Committee

(a) The Compensation Committee will administer the Plan and have the full authority and discretion necessary to accomplish that purpose, including, without limitation, the authority and discretion to:

(i) resolve all questions relating to the eligibility of Participants;

(ii) determine the amount of benefits, if any, payable to Participants under the Plan and determine the time and manner in which such benefits are to be paid;

(iii) engage any administrative, legal, tax, actuarial, accounting, clerical, or other services it deems appropriate in administering the Plan;

(iv) construe and interpret the Plan, supply omissions from, correct deficiencies in and resolve inconsistencies or ambiguities in the language of the Plan, resolve inconsistencies or ambiguities between the provisions of this document, and adopt rules for the administration of the Plan which are not inconsistent with the terms of the Plan document;

(v) compile and maintain all records it determines to be necessary, appropriate or convenient in connection with the administration of the Plan; and

(vi) resolve all questions of fact relating to any matter for which it has administrative responsibility.

(b) The Compensation Committee shall perform all of the duties and may exercise all of the powers and discretion that the Compensation Committee deems necessary or appropriate for the proper administration of the Plan, including, but not limited

to, delegation of any of its duties to one or more authorized officers, and shall do so in a uniform, nondiscriminatory manner.

(c) Any failure by the Compensation Committee to apply any provisions of this Plan to any particular situation shall not represent a waiver of the Compensation Committee's authority to apply such provisions thereafter. Every interpretation, choice, determination or other exercise of any power or discretion given either expressly or by implication to the Compensation Committee shall be conclusive and binding upon all parties having or claiming to have an interest under the Plan or otherwise directly or indirectly affected by such action, without restriction, however, on the right of the Compensation Committee to reconsider and redetermine such action.

(d) Any decision rendered by the Compensation Committee and any review of such decision shall be limited to determining whether the decision was so arbitrary and capricious as to be an abuse of discretion. The Compensation Committee may adopt such rules and procedures for the administration of the Plan as are consistent with the terms hereof.

6.03 Claims Procedure

(a) With respect to any claim for benefits which are provided exclusively under this Plan, the claim shall be approved or denied by the Compensation Committee within sixty (60) days following the receipt of the information necessary to process the claim. If the Compensation Committee denies a claim for benefits in whole or in part, it will give written notice of the decision to the claimant or the claimant's authorized representative, which notice will set forth in a manner calculated to be understood by the claimant, stating the specific reasons for such denial, make specific reference to the pertinent Plan provisions on which the decision was based, and provide any other additional information, as applicable, required by 29 Code of Federal Regulations Section 2560.503-1 applicable to the Plan.

(b) With respect to any claim for benefits which, under the terms of the Plan, are provided under another employee benefit plan maintained by a Company, the Compensation Committee shall determine claims regarding the Participant's eligibility under the Plan in accordance with the preceding paragraph, but the administration of any other claim with respect to such benefits (including the amount of such benefits) shall be subject to the claims procedure specified in such other employee benefit plan or program.

Appeals with respect to any claim for benefits which, under the terms of the Plan, are provided under another employee benefit plan maintained by a Company (e.g., group health, life insurance, etc.), shall be subject to the claims and appeals procedure specified in such other employee benefit plan.

6.04 Records and Reports

The Compensation Committee will maintain adequate records of all of their proceedings and acts and all such books of account, records, and other data as may be necessary for administration of the Plan. The Compensation Committee will make available to each Participant upon the Participant's request such of the Plan's records as pertain to him for examination at reasonable times during normal business hours.

6.05 Reliance on Tables, Etc.

In administering the Plan, the Compensation Committee is entitled to the extent permitted by law to rely conclusively upon all tables, valuations, certificates, opinions and reports which are furnished by accountants, legal counsel or other experts employed or engaged by the Compensation Committee. The Compensation Committee will be fully protected in respect of any action taken or suffered by the Compensation Committee in good faith reliance upon all such tables, valuations, certificates, reports, opinions or other advice. The Compensation Committee is also entitled to rely upon any data or information furnished by a Participating Employer or by a Participant as to any information pertinent to any calculation or determination to be made under the provisions of the Plan, and, as a condition to payment of any benefit under the Plan the Compensation Committee may request a Participant to furnish such information as it deems necessary or desirable in administering the Plan.

