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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2018.

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: 0-26176

DISH Network Corporation

(Exact name of registrant as specified in its charter)

Nevada	**88-0336997**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
9601 South Meridian Boulevard **Englewood, Colorado**	**80112**
(Address of principal executive offices)	(Zip code)

(303) 723-1000
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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 website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

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

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

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

As of July 24, 2018, the registrant's outstanding common stock consisted of 229,081,093 shares of Class A common stock and 238,435,208 shares of Class B common stock.

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PART I — FINANCIAL INFORMATION

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Unless otherwise required by the context, in this report, the words "DISH Network," the "Company," "we," "our" and "us" refer to DISH Network Corporation and its subsidiaries, "EchoStar" refers to EchoStar Corporation and its subsidiaries, and "DISH DBS" refers to DISH DBS Corporation, a wholly-owned, indirect subsidiary of DISH Network, and its subsidiaries.

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including, in particular, statements about our plans, objectives and strategies, growth opportunities in our industries and businesses, our expectations regarding future results, financial condition, liquidity and capital requirements, our estimates regarding the impact of regulatory developments and legal proceedings, and other trends and projections. Forward-looking statements are not historical facts and may be identified by words such as "future," "anticipate," "intend," "plan," "goal," "seek," "believe," "estimate," "expect," "predict," "will," "would," "could," "can," "may," and similar terms. These forward-looking statements are based on information available to us as of the date of this Quarterly Report on Form 10-Q and represent management's current views and assumptions. Forward-looking statements are not guarantees of future performance, events or results and involve known and unknown risks, uncertainties and other factors, which may be beyond our control. Accordingly, actual performance, events or results could differ materially from those expressed or implied in the forward-looking statements due to a number of factors, including, but not limited to, the following:

Competition and Economic Risks

- As the pay-TV industry has matured and bundled offers combining video, broadband and/or wireless services have become more prevalent and competitive, we face intense and increasing competition from providers of video, broadband and/or wireless services, which may require us to further increase subscriber acquisition and retention spending or accept lower subscriber activations and higher subscriber churn.
- Changing consumer behavior and competition from digital media companies that provide or facilitate the delivery of video content via the Internet may reduce our subscriber activations and may cause our subscribers to purchase fewer services from us or to cancel our services altogether, resulting in less revenue to us.
- Economic weakness and uncertainty may adversely affect our ability to grow or maintain our business.
- Our competitors may be able to leverage their relationships with programmers to reduce their programming costs and/or offer exclusive content that will place them at a competitive advantage to us.
- Our over-the-top ("OTT") Sling TV Internet-based services face certain risks, including, among others, significant competition.
- If government regulations relating to the Internet change, we may need to alter the manner in which we conduct our Sling TV business, and/or incur greater operating expenses to comply with those regulations.
- Changes in how network operators handle and charge for access to data that travels across their networks could adversely impact our business.
- We face increasing competition from other distributors of unique programming services such as foreign language, sports programming and original content that may limit our ability to maintain subscribers that desire these unique programming services.

Operational and Service Delivery Risks

- If our operational performance and customer satisfaction were to deteriorate, our subscriber activations and our subscriber churn rate may be negatively impacted, which could in turn adversely affect our revenue.
- If our subscriber activations continue to decrease, or if our subscriber churn rate, subscriber acquisition costs or retention costs increase, our financial performance will be adversely affected.
- Programming expenses are increasing and may adversely affect our future financial condition and results of operations.
- We depend on others to provide the programming that we offer to our subscribers and, if we fail to obtain or lose access to this programming, our subscriber activations and our subscriber churn rate may be negatively impacted.
- We may not be able to obtain necessary retransmission consent agreements at acceptable rates, or at all, from local network stations.
- We may be required to make substantial additional investments to maintain competitive programming offerings.
- Any failure or inadequacy of our information technology infrastructure and communications systems, including, without limitation, those caused by cyber-attacks or other malicious activities, could disrupt or harm our business.
- We currently depend on EchoStar to provide the vast majority of our satellite transponder capacity and other related services to us. Our business would be adversely affected if EchoStar ceases to provide these services to us and we are unable to obtain suitable replacement services from third parties.
- Technology in the pay-TV industry changes rapidly, and our success may depend in part on our timely introduction and implementation of, and effective investment in, new competitive products and services and more advanced equipment, and our failure to do so could cause our products and services to become obsolete and could negatively impact our business.
- We rely on a single vendor or a limited number of vendors to provide certain key products or services to us such as information technology support, billing systems and security access devices, and the inability of these key vendors to meet our needs could have a material adverse effect on our business.
- We rely on a few suppliers and in some cases a single supplier for many components of our new set-top boxes, and any reduction or interruption in supplies or significant increase in the price of supplies could have a negative impact on our business.
- Our programming signals are subject to theft, and we are vulnerable to other forms of fraud that could require us to make significant expenditures to remedy.
- We depend on independent third parties to solicit orders for our DISH TV services that represent a meaningful percentage of our total gross new DISH TV subscriber activations.
- We have limited satellite capacity and failures or reduced capacity could adversely affect our DISH TV services.
- Our owned and leased satellites are subject to construction, launch, operational and environmental risks that could limit our ability to utilize these satellites.

- We generally do not carry commercial launch or in-orbit insurance on any of the satellites that we use, other than certain satellites leased from third parties, and could face significant impairment charges if any of our owned satellites fail.

- We may have potential conflicts of interest with EchoStar due to our common ownership and management.

- We rely on key personnel and the loss of their services may negatively affect our business.

Acquisition and Capital Structure Risks

- We have made substantial investments to acquire certain wireless spectrum licenses and other related assets. In addition, we have made substantial non-controlling investments in the Northstar Entities and the SNR Entities related to AWS-3 wireless spectrum licenses.

- We face certain risks related to our non-controlling investments in the Northstar Entities and the SNR Entities, which may have a material adverse effect on our business, results of operations and financial condition.

- To the extent that we commercialize our wireless spectrum licenses, we will face certain risks entering and competing in the wireless services industry and operating a wireless services business.

- Our wireless spectrum licenses are subject to certain interim and final build-out requirements and the failure to meet such build-out requirements may have a material adverse effect on our business, results of operations and financial condition.

- We rely on highly skilled personnel for our wireless business and, if we are unable to hire and retain key personnel or hire qualified personnel then our wireless business may be adversely affected.

- We may pursue acquisitions and other strategic transactions to complement or expand our business that may not be successful, and we may lose up to the entire value of our investment in these acquisitions and transactions.

- We may need additional capital, which may not be available on acceptable terms or at all, to continue investing in our business and to finance acquisitions and other strategic transactions.

- We have substantial debt outstanding and may incur additional debt.

- The conditional conversion features of our 3 3/8% Convertible Notes due 2026 (the “Convertible Notes due 2026”) and our 2 3/8% Convertible Notes due 2024 (the “Convertible Notes due 2024,” and collectively with the Convertible Notes due 2026, the “Convertible Notes”), if triggered, may adversely affect our financial condition.

- The convertible note hedge and warrant transactions that we entered into in connection with the offering of the Convertible Notes due 2026 may affect the value of the Convertible Notes due 2026 and our Class A common stock.

- We are subject to counterparty risk with respect to the convertible note hedge transactions.

- From time to time a portion of our investment portfolio may be invested in securities that have limited liquidity and may not be immediately accessible to support our financing needs, including investments in public companies that are highly speculative and have experienced and continue to experience volatility.

- It may be difficult for a third party to acquire us, even if doing so may be beneficial to our shareholders, because of our ownership structure.

- We are controlled by one principal stockholder who is also our Chairman.

Legal and Regulatory Risks

- The rulings in the Telemarketing litigation requiring us to pay up to an aggregate amount of $341 million and imposing certain injunctive relief against us, if upheld, would have a material adverse effect on our cash, cash equivalents and marketable investment securities balances and our business operations.

- Our business may be materially affected by the Tax Cuts and Jobs Act of 2017 (the "Tax Reform Act"). Negative or unexpected tax consequences could adversely affect our business, financial condition and results of operations.

- Our business depends on certain intellectual property rights and on not infringing the intellectual property rights of others.

- We are, and may become, party to various lawsuits which, if adversely decided, could have a significant adverse impact on our business, particularly lawsuits regarding intellectual property.

- Our ability to distribute video content via the Internet, including our Sling TV services, involves regulatory risk.

- Changes in the Cable Act of 1992 ("Cable Act"), and/or the rules of the Federal Communications Commission ("FCC") that implement the Cable Act, may limit our ability to access programming from cable-affiliated programmers at nondiscriminatory rates.

- The injunction against our retransmission of distant networks, which is currently waived, may be reinstated.

- We are subject to significant regulatory oversight, and changes in applicable regulatory requirements, including any adoption or modification of laws or regulations relating to the Internet, could adversely affect our business.

- Our business depends on FCC licenses that can expire or be revoked or modified and applications for FCC licenses that may not be granted.

- We are subject to digital high-definition ("HD") "carry-one, carry-all" requirements that cause capacity constraints.

- Our business, investor confidence in our financial results and stock price may be adversely affected if our internal controls are not effective.

- We may face other risks described from time to time in periodic and current reports we file with the Securities and Exchange Commission ("SEC").

Other factors that could cause or contribute to such differences include, but are not limited to, those discussed under the caption "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q and in Part I, Item 1A of our most recent Annual Report on Form 10-K (the "10-K") filed with the SEC, those discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" herein and in the 10-K and those discussed in other documents we file with the SEC. All cautionary statements made or referred to herein should be read as being applicable to all forward-looking statements wherever they appear. Investors should consider the risks and uncertainties described or referred to herein and should not place undue reliance on any forward-looking statements. The forward-looking statements speak only as of the date made, and we expressly disclaim any obligation to update these forward-looking statements.

Item 1. FINANCIAL STATEMENTS

DISH NETWORK CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share amounts)
(Unaudited)

	As of	
	June 30, 2018	**December 31, 2017**
Assets		
Current Assets:		
Cash and cash equivalents	$ 1,007,784	$ 1,479,508
Marketable investment securities	547,004	501,165
Trade accounts receivable, net of allowance for doubtful accounts of $11,588 and $15,511, respectively	641,888	653,948
Inventory	329,507	321,008
Other current assets	217,527	329,394
Total current assets	2,743,710	3,285,023
Noncurrent Assets:		
Restricted cash, cash equivalents and marketable investment securities	72,972	72,407
Property and equipment, net	2,047,928	2,183,661
FCC authorizations	24,237,651	23,725,789
Other investment securities	115,870	113,460
Other noncurrent assets, net	431,881	393,426
Total noncurrent assets	26,906,302	26,488,743
Total assets	$ 29,650,012	$ 29,773,766
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities:		
Trade accounts payable	$ 284,767	$ 393,305
Deferred revenue and other	709,050	709,074
Accrued programming	1,554,525	1,571,273
Accrued interest	270,185	282,006
Other accrued expenses (Note 9)	778,165	803,822
Current portion of long-term debt and capital lease obligations	34,824	1,068,524
Total current liabilities	3,631,516	4,828,004
Long-Term Obligations, Net of Current Portion:		
Long-term debt and capital lease obligations, net of current portion	15,109,600	15,134,441
Deferred tax liabilities	2,217,077	2,019,538
Long-term deferred revenue and other long-term liabilities	465,112	470,487
Total long-term obligations, net of current portion	17,791,789	17,624,466
Total liabilities	21,423,305	22,452,470
Commitments and Contingencies (Note 9)		
Redeemable noncontrolling interests (Note 2)	420,580	383,390
Stockholders' Equity (Deficit):		
Class A common stock, $.01 par value, 1,600,000,000 shares authorized, 229,080,977 and 228,033,671 shares issued and outstanding, respectively	2,291	2,280
Class B common stock, $.01 par value, 800,000,000 shares authorized, 238,435,208 shares issued and outstanding	2,384	2,384
Additional paid-in capital	3,354,300	3,296,488
Accumulated other comprehensive income (loss)	735	882
Accumulated earnings (deficit)	4,443,977	3,635,380
Total DISH Network stockholders' equity (deficit)	7,803,687	6,937,414
Noncontrolling interests	2,440	492
Total stockholders' equity (deficit)	7,806,127	6,937,906
Total liabilities and stockholders' equity (deficit)	$ 29,650,012	$ 29,773,766

The accompanying notes are an integral part of these condensed consolidated financial statements.

DISH NETWORK CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME (LOSS)
(Dollars in thousands, except per share amounts)
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2018	2017	2018	2017
Revenue:				
Subscriber-related revenue	$ 3,419,760	$ 3,614,279	$ 6,842,464	$ 7,258,365
Equipment sales and other revenue	41,085	29,353	76,868	65,628
Total revenue	3,460,845	3,643,632	6,919,332	7,323,993
Costs and Expenses (exclusive of depreciation shown separately below - Note 7):				
Subscriber-related expenses	2,159,427	2,242,775	4,344,378	4,485,962
Satellite and transmission expenses	146,052	163,980	299,696	340,162
Cost of sales - equipment and other	36,117	22,136	67,743	50,109
Subscriber acquisition costs:				
Cost of sales - subscriber promotion subsidies	9,108	22,388	25,038	43,399
Other subscriber acquisition costs	68,734	134,817	145,806	276,761
Subscriber acquisition advertising	105,420	118,255	208,429	245,334
Total subscriber acquisition costs	183,262	275,460	379,273	565,494
General and administrative expenses	190,625	179,812	360,402	310,847
Litigation expense (Note 9)	—	295,695	—	295,695
Depreciation and amortization (Note 7)	172,702	211,671	365,674	416,301
Total costs and expenses	2,888,185	3,391,529	5,817,166	6,464,570
Operating income (loss)	572,660	252,103	1,102,166	859,423
Other Income (Expense):				
Interest income	10,619	12,447	19,936	26,739
Interest expense, net of amounts capitalized	(2,865)	(26,269)	(5,822)	(55,439)
Other, net	21,432	3,167	(13,376)	7,912
Total other income (expense)	29,186	(10,655)	738	(20,788)
Income (loss) before income taxes	601,846	241,448	1,102,904	838,635
Income tax (provision) benefit, net	(141,560)	(182,686)	(257,297)	(389,798)
Net income (loss)	460,286	58,762	845,607	448,837
Less: Net income (loss) attributable to noncontrolling interests, net of tax	21,569	18,646	39,330	33,006
Net income (loss) attributable to DISH Network	$ 438,717	$ 40,116	$ 806,277	$ 415,831
Weighted-average common shares outstanding - Class A and B common stock:				
Basic	467,425	466,019	467,036	465,717
Diluted	525,849	466,935	525,607	519,861
Earnings per share - Class A and B common stock:				
Basic net income (loss) per share attributable to DISH Network	$ 0.94	$ 0.09	$ 1.73	$ 0.89
Diluted net income (loss) per share attributable to DISH Network	$ 0.83	$ 0.09	$ 1.53	$ 0.86
Comprehensive Income (Loss):				
Net income (loss)	$ 460,286	$ 58,762	$ 845,607	$ 448,837
Other comprehensive income (loss):				
Foreign currency translation adjustments	(657)	639	(257)	846
Unrealized holding gains (losses) on available-for-sale securities	49	801	154	6,965
Recognition of previously unrealized (gains) losses on available-for-sale securities included in net income (loss)	(3)	(630)	(5)	(634)
Deferred income tax (expense) benefit, net	(13)	(62)	(39)	(2,326)
Total other comprehensive income (loss), net of tax	(624)	748	(147)	4,851
Comprehensive income (loss)	459,662	59,510	845,460	453,688
Less: Comprehensive income (loss) attributable to noncontrolling interests, net of tax	21,569	18,646	39,330	33,006
Comprehensive income (loss) attributable to DISH Network	$ 438,093	$ 40,864	$ 806,130	$ 420,682

The accompanying notes are an integral part of these condensed consolidated financial statements.

DISH NETWORK CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	For the Six Months Ended June 30,	
	2018	**2017**
Cash Flows From Operating Activities:		
Net income (loss)	$ 845,607	$ 448,837
Adjustments to reconcile net income (loss) to net cash flows from operating activities:		
Depreciation and amortization	365,674	416,301
Realized and unrealized losses (gains) on investments	17,425	(4,759)
Non-cash, stock-based compensation	18,772	11,863
Deferred tax expense (benefit)	196,707	347,550
Other, net	(65,625)	41,716
Changes in current assets and current liabilities, net	(53,222)	231,588
Net cash flows from operating activities	1,325,338	1,493,096
Cash Flows From Investing Activities:		
Purchases of marketable investment securities	(523,948)	(72,224)
Sales and maturities of marketable investment securities	461,152	92,671
Purchases of property and equipment	(168,119)	(212,387)
Capitalized interest related to FCC authorizations (Note 2)	(472,773)	(452,421)
Purchases of FCC authorizations, including deposits (Note 9)	—	(4,711,154)
Purchases of strategic investments	—	(90,381)
Other, net	6,225	10,229
Net cash flows from investing activities	(697,463)	(5,435,667)
Cash Flows From Financing Activities:		
Proceeds from issuance of convertible notes (Note 8)	—	1,000,000
Redemption and repurchases of senior notes	(1,088,392)	—
Repayment of long-term debt and capital lease obligations	(20,152)	(20,086)
Payments made to parent of transferred businesses	—	(7,098)
Net proceeds from Class A common stock options exercised and stock issued under the Employee Stock Purchase Plan	11,730	16,778
Debt issuance costs	—	(6,158)
Other, net	(2,760)	—
Net cash flows from financing activities	(1,099,574)	983,436
Net increase (decrease) in cash, cash equivalents, restricted cash and cash equivalents	(471,699)	(2,959,135)
Cash, cash equivalents, restricted cash and cash equivalents, beginning of period (Note 5)	1,479,901	5,325,184
Cash, cash equivalents, restricted cash and cash equivalents, end of period (Note 5)	$ 1,008,202	$ 2,366,049

The accompanying notes are an integral part of these condensed consolidated financial statements.

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Organization and Business Activities

Principal Business

DISH Network Corporation is a holding company. Its subsidiaries (which together with DISH Network Corporation are referred to as "DISH Network," the "Company," "we," "us" and/or "our," unless otherwise required by the context) operate two primary business segments.

Pay-TV

We offer pay-TV services under the DISH® brand and the Sling® brand (collectively "Pay-TV" services). The DISH branded pay-TV service consists of, among other things, Federal Communications Commission ("FCC") licenses authorizing us to use direct broadcast satellite ("DBS") and Fixed Satellite Service ("FSS") spectrum, our owned and leased satellites, receiver systems, broadcast operations, customer service facilities, a leased fiber optic network, in-home service and call center operations, and certain other assets utilized in our operations ("DISH TV"). The Sling branded pay-TV services consist of, among other things, live, linear streaming over-the-top ("OTT") Internet-based domestic, international and Latino video programming services ("Sling TV"). As of June 30, 2018, we had 12.997 million Pay-TV subscribers in the United States, including 10.653 million DISH TV subscribers and 2.344 million Sling TV subscribers.

In addition, we have historically offered broadband services under the dishNET™ brand, which includes satellite broadband services that utilize advanced technology and high-powered satellites launched by Hughes Communications, Inc. ("Hughes") and ViaSat, Inc. ("ViaSat") and wireline broadband services. However, as of the first quarter 2018, we have transitioned our broadband business focus from wholesale to authorized representative arrangements, and we are no longer marketing dishNET broadband services. Our existing broadband subscribers will decline through customer attrition. Generally, under these authorized representative arrangements, we will receive certain payments for each broadband service activation generated and installation performed, and we will not incur subscriber acquisition costs for these activations.

As a result of the completion of the Share Exchange with EchoStar, described below, we also design, develop and distribute receiver systems and provide digital broadcast operations, including satellite uplinking/downlinking, transmission and other services to third-party pay-TV providers. See Note 2 and Note 12 for further information.

Wireless

Since 2008, we have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets and made over $10 billion in non-controlling investments in certain entities, for a total of over $21 billion, as described further below.

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

DISH Network Spectrum

We have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets. These wireless spectrum licenses are subject to certain interim and final build-out requirements. We will need to make significant additional investments or partner with others to, among other things, commercialize, build-out and integrate these licenses and related assets, and any additional acquired licenses and related assets; and comply with regulations applicable to such licenses. Depending on the nature and scope of such commercialization, build-out, integration efforts and regulatory compliance, any such investments or partnerships could vary significantly. In addition, as we consider our options for the commercialization of our wireless spectrum, we will incur significant additional expenses and will have to make significant investments related to, among other things, research and development, wireless testing and wireless network infrastructure. In March 2017, we notified the FCC that we plan to deploy a next-generation 5G-capable network, focused on supporting narrowband Internet of Things ("IoT"). The first phase of our network deployment will be completed by March 2020, with subsequent phases to be completed thereafter. As of June 30, 2018, we have entered into deployment services agreements, master lease agreements and contracts with multiple parties for, among other things, the development, manufacture and/or deployment of towers, wireless radios and chipsets in connection with the first phase of our network deployment. We may also determine that additional wireless spectrum licenses may be required to commercialize our wireless business and to compete with other wireless service providers. See Note 9 for further information.

DISH Network Non-Controlling Investments in the Northstar Entities and the SNR Entities Related to AWS-3 Wireless Spectrum Licenses

During 2015, through our wholly-owned subsidiaries American AWS-3 Wireless II L.L.C. ("American II") and American AWS-3 Wireless III L.L.C. ("American III"), we initially made over $10 billion in certain non-controlling investments in Northstar Spectrum, LLC ("Northstar Spectrum"), the parent company of Northstar Wireless, LLC ("Northstar Wireless," and collectively with Northstar Spectrum, the "Northstar Entities"), and in SNR Wireless HoldCo, LLC ("SNR HoldCo"), the parent company of SNR Wireless LicenseCo, LLC ("SNR Wireless," and collectively with SNR HoldCo, the "SNR Entities"), respectively. On October 27, 2015, the FCC granted certain AWS-3 wireless spectrum licenses (the "AWS-3 Licenses") to Northstar Wireless and to SNR Wireless, respectively, which are recorded in "FCC authorizations" on our Condensed Consolidated Balance Sheets. Under the applicable accounting guidance in Accounting Standards Codification 810, *Consolidation* ("ASC 810"), Northstar Spectrum and SNR HoldCo are considered variable interest entities and, based on the characteristics of the structure of these entities and in accordance with the applicable accounting guidance, we consolidate these entities into our financial statements. See Note 2 for further information.

The AWS-3 Licenses are subject to certain interim and final build-out requirements. The Northstar Entities and/or the SNR Entities may need to raise significant additional capital in the future, which may be obtained from third party sources or from us, so that the Northstar Entities and the SNR Entities may commercialize, build-out and integrate these AWS-3 Licenses, comply with regulations applicable to such AWS-3 Licenses, and make any potential payments related to the Northstar Re-Auction Payment and the SNR Re-Auction Payment for the AWS-3 licenses retained by the FCC. Depending upon the nature and scope of such commercialization, build-out, integration efforts, regulatory compliance, and potential Northstar Re-Auction Payment and SNR Re-Auction Payment, any loans, equity contributions or partnerships could vary significantly. There can be no assurance that we will be able to obtain a profitable return on our non-controlling investments in the Northstar Entities and the SNR Entities. See Note 9 for further information.

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and with the instructions to Form 10-Q and Article 10 of Regulation S-X for interim financial information. Accordingly, these statements do not include all of the information and notes required for complete financial statements prepared under GAAP. In our opinion, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Our results of operations for the interim periods presented are not necessarily indicative of the results that may be expected for the full year. For further information, refer to the Consolidated Financial Statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2017. Certain prior period amounts have been reclassified to conform to the current period presentation.

Principles of Consolidation

We consolidate all majority owned subsidiaries, investments in entities in which we have controlling influence and variable interest entities where we have been determined to be the primary beneficiary. Minority interests are recorded as noncontrolling interests or redeemable noncontrolling interests. See below for further information. Non-consolidated investments are accounted for using the equity method when we have the ability to significantly influence the operating decisions of the investee. When we do not have the ability to significantly influence the operating decisions of an investee, these equity securities are classified as either marketable investment securities or other investments and recorded at fair value with changes recognized in "Other, net" within "Other Income (Expense)" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). All significant intercompany accounts and transactions have been eliminated in consolidation.

On February 28, 2017, we and EchoStar and certain of our respective subsidiaries completed the transactions contemplated by the Share Exchange Agreement (the "Share Exchange Agreement") that was previously entered into on January 31, 2017 (the "Share Exchange"). Pursuant to the Share Exchange Agreement, among other things, EchoStar transferred to us certain assets and liabilities of the EchoStar technologies and EchoStar broadcasting businesses, consisting primarily of the businesses that design, develop and distribute digital set-top boxes, provide satellite uplink services and develop and support streaming video technology, as well as certain investments in joint ventures, spectrum licenses, real estate properties and EchoStar's ten percent non-voting interest in Sling TV Holding L.L.C. (the "Transferred Businesses"), and in exchange, we transferred to EchoStar the 6,290,499 shares of preferred tracking stock issued by EchoStar (the "EchoStar Tracking Stock") and 81.128 shares of preferred tracking stock issued by Hughes Satellite Systems Corporation, a subsidiary of EchoStar (the "HSSC Tracking Stock," and together with the EchoStar Tracking Stock, collectively, the "Tracking Stock"), that tracked the residential retail satellite broadband business of HNS. In connection with the Share Exchange, we and EchoStar and certain of their subsidiaries entered into certain agreements covering, among other things, tax matters, employee matters, intellectual property matters and the provision of transitional services. See Note 12 for further information.

As the Share Exchange was a transaction between entities that are under common control, accounting rules require that our Condensed Consolidated Financial Statements include the results of the Transferred Businesses for all periods presented, including periods prior to the completion of the Share Exchange. We initially recorded the Transferred Businesses at EchoStar's historical cost basis. The difference between the historical cost basis of the Transferred Businesses and the net carrying value of the Tracking Stock was recorded in "Additional paid-in capital" on our Condensed Consolidated Balance Sheets.

The results of the Transferred Businesses were prepared from separate records maintained by EchoStar for the periods prior to March 1, 2017, and may not necessarily be indicative of the conditions that would have existed, or the results of operations, if the Transferred Businesses had been operated on a combined basis with our subsidiaries.

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

Redeemable Noncontrolling Interests

Northstar Wireless. Northstar Wireless is a wholly-owned subsidiary of Northstar Spectrum, which is an entity owned by Northstar Manager, LLC ("Northstar Manager") and us. Under the applicable accounting guidance in ASC 810, Northstar Spectrum is considered a variable interest entity and, based on the characteristics of the structure of this entity and in accordance with the applicable accounting guidance, we consolidate Northstar Spectrum into our financial statements. The Northstar Operative Agreements, as amended, provide for, among other things, that after the fifth and sixth anniversaries of the grant of the AWS-3 Licenses to Northstar Wireless (and in certain circumstances, prior to the fifth anniversary of the grant of the AWS-3 Licenses to Northstar Wireless), Northstar Manager has the ability, but not the obligation, to require Northstar Spectrum to purchase Northstar Manager's ownership interests in Northstar Spectrum (the "Northstar Put Right") for a purchase price that generally equals its equity contribution to Northstar Spectrum plus a fixed annual rate of return. In the event that the Northstar Put Right is exercised by Northstar Manager, the consummation of the sale will be subject to FCC approval. Northstar Spectrum does not have a call right with respect to Northstar Manager's ownership interests in Northstar Spectrum. Although Northstar Manager is the sole manager of Northstar Spectrum, Northstar Manager's ownership interest is considered temporary equity under the applicable accounting guidance and is thus recorded as part of "Redeemable noncontrolling interests" in the mezzanine section of our Condensed Consolidated Balance Sheets. Northstar Manager's ownership interest in Northstar Spectrum was initially accounted for at fair value. Subsequently, Northstar Manager's ownership interest in Northstar Spectrum is increased by the fixed annual rate of return through "Redeemable noncontrolling interests" in our Condensed Consolidated Balance Sheets, with the offset recorded in "Net income (loss) attributable to noncontrolling interests, net of tax" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). The operating results of Northstar Spectrum attributable to Northstar Manager are recorded as "Redeemable noncontrolling interests" in our Condensed Consolidated Balance Sheets, with the offset recorded in "Net income (loss) attributable to noncontrolling interests, net of tax" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). See Note 9 for further information.

SNR Wireless. SNR Wireless is a wholly-owned subsidiary of SNR HoldCo, which is an entity owned by SNR Wireless Management, LLC ("SNR Management") and us. Under the applicable accounting guidance in ASC 810, SNR HoldCo is considered a variable interest entity and, based on the characteristics of the structure of this entity and in accordance with the applicable accounting guidance, we consolidate SNR HoldCo into our financial statements. The SNR Operative Agreements, as amended, provide for, among other things, that after the fifth and sixth anniversaries of the grant of the AWS-3 Licenses to SNR Wireless (and in certain circumstances, prior to the fifth anniversary of the grant of the AWS-3 Licenses to SNR Wireless), SNR Management has the ability, but not the obligation, to require SNR HoldCo to purchase SNR Management's ownership interests in SNR HoldCo (the "SNR Put Right") for a purchase price that generally equals its equity contribution to SNR HoldCo plus a fixed annual rate of return. In the event that the SNR Put Right is exercised by SNR Management, the consummation of the sale will be subject to FCC approval. SNR HoldCo does not have a call right with respect to SNR Management's ownership interests in SNR HoldCo. Although SNR Management is the sole manager of SNR HoldCo, SNR Management's ownership interest is considered temporary equity under the applicable accounting guidance and is thus recorded as part of "Redeemable noncontrolling interests" in the mezzanine section of our Condensed Consolidated Balance Sheets. SNR Management's ownership interest in SNR HoldCo was initially accounted for at fair value. Subsequently, SNR Management's ownership interest in SNR HoldCo is increased by the fixed annual rate of return through "Redeemable noncontrolling interests" on our Condensed Consolidated Balance Sheets, with the offset recorded in "Net income (loss) attributable to noncontrolling interests, net of tax" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). The operating results of SNR HoldCo attributable to SNR Management are recorded as "Redeemable noncontrolling interests" on our Condensed Consolidated Balance Sheets, with the offset recorded in "Net income (loss) attributable to noncontrolling interests, net of tax" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). See Note 9 for further information.

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense for each reporting period. Estimates are used in accounting for, among other things, allowances for doubtful accounts, self-insurance obligations, deferred taxes and related valuation allowances, uncertain tax positions, loss contingencies, fair value of financial instruments, fair value of options granted under our stock-based compensation plans, fair value of assets and liabilities acquired in business combinations, relative standalone selling prices of performance obligations, capital leases, asset impairments, estimates of future cash flows used to evaluate impairments, useful lives of property, equipment and intangible assets, independent third-party retailer incentives, programming expenses and subscriber lives. Economic conditions may increase the inherent uncertainty in the estimates and assumptions indicated above. Actual results may differ from previously estimated amounts, and such differences may be material to our condensed consolidated financial statements. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected prospectively in the period they occur.