6.06 Availability of Plan Information and Documents

Any Participant having a question concerning the administration of the Plan or the Participant's eligibility for participation in the Plan or for the payment of benefits under the Plan may contact the Compensation Committee and request a copy of the Plan document. Each Participating Employer will keep copies of this Plan document, exhibits and amendments hereto, and any related documents on file in its administrative offices, and such documents will be available for review by a Participant or a designated representative of the Participant at any reasonable time during regular business hours. Reasonable copying charges for such documents will be paid by the party requesting copies.

6.07 Expenses

All Plan administration expenses incurred by the Compensation Committee shall be paid by the Corporation and all other administration expenses incurred by a Company shall be paid by such Company.

6.08 Dispute Resolution

(a) If the Participant and any Company (collectively, the "Parties") are unable to resolve any controversy or claim arising out of or in connection with this Plan or breach thereof, either Party shall refer the dispute to binding arbitration, which shall be the exclusive forum of 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. If the Parties fail to agree on the selection of the arbitrator within thirty (30) days after either the Participant or such Company's request for arbitration, the arbitrator will be chosen by JAMS. The arbitration proceeding shall commence on a mutually agreeable date within ninety (90) days after the request for arbitration, unless otherwise agreed by the Parties, and in the location where the Participant worked during the six (6) months immediately prior to the request for arbitration to the extent such location is Kansas or Virginia, and if not, the location will be Kansas, unless the Parties agree otherwise.

(b) Such Company shall reimburse the Participant for legal fees and expenses incurred in connection with a dispute resolved under this Section 6.08. The arbitrator shall not have authority to award attorneys' fees or costs to either of the Parties in any manner not consistent with this Section 6.08(b).

(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 the terms of the Plan, including without limitation, Section 6.02(d) and applicable federal, state, and local laws. The decision of the arbitrator shall be final and binding on the Parties.

6.09 Continued Cooperation

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

(i) making himself reasonably available for interviews and discussions with the Corporation'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 Corporation or the Corporation's counsel reasonably requests;

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

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

(b) The Participant will be reimbursed by the Corporation 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 Section 6.09. The Participant shall not unreasonably withhold the Participant's availability for such cooperation, consultation and advice.

6.10 Adoption Procedure for Participating Employer

(a) Any Subsidiary of the Corporation may become a Participating Employer under the Plan provided that (i) the Board approves the adoption of the Plan by such Subsidiary and designates such Subsidiary as a Participating Employer in the Plan and (ii) by appropriate resolutions of the board of directors or other governing body of such Subsidiary, such Subsidiary agrees to become a Participating Employer under the Plan and also agrees to be bound by any other terms and conditions which may be required by the Board or the Compensation Committee, provided that such terms and conditions are not inconsistent with the purposes of the Plan.

(b) A Participating Employer may withdraw from participation in the Plan, subject to approval by the Compensation Committee, by providing written notice to the Compensation Committee that withdrawal has been approved by the board of directors or other governing body of the Participating Employer; provided, however, following the commencement of any discussion with a third party that ultimately results in a Change in Control, the Compensation Committee shall have no authority to approve the withdrawal of any Participating Employer until such time as the Corporation and each Subsidiary of the Corporation (as appropriate) shall have fully performed all of their obligations under the Plan with respect to all Participants, and shall have paid all Severance Benefits under the Plan in full to all Participants. The Board may at any time remove a Participating Employer from participation in the Plan by providing written notice to the Participating Employer that it has approved removal; provided, however, following the commencement of any discussion with a third party that ultimately results in a Change in Control, the Board shall have no authority to remove or approve the withdrawal of any Participating Employer until such time as the Corporation and each Subsidiary of the Corporation (as appropriate) shall have fully performed all of their obligations under the Plan with respect to all Participants, and shall have paid all Severance Benefits under the Plan in full to all Participants. The Board will act in accordance with this Article pursuant to unanimous written consent or by majority vote at a meeting.

6.11 Effect on Other Benefits

Except as otherwise provided herein, the Plan shall not affect any Participant's rights or entitlement under any other retirement or employee benefit plan offered to him by the Corporation or a Subsidiary or affiliate of the Corporation (as appropriate) as of the date of the Participant's termination of employment, except that effective with respect to any benefits payable to a Participant in connection with a Change in Control after September 16, 2013, any such benefits shall be reduced by any payments made by such Participant's Participating Employer to comply with the Worker Adjustment and Retraining

Notification Act or any similar state or local law applying to disclocated workers, to the extent allowed by law.