Marketable Investment Securities

Historically, we classified all marketable investment securities as available-for-sale, except for investments which were accounted for as trading securities, and adjusted the carrying amount of our available-for-sale securities to fair value and reported the related temporary unrealized gains and losses as a separate component of “Accumulated other comprehensive income (loss)” within “Total stockholders’ equity (deficit),” net of related deferred income tax on our Condensed Consolidated Balance Sheets. Our trading securities were carried at fair value, with changes in fair value recognized in “Other, net” within “Other Income (Expense)” on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

Subsequent to the adoption of ASU 2016-01 during the first quarter 2018, all equity securities are carried at fair value, with changes in fair value recognized in “Other, net” within “Other Income (Expense)” on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). All debt securities are classified as available-for-sale. We adjust the carrying amount of our debt securities to fair value and report the related temporary unrealized gains and losses as a separate component of “Accumulated other comprehensive income (loss)” within “Total stockholders’ equity (deficit),” net of related deferred income tax on our Condensed Consolidated Balance Sheets. Declines in the fair value of a marketable debt security which are determined to be “other-than-temporary” are recognized in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), thus establishing a new cost basis for such investment.

Capitalized Interest

We capitalize interest associated with the acquisition or construction of certain assets, including, among other things, our wireless spectrum licenses, build-out costs associated with our network deployment and satellites. Capitalization of interest begins when, among other things, steps are taken to prepare the asset for its intended use and ceases when the asset is ready for its intended use or when these activities are substantially suspended.

We are currently preparing for the commercialization of our AWS-4, H Block, 700 MHz, 600 MHz and MVDDS wireless spectrum licenses, and interest expense related to their carrying amount is being capitalized. In addition, the FCC has granted certain AWS-3 Licenses to Northstar Wireless and to SNR Wireless, respectively, in which we have made certain non-controlling investments. Northstar Wireless and SNR Wireless are preparing for the commercialization of their AWS-3 Licenses and interest expense related to their carrying amount is also being capitalized. On June 14, 2017, the FCC issued an order granting our application to acquire the 600 MHz Licenses, and we began preparing for the commercialization of our 600 MHz Licenses and began capitalizing interest related to these licenses on June 14, 2017. As the carrying amount of the licenses discussed above exceeded the carrying value of our long-term debt beginning on June 14, 2017, materially all of our interest expense is now being capitalized.

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

Fair Value Measurements

We determine fair value based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. Market or observable inputs are the preferred source of values, followed by unobservable inputs or assumptions based on hypothetical transactions in the absence of market inputs. We apply the following hierarchy in determining fair value:

- Level 1, defined as observable inputs being quoted prices in active markets for identical assets;
- Level 2, defined as observable inputs other than quoted prices included in Level 1, including quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar instruments in markets that are not active; and derivative financial instruments indexed to marketable investment securities; and
- Level 3, defined as unobservable inputs for which little or no market data exists, consistent with reasonably available assumptions made by other participants therefore requiring assumptions based on the best information available.

As of June 30, 2018 and December 31, 2017, the carrying amount for cash and cash equivalents, trade accounts receivable (net of allowance for doubtful accounts) and current liabilities (excluding the "Current portion of long-term debt and capital lease obligations") was equal to or approximated fair value due to their short-term nature or proximity to current market rates. See Note 5 for the fair value of our marketable investment securities and derivative financial instruments.

Fair values for our publicly traded debt securities are based on quoted market prices, when available. The fair values of private debt are based on, among other things, available trade information, and/or an analysis in which we evaluate market conditions, related securities, various public and private offerings, and other publicly available information. In performing this analysis, we make various assumptions regarding, among other things, credit spreads, and the impact of these factors on the value of the debt securities. See Note 8 for the fair value of our long-term debt.

Revenue Recognition

Our revenue is primarily derived from Pay-TV programming services that we provide to our subscribers. We also generate revenue from equipment rental fees and other hardware related fees, including DVRs and fees from subscribers with multiple receivers; advertising services; fees earned from our in-home service operations; broadband services; warranty services; and sales of digital receivers and related equipment to third-party pay-TV providers. See Note 10 for further information, including revenue disaggregated by major source.

Our residential video subscribers contract for individual services or combinations of services, as discussed above, the majority of which are generally capable of being distinct and are accounted for as separate performance obligations. We consider our installations for first time DISH TV subscribers to be a service. However, since we provide a significant integration service combining the installation with programming services, we have concluded that the installation is not distinct from programming and thus the installation and programming services are accounted for as a single performance obligation. We generally satisfy these performance obligations and recognize revenue as the services are provided, for example as the programming is broadcast to subscribers, as this best represents the transfer of control of the services to the subscriber.

In cases where a subscriber is charged certain nonrefundable upfront fees, those fees are generally considered to be material rights to the subscriber related to the subscriber's option to renew without having to pay an additional fee upon renewal. These fees are deferred and recognized over the estimated period of time during which the fee remains material to the customer, which we estimate to be less than one year. Revenues arising from our in-home service operations that are separate from the initial installation, such as mounting a TV on a subscriber's wall, are generally recognized when these services are performed.

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

For our residential video subscribers, we have concluded that the contract term under ASC 606 is one month and as a result the revenue recognized for these subscribers for a given month is equal to the amount billed in that month, except for certain nonrefundable upfront fees that are accounted for as material rights, as discussed above.

Revenues from our advertising services are typically recognized as the advertisements are broadcast. Sales of equipment to subscribers or other third parties are recognized when control is transferred under the contract. Revenue from our commercial video subscribers typically follows the residential model described above, with the exception that the contract term for most of our commercial subscribers exceeds one month and can be multiple years in length. However, commercial subscribers typically do not receive time-limited discounts or free service periods and accordingly, while they may have multiple performance obligations, revenue is equal to the amount billed in a given month.

Contract Balances

The timing of revenue recognition generally differs from the timing of invoicing to customers. When revenue is recognized prior to invoicing, we record a receivable. When revenue is recognized subsequent to invoicing, we record deferred revenue. Our residential video subscribers are typically billed monthly, and the contract balances for those customers arise from the timing of the monthly billing cycle. We do not adjust the amount of consideration for financing impacts as we apply a practical expedient when we anticipate that the period between transfer of goods and services and eventual payment for those goods and services will be less than one year. See Note 11 for further information, including balance and activity detail about our allowance for doubtful accounts and deferred revenue related to contracts with subscribers.

Assets recognized related to the Costs to Obtain a Contract with a Subscriber

We recognize an asset for the incremental costs of obtaining a contract with a subscriber if we expect the benefit of those costs to be longer than one year. We have determined that certain sales incentive programs, including those with our independent third-party retailers, meet the requirements to be capitalized, and payments made under these programs are capitalized and amortized to expense over the estimated subscriber life. During the three and six months ended June 30, 2018, we capitalized $49 million and $90 million, respectively, under these programs. The amortization expense related to these programs was $5 million and $8 million, respectively, for the three and six months ended June 30, 2018. As of June 30, 2018, we had a total of $96 million capitalized on our Condensed Consolidated Balance Sheets. These amounts are capitalized in “Other currents assets” and “Other noncurrent assets, net” on our Condensed Consolidated Balance Sheets, and then amortized in “Other subscriber acquisition costs” on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

Impact of Adoption of ASU 2014-09

On May 28, 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update 2014-09 *Revenue from Contracts with Customers* (“ASU 2014-09”) and has modified the standard thereafter. We adopted ASU 2014-09, as modified, and now codified as Accounting Standard Codification Topic 606 (“ASC 606”) and Accounting Standard Codification Topic 340-40 (“ASC 340-40”) on January 1, 2018, using the modified retrospective method. Under that method, we applied the new guidance to all open contracts existing as of January 1, 2018, recognizing in beginning retained earnings an adjustment for the cumulative effect of the change, which was $2 million, net of deferred taxes of $1 million.

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

In addition, we are providing additional disclosures comparing the results under previous guidance to those as follows:

Condensed Consolidated Statements of Operations	DISH Network (as would have been reported under previous standards)	Impact of adopting ASU 2014-09	DISH Network (as currently reported)
		(In thousands)	
For the Three Months Ended June 30, 2018			
Subscriber-related revenue	$ 3,422,474	$ (2,714)	$ 3,419,760
Subscriber-related expenses	$ 2,162,252	$ (2,825)	$ 2,159,427
Total subscriber acquisition costs	$ 227,221	$ (43,959)	$ 183,262
Operating income (loss)	$ 528,590	$ 44,070	$ 572,660
Income (loss) before income taxes	$ 557,776	$ 44,070	$ 601,846
Income tax (provision) benefit, net	$ (130,488)	$ (11,072)	$ (141,560)
Net income (loss) attributable to DISH Network	$ 405,719	$ 32,998	$ 438,717
Diluted net income (loss) per share attributable to DISH Network	$ 0.77	$ 0.06	$ 0.83
For the Six Months Ended June 30, 2018			
Subscriber-related revenue	$ 6,854,106	$ (11,642)	$ 6,842,464
Subscriber-related expenses	$ 4,351,630	$ (7,252)	$ 4,344,378
Total subscriber acquisition costs	$ 463,530	$ (84,257)	$ 379,273
Operating income (loss)	$ 1,022,299	$ 79,867	$ 1,102,166
Income (loss) before income taxes	$ 1,023,037	$ 79,867	$ 1,102,904
Income tax (provision) benefit, net	$ (237,634)	$ (19,663)	$ (257,297)
Net income (loss) attributable to DISH Network	$ 746,073	$ 60,204	$ 806,277
Diluted net income (loss) per share attributable to DISH Network	$ 1.42	$ 0.11	$ 1.53

Condensed Consolidated Balance Sheets	DISH Network (as would have been reported under previous standards)	Impact of adopting ASU 2014-09	DISH Network (as currently reported)
		(In thousands)	
As of June 30, 2018			
Inventory	$ 292,983	$ 36,524	$ 329,507
Other current assets	$ 191,420	$ 26,107	$ 217,527
Other noncurrent assets, net	$ 361,803	$ 70,078	$ 431,881
Total assets	$ 29,517,303	$ 132,709	$ 29,650,012
Deferred revenue and other	$ 661,639	$ 47,411	$ 709,050
Deferred tax liabilities	$ 2,196,622	$ 20,455	$ 2,217,077
Long-term deferred revenue and other long-term liabilities	$ 462,794	$ 2,318	$ 465,112
Total liabilities	$ 21,353,121	$ 70,184	$ 21,423,305
Total stockholders' equity (deficit)	$ 7,743,602	$ 62,525	$ 7,806,127
Total liabilities and stockholders' equity (deficit)	$ 29,517,303	$ 132,709	$ 29,650,012

The adoption of ASU 2014-09 had no impact to cash flows from operating, investing and financing activities on our Condensed Consolidated Statements of Cash Flows.

Research and Development

Research and development costs are expensed as incurred. Research and development costs totaled $6 million and $9 million for the three months ended June 30, 2018 and 2017, respectively. Research and development costs totaled $12 million and $16 million for the six months ended June 30, 2018 and 2017, respectively.

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

New Accounting Pronouncements

Leases. In February 2016, the FASB issued new guidance on the accounting for leases, ASU 2016-02 *Leases* ("ASU 2016-02"). The guidance amends the existing accounting standards for lease accounting, including the requirement that lessees recognize right of use assets and lease liabilities initially measured at the present value of the lease payments for all leases with a term of greater than twelve months. The accounting guidance for lessors remains largely unchanged. The effective date of this standard for us will be January 1, 2019. While we have not determined the effect of the standard on our ongoing financial reporting, we currently believe the most significant change will be the recognition of right of use assets and lease liabilities on our Condensed Consolidated Balance Sheets. We have established a multidisciplinary team to assess the implementation of this guidance and are currently in the process of identifying and implementing changes to our systems, process, and internal controls to meet the requirements of the standard.

Financial Instruments – Credit Losses. On June 16, 2016, the FASB issued ASU 2016-13 *Financial Instruments – Credit Losses, Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), which changes the way entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net earnings. This standard will be effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted. We are evaluating the impact the adoption of ASU 2016-13 will have on our Condensed Consolidated Financial Statements and related disclosures.

3. Basic and Diluted Net Income (Loss) Per Share

We present both basic earnings per share ("EPS") and diluted EPS. Basic EPS excludes potential dilution and is computed by dividing "Net income (loss) attributable to DISH Network" by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if stock awards were exercised and if our 3 3/8% Convertible Notes due 2026 issued August 8, 2016 (the "Convertible Notes due 2026") and our 2 3/8% Convertible Notes due 2024 issued March 17, 2017 (the "Convertible Notes due 2024," and collectively with the Convertible Notes due 2026, the "Convertible Notes") were converted. The potential dilution from stock awards is accounted for using the treasury stock method based on the average market value of our Class A common stock. The potential dilution from conversion of the Convertible Notes is accounted for using the if-converted method, which requires that all of the shares of our Class A common stock issuable upon conversion of the Convertible Notes will be included in the calculation of diluted EPS assuming conversion of the Convertible Notes at the beginning of the reporting period (or at time of issuance, if later).

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

The following table presents EPS amounts for all periods and the basic and diluted weighted-average shares outstanding used in the calculation.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2018	2017	2018	2017
	(In thousands, except per share amounts)			
Net income (loss)	$ 460,286	$ 58,762	$ 845,607	$ 448,837
Less: Net income (loss) attributable to noncontrolling interests, net of tax	21,569	18,646	39,330	33,006
Net income (loss) attributable to DISH Network - Basic	438,717	40,116	806,277	415,831
Interest on dilutive Convertible Notes, net of tax (1)	—	—	—	30,125
Net income (loss) attributable to DISH Network - Diluted	$ 438,717	$ 40,116	$ 806,277	$ 445,956
Weighted-average common shares outstanding - Class A and B common stock:				
Basic	467,425	466,019	467,036	465,717
Dilutive impact of Convertible Notes	58,192	—	58,192	53,152
Dilutive impact of stock awards outstanding	232	916	379	992
Diluted	525,849	466,935	525,607	519,861
Earnings per share - Class A and B common stock:				
Basic net income (loss) per share attributable to DISH Network	$ 0.94	$ 0.09	$ 1.73	$ 0.89
Diluted net income (loss) per share attributable to DISH Network	$ 0.83	$ 0.09	$ 1.53	$ 0.86

(1) For the three and six months ended June 30, 2018, materially all of our interest expense was capitalized. See Note 2 for further information.

Certain stock awards to acquire our Class A common stock are not included in the weighted-average common shares outstanding above, as their effect is anti-dilutive. For the three months ended June 30, 2017, the effect of the Convertible Notes is excluded from the computation of diluted net income (loss) per share attributable to DISH Network, as the effect is anti-dilutive. In addition, vesting of performance based options and rights to acquire shares of our Class A common stock granted pursuant to our performance based stock incentive plans ("Restricted Performance Units") are both contingent upon meeting certain goals, some of which are not yet probable of being achieved. Furthermore, the warrants that we issued to certain option counterparties in connection with the Convertible Notes due 2026 are only exercisable at their expiration if the market price per share of our Class A common stock is greater than the strike price of the warrants, which is approximately $86.08 per share, subject to adjustments. As a consequence, the following are not included in the diluted EPS calculation.

	As of June 30,	
	2018	2017
	(In thousands)	
Anti-dilutive stock awards	4,084	1,536
Performance based options	4,921	6,896
Restricted Performance Units/Awards	1,926	1,281
Common stock warrants	46,029	46,029
Total	56,960	55,742

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

4. Supplemental Data - Statements of Cash Flows

The following table presents our supplemental cash flow and other non-cash data.

	For the Six Months Ended June 30,	
	2018	2017
	(In thousands)	
Cash paid for interest (including capitalized interest)	$ 471,737	$ 496,644
Cash received for interest	6,203	4,760
Cash paid for income taxes	18,217	20,427
Capitalized interest (1)	512,161	488,123
Initial equity component of the 2 3/8% Convertible Notes due 2024, net of deferred taxes of $92,512	—	159,869
Employee benefits paid in Class A common stock	27,321	23,134
Assets financed under capital lease obligations	142	—

(1) See Note 2 for further information.

5. Marketable Investment Securities, Restricted Cash and Cash Equivalents, and Other Investment Securities

Our marketable investment securities, restricted cash and cash equivalents, and other investment securities consisted of the following:

	As of	
	June 30, 2018	December 31, 2017
	(In thousands)	
Marketable investment securities:		
Current marketable investment securities:		
Strategic - available-for-sale	$ 196	$ 195
Strategic - trading/equity (Note 2)	71,943	93,367
Other	474,865	407,603
Total current marketable investment securities	547,004	501,165
Restricted marketable investment securities (1)	72,554	72,014
Total marketable investment securities	619,558	573,179
Restricted cash and cash equivalents (1)	418	393
Other investment securities:		
Other investment securities - equity method	115,870	113,460
Total other investment securities	115,870	113,460
Total marketable investment securities, restricted cash and cash equivalents, and other investment securities	$ 735,846	$ 687,032

(1) Restricted marketable investment securities and restricted cash and cash equivalents are included in “Restricted cash, cash equivalents and marketable investment securities” on our Condensed Consolidated Balance Sheets.

Marketable Investment Securities

Our marketable investment securities portfolio consists of various debt and equity instruments. All debt securities are classified as available-for-sale. Subsequent to the adoption of ASU 2016-01 during the first quarter 2018, all equity securities are carried at fair value, with changes in fair value recognized in “Other, net” within “Other Income (Expense)” on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). See Note 2 for further information.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
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Current Marketable Investment Securities – Strategic

Our current strategic marketable investment securities portfolio includes and may include strategic and financial debt and equity investments in private and public companies that are highly speculative and have experienced and continue to experience volatility. As of June 30, 2018, this portfolio consisted of securities of a small number of issuers, and as a result the value of that portfolio depends, among other things, on the performance of those issuers. The fair value of certain of the debt and equity securities in this portfolio can be adversely impacted by, among other things, the issuers' respective performance and ability to obtain any necessary additional financing on acceptable terms, or at all.

Current Marketable Investment Securities - Other

Our current other marketable investment securities portfolio includes investments in various debt instruments including, among others, commercial paper, corporate securities and United States treasury and/or agency securities.

Commercial paper consists mainly of unsecured short-term, promissory notes issued primarily by corporations with maturities ranging up to 365 days. Corporate securities consist of debt instruments issued by corporations with various maturities normally less than 18 months. U.S. Treasury and agency securities consist of debt instruments issued by the federal government and other government agencies.

Restricted Cash, Cash Equivalents and Marketable Investment Securities

As of June 30, 2018 and December 31, 2017, our restricted marketable investment securities, together with our restricted cash and cash equivalents, included amounts required as collateral for our letters of credit.

Other Investment Securities

We have strategic investments in certain debt and/or equity securities that are included in noncurrent "Other investment securities" on our Condensed Consolidated Balance Sheets. Our debt securities are classified as available-for-sale and our equity securities are accounted for using the equity method of accounting or recorded at fair value. Certain of our equity method investments are detailed below.

NagraStar L.L.C. As a result of the completion of the Share Exchange on February 28, 2017, we own a 50% interest in NagraStar L.L.C. ("NagraStar"), a joint venture that is our primary provider of encryption and related security systems intended to assure that only authorized customers have access to our programming.

Invidi Technologies Corporation. In November 2016, we, DIRECTV, LLC, a wholly-owned indirect subsidiary of AT&T Inc., and Cavendish Square Holding B.V., an affiliate of WPP plc, entered into a series of agreements to acquire Invidi Technologies Corporation ("Invidi"), an entity that provides proprietary software for the addressable advertising market. The transaction closed in January 2017.

Our ability to realize value from our strategic investments in securities that are not publicly traded depends on the success of the issuers' businesses and their ability to obtain sufficient capital, on acceptable terms or at all, and to execute their business plans. Because private markets are not as liquid as public markets, there is also increased risk that we will not be able to sell these investments, or that when we desire to sell them we will not be able to obtain fair value for them.

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Unrealized Gains (Losses) on Marketable Investment Securities

As of June 30, 2018 and December 31, 2017, we had accumulated net unrealized losses of less than $1 million. These amounts, net of related tax effect, were accumulated net unrealized losses of less than $1 million. All of these amounts are included in "Accumulated other comprehensive income (loss)" within "Total stockholders' equity (deficit)." The components of our available-for-sale investments are summarized in the table below.

	As of June 30, 2018				As of December 31, 2017			
	Marketable Investment Securities	Unrealized Gains	Unrealized Losses	Unrealized Net	Marketable Investment Securities	Unrealized Gains	Unrealized Losses	Unrealized Net
	(In thousands)							
Debt securities (including restricted):								
U.S. Treasury and agency securities	$ 72,301	$ —	$ (59)	$ (59)	$ 84,286	$ 22	$ (141)	$ (119)
Commercial paper	50,000	—	—	—	107,962	—	(10)	(10)
Corporate securities	423,253	77	(124)	(47)	282,256	—	(124)	(124)
Other	2,061	58	—	58	5,308	58	(1)	57
Total	$ 547,615	$ 135	$ (183)	$ (48)	$ 479,812	$ 80	$ (276)	$ (196)

As of June 30, 2018, restricted and non-restricted marketable investment securities included debt securities of $432 million with contractual maturities within one year and $116 million with contractual maturities extending longer than one year through and including five years. Actual maturities may differ from contractual maturities as a result of our ability to sell these securities prior to maturity.

Marketable Investment Securities in a Loss Position

The following table reflects the length of time that the individual securities, accounted for as available-for-sale, have been in an unrealized loss position, aggregated by investment category. As of June 30, 2018, the unrealized losses related to our investments in debt securities primarily represented investments in United States treasury and agency securities and corporate securities. We have the ability to hold and do not intend to sell our investments in these debt securities before they recover or mature, and it is more likely than not that we will hold these investments until that time. In addition, we are not aware of any specific factors indicating that the underlying issuers of these debt securities would not be able to pay interest as it becomes due or repay the principal at maturity. Therefore, we believe that these changes in the estimated fair values of these marketable investment securities are related to temporary market fluctuations.

	As of			
	June 30, 2018		December 31, 2017	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
	(In thousands)			
Debt Securities:				
Less than 12 months	$ 328,752	$ (147)	$ 410,145	$ (156)
12 months or more	14,771	(36)	34,340	(120)
Total	$ 343,523	$ (183)	$ 444,485	$ (276)

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Fair Value Measurements

Our investments measured at fair value on a recurring basis were as follows:

	As of							
	June 30, 2018				December 31, 2017			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
	(In thousands)							
Cash equivalents (including restricted)	$ 969,510	$ 2,794	$ 966,716	$ —	$ 1,425,798	$ 655	$ 1,425,143	$ —
Debt securities (including restricted):								
U.S. Treasury and agency securities	$ 72,301	$ 72,301	$ —	$ —	$ 84,286	$ 84,286	$ —	$ —
Commercial Paper	50,000	—	50,000	—	107,962	—	107,962	—
Corporate securities	423,253	—	423,253	—	282,256	—	282,256	—
Other	2,061	—	1,865	196	5,308	—	5,113	195
Equity securities	71,943	71,943	—	—	93,367	93,367	—	—
Total	$ 619,558	$ 144,244	$ 475,118	$ 196	$ 573,179	$ 177,653	$ 395,331	$ 195

As of June 30, 2018 and December 31, 2017, our Level 3 investments were immaterial.

During the six months ended June 30, 2018, we had no transfers in or out of Level 1 and Level 2 fair value measurements.

Gains and Losses on Sales and Changes in Carrying Amounts of Investments

“Other, net” within “Other Income (Expense)” included on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) is as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
Other, net:	**2018**	**2017**	**2018**	**2017**
	(In thousands)			
Marketable investment securities - gains (losses) on sales/exchanges	$ 5,393	$ 2,487	$ 6,139	$ 4,759
Marketable investment securities - unrealized gains (losses) on equity securities	16,441	—	(20,848)	—
Costs related to early redemption of debt	(2,537)	—	(2,716)	—
Equity in earnings	759	1,120	2,205	394
Other	1,376	(440)	1,844	2,759
Total	$ 21,432	$ 3,167	$ (13,376)	$ 7,912

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6. Inventory

Inventory consisted of the following:

	As of	
	June 30, 2018	December 31, 2017
	(In thousands)	
Finished goods	$ 267,602	$ 248,233
Work-in-process and service repairs	47,510	54,455
Raw materials	14,395	18,320
Total inventory	$ 329,507	$ 321,008

7. Property and Equipment

Property and equipment consisted of the following:

	Depreciable Life (In Years)			As of	
				June 30, 2018	December 31, 2017
				(In thousands)	
Equipment leased to customers	2	-	5	$ 2,195,942	$ 2,323,100
EchoStar XV		15		277,658	277,658
EchoStar XVIII		15		411,255	411,255
D1		N/A		55,000	55,000
T1		14.25		100,000	100,000
Satellites acquired under capital lease agreements	10	-	15	499,819	499,819
Furniture, fixtures, equipment and other	2	-	10	1,818,854	1,779,109
Buildings and improvements	3	-	40	295,118	293,571
Land		—		14,057	14,057
Construction in progress		—		116,697	103,176
Total property and equipment				5,784,400	5,856,745
Accumulated depreciation				(3,736,472)	(3,673,084)
Property and equipment, net				$ 2,047,928	$ 2,183,661

Depreciation and amortization expense consisted of the following:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2018	2017	2018	2017
	(In thousands)			
Equipment leased to customers	$ 111,877	$ 145,603	$ 222,398	$ 281,737
Satellites	25,086	29,414	50,172	58,426
Buildings, furniture, fixtures, equipment and other	35,739	36,654	93,104	76,138
Total depreciation and amortization	$ 172,702	$ 211,671	$ 365,674	$ 416,301

Cost of sales and operating expense categories included in our accompanying Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) do not include depreciation expense related to satellites or equipment leased to customers.

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Pay-TV Satellites. We currently utilize 11 satellites in geostationary orbit approximately 22,300 miles above the equator, two of which we own and depreciate over their estimated useful life. We currently utilize certain capacity on seven satellites that we lease from EchoStar, which are accounted for as operating leases. We also lease two satellites from third parties, which are accounted for as capital leases and are depreciated over the shorter of the economic life or the term of the satellite agreement.

As of June 30, 2018, our pay-TV satellite fleet consisted of the following:

Satellites	Launch Date	Degree Orbital Location	Estimated Useful Life (Years)/Lease Termination Date
Owned:			
EchoStar XV	July 2010	61.5	15
EchoStar XVIII	June 2016	61.5	15
Leased from EchoStar (1):			
EchoStar VII (2)	February 2002	119	June 2018
EchoStar IX	August 2003	121	Month to month
EchoStar X (3)	February 2006	110	February 2021
EchoStar XI (3)	July 2008	110	September 2021
EchoStar XIV (3)	March 2010	119	February 2023
EchoStar XVI (4)	November 2012	61.5	January 2023
Nimiq 5	September 2009	72.7	September 2019
QuetzSat-1	September 2011	77	November 2021
Leased from Other Third Party:			
Anik F3	April 2007	118.7	April 2022
Ciel II (5)	December 2008	129	January 2019

(1) See Note 12 for further information on our Related Party Transactions with EchoStar.
(2) The satellite capacity agreement for EchoStar VII expired on June 30, 2018.
(3) We generally have the option to renew each lease on a year-to-year basis through the end of the useful life of the respective satellite.
(4) We have the option to renew this lease for an additional five-year period.
(5) On July 30, 2018, we did not provide notice to renew our lease for the capacity of Ciel II. Accordingly, our lease for the capacity of Ciel II will expire in January 2019 at the conclusion of the initial term. There can be no assurance that the expiration of our lease for capacity of Ciel II will not have a material adverse effect on our business, results of operations and financial condition or otherwise disrupt our business.

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8. Long-Term Debt and Capital Lease Obligations

Fair Value of our Long-Term Debt

The following table summarizes the carrying amount and fair value of our debt facilities as of June 30, 2018 and December 31, 2017:

	As of			
	June 30, 2018		December 31, 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In thousands)			
4 1/4% Senior Notes due 2018 (1)	$ —	$ —	$ 1,025,861	$ 1,031,596
7 7/8% Senior Notes due 2019 (2)	1,337,469	1,391,596	1,400,000	1,501,206
5 1/8% Senior Notes due 2020	1,100,000	1,093,081	1,100,000	1,127,588
6 3/4% Senior Notes due 2021	2,000,000	2,008,440	2,000,000	2,120,480
5 7/8% Senior Notes due 2022	2,000,000	1,887,200	2,000,000	2,014,140
5% Senior Notes due 2023	1,500,000	1,312,710	1,500,000	1,432,335
5 7/8% Senior Notes due 2024	2,000,000	1,710,580	2,000,000	1,952,220
2 3/8% Convertible Notes due 2024	1,000,000	885,640	1,000,000	962,860
7 3/4% Senior Notes due 2026	2,000,000	1,765,580	2,000,000	2,118,400
3 3/8% Convertible Notes due 2026	3,000,000	2,891,460	3,000,000	3,262,290
Other notes payable	43,423	43,423	44,928	44,928
Subtotal	15,980,892	$ 14,989,710	17,070,789	$ 17,568,043
Unamortized debt discount on the Convertible Notes	(880,434)		(925,360)	
Unamortized deferred financing costs and other debt discounts, net	(41,924)		(46,782)	
Capital lease obligations (3)	85,890		104,318	
Total long-term debt and capital lease obligations (including current portion)	$ 15,144,424		$ 16,202,965	

(1) On April 2, 2018, we redeemed the principal balance of our 4 1/4% Senior Notes due 2018.
(2) During the six months ended June 30, 2018, we repurchased $62 million of our 7 7/8% Senior Notes due 2019 in open market trades. The remaining balance of $1.338 billion matures on September 1, 2019.
(3) Disclosure regarding fair value of capital leases is not required.

We estimated the fair value of our publicly traded long-term debt using market prices in less active markets (Level 2).

9. Commitments and Contingencies

Commitments

Since 2008, we have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets and made over $10 billion in non-controlling investments in certain entities, for a total of over $21 billion, as described further below.

DISH Network Spectrum

We have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets.

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700 MHz Licenses. In 2008, we paid $712 million to acquire certain 700 MHz E Block ("700 MHz") wireless spectrum licenses, which were granted to us by the FCC in February 2009. These licenses are subject to certain build-out requirements. By March 2020, we must provide signal coverage and offer service to at least 70% of the population in each of our E Block license areas (the "700 MHz Build-Out Requirement"). If the 700 MHz Build-Out Requirement is not met with respect to any particular E Block license area, our authorization may terminate for the geographic portion of that license area in which we are not providing service. In addition to the 700 MHz Build-Out Requirement deadline in March 2020, these wireless spectrum licenses also expire in March 2020 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

AWS-4 Licenses. On March 2, 2012, the FCC approved the transfer of 40 MHz of wireless spectrum licenses held by DBSD North America, Inc. ("DBSD North America") and TerreStar Networks, Inc. ("TerreStar") to us. On March 9, 2012, we completed the acquisition of 100% of the equity of reorganized DBSD North America (the "DBSD Transaction") and substantially all of the assets of TerreStar (the "TerreStar Transaction"), pursuant to which we acquired, among other things, certain satellite assets and wireless spectrum licenses held by DBSD North America and TerreStar. The total consideration to acquire the DBSD North America and TerreStar assets was approximately $2.860 billion.