6.12 Successors

The Plan shall be binding upon any successor in interest of any Company and shall inure to the benefit of, and be enforceable by, the Participant's assigns or heirs.

6.13 Construction

In determining the meaning of the Plan, words imparting the masculine gender shall include the feminine and the singular shall include the plural, unless the context requires otherwise. Headings of sections and subsections of the Plan are for convenience only and are not intended to modify or affect the meaning of the substantive provisions of the Plan. Unless otherwise stated, references to Sections are references to Sections of this Plan.

6.14 References to Other Plans and Programs

Each reference in the Plan to any plan, policy or program, the Plan or document of the Corporation or a Subsidiary or affiliate of the Corporation shall include any amendments or successor provisions thereto without the necessity of amending the Plan for such changes.

6.15 Notices

(a) General. Notices and all other communications contemplated by this Plan shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of the Participant, (i) mailed notices shall be addressed to the Participant at the Participant's home address which was most recently communicated to the Corporation in writing or (ii) in the case of a Participant who is an employee, distributed to the employee at his or her place of employment in compliance with 29 Code of Federal Regulations Section 2520.104b-1(c). In the case of any Company, mailed notices shall be addressed to the Corporation's corporate headquarters, and all notices shall be directed to the attention of its General Counsel.

(b) Notice of Termination. Any notice of Cause by a Company or by the Participant for Good Reason shall be communicated by a notice of termination to the other party given in accordance with this Section 6.15. Such notice shall indicate the specific termination provision in this Plan relied upon, shall set forth in reasonable detail the facts and circumstances claimed to provide the basis for termination under the provision so indicated, and shall specify the Participant's date of termination.

6.16 No Duty to Mitigate

The Participant shall not be required to mitigate the amount of any payment contemplated under this Plan, nor shall such payment be reduced by any earnings that the Participant

may receive from any other source, except as provided in this Plan. The Participant's coverage under any medical, dental, vision and employee life insurance plans will terminate as of the date that the Participant becomes eligible for comparable benefits of another employer.

6.17 Withholding of Taxes

Any Company will withhold from any amounts payable under this Plan all federal, state and local tax or other taxes as such Company is required to withhold pursuant to any law or government regulation or rule.

6.18 Governing Law and Choice of Forum

(a) Except to the extent that the Plan may be subject to the provisions of ERISA, the Plan 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) Except as otherwise required by ERISA, every right of action by a Participant with respect to the Plan shall be barred after the expiration of three (3) years from the date of termination of employment or the date of receipt of the notice of denial of a claim for benefits or eligibility, if earlier. If ERISA's limitation on legal action does not apply, the laws of the State of Kansas with respect to the limitations of legal actions shall apply and the cause of action must be brought within the limitations provided under the laws of the State of Kansas.

6.19 Validity/Severability

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

6.20 Survival of Provisions.

Notwithstanding any other provision of this Plan, the Parties' respective rights and obligations under Sections 4.02, 6.01, 6.08, 6.09 and 6.10 will survive any termination or expiration of this Plan or the termination of the Participant's employment for any reason whatsoever.

Exhibit 10.95

Election to Defer Delivery of Shares - 2016 Restricted Stock Unit (RSU) Award

Under Section 23(i) of the 2015 Omnibus Incentive Plan ("Plan") and as permitted by the Compensation Committee, I hereby elect to defer from the Scheduled Delivery Date[1] the delivery of ____%[2] of the shares underlying my 2016 RSU Award to the following Elected Delivery Date (**check one**)[3]:

____ Separation from Service

____ On ____/____/____ **(must be after the Scheduled Delivery Date)**

Capitalized terms not otherwise defined herein shall have the meaning given them in the Plan.

In witness whereof, I have executed this *Election to Defer Delivery of Shares* .[4]

_____ _____ _____

Date Director's Signature Director's Printed Name

/1/ The Scheduled Delivery Date is expected to be the Vesting Date, which is expected to be the earliest of (1) the annual meeting of Sprint shareholders in 2017, (2) one year from the Date of Grant, and (3) your Separation from Service with the Board because of your death, Disability or involuntary Separation from Service following a Change in Control of the Corporation.

/2/ The number of shares is not determined until the Date of Grant; accordingly only a percentage of total shares may be indicated.