On February 15, 2013, the FCC issued an order, which became effective on March 7, 2013, modifying our licenses to expand our terrestrial operating authority with AWS-4 authority ("AWS-4"). These licenses are subject to certain build-out requirements. By March 2020, we are required to provide terrestrial signal coverage and offer terrestrial service to at least 70% of the population in each area covered by an individual license (the "AWS-4 Build-Out Requirement"). If the AWS-4 Build-Out Requirement is not met with respect to any particular individual license, our terrestrial authorization for that license area may terminate. The FCC's December 20, 2013 order also conditionally waived certain FCC rules for our AWS-4 licenses to allow us to repurpose all 20 MHz of our uplink spectrum (2000-2020 MHz) for terrestrial downlink operations. On June 1, 2016, we notified the FCC that we had elected to use our AWS-4 uplink spectrum for terrestrial downlink operations, and effective June 7, 2016, the FCC modified our AWS-4 licenses, resulting in all 40 MHz of our AWS-4 spectrum being designated for terrestrial downlink operations. These wireless spectrum licenses expire in March 2023 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

H Block Licenses. On April 29, 2014, the FCC issued an order granting our application to acquire all 176 wireless spectrum licenses in the H Block auction. We paid approximately $1.672 billion to acquire these H Block licenses, including clearance costs associated with the lower H Block spectrum. The H Block licenses are subject to certain build-out requirements. By April 2022, we must provide reliable signal coverage and offer service to at least 75% of the population in each area covered by an individual H Block license (the "H Block Build-Out Requirement"). If the H Block Build-Out Requirement is not met, our authorization for each H Block license area in which we do not meet the requirement may terminate. These wireless spectrum licenses expire in April 2024 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

600 MHz Licenses. The broadcast incentive auction in the 600 MHz frequency range ("Auction 1000") began on March 29, 2016 and concluded on March 30, 2017. On April 13, 2017, the FCC announced that ParkerB.com Wireless L.L.C. ("ParkerB.com"), a wholly-owned subsidiary of DISH Network, was the winning bidder for 486 wireless spectrum licenses (the "600 MHz Licenses") with aggregate winning bids totaling approximately $6.211 billion. On April 27, 2017, ParkerB.com filed an application with the FCC to acquire the 600 MHz Licenses. On July 1, 2016, we paid $1.5 billion to the FCC as a deposit for Auction 1000. On May 11, 2017, we paid the remaining balance of our winning bids of approximately $4.711 billion. On June 14, 2017, the FCC issued an order granting ParkerB.com's application to acquire the 600 MHz Licenses.

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The 600 MHz Licenses are subject to certain interim and final build-out requirements. By June 2023, we must provide reliable signal coverage and offer wireless service to at least 40% of the population in each area covered by an individual 600 MHz License (the "600 MHz Interim Build-Out Requirement"). By June 2029, we must provide reliable signal coverage and offer wireless service to at least 75% of the population in each area covered by an individual 600 MHz License (the "600 MHz Final Build-Out Requirement"). If the 600 MHz Interim Build-Out Requirement is not met, the 600 MHz License term and the 600 MHz Final Build-Out Requirement may be accelerated by two years (from June 2029 to June 2027) for each 600 MHz License area in which we do not meet the requirement. If the 600 MHz Final Build-Out Requirement is not met, our authorization for each 600 MHz License area in which we do not meet the requirement may terminate. In addition, certain broadcasters will have up to 39 months (ending July 13, 2020) to relinquish their 600 MHz spectrum, which may impact the timing for our ability to commence operations using certain 600 MHz Licenses. The FCC has issued the 600 MHz Licenses prior to the clearance of the spectrum, and the build-out deadlines are based on the date that the 600 MHz Licenses were issued to us, not the date that the spectrum is cleared. These wireless spectrum licenses expire in June 2029 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

MVDDS Licenses. We have multichannel video distribution and data service ("MVDDS") licenses in 82 out of 214 geographical license areas, including Los Angeles, New York City, Chicago and several other major metropolitan areas. By August 2014, we were required to meet certain FCC build-out requirements related to our MVDDS licenses, and we are subject to certain FCC service rules applicable to these licenses. In January 2015, the FCC granted our application to extend the build-out requirements related to our MVDDS licenses. We now have until 2019 to provide "substantial service" on our MVDDS licenses. Our MVDDS licenses may be terminated, however, if we do not provide substantial service in accordance with the new build-out requirements. These wireless spectrum licenses expire in August 2024 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

In 2016, the MVDDS 5G Coalition, of which we are a member, filed a petition for rulemaking requesting the FCC to consider updating the rules to allow us to provide two-way 5G services using our MVDDS licenses. We cannot predict when or if the FCC will grant the petition and proceed with a rulemaking. If the FCC adopts rules that would allow us to provide two-way 5G services using our MVDDS licenses, the requests of OneWeb and others for authority to use the band for service from NGSO satellite systems may hinder our ability to provide 5G services using our MVDDS licenses.

LMDS Licenses. As a result of the completion of the Share Exchange on February 28, 2017, we acquired from EchoStar certain Local Multipoint Distribution Service ("LMDS") licenses in four markets: Cheyenne, Kansas City, Phoenix, and San Diego. The "substantial service" milestone has been met with respect to each of the licenses. In addition, through the FCC's Spectrum Frontiers proceeding, a portion of each of our LMDS licenses will be reassigned to the Upper Microwave Flexible Use Service band (27.5-28.35 GHz), which will allow for a more flexible use of the licenses, including, among other things, 5G mobile operations. These wireless spectrum licenses expire in September 2018 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

Commercialization of Our Wireless Spectrum Licenses and Related Assets. We have made substantial investments to acquire certain wireless spectrum licenses and related assets. We will need to make significant additional investments or partner with others to, among other things, commercialize, build-out and integrate these licenses and related assets, and any additional acquired licenses and related assets; and comply with regulations applicable to such licenses. Depending on the nature and scope of such commercialization, build-out, integration efforts and regulatory compliance, any such investments or partnerships could vary significantly. In addition, as we consider our options for the commercialization of our wireless spectrum, we will incur significant additional expenses and will have to make significant investments related to, among other things, research and development, wireless testing and wireless network infrastructure. In March 2017, we notified the FCC that we plan to deploy a next-generation 5G-capable network, focused on supporting narrowband IoT. The first phase of our network deployment will be completed by March 2020, with subsequent phases to be completed thereafter. As of June 30, 2018, we have entered into deployment services agreements, master lease agreements and contracts with multiple parties for, among other things, the development, manufacture and/or deployment of towers, wireless radios and chipsets in connection with the first phase of our network deployment.

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We may also determine that additional wireless spectrum licenses may be required to commercialize our wireless business and to compete with other wireless service providers.

On July 9, 2018, the FCC sent us a letter inquiring about our progress toward meeting certain buildout milestones by March 2020, which is publicly available on the FCC's website. We will continue to update the FCC about our progress on the first phase of our network deployment. There is no assurance that the FCC will find our build-out, including the first phase of our network deployment, sufficient to meet the build-out requirements to which our wireless spectrum licenses are subject.

We may need to raise significant additional capital in the future to fund the efforts described above, which may not be available on acceptable terms or at all. There can be no assurance that we will be able to develop and implement a business model that will realize a return on these wireless spectrum licenses or that we will be able to profitably deploy the assets represented by these wireless spectrum licenses, which may affect the carrying amount of these assets and our future financial condition or results of operations.

DISH Network Non-Controlling Investments in the Northstar Entities and the SNR Entities Related to AWS-3 Wireless Spectrum Licenses

Non-Controlling Investments

During 2015, through our wholly-owned subsidiaries American II and American III, we initially made over $10 billion in certain non-controlling investments in Northstar Spectrum, the parent company of Northstar Wireless, and in SNR HoldCo, the parent company of SNR Wireless, respectively. Under the applicable accounting guidance in ASC 810, Northstar Spectrum and SNR HoldCo are considered variable interest entities and, based on the characteristics of the structure of these entities and in accordance with the applicable accounting guidance, we consolidate these entities into our financial statements. See Note 2 for further information.

Northstar Investment. Through American II, we own a non-controlling interest in Northstar Spectrum, which is comprised of 85% of the Class B Common Interests and 100% of the Class A Preferred Interests of Northstar Spectrum. Northstar Manager, LLC ("Northstar Manager") is the sole manager of Northstar Spectrum and owns a controlling interest in Northstar Spectrum, which is comprised of 15% of the Class B Common Interests of Northstar Spectrum. As of March 31, 2018, the total equity contributions from American II and Northstar Manager to Northstar Spectrum were approximately $7.621 billion and $133 million, respectively. As of March 31, 2018, the total loans from American II to Northstar Wireless under the Northstar Credit Agreement (as defined below) for payments to the FCC related to the Northstar Licenses (as defined below) were approximately $500 million.

SNR Investment. Through American III, we own a non-controlling interest in SNR HoldCo, which is comprised of 85% of the Class B Common Interests and 100% of the Class A Preferred Interests of SNR HoldCo. SNR Wireless Management, LLC ("SNR Management") is the sole manager of SNR HoldCo and owns a controlling interest in SNR HoldCo, which is comprised of 15% of the Class B Common Interests of SNR HoldCo. As of March 31, 2018, the total equity contributions from American III and SNR Management to SNR HoldCo were approximately $5.590 billion and $93 million, respectively. As of March 31, 2018, the total loans from American III to SNR Wireless under the SNR Credit Agreement (as defined below) for payments to the FCC related to the SNR Licenses (as defined below) were approximately $500 million.

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AWS-3 Auction

Northstar Wireless and SNR Wireless each filed applications with the FCC to participate in Auction 97 (the "AWS-3 Auction") for the purpose of acquiring certain AWS-3 Licenses. Each of Northstar Wireless and SNR Wireless applied to receive bidding credits of 25% as designated entities under applicable FCC rules.

Northstar Wireless was the winning bidder for AWS-3 Licenses with gross winning bid amounts totaling approximately $7.845 billion, which after taking into account a 25% bidding credit, was approximately $5.884 billion. SNR Wireless was the winning bidder for AWS-3 Licenses with gross winning bid amounts totaling approximately $5.482 billion, which after taking into account a 25% bidding credit, was approximately $4.112 billion. In addition to the net winning bids, SNR Wireless made a bid withdrawal payment of approximately $8 million.

FCC Order and October 2015 Arrangements. On August 18, 2015, the FCC released a *Memorandum Opinion and Order*, FCC 15-104 (the "Order") in which the FCC determined, among other things, that DISH Network has a controlling interest in, and is an affiliate of, Northstar Wireless and SNR Wireless, and therefore DISH Network's revenues should be attributed to them, which in turn makes Northstar Wireless and SNR Wireless ineligible to receive the 25% bidding credits (approximately $1.961 billion for Northstar Wireless and $1.370 billion for SNR Wireless).

Letters Exchanged between Northstar Wireless and the FCC Wireless Bureau. As outlined in letters exchanged between Northstar Wireless and the Wireless Telecommunications Bureau of the FCC (the "FCC Wireless Bureau"), Northstar Wireless paid the gross winning bid amounts for 261 AWS-3 Licenses (the "Northstar Licenses") totaling approximately $5.619 billion through the application of funds already on deposit with the FCC. Northstar Wireless also notified the FCC that it would not be paying the gross winning bid amounts for 84 AWS-3 Licenses totaling approximately $2.226 billion.

As a result of the nonpayment of those gross winning bid amounts, the FCC retained those licenses and Northstar Wireless owed the FCC an additional interim payment of approximately $334 million (the "Northstar Interim Payment"), which is equal to 15% of $2.226 billion. The Northstar Interim Payment was recorded during the fourth quarter 2015 in "FCC auction expense" on our Consolidated Statements of Operations and Comprehensive Income (Loss) for the year ended December 31, 2015. Northstar Wireless immediately satisfied the Northstar Interim Payment through the application of funds already on deposit with the FCC and an additional loan from American II of approximately $69 million. As a result, the FCC will not deem Northstar Wireless to be a "current defaulter" under applicable FCC rules.

In addition, the FCC Wireless Bureau acknowledged that Northstar Wireless' nonpayment of those gross winning bid amounts does not constitute action involving gross misconduct, misrepresentation or bad faith. Therefore, the FCC concluded that such nonpayment will not affect the eligibility of Northstar Wireless, its investors (including DISH Network) or their respective affiliates to participate in future spectrum auctions (including Auction 1000 and any re-auction of the AWS-3 licenses retained by the FCC). At this time, DISH Network (through itself, a subsidiary or another entity in which it may hold a direct or indirect interest) expects to participate in any re-auction of those AWS-3 licenses.

If the winning bids from re-auction or other award of the AWS-3 licenses retained by the FCC are greater than or equal to the winning bids of Northstar Wireless, no additional amounts will be owed to the FCC. However, if those winning bids are less than the winning bids of Northstar Wireless, then Northstar Wireless will be responsible for the difference less any overpayment of the Northstar Interim Payment (which will be recalculated as 15% of the winning bids from re-auction or other award) (the "Northstar Re-Auction Payment"). For example, if the winning bids in a re-auction are $1, the Northstar Re-Auction Payment would be approximately $1.892 billion, which is calculated as the difference between $2.226 billion (the Northstar winning bid amounts) and $1 (the winning bids from re-auction) less the resulting $334 million overpayment of the Northstar Interim Payment. As discussed above, at this time, DISH Network (through itself, a subsidiary or another entity in which it may hold a direct or indirect interest) expects to participate in any re-auction. We cannot predict with any degree of certainty the timing or outcome of any re-auction or the amount of any Northstar Re-Auction Payment.

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(Unaudited)

DISH Network Guaranty in Favor of the FCC for Certain Northstar Wireless Obligations. On October 1, 2015, DISH Network entered into a guaranty in favor of the FCC (the "FCC Northstar Guaranty") with respect to the Northstar Interim Payment (which was satisfied on October 1, 2015) and any Northstar Re-Auction Payment. The FCC Northstar Guaranty provides, among other things, that during the period between the due date for the payments guaranteed under the FCC Northstar Guaranty and the date such guaranteed payments are paid: (i) Northstar Wireless' payment obligations to American II under the Northstar Credit Agreement will be subordinated to such guaranteed payments; and (ii) DISH Network or American II will withhold exercising certain rights as a creditor of Northstar Wireless.

Letters Exchanged between SNR Wireless and the FCC Wireless Bureau. As outlined in letters exchanged between SNR Wireless and the FCC Wireless Bureau, SNR Wireless paid the gross winning bid amounts for 244 AWS-3 Licenses (the "SNR Licenses") totaling approximately $4.271 billion through the application of funds already on deposit with the FCC and a portion of an additional loan from American III in an aggregate amount of approximately $344 million (which included an additional bid withdrawal payment of approximately $3 million). SNR Wireless also notified the FCC that it would not be paying the gross winning bid amounts for 113 AWS-3 Licenses totaling approximately $1.211 billion.

As a result of the nonpayment of those gross winning bid amounts, the FCC retained those licenses and SNR Wireless owed the FCC an additional interim payment of approximately $182 million (the "SNR Interim Payment"), which is equal to 15% of $1.211 billion. The SNR Interim Payment was recorded during the fourth quarter 2015 in "FCC auction expense" on our Consolidated Statements of Operations and Comprehensive Income (Loss) for the year ended December 31, 2015. SNR Wireless immediately satisfied the SNR Interim Payment through a portion of an additional loan from American III in an aggregate amount of approximately $344 million. As a result, the FCC will not deem SNR Wireless to be a "current defaulter" under applicable FCC rules.

In addition, the FCC Wireless Bureau acknowledged that SNR Wireless' nonpayment of those gross winning bid amounts does not constitute action involving gross misconduct, misrepresentation or bad faith. Therefore, the FCC concluded that such nonpayment will not affect the eligibility of SNR Wireless, its investors (including DISH Network) or their respective affiliates to participate in future spectrum auctions (including Auction 1000 and any re-auction of the AWS-3 licenses retained by the FCC). At this time, DISH Network (through itself, a subsidiary or another entity in which it may hold a direct or indirect interest) expects to participate in any re-auction of those AWS-3 licenses.