/3/ Note that if you die before your Elected Delivery Date, your Delivery Date will instead be your date of death. Your shares will be delivered no later than 60 days after the Elected Delivery Date or your death, as applicable. The remaining terms of the Award Agreement, including dividend equivalent accrual, shall apply during the period of deferral.

/4/ An election to defer delivery of shares must be made before the calendar year of an RSU Award Date of Grant. Therefore, this *Election to Defer Delivery of Shares* must be made by and becomes irrevocable as of December 31, 2015, except that you may change your Elected Delivery Date with respect to the shares deferred under this election by filing a new *Election to Defer Delivery of Shares* form at least 12 months before, and only to defer to a date that is at least five years after, the Elected Delivery Date above.

This **signed *Election to Defer Delivery of Shares*** form **must be received on or before 5:00 p.m. CT on *December 31, 2015*** via

- fax at (913) 523-9797 or
- email at timothy.ogrady@sprint.com.

Exhibit 12

Computation of Ratio of Earnings to Fixed Charges

	Successor						Predecessor			
	Year Ended March 31, 2016	Year Ended March 31, 2015	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013	Year Ended December 31, 2013	87 Days Ended December 31, 2012	191 Days Ended July 10, 2013	Three Months Ended March 31, 2013	Years Ended December 31, 2012	Years Ended December 31, 2011
						(in millions)				
Earnings (loss):										
(Loss) income from continuing operations before income taxes	$ (1,854)	$ (3,919)	$ (95)	$ (8)	$ (1,815)	$ (23)	$ 443	$ (605)	$ (4,172)	$ (2,636)
Equity in losses of unconsolidated investments, net	—	—	—	—	—	—	482	202	1,114	1,730
Fixed charges	3,212	2,969	747	—	1,367	—	1,501	608	2,365	2,068
Interest capitalized	(51)	(56)	(13)	—	(30)	—	(29)	(15)	(278)	(413)
Amortization of interest capitalized	133	133	33	—	56	—	71	33	81	48
Earnings (loss), as adjusted	1,440	(873)	672	(8)	(422)	(23)	2,468	223	(890)	797
Fixed charges:										
Interest expense	2,182	2,051	516	—	918	—	1,135	432	1,428	1,011
Interest capitalized	51	56	13	—	30	—	29	15	278	413
Portion of rentals representative of interest	979	862	218	—	419	—	337	161	659	644
Fixed charges	3,212	2,969	747	—	1,367	—	1,501	608	2,365	2,068
Ratio of earnings to fixed charges	— (1)	— (2)	— (3)	— (4)	— (5)	— (6)	1.6 (7)	— (8)	— (9)	— (10)

(1) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by $1.8 billion in the year ended March 31, 2016.
(2) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by $3.8 billion in the year ended March 31, 2015.
(3) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by $75 million for the three months ended March 31, 2014.
(4) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by $8 million for the three months ended March 31, 2013.
(5) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by $1.8 billion in the year ended December 31, 2013.
(6) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by $23 million for the 87 days ended December 31, 2012.
(7) The income from continuing operations before 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.
(8) Predecessor earnings (loss), as adjusted were inadequate to cover fixed charges by $385 million for the three months ended March 31, 2013.
(9) Predecessor earnings (loss), as adjusted were inadequate to cover fixed charges by $3.3 billion in the year ended 2012.
(10) Predecessor earnings (loss), as adjusted were inadequate to cover fixed charges by $1.3 billion in the year ended 2011.

Exhibit 21

SPRINT CORPORATION
SUBSIDIARIES OF REGISTRANT

Sprint Corporation is the parent. The subsidiaries of Sprint Corporation are as follows:

SUBSIDIARY	STATE/COUNTRY
AGW Leasing Company, Inc.	Delaware
AirGate PCS, Inc.	Delaware
Alamosa (Delaware), Inc.	Delaware
Alamosa (Wisconsin) Properties, LLC	Wisconsin
Alamosa Holdings, Inc.	Delaware
Alamosa Holdings, LLC	Delaware
Alamosa Missouri Properties, LLC	Missouri
Alamosa Missouri, LLC	Missouri
Alamosa PCS Holdings, Inc.	Delaware
Alamosa PCS, Inc.	Delaware
Alamosa Properties, LLC	Texas
Alamosa Wisconsin GP, LLC	Wisconsin
Alamosa Wisconsin, LLC	Wisconsin
Alda Wireless Holdings, LLC	Delaware
American PCS Communications, LLC	Delaware
American PCS, L.P.	Delaware
American Personal Communications Holdings, Inc.	Delaware
American Telecasting Development, LLC	Delaware
American Telecasting of Anchorage, LLC	Delaware
American Telecasting of Bend, LLC	Delaware
American Telecasting of Columbus, LLC	Delaware
American Telecasting of Denver, LLC	Delaware
American Telecasting of Fort Myers, LLC	Delaware
American Telecasting of Ft. Collins, LLC	Delaware
American Telecasting of Green Bay, LLC	Delaware
American Telecasting of Lansing, LLC	Delaware
American Telecasting of Lincoln, LLC	Delaware
American Telecasting of Little Rock, LLC	Delaware
American Telecasting of Louisville, LLC	Delaware
American Telecasting of Medford, LLC	Delaware
American Telecasting of Michiana, LLC	Delaware
American Telecasting of Monterey, LLC	Delaware
American Telecasting of Redding, LLC	Delaware
American Telecasting of Santa Barbara, LLC	Delaware
American Telecasting of Seattle, LLC	Delaware
American Telecasting of Sheridan, LLC	Delaware

American Telecasting of Yuba City, LLC	Delaware
APC PCS, LLC	Delaware
APC Realty and Equipment Company, LLC	Delaware
ASC Telecom, Inc.	Kansas
Assurance Wireless of South Carolina, LLC	Delaware
ATI of Santa Rosa, LLC	Delaware
ATI Sub, LLC	Delaware
ATL MDS, LLC	Delaware
Bay Area Cablevision, LLC	Delaware
Bluebottle USA Holdings L.P.	Delaware
Bluebottle USA Investments L.P.	Delaware
Boost Worldwide, Inc.	Delaware
Bright Personal Communications Services, LLC	Ohio
Broadcast Cable, LLC	Delaware
C FON Corporation	Delaware
Caroline Ventures, Inc.	Delaware
Cedar TowerCo, LLC	Delaware
Clear Global Services LLC	Nevada
Clear Management Services LLC	Nevada
Clear Partner Holdings LLC	Nevada
Clear Share I, LLC	Delaware
Clear Share II, LLC	Delaware
Clear Share III, LLC	Delaware
Clear Wireless LLC	Nevada
Clearwire Communications LLC	Delaware
Clearwire Corporation	Delaware
Clearwire Europe B.V.	Netherlands
Clearwire Europe S.a.r.l.	Luxembourg
Clearwire Finance, Inc.	Delaware
Clearwire Hawaii Partners Spectrum, LLC	Nevada
Clearwire International, LLC	Washington
Clearwire IP Holdings LLC	New York
Clearwire Legacy LLC	Delaware
Clearwire Spectrum Holdings II LLC	Nevada
Clearwire Spectrum Holdings III LLC	Nevada
Clearwire Spectrum Holdings LLC	Nevada
Clearwire Telecommunications Services, LLC	Nevada
Clearwire XOHM LLC	Delaware
Domestic USF Corp.	Delaware
Enterprise Communications, LLC	Georgia
Fixed Wireless Holdings, LLC	Delaware
Fresno MMDS Associates, LLC	Delaware
Georgia PCS Leasing, LLC	Georgia
Georgia PCS Management, L.L.C.	Georgia
Gulf Coast Wireless, LLC	Louisiana
Helio LLC	Delaware