If the winning bids from re-auction or other award of the AWS-3 licenses retained by the FCC are greater than or equal to the winning bids of SNR Wireless, no additional amounts will be owed to the FCC. However, if those winning bids are less than the winning bids of SNR Wireless, then SNR Wireless will be responsible for the difference less any overpayment of the SNR Interim Payment (which will be recalculated as 15% of the winning bids from re-auction or other award) (the "SNR Re-Auction Payment"). For example, if the winning bids in a re-auction are $1, the SNR Re-Auction Payment would be approximately $1.029 billion, which is calculated as the difference between $1.211 billion (the SNR winning bid amounts) and $1 (the winning bids from re-auction) less the resulting $182 million overpayment of the SNR Interim Payment. As discussed above, at this time, DISH Network (through itself, a subsidiary or another entity in which it may hold a direct or indirect interest) expects to participate in any re-auction. We cannot predict with any degree of certainty the timing or outcome of any re-auction or the amount of any SNR Re-Auction Payment.

DISH Network Guaranty in Favor of the FCC for Certain SNR Wireless Obligations. On October 1, 2015, DISH Network entered into a guaranty in favor of the FCC (the "FCC SNR Guaranty") with respect to the SNR Interim Payment (which was satisfied on October 1, 2015) and any SNR Re-Auction Payment. The FCC SNR Guaranty provides, among other things, that during the period between the due date for the payments guaranteed under the FCC SNR Guaranty and the date such guaranteed payments are paid: (i) SNR Wireless' payment obligations to American III under the SNR Credit Agreement will be subordinated to such guaranteed payments; and (ii) DISH Network or American III will withhold exercising certain rights as a creditor of SNR Wireless.

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
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FCC Licenses. On October 27, 2015, the FCC granted the Northstar Licenses to Northstar Wireless and the SNR Licenses to SNR Wireless, respectively, which are recorded in "FCC authorizations" on our Condensed Consolidated Balance Sheets. The AWS-3 Licenses are subject to certain interim and final build-out requirements. By October 2021, Northstar Wireless and SNR Wireless must provide reliable signal coverage and offer service to at least 40% of the population in each area covered by an individual AWS-3 License (the "AWS-3 Interim Build-Out Requirement"). By October 2027, Northstar Wireless and SNR Wireless must provide reliable signal coverage and offer service to at least 75% of the population in each area covered by an individual AWS-3 License (the "AWS-3 Final Build-Out Requirement"). If the AWS-3 Interim Build-Out Requirement is not met, the AWS-3 License term and the AWS-3 Final Build-Out Requirement may be accelerated by two years (from October 2027 to October 2025) for each AWS-3 License area in which Northstar Wireless and SNR Wireless do not meet the requirement. If the AWS-3 Final Build-Out Requirement is not met, the authorization for each AWS-3 License area in which Northstar Wireless and SNR Wireless do not meet the requirement may terminate. These wireless spectrum licenses expire in October 2027 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

Qui Tam. On September 23, 2016, the United States District Court for the District of Columbia unsealed a qui tam complaint that was filed by Vermont National Telephone Company ("Vermont National") against us; our wholly-owned subsidiaries, American AWS-3 Wireless I L.L.C., American II, American III, and DISH Wireless Holding L.L.C.; Charles W. Ergen (our Chairman) and Cantey M. Ergen (a member of our board of directors); Northstar Wireless; Northstar Spectrum; Northstar Manager; SNR Wireless; SNR HoldCo; SNR Management; and certain other parties. See "*Contingencies – Litigation – Vermont National Telephone Company"* for further information.

D.C. Circuit Court Opinion. On August 29, 2017, the United States Court of Appeals for the District of Columbia Circuit (the "D.C. Circuit") in *SNR Wireless LicenseCo, LLC, et al. v. Federal Communications Commission*, 868 F.3d 1021 (D.C. Cir. 2017) (the "Appellate Decision") affirmed the Order in part, and remanded the matter to the FCC to give Northstar Wireless and SNR Wireless an opportunity to seek to negotiate a cure of the issues identified by the FCC in the Order (a "Cure"). On January 26, 2018, SNR Wireless and Northstar Wireless filed a petition for a writ of certiorari, asking the United States Supreme Court to hear an appeal from the Appellate Decision, which the United States Supreme Court denied on June 25, 2018.

Order on Remand. On January 24, 2018, the FCC released an Order on Remand, DA 18-70 (the "Order on Remand") purporting to establish a procedure to afford Northstar Wireless and SNR Wireless the opportunity to implement a Cure pursuant to the Appellate Decision. The Order on Remand provided that Northstar Wireless and SNR Wireless each had until April 24, 2018 to file the necessary documentation to demonstrate that, in light of such changes, each of Northstar Wireless and SNR Wireless qualifies for the very small business bidding credit that it sought in the AWS-3 Auction. Additionally, the Order on Remand provides that if either Northstar Wireless or SNR Wireless needs additional time to negotiate new or amended agreements, it may request to extend the deadline for such negotiations for an additional 45 days (extending the deadline to June 8, 2018). On April 16, 2018, the FCC approved Northstar Wireless' and SNR Wireless' requests to extend the deadline for such negotiations for an additional 45 days to June 8, 2018. On June 8, 2018, Northstar Wireless and SNR Wireless each filed amended agreements to demonstrate that, in light of such changes, each of Northstar Wireless and SNR Wireless qualifies for the very small business bidding credit that it sought in the AWS-3 Auction. The Order on Remand also provided, among other things, until July 23, 2018 for certain third-parties to file comments about any changes to the agreements proposed by Northstar Wireless and SNR Wireless and several third-parties filed comments (with one opposition). Northstar Wireless and SNR Wireless now have until September 6, 2018 to respond to such third-party comments, and Northstar Wireless and/or SNR Wireless may request to extend the deadline for such response for an additional 45 days (extending the deadline to October 21, 2018).

Northstar Wireless and SNR Wireless have submitted seven separate requests for meetings with the FCC regarding a Cure. To date, with the lone exception of the Office of former Commissioner Mignon Clyburn, the parties have been refused an audience with the Commissioners and staff of the FCC. Northstar Wireless and SNR Wireless have filed a Joint Application for Review of the Order on Remand requesting, among other things, an iterative negotiation process with the FCC regarding a Cure, which was denied on July 12, 2018. We cannot predict with any degree of certainty the timing or outcome of these proceedings.

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
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Northstar Operative Agreements

Northstar LLC Agreement. Northstar Spectrum is governed by a limited liability company agreement by and between American II and Northstar Manager (the "Northstar Spectrum LLC Agreement"). Pursuant to the Northstar Spectrum LLC Agreement, American II and Northstar Manager made pro-rata equity contributions in Northstar Spectrum.

On March 31, 2018, American II, Northstar Spectrum, and Northstar Manager amended and restated the Northstar Spectrum LLC Agreement, to, among other things: (i) exchange $6.870 billion of the amounts outstanding and owed by Northstar Wireless to American II pursuant to the Northstar Credit Agreement (as defined below) for 6,870,493 Class A Preferred Interests in Northstar Spectrum (the "Northstar Preferred Interests"); (ii) replace the existing investor protection provisions with the investor protections described by the FCC in Baker Creek Communications, LLC, Memorandum Opinion and Order, 13 FCC Rcd 18709, 18715 (1998); (iii) delete the obligation of Northstar Manager to consult with American II regarding budgets and business plans; and (iv) remove the requirement that Northstar Spectrum's systems be interoperable with ours. The Northstar Preferred Interests: (a) are non-voting; (b) have a 12 percent mandatory quarterly distribution, which can be paid in cash or additional face amount of Northstar Preferred Interests at the sole discretion of Northstar Manager; and (c) have a liquidation preference equal to the then-current face amount of the Northstar Preferred Interests plus accrued and unpaid mandatory quarterly distributions in the event of certain liquidation events or deemed liquidation events (e.g., a merger or dissolution of Northstar Spectrum, or a sale of substantially all of Northstar Spectrum's assets). As a result of the exchange noted in (i) above, a principal amount of $500 million of debt remains under the Northstar Credit Agreement, as described below.

On June 7, 2018, American II, Northstar Spectrum, and Northstar Manager amended and restated the Second Amended and Restated Limited Liability Company Agreement, dated March 31, 2018, by and among American II, Northstar Spectrum, and Northstar Manager, to, among other things: (i) reduce the mandatory quarterly distribution for the Northstar Preferred Interests from 12 percent to eight percent from and after June 7, 2018; (ii) increase the window for Northstar Manager to "put" its interest in Northstar Spectrum to Northstar Spectrum after October 27, 2020 from 30 days to 90 days; (iii) provide an additional 90-day window for Northstar Manager to put its interest in Northstar Spectrum to Northstar Spectrum commencing on October 27, 2021; (iv) provide a right for Northstar Manager to require an appraisal of the fair market value of its interest in Northstar Spectrum at any time from October 27, 2022 through October 27, 2024, coupled with American II having the right to accept the offer to sell from Northstar Manager; (v) allow Northstar Manager to sell its interest in Northstar Spectrum without American II's consent any time after October 27, 2020 (previously October 27, 2025); (vi) allow Northstar Spectrum to conduct an initial public offering without American II's consent any time after October 27, 2022 (previously October 27, 2029); (vii) remove American II's rights of first refusal with respect to Northstar Manager's sale of its interest in Northstar Spectrum or Northstar Spectrum's sale of any AWS-3 Licenses; and (viii) remove American II's tag along rights with respect to Northstar Manager's sale of its interest in Northstar Spectrum.

Northstar Wireless Credit Agreement. On October 1, 2015, American II, Northstar Wireless and Northstar Spectrum amended the First Amended and Restated Credit Agreement dated October 13, 2014, by and among American II, as Lender, Northstar Wireless, as Borrower, and Northstar Spectrum, as Guarantor (as amended, the "Northstar Credit Agreement"), to provide, among other things, that: (i) the Northstar Interim Payment and any Northstar Re-Auction Payment will be made by American II directly to the FCC and will be deemed as loans under the Northstar Credit Agreement; (ii) the FCC is a third-party beneficiary with respect to American II's obligation to pay the Northstar Interim Payment and any Northstar Re-Auction Payment; (iii) in the event that the winning bids from re-auction or other award of the AWS-3 licenses retained by the FCC are less than the winning bids of Northstar Wireless, the purchaser, assignee or transferee of any AWS-3 Licenses from Northstar Wireless is obligated to pay its pro-rata share of the difference (and Northstar Wireless remains jointly and severally liable for such pro-rata share); and (iv) during the period between the due date for the payments guaranteed under the FCC Northstar Guaranty (as discussed below) and the date such guaranteed payments are paid, Northstar Wireless' payment obligations to American II under the Northstar Credit Agreement will be subordinated to such guaranteed payments.

DISH NETWORK CORPORATION
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On March 31, 2018, American II, Northstar Wireless, and Northstar Spectrum amended and restated the Northstar Credit Agreement, to, among other things: (i) lower the interest rate on the remaining $500 million principal balance under the Northstar Credit Agreement from 12 percent per annum to six percent per annum; (ii) eliminate the higher interest rate that would apply in the case of an event of default; and (iii) modify and/or remove certain obligations of Northstar Wireless to prepay the outstanding loan amounts.

On June 7, 2018, American II, Northstar Wireless, and Northstar Spectrum amended and restated the Northstar Credit Agreement to, among other things: (i) extend the maturity date on the remaining loan balance from seven years to 10 years; and (ii) remove the obligation of Northstar Wireless to obtain American II's consent for unsecured financing and equipment financing in excess of $25 million.

SNR Operative Agreements

SNR LLC Agreement. SNR HoldCo is governed by a limited liability company agreement by and between American III and SNR Management (the "SNR HoldCo LLC Agreement"). Pursuant to the SNR HoldCo LLC Agreement, American III and SNR Management made pro-rata equity contributions in SNR HoldCo.

On March 31, 2018, American III, SNR Holdco, SNR Wireless Management, and John Muleta amended and restated the SNR HoldCo LLC Agreement, to, among other things: (i) exchange $5.065 billion of the amounts outstanding and owed by SNR Wireless to American III pursuant to the SNR Credit Agreement (as defined below) for 5,065,415 Class A Preferred Interests in SNR Holdco (the "SNR Preferred Interests"); (ii) replace the existing investor protection provisions with the investor protections described by the FCC in Baker Creek Communications, LLC, Memorandum Opinion and Order, 13 FCC Rcd 18709, 18715 (1998); (iii) delete the obligation of SNR Management to consult with American III regarding budgets and business plans; and (iv) remove the requirement that SNR Management's systems be interoperable with ours. The SNR Preferred Interests: (a) are non-voting; (b) have a 12 percent mandatory quarterly distribution, which can be paid in cash or additional face amount of SNR Preferred Interests at the sole discretion of SNR Management; and (c) have a liquidation preference equal to the then-current face amount of the SNR Preferred Interests plus accrued and unpaid mandatory quarterly distributions in the event of certain liquidation events or deemed liquidation events (e.g., a merger or dissolution of SNR Holdco, or a sale of substantially all of SNR Holdco's assets). As a result of the exchange noted in (i) above, a principal amount of $500 million of debt remains under the SNR Credit Agreement, as described below.

On June 7, 2018, American III, SNR Holdco, SNR Management, and John Muleta amended and restated the Second Amended and Restated Limited Liability Company Agreement, dated March 31, 2018, by and among American III, SNR Holdco, SNR Management and John Muleta, to, among other things: (i) reduce the mandatory quarterly distribution for the SNR Preferred Interests from 12 percent to eight percent from and after June 7, 2018; (ii) increase the window for SNR Management to "put" its interest in SNR Holdco to SNR Holdco after October 27, 2020 from 30 days to 90 days; (iii) provide an additional 90-day window for SNR Management to put its interest in SNR Holdco to SNR Holdco commencing on October 27, 2021; (iv) provide a right for SNR Management to require an appraisal of the fair market value of its interest in SNR Holdco at any time from October 27, 2022 through October 27, 2024, coupled with American III having the right to accept the offer to sell from SNR Management; (v) allow SNR Management to sell its interest in SNR Holdco without American III's consent any time after October 27, 2020 (previously October 27, 2025); (vi) allow SNR Holdco to conduct an initial public offering without American III's consent any time after October 27, 2022 (previously October 27, 2029); (vii) remove American III's rights of first refusal with respect to SNR Management's sale of its interest in SNR Holdco or SNR Holdco's sale of any AWS-3 Licenses; and (viii) remove American III's tag along rights with respect to SNR Management's sale of its interest in SNR Holdco.

DISH NETWORK CORPORATION
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SNR Credit Agreement. On October 1, 2015, American III, SNR Wireless and SNR HoldCo amended the First Amended and Restated Credit Agreement dated October 13, 2014, by and among American III, as Lender, SNR Wireless, as Borrower, and SNR HoldCo, as Guarantor (as amended, the "SNR Credit Agreement"), to provide, among other things, that: (i) the SNR Interim Payment and any SNR Re-Auction Payment will be made by American III directly to the FCC and will be deemed as loans under the SNR Credit Agreement; (ii) the FCC is a third-party beneficiary with respect to American III's obligation to pay the SNR Interim Payment and any SNR Re-Auction Payment; (iii) in the event that the winning bids from re-auction or other award of the AWS-3 licenses retained by the FCC are less than the winning bids of SNR Wireless, the purchaser, assignee or transferee of any AWS-3 Licenses from SNR Wireless is obligated to pay its pro-rata share of the difference (and SNR Wireless remains jointly and severally liable for such pro-rata share); and (iv) during the period between the due date for the payments guaranteed under the FCC SNR Guaranty (as discussed below) and the date such guaranteed payments are paid, SNR Wireless' payment obligations to American III under the SNR Credit Agreement will be subordinated to such guaranteed payments.

On March 31, 2018, American III, SNR Wireless, and SNR Holdco amended and restated the SNR Credit Agreement, to, among other things: (i) lower the interest rate on the remaining $500 million principal balance under the SNR Credit Agreement from 12 percent per annum to six percent per annum; (ii) eliminate the higher interest rate that would apply in the case of an event of default; and (iii) modify and/or remove certain obligations of SNR Wireless to prepay the outstanding loan amounts.