Horizon Personal Communications, Inc.	Ohio
Independent Wireless One Corporation	Delaware
Independent Wireless One Leased Realty Corporation	Delaware
iPCS Equipment, Inc.	Delaware
iPCS Wireless, Inc.	Delaware
IWO Holdings, Inc.	Delaware
Kennewick Licensing, LLC	Delaware
Louisiana Unwired, LLC	Louisiana
Machine License Holding, LLC	Delaware
MinorCo, L.P.	Delaware
Nextel Communications of the Mid-Atlantic, Inc.	Delaware
Nextel Communications, Inc.	Delaware
Nextel Data Investments 1, Inc.	Delaware
Nextel Finance Company	Delaware
Nextel of California, Inc.	Delaware
Nextel of New York, Inc.	Delaware
Nextel of Puerto Rico, Inc.	Puerto Rico
Nextel of Texas, Inc.	Texas
Nextel Operations, Inc.	Delaware
Nextel Partners Equipment LLC	Nevada
Nextel Partners of Upstate New York, Inc.	Delaware
Nextel Partners, Inc.	Delaware
Nextel Retail Stores, LLC	Delaware
Nextel South Corp.	Georgia
Nextel Systems Corp.	Delaware
Nextel West Corp.	Delaware
Nextel West Services, LLC	Delaware
Nextel WIP Lease Corp.	Delaware
Northern PCS Services, LLC	Minnesota
NPCR, Inc.	Delaware
NSAC, LLC	Delaware
OneLouder Apps, Inc.	Delaware
PCS Leasing Co., L.P.	Delaware
PCTV Gold II, LLC	Delaware
PCTV of Salt Lake City, LLC	Delaware
PCTV Sub, LLC	Delaware
People’s Choice TV Corp.	Delaware
People’s Choice TV of Albuquerque, LLC	Delaware
People’s Choice TV of Houston, LLC	Delaware
People’s Choice TV of St. Louis, LLC	Delaware
PhillieCo, LLC	Delaware
Pin Drop Insurance, Ltd.	Bermuda
Pinsight Media+, Inc.	Delaware
Private TransAtlantic Telecommunications System, Inc.	Delaware
SCC X, LLC	Delaware
SFE 1, LLC	Delaware

SFE 2, LLC	Delaware
SFE 3, LLC	Delaware
SFE 4, LLC	Delaware
SFE 5, LLC	Delaware
SFE 6, LLC	Delaware
SFE 7, LLC	Delaware
SFE 8, LLC	Delaware
SFE 9, LLC	Delaware
SFE 10, LLC	Delaware
SFE 11, LLC	Delaware
SFE 12, LLC	Delaware
SFE 13, LLC	Delaware
SFE 14, LLC	Delaware
SFE 15, LLC	Delaware
SIHI Mexico S. de R.L. de C.V.	Mexico
SIHI New Zealand Holdco, Inc.	Kansas
SIHI Scandinavia AB	Sweden
SLV-I LLC	Cayman Islands
SLV-II LLC	Cayman Islands
SLV-III LLC	Cayman Islands
SLV-IV LLC	Cayman Islands
SLV-V LLC	Cayman Islands
SLV-VI LLC	Cayman Islands
SLV-VII LLC	Cayman Islands
SLV-VIII LLC	Cayman Islands
SLV-IX LLC	Cayman Islands
SLV-X LLC	Cayman Islands
SLV-XI LLC	Cayman Islands
SLV-XII LLC	Cayman Islands
SLV-XIII LLC	Cayman Islands
SLV-XIV LLC	Cayman Islands
SLV-XV LLC	Cayman Islands
SLV-XVI LLC	Cayman Islands
SLV-XVII LLC	Cayman Islands
SLV-XVIII LLC	Cayman Islands
SLV-XIX LLC	Cayman Islands
SLV-XX LLC	Cayman Islands
SLV-XXI LLC	Cayman Islands
SLV-XXII LLC	Cayman Islands
SN Holdings (BR I) LLC	Delaware
SN UHC 1, Inc.	Delaware
SN UHC 2, Inc.	Delaware
SN UHC 3, Inc.	Delaware
SN UHC 4, Inc.	Delaware
SN UHC 5, Inc.	Delaware
Southwest PCS Properties, LLC	Delaware

Southwest PCS, LLC	Oklahoma
Speedchoice of Detroit, LLC	Delaware
Speedchoice of Phoenix, LLC	Delaware
Sprint (Bay Area), LLC	Delaware
Sprint Brasil Servicos de Telecomunicacoes Ltda.	Brazil
Sprint Capital Corporation	Delaware
Sprint Communications Company L.P.	Delaware
Sprint Communications Company of New Hampshire, Inc.	New Hampshire
Sprint Communications Company of Virginia, Inc.	Virginia
Sprint Communications, Inc. (formerly Sprint Nextel Corporation)	Kansas
Sprint Corporation	Kansas
Sprint Corporation (Inactive)	Missouri
Sprint eBusiness, Inc.	Kansas
Sprint Enterprise Mobility, Inc.	Delaware
Sprint Enterprise Network Services, Inc.	Kansas
Sprint Enterprises, L.P.	Delaware
Sprint eWireless, Inc.	Kansas
Sprint Federal Management LLC	Delaware
Sprint Federal Operations LLC	Delaware
Sprint Global Venture, Inc.	Kansas
Sprint HoldCo, LLC	Delaware
Sprint Hong Kong Limited	Hong Kong
Sprint International Argentina SRL	Argentina
Sprint International Australia Pty. Limited	Australia
Sprint International Austria GmbH	Austria
Sprint International Caribe, Inc.	Puerto Rico
Sprint International Chile Limitada	Chile
Sprint International Colombia Ltda.	Colombia
Sprint International Communications Canada ULC	Canada
Sprint International Communications Corporation	Delaware
Sprint International Communications Singapore Pte. Ltd.	Singapore
Sprint International Czech Republic S.R.O.	Czech Republic
Sprint International do Brasil Ltda.	Brazil
Sprint International Holding, Inc.	Kansas
Sprint International Hungary Korlátolt Felelõsségû Társaság	Hungary
Sprint International Incorporated	Delaware
Sprint International Japan Corp.	Japan
Sprint International Korea	Korea
Sprint International Network Company LLC	Delaware
Sprint International New Zealand	New Zealand
Sprint International Norway AS	Norway
Sprint International Spain, S.L.	Spain
Sprint International Taiwan Limited	Taiwan
Sprint International Venezuela, S.R.L.	Venezuela
Sprint Mexico, Inc.	Kansas
Sprint Nextel Aviation, Inc.	Delaware

Sprint PCS Assets, L.L.C.	Delaware
Sprint PCS License, L.L.C.	Delaware
Sprint RUS LLC	Russia
Sprint Solutions, Inc.	Delaware
Sprint Spectrum Equipment Company, L.P.	Delaware
Sprint Spectrum Holding Company, L.P.	Delaware
Sprint Spectrum L.P.	Delaware
Sprint Spectrum Realty Company, L.P.	Delaware
Sprint TELECENTERs, Inc.	Florida
Sprint Telecom India Private Limited	India
Sprint Telephony PCS, L.P.	Delaware
Sprint (Thailand) Limited	Thailand
Sprint Ventures, Inc.	Kansas
Sprint Wavepath Holdings, Inc.	Delaware
Sprint WBC of New York, Inc.	Delaware
Sprint/United Management Company	Kansas
SprintCom Equipment Company L.P.	Delaware
SprintCom, Inc.	Kansas
SprintLink Belgium BVBA	Belgium
SprintLink Denmark ApS	Denmark
SprintLink France SAS	France
SprintLink Germany GmbH	Germany
Sprintlink India Private Limited	India
SprintLink International (Switzerland) GmbH	Switzerland
Sprintlink International Malaysia SDN. BHD.	Malaysia
Sprintlink International Philippines, Inc.	Philippines
SprintLink Ireland Limited	Ireland
SprintLink Italy S.r.l.	Italy
SprintLink Netherlands B.V.	Netherlands
Sprintlink Poland sp. z o.o	Poland
SprintLink UK Limited	United Kingdom
STC Five LLC	Delaware
STC Four LLC	Delaware
STC One LLC	Delaware
STC Six Company	Delaware
STC Three LLC	Delaware
STC Two LLC	Delaware
STE 14 Affiliate LLC	Delaware
SWV Eight, Inc.	Delaware
SWV Four, Inc.	Delaware
SWV One Telephony, LLC	Delaware
SWV One, Inc.	Delaware
SWV Seven, Inc.	Delaware
SWV Six, Inc.	Colorado
SWV Three Telephony Partnership	Delaware
SWV Three, Inc.	Delaware

SWV Two Telephony, LLC	Delaware
SWV Two, Inc.	Delaware
TDI Acquisition Corporation	Delaware
TDI Acquisition Sub, LLC	Delaware
Texas Telecommunications, LLC	Texas
Texas Unwired	Louisiana
Transworld Telecom II, LLC	Delaware
UCOM, Inc.	Missouri
United Telecommunications, Inc.	Delaware
Unrestricted Subsidiary Funding Company	Delaware
US Telecom, Inc.	Kansas
USST of Texas, Inc.	Texas
Utelcom, Inc.	Kansas
Velocita Wireless Holding Corp.	Delaware
Virgin Mobile USA, Inc.	Delaware
Virgin Mobile USA, L.P.	Delaware
VMU GP, LLC	Delaware
VMU GP1, LLC	Delaware
Washington Oregon Wireless Properties, LLC	Delaware
Washington Oregon Wireless, LLC	Oregon
Wavepath Holdings, Inc.	Delaware
Wavepath Sub, LLC	Delaware
WBS of America, LLC	Delaware
WBS of Sacramento, LLC	Delaware
WBSFP Licensing, LLC	Delaware
WBSY Licensing, LLC	Delaware
WCOF, LLC	Delaware
Wireless Broadband Services of America, LLC	Delaware
WirelessCo, LLC	Delaware
Wireline Leasing Co., Inc.	Delaware