On June 7, 2018, American III, SNR Wireless, and SNR Holdco amended and restated the SNR Credit Agreement to, among other things: (i) extend the maturity date on the remaining loan balance from seven years to 10 years; and (ii) remove the obligation of SNR Wireless to obtain American III's consent for unsecured financing and equipment financing in excess of $25 million.

The Northstar Entities and/or the SNR Entities may need to raise significant additional capital in the future, which may be obtained from third party sources or from us, so that the Northstar Entities and the SNR Entities may commercialize, build-out and integrate the Northstar Licenses and the SNR Licenses, comply with regulations applicable to the Northstar Licenses and the SNR Licenses, and make any potential payments related to the Northstar Re-Auction Payment and the SNR Re-Auction Payment for the AWS-3 licenses retained by the FCC. Depending upon the nature and scope of such commercialization, build-out, integration efforts, regulatory compliance, and potential Northstar Re-Auction Payment and SNR Re-Auction Payment, any loans, equity contributions or partnerships could vary significantly. There can be no assurance that we will be able to obtain a profitable return on our non-controlling investments in the Northstar Entities and the SNR Entities.

Guarantees

During the third quarter 2009, EchoStar entered into a satellite transponder service agreement for Nimiq 5 through 2024. We sublease this capacity from EchoStar and also guarantee a certain portion of EchoStar's obligation under its satellite transponder service agreement through 2019. As of June 30, 2018, the remaining obligation of our guarantee was $84 million.

As of June 30, 2018, we have not recorded a liability on the balance sheet for this guarantee.

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Contingencies

Separation Agreement

On January 1, 2008, we completed the distribution of our technology and set-top box business and certain infrastructure assets (the "Spin-off") into a separate publicly-traded company, EchoStar. In connection with the Spin-off, we entered into a separation agreement with EchoStar that provides, among other things, for the division of certain liabilities, including liabilities resulting from litigation. Under the terms of the separation agreement, EchoStar has assumed certain liabilities that relate to its business, including certain designated liabilities for acts or omissions that occurred prior to the Spin-off. Certain specific provisions govern intellectual property related claims under which, generally, EchoStar will only be liable for its acts or omissions following the Spin-off and we will indemnify EchoStar for any liabilities or damages resulting from intellectual property claims relating to the period prior to the Spin-off, as well as our acts or omissions following the Spin-off. On February 28, 2017, we and EchoStar completed the Share Exchange pursuant to which certain assets that were transferred to EchoStar in the Spin-off were transferred back to us. The Share Exchange Agreement contains additional indemnification provisions between us and EchoStar for certain liabilities and legal proceedings.

Litigation

We are involved in a number of legal proceedings (including those described below) concerning matters arising in connection with the conduct of our business activities. Many of these proceedings are at preliminary stages, and many of these proceedings seek an indeterminate amount of damages. We regularly evaluate the status of the legal proceedings in which we are involved to assess whether a loss is probable or there is a reasonable possibility that a loss or an additional loss may have been incurred and to determine if accruals are appropriate. If accruals are not appropriate, we further evaluate each legal proceeding to assess whether an estimate of the possible loss or range of possible loss can be made.

For certain cases described on the following pages, management is unable to provide a meaningful estimate of the possible loss or range of possible loss because, among other reasons, (i) the proceedings are in various stages; (ii) damages have not been sought; (iii) damages are unsupported and/or exaggerated; (iv) there is uncertainty as to the outcome of pending appeals or motions; (v) there are significant factual issues to be resolved; and/or (vi) there are novel legal issues or unsettled legal theories to be presented or a large number of parties. For these cases, however, management does not believe, based on currently available information, that the outcomes of these proceedings will have a material adverse effect on our financial condition, though the outcomes could be material to our operating results for any particular period, depending, in part, upon the operating results for such period.

DISH NETWORK CORPORATION
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Blue Spike, LLC

On July 6, 2018, Blue Spike, LLC ("Blue Spike") filed a complaint against us and our wholly-owned subsidiaries DISH Network L.L.C. and Dish Network Service L.L.C. in the United States District Court for the Eastern District of Texas. The complaint alleges infringement of Reissued United States Patent RE44,222E1 (the "222 patent"), entitled "Methods, systems and devices for packet watermarking and efficient provisioning of bandwidth"; Reissued United States Patent RE44,307 (the "307 patent"), entitled "Methods, systems and devices for packet watermarking and efficient provisioning of bandwidth"; and United States Patent Nos. 7,287,275B2 (the "275 patent"), entitled "Methods, systems and devices for packet watermarking and efficient provisioning of bandwidth"; 8,473,746 (the "746 patent"), entitled "Methods, systems and devices for packet watermarking and efficient provisioning of bandwidth"; 8,224,705 (the "705 patent"), entitled "Methods, systems and devices for packet watermarking and efficient provisioning of bandwidth"; 7,475,246 (the "246 patent"), entitled "Secure personal content server"; 8,739,295B2 (the "295 patent"), entitled "Secure personal content server"; 9,021,602 (the "602 patent"), entitled "Data Protection and Device"; 9,104,842 (the "842 patent"), entitled "Data Protection and Device"; 9,934,408 (the "408 patent"), entitled "Secure personal content server"; 7,159,116B2 (the "116 patent"), entitled "Systems, methods and devices for trusted transactions" (the "116 patent"); and 8,538,011B2 (the "011 patent"), entitled "Systems, methods and devices for trusted transactions." Blue Spike is an entity that seeks to license a patent portfolio without itself practicing any of the claims recited therein. It has filed more than 170 patent infringement cases since 2011.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

ClearPlay, Inc.

On March 13, 2014, ClearPlay, Inc. ("ClearPlay") filed a complaint against us, our wholly-owned subsidiary DISH Network L.L.C., EchoStar, and its then wholly-owned subsidiary EchoStar Technologies L.L.C., in the United States District Court for the District of Utah. The complaint alleges infringement of United States Patent Nos. 6,898,799 (the "799 patent"), entitled "Multimedia Content Navigation and Playback"; 7,526,784 (the "784 patent"), entitled "Delivery of Navigation Data for Playback of Audio and Video Content"; 7,543,318 (the "318 patent"), entitled "Delivery of Navigation Data for Playback of Audio and Video Content"; 7,577,970 (the "970 patent"), entitled "Multimedia Content Navigation and Playback"; and 8,117,282 (the "282 patent"), entitled "Media Player Configured to Receive Playback Filters From Alternative Storage Mediums." ClearPlay alleges that the AutoHop™ feature of our Hopper set-top box infringes the asserted patents. On February 11, 2015, the case was stayed pending various third-party challenges before the United States Patent and Trademark Office regarding the validity of certain of the patents asserted in the action. In those third-party challenges, the United States Patent and Trademark Office found that all claims of the 282 patent are unpatentable, and that certain claims of the 784 patent and 318 patent are unpatentable. ClearPlay appealed as to the 784 patent and the 318 patent, and on August 23, 2016, the United States Court of Appeals for the Federal Circuit affirmed the findings of the United States Patent and Trademark Office. On October 31, 2016, the stay was lifted. No trial date has been set.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
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Contemporary Display LLC

On June 4, 2018, Contemporary Display LLC ("Contemporary") filed a complaint against us in the United States District Court for the Western District of Texas. The complaint alleges infringement of United States Patent No. 6,028,643 (the "643 patent"), entitled "Multiple-Screen Video Adapter with Television Tuner"; United States Patent No. 6,429,903 (the "903 patent"), entitled "Video Adapter for Supporting at Least One Television Monitor"; United States Patent No. 6,492,997 (the "997 patent"), entitled "Method and System for Providing Selectable Programming in a Multi-Screen Mode"; United States Patent No. 7,500,202 (the "202 patent"), "Remote Control for Navigating Through Content in an Organized and Categorized Fashion"; and United States Patent No. 7,809,842 (the "842 patent"), entitled "Transferring Sessions Between Devices." The 643 patent and the 903 patent are directed to video adapters for use with multiple displays. The 997 patent is directed to a system for presenting multiple video programs on a display device simultaneously. The 202 patent is directed to a remote control for interacting with a set-top box having programmable features and "operational controls" on at least three sides of the remote control. The 842 patent is directed to a system for managing online communication sessions between multiple devices. Contemporary is an entity that seeks to license a patent portfolio without itself practicing any of the claims recited therein.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Customedia Technologies, L.L.C.

On February 10, 2016, Customedia Technologies, L.L.C. ("Customedia") filed a complaint against us and our wholly-owned subsidiary DISH Network L.L.C. in the United States District Court for the Eastern District of Texas. The complaint alleges infringement of four patents: United States Patent No. 8,719,090 (the "090 patent"); United States Patent No. 9,053,494 (the "494 patent"); United States Patent No. 7,840,437 (the "437 patent"); and United States Patent No. 8,955,029 (the "029 patent"). Each patent is entitled "System for Data Management And On-Demand Rental And Purchase Of Digital Data Products." Customedia alleges infringement in connection with our addressable advertising services, our DISH Anywhere feature, and our Pay-Per-View and video-on-demand offerings. In December 2016 and January 2017, DISH Network L.L.C. filed petitions with the United States Patent and Trademark Office challenging the validity of the asserted claims of each of the asserted patents. On June 12, 2017, the United States Patent and Trademark Office agreed to institute proceedings on our petitions challenging the 090 patent and the 437 patent; on July 18, 2017, it agreed to institute proceedings on our petitions challenging the 029 patent; and on July 28, 2017, it agreed to institute proceedings on our petitions challenging the 494 patent. These instituted proceedings cover all asserted claims of each of the asserted patents. Pursuant to an agreement between the parties, on December 20, 2017, DISH Network L.L.C. dismissed its petitions challenging the 029 patent in the United States Patent and Trademark Office, and on January 9, 2018, the parties dismissed their claims, counterclaims and defenses as to that patent in the litigation. On March 5, 2018, the United States Patent and Trademark Office conducted a trial on the remaining petitions. On June 11, 2018, the United States Patent and Trademark Office issued final written decisions on DISH Network L.L.C.'s petitions challenging the 090 patent and it invalidated all of the asserted claims. On July 25, 2018, the United States Patent and Trademark Office issued final written decisions on DISH Network L.L.C.'s petitions challenging the 437 patent and the 494 patent and it invalidated all of the asserted claims. The litigation in the District Court has been stayed since August 8, 2017 pending resolution of the proceedings at the United States Patent and Trademark Office. Customedia is an entity that seeks to license a patent portfolio without itself practicing any of the claims recited therein.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

DISH NETWORK CORPORATION
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(Unaudited)

Dragon Intellectual Property, LLC

On December 20, 2013, Dragon Intellectual Property, LLC ("Dragon IP") filed complaints against our wholly-owned subsidiary DISH Network L.L.C., as well as Apple Inc.; AT&T, Inc.; Charter Communications, Inc.; Comcast Corp.; Cox Communications, Inc.; DirecTV; Sirius XM Radio Inc.; Time Warner Cable Inc. and Verizon Communications, Inc., in the United States District Court for the District of Delaware, alleging infringement of United States Patent No. 5,930,444 (the "444 patent"), which is entitled "Simultaneous Recording and Playback Apparatus." Dragon IP alleges that various of our DVR receivers infringe the 444 patent. Dragon IP is an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein. On December 23, 2014, DISH Network L.L.C. filed a petition before the United States Patent and Trademark Office challenging the validity of certain claims of the 444 patent. On April 10, 2015, the Court granted DISH Network L.L.C.'s motion to stay the action in light of DISH Network L.L.C.'s petition and certain other defendants' petitions pending before the United States Patent and Trademark Office challenging the validity of certain claims of the 444 patent. On July 17, 2015, the United States Patent and Trademark Office agreed to institute a proceeding on our petition. Pursuant to a stipulation between the parties, on April 27, 2016, the Court entered an order of non-infringement and judgment in favor of DISH Network L.L.C. On June 15, 2016, the United States Patent and Trademark Office entered an order that the patent claims being asserted against DISH Network L.L.C. with respect to the 444 patent are unpatentable. On August 8, 2016, Dragon filed notices of appeal with respect to the Court's judgment and the United States Patent and Trademark Office's decision and, on October 5, 2017, the United States Court of Appeals for the Federal Circuit heard oral argument. On November 1, 2017, the United States Court of Appeals for the Federal Circuit affirmed the unpatentability of the 444 patent based on the petition filed in the United States Patent and Trademark Office by DISH Network L.L.C., and dismissed as moot the appeal of the order of non-infringement from the District Court.

On December 1, 2017, Dragon IP filed a petition for panel rehearing with the United States Court of Appeals for the Federal Circuit, which the Court of Appeals denied on January 31, 2018. On March 16, 2018, Dragon IP filed a petition asking the United States Supreme Court to hear a further appeal on the constitutionality of the procedure by which the United States Patent and Trademark Office invalidated the asserted claims of the 444 patent. That petition was dismissed on June 18, 2018.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patent, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Grecia

On March 27, 2015, William Grecia ("Grecia") filed a complaint against our wholly-owned subsidiary DISH Network L.L.C. in the United States District Court for the Northern District of Illinois, alleging infringement of United States Patent No. 8,533,860 (the "860 patent"), which is entitled "Personalized Digital Media Access System – PDMAS Part II." Grecia alleges that we violate the 860 patent in connection with our digital rights management. Grecia is the named inventor on the 860 patent. On June 22, 2015, the case was transferred to the United States District Court for the Northern District of California. On November 18, 2015, Grecia filed an amended complaint adding allegations that we infringe United States Patent No. 8,402,555 (the "555 patent"), which is entitled "Personalized Digital Media Access System (PDMAS)." Grecia is the named inventor on the 555 patent. Grecia alleges that we violate the 555 patent in connection with our digital rights management. Grecia dismissed his action with prejudice on February 3, 2016.

On February 3, 2016, Grecia filed a new complaint against our wholly-owned subsidiary DISH Network L.L.C. in the United States District Court for the Northern District of California, alleging infringement of United States Patent No. 8,887,308 (the "308 patent"), which is entitled "Digital Cloud Access – PDMAS Part III," on which Grecia is also the named inventor. Grecia alleges that we violate the 308 patent in connection with our DISH Anywhere feature. On July 29, 2016, DISH Network L.L.C. filed a petition before the United States Patent and Trademark Office challenging the validity of certain claims of the 308 patent. On January 19, 2017, the United States Patent and Trademark Office declined to institute a proceeding on our petition. The litigation in the District Court, which had been stayed since June 13, 2016 pending resolution of DISH Network L.L.C.'s petition to the United States Patent and Trademark Office, was further stayed on February 23, 2017 pending a claim construction order from the United States District Court for the Southern District of New York in a separate action in which Grecia is asserting the same patent.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patent, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

IPA Technologies Inc.

On December 9, 2016, IPA Technologies Inc. ("IPA") filed suit against us and our wholly-owned subsidiary DISH Network L.L.C. in the United States District Court for the District of Delaware. IPA alleges that our Voice Remote with Hopper 3 infringes United States Patent Number 6,742,021 (the "021 patent"), which is entitled "Navigating Network-based Electronic Information Using Spoken Input with Multimodal Error Feedback"; United States Patent Number 6,523,061 (the "061 patent"), which is entitled "System, Method, and Article of Manufacture for Agent-Based Navigation in a Speech-Based Data Navigation System"; and United States Patent Number 6,757,718 (the "718 patent"), which is entitled "Mobile Navigation of Network-Based Electronic Information Using Spoken Input." IPA is an entity that seeks to license a patent portfolio without itself practicing any of the claims recited therein. On December 20, 2017, we and DISH Network L.L.C. filed petitions with the United States Patent and Trademark Office challenging the validity of select claims of each of the asserted patents. On April 10, 2018, the litigation in the District of Delaware was dismissed with prejudice, and on April 23, 2018, DISH Network L.L.C.'s and our petitions before the United States Patent and Trademark Office were terminated. This matter is now concluded.