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Post-Effective Amendment No. 1 to Registration Statement Nos. 333-124189, 333-127426, 333-130277, 333-142702, and 333-159330 on Form S-8, and Registration Statement No. 333-202170 on Form S-3 of our report dated May 17, 2016, relating to the consolidated financial statements of Sprint Corporation and the effectiveness of Sprint Corporation's internal control over financial reporting (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the fact that on July 10, 2013, SoftBank Corp. completed a merger with Sprint Communications, Inc. (formerly Sprint Nextel Corporation) by which Sprint Corporation was the acquiring company of Sprint Communications, Inc. and applied the acquisition method of accounting as of the merger date) appearing in the Annual Report on Form 10-K of Sprint Corporation for the year ended March 31, 2016.

/s/ DELOITTE & TOUCHE LLP

Kansas City, Missouri
May 17, 2016

Exhibit 23.2

Consent of Independent Auditors

We consent to the incorporation by reference in the Post-Effective Amendment No. 1 to Registration Statement Nos. 333-124189, 333-127426, 333-130277, 333-142702, and 333-159330 on Form S-8, and Registration Statement No. 333-202170 on Form S-3 of Sprint Corporation and subsidiaries of our report dated February 21, 2014, relating to the consolidated financial statements of Clearwire Corporation and subsidiaries as of July 9, 2013 and for the 190 days ended July 9, 2013 (which report expresses an unmodified opinion on the consolidated financial statements and includes an Emphasis of Matter paragraph relating to the acquisition of Clearwire Corporation by Sprint Communications, Inc. on July 9, 2013) appearing in the Annual Report on Form 10-K of Sprint Corporation for the year ended March 31, 2016.

/s/ DELOITTE & TOUCHE LLP

Seattle, Washington
May 17, 2016

Exhibit 23.3

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Post-Effective Amendment No. 1 to Registration Statement Nos. 333-124189, 333-127426, 333-130277, 333-142702, and 333-159330 on Form S-8, and Registration Statement No. 333-202170 on Form S-3 of Sprint Corporation and subsidiaries of our report dated February 21, 2014, relating to the consolidated financial statements of Clearwire Corporation and subsidiaries as of December 31, 2012 and for the two years ending December 31, 2012 appearing in the Annual Report on Form 10-K of Sprint Corporation for the year ended March 31, 2016.

/s/ DELOITTE & TOUCHE LLP

Seattle, Washington
May 17, 2016

Exhibit 23.4

Consent of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Sprint Corporation:

We consent to the incorporation by reference in the registration statement No. 333-202170 on Form S-3 and Nos. 333-124189, 333-127426, 333-130277, 333-142702, and 333-159330 on Form S-8 of Sprint Corporation of our report dated October 21, 2013, except as to Note 18, which is as of June 18, 2014, with respect to the consolidated statements of operations, comprehensive loss, cash flows and stockholders' equity of Sprint Communications, Inc. (formerly Sprint Nextel Corporation) and subsidiaries (the Predecessor Company) for the 191 day period ended July 10, 2013, which report appears in the March 31, 2016 annual report on Form 10-K of Sprint Corporation.

/s/ KPMG LLP

Kansas City, Missouri
May 17, 2016

Exhibit 31.1

CERTIFICATION

I, Marcelo Claure, certify that:

1. I have reviewed this annual report on Form 10-K of Sprint Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 17, 2016

/s/ Marcelo Claure

Marcelo Claure

Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Tarek Robbiati, certify that:

1. I have reviewed this annual report on Form 10-K of Sprint Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 17, 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 annual report of Sprint Corporation (the "Company") on Form 10-K for the period ended March 31, 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: May 17, 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 annual report of Sprint Corporation (the "Company") on Form 10-K for the period ended March 31, 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: May 17, 2016

/s/ Tarek Robbiati

Tarek Robbiati
Chief Financial Officer