LightSquared/Harbinger Capital Partners LLC (LightSquared Bankruptcy)

As previously disclosed in our public filings, L-Band Acquisition, LLC ("LBAC"), our wholly-owned subsidiary, entered into a Plan Support Agreement (the "PSA") with certain senior secured lenders to LightSquared LP (the "LightSquared LP Lenders") on July 23, 2013, which contemplated the purchase by LBAC of substantially all of the assets of LightSquared LP and certain of its subsidiaries (the "LBAC Bid") that are debtors and debtors in possession in the LightSquared bankruptcy cases pending in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), which cases are jointly administered under the caption In re LightSquared Inc., et. al., Case No. 12 12080 (SCC).

Pursuant to the PSA, LBAC was entitled to terminate the PSA in certain circumstances, certain of which required three business days' written notice, including, without limitation, in the event that certain milestones specified in the PSA were not met. On January 7, 2014, LBAC delivered written notice of termination of the PSA to the LightSquared LP Lenders. As a result, the PSA terminated effective on January 10, 2014, and the LBAC Bid was withdrawn.

On August 6, 2013, Harbinger Capital Partners LLC and other affiliates of Harbinger (collectively, "Harbinger"), a shareholder of LightSquared Inc., filed an adversary proceeding against us, LBAC, EchoStar, Charles W. Ergen (our Chairman), SP Special Opportunities, LLC ("SPSO") (an entity controlled by Mr. Ergen), and certain other parties, in the Bankruptcy Court. Harbinger alleged, among other things, claims based on fraud, unfair competition, civil conspiracy and tortious interference with prospective economic advantage related to certain purchases of LightSquared secured debt by SPSO. Subsequently, LightSquared intervened to join in certain claims alleged against certain defendants other than us, LBAC and EchoStar.

On October 29, 2013, the Bankruptcy Court dismissed all of the claims in Harbinger's complaint in their entirety, but granted leave for LightSquared to file its own complaint in intervention. On November 15, 2013, LightSquared filed its complaint, which included various claims against us, EchoStar, Mr. Ergen and SPSO. On December 2, 2013, Harbinger filed an amended complaint, asserting various claims against SPSO. On December 12, 2013, the Bankruptcy Court dismissed several of the claims asserted by LightSquared and Harbinger. The surviving claims included, among others, LightSquared's claims against SPSO for declaratory relief, breach of contract and statutory disallowance; LightSquared's tortious interference claim against us, EchoStar and Mr. Ergen; and Harbinger's claim against SPSO for statutory disallowance. These claims proceeded to a non-jury trial on January 9, 2014. In its Post-Trial Findings of Fact and Conclusions of Law entered on June 10, 2014, the Bankruptcy Court rejected all claims against us and EchoStar, and it rejected some but not all claims against the other defendants. On July 7, 2015, the United States District Court for the Southern District of New York denied Harbinger's motion for an interlocutory appeal of certain Bankruptcy Court orders in the adversary proceeding.

We intend to vigorously defend any claims against us in this proceeding and cannot predict with any degree of certainty the outcome of this proceeding or determine the extent of any potential liability or damages.

Michael Heskiaoff, Marc Langenohl, and Rafael Mann

On July 10, 2015, Messrs. Michael Heskiaoff and Marc Langenohl, purportedly on behalf of themselves and all others similarly situated, filed suit against our subsidiary Sling Media, Inc. (now known as "Sling Media L.L.C.," which we acquired as a result of the completion of the Share Exchange on February 28, 2017) in the United States District Court for the Southern District of New York. The complaint alleges that Sling Media Inc.'s display of advertising to its customers violates a number of state statutes dealing with consumer deception. On September 25, 2015, the plaintiffs filed an amended complaint, and Mr. Rafael Mann, purportedly on behalf of himself and all others similarly situated, filed an additional complaint alleging similar causes of action. On November 16, 2015, the cases were consolidated. On August 12, 2016, the Court granted our motion to dismiss the consolidated case. On September 12, 2016, the plaintiffs moved the Court for leave to file an amended complaint, which we opposed. On March 22, 2017, the Court denied the plaintiffs' motion for leave to file an amended complaint and entered judgment in favor of Sling Media L.L.C. On April 17, 2017, the plaintiffs filed a notice of appeal to the United States Court of Appeals for the Second Circuit, which heard oral argument on November 7, 2017. On November 22, 2017, the United States Court of Appeals for the Second Circuit affirmed the trial court's judgment in favor of Sling Media L.L.C. This matter is now concluded.

Multimedia Content Management LLC

On July 25, 2018, Multimedia Content Management LLC filed a complaint against us in the United States District Court for the Western District of Texas. Multimedia Content Management alleges that we infringe United States Patent No. 8,799,468 (the "468 patent"), entitled "System for Regulating Access to and Distributing Content in a Network," and United States Patent No. 9,465,925 (the "925 patent"), entitled "System for Regulating Access to and Distributing Content in a Network," in connection with impulse pay per view content offerings on certain set-top boxes. Multimedia Content Management is an entity that seeks to license a patent portfolio without itself practicing any of the claims recited therein.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Realtime Data LLC and Realtime Adaptive Streaming LLC

On June 6, 2017, Realtime Data LLC d/b/a IXO ("Realtime") filed an amended complaint in the United States District Court for the Eastern District of Texas (the "Original Texas Action") against us; our wholly-owned subsidiaries DISH Network L.L.C., DISH Technologies L.L.C. (then known as EchoStar Technologies L.L.C.), Sling TV L.L.C. and Sling Media L.L.C.; EchoStar, and EchoStar's wholly-owned subsidiary Hughes Network Systems, LLC; and Arris Group, Inc. Realtime's initial complaint in the Original Texas Action, filed on February 14, 2017, had named only EchoStar and Hughes Network Systems, LLC as defendants.

The amended complaint in the Original Texas Action alleges infringement of United States Patent No. 8,717,204 (the "204 patent"), entitled "Methods for encoding and decoding data"; United States Patent No. 9,054,728 (the "728 patent"), entitled "Data compression systems and methods"; United States Patent No. 7,358,867 (the "867 patent"), entitled "Content independent data compression method and system"; United States Patent No. 8,502,707 (the "707 patent"), entitled "Data compression systems and methods"; United States Patent No. 8,275,897 (the "897 patent"), entitled "System and methods for accelerated data storage and retrieval"; United States Patent No. 8,867,610 (the "610 patent"), entitled "System and methods for video and audio data distribution"; United States Patent No. 8,934,535 (the "535 patent"), entitled "Systems and methods for video and audio data storage and distribution"; and United States Patent No. 8,553,759 (the "759 patent"), entitled "Bandwidth sensitive data compression and decompression." Realtime alleges that DISH, Sling TV, Sling Media and Arris streaming video products and services compliant with various versions of the H.264 video compression standard infringe the 897 patent, the 610 patent and the 535 patent, and that the data compression system in Hughes' products and services infringe the 204 patent, the 728 patent, the 867 patent, the 707 patent and the 759 patent.

On July 19, 2017, the Court severed Realtime's claims against us, DISH Network L.L.C., Sling TV L.L.C., Sling Media L.L.C. and Arris Group, Inc. (alleging infringement of the 897 patent, the 610 patent and the 535 patent) from the Original Texas Action into a separate action in the United States District Court for the Eastern District of Texas (the "Second Texas Action"). On August 31, 2017, Realtime dismissed the claims against us, Sling TV L.L.C., Sling Media Inc., and Sling Media L.L.C. from the Second Texas Action and refiled these claims (alleging infringement of the 897 patent, the 610 patent and the 535 patent) against Sling TV L.L.C., Sling Media Inc., and Sling Media L.L.C. in a new action in the United States District Court for the District of Colorado (the "Colorado Action"). Also on August 31, 2017, Realtime dismissed EchoStar Technologies L.L.C. from the Original Texas Action, and on September 12, 2017, added it as a defendant in an amended complaint in the Second Texas Action. On November 6, 2017, Realtime filed a joint motion to dismiss the Second Texas Action without prejudice, which the Court entered on November 8, 2017.

On October 10, 2017, Realtime Adaptive Streaming LLC ("Realtime Adaptive Streaming") filed suit against our wholly-owned subsidiaries DISH Network L.L.C. and EchoStar Technologies L.L.C., as well as Arris Group, Inc., in a new action in the United States District Court for the Eastern District of Texas (the "Third Texas Action"), alleging infringement of the 610 patent and the 535 patent. Also on October 10, 2017, an amended complaint was filed in the Colorado Action, substituting Realtime Adaptive Streaming as the plaintiff instead of Realtime, and alleging infringement of only the 610 patent and the 535 patent, but not the 897 patent. On November 6, 2017, Realtime Adaptive Streaming filed a joint motion to dismiss the Third Texas Action without prejudice, which the court entered on November 8, 2017. Also on November 6, 2017, Realtime Adaptive Streaming filed a second amended complaint in the Colorado Action, adding our wholly-owned subsidiaries DISH Network L.L.C. and EchoStar Technologies L.L.C., as well as Arris Group, Inc., as defendants.

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As a result, neither we nor any of our subsidiaries is a defendant in the Original Texas Action; the Court has dismissed without prejudice the Second Texas Action and the Third Texas Action; and our wholly-owned subsidiaries DISH Network L.L.C., DISH Technologies L.L.C., Sling TV L.L.C. and Sling Media L.L.C. as well as Arris Group, Inc., are defendants in the Colorado Action, which now has Realtime Adaptive Streaming as the named plaintiff. The Court has set trial for December 16, 2019.

On July 3, 2018, Sling TV L.L.C., Sling Media L.L.C., DISH Network L.L.C., and DISH Technologies L.L.C. filed petitions with the United States Patent and Trademark Office challenging the validity of each of the asserted patents.

Realtime Adaptive Streaming is an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of this suit or determine the extent of any potential liability or damages.

Rothschild Broadcast Distribution Systems, LLC

On August 2, 2018, Rothschild Broadcast Distribution Systems, LLC ("Rothschild") filed a complaint against us in the United States District Court for the Eastern District of Texas. The complaint, which accuses the DISH Anywhere feature, alleges infringement of United States Patent 8,856,221 (the "221 patent"), entitled "System and Method for Storing Broadcast Content in a Cloud-based Computing Environment." Rothschild has filed more than 35 patent infringement cases since 2015.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Telemarketing Litigation

On March 25, 2009, our wholly-owned subsidiary DISH Network L.L.C. was sued in a civil action by the United States Attorney General and several states in the United States District Court for the Central District of Illinois (the "FTC Action"), alleging violations of the Telephone Consumer Protection Act ("TCPA") and the Telemarketing Sales Rule ("TSR"), as well as analogous state statutes and state consumer protection laws. The plaintiffs alleged that we, directly and through certain independent third-party retailers and their affiliates, committed certain telemarketing violations. On December 23, 2013, the plaintiffs filed a motion for summary judgment, which indicated for the first time that the state plaintiffs were seeking civil penalties and damages of approximately $270 million and that the federal plaintiff was seeking an unspecified amount of civil penalties (which could substantially exceed the civil penalties and damages being sought by the state plaintiffs). The plaintiffs were also seeking injunctive relief that if granted would, among other things, enjoin DISH Network L.L.C., whether acting directly or indirectly through authorized telemarketers or independent third-party retailers, from placing any outbound telemarketing calls to market or promote its goods or services for five years, and enjoin DISH Network L.L.C. from accepting activations or sales from certain existing independent third-party retailers and from certain new independent third-party retailers, except under certain circumstances. We also filed a motion for summary judgment, seeking dismissal of all claims. On December 12, 2014, the Court issued its opinion with respect to the parties' summary judgment motions. The Court found that DISH Network L.L.C. was entitled to partial summary judgment with respect to one claim in the action. In addition, the Court found that the plaintiffs were entitled to partial summary judgment with respect to ten claims in the action, which included, among other things, findings by the Court establishing DISH Network L.L.C.'s liability for a substantial amount of the alleged outbound telemarketing calls by DISH Network L.L.C. and certain of its independent third-party retailers that were the subject of the plaintiffs' motion. The Court did not issue any injunctive relief and did not make any determination on civil penalties or damages, ruling instead that the scope of any injunctive relief and the amount of any civil penalties or damages were questions for trial.

In pre-trial disclosures, the federal plaintiff indicated that it intended to seek up to $900 million in alleged civil penalties, and the state plaintiffs indicated that they intended to seek as much as $23.5 billion in alleged civil penalties and damages. The plaintiffs also modified their request for injunctive relief. Their requested injunction, if granted, would have enjoined DISH Network L.L.C. from placing outbound telemarketing calls unless and until: (i) DISH Network L.L.C. hired a third-party consulting organization to perform a review of its call center operations; (ii) such third-party consulting organization submitted a telemarketing compliance plan to the Court and the federal plaintiff; (iii) the Court held a hearing on the adequacy of the plan; (iv) if the Court approved the plan, DISH Network L.L.C. implemented the plan and verified to the Court that it had implemented the plan; and (v) the Court issued an order permitting DISH Network L.L.C. to resume placing outbound telemarketing calls. The plaintiffs' modified request for injunctive relief, if granted, would have also enjoined DISH Network L.L.C. from accepting customer orders solicited by certain independent third-party retailers unless and until a similar third-party review and Court approval process was followed with respect to the telemarketing activities of its independent third-party retailer base to ensure compliance with the TSR.

The first phase of the bench trial took place January 19, 2016 through February 11, 2016. In closing briefs, the federal plaintiff indicated that it still was seeking $900 million in alleged civil penalties; the California state plaintiff indicated that it was seeking $100 million in alleged civil penalties and damages for its state law claims (in addition to any amounts sought on its federal law claims); the Ohio state plaintiff indicated that it was seeking approximately $10 million in alleged civil penalties and damages for its state law claims (in addition to any amounts sought on its federal law claims); and the Illinois and North Carolina state plaintiffs did not state the specific alleged civil penalties and damages that they were seeking; but the state plaintiffs took the general position that any damages award less than $1.0 billion (presumably for both federal and state law claims) would not raise constitutional concerns. Under the Eighth Amendment of the United States Constitution, excessive fines may not be imposed.

On October 3, 2016, the plaintiffs further modified their request for injunctive relief, and were seeking, among other things, to enjoin DISH Network L.L.C., whether acting directly or indirectly through authorized telemarketers or independent third-party retailers, from placing any outbound telemarketing calls to market or promote its goods or services for five years, and enjoin DISH Network L.L.C. from accepting activations or sales from some or all existing independent third-party retailers. The second phase of the bench trial, which commenced on October 25, 2016 and concluded on November 2, 2016, covered the plaintiffs' requested injunctive relief, as well as certain evidence related to the state plaintiffs' claims.

On June 5, 2017, the Court issued Findings of Fact and Conclusions of Law and entered Judgment ordering DISH Network L.L.C. to pay an aggregate amount of $280 million to the federal and state plaintiffs. The Court also issued a Permanent Injunction (the "Injunction") against DISH Network L.L.C. that imposes certain ongoing compliance requirements on DISH Network L.L.C., which include, among other things: (i) the retention of a telemarketing-compliance expert to prepare a plan to ensure that DISH Network L.L.C. and certain independent third-party retailers will continue to comply with telemarketing laws and the Injunction; (ii) certain telemarketing records retention and production requirements; and (iii) certain compliance reporting and monitoring requirements. In addition to the compliance requirements under the Injunction, within ninety (90) days after the effective date of the Injunction, DISH Network L.L.C. is required to demonstrate that it and certain independent third-party retailers are in compliance with the Safe Harbor Provisions of the TSR and TCPA and have made no prerecorded telemarketing calls during the five (5) years prior to the effective date of the Injunction (collectively, the "Demonstration Requirements"). If DISH Network L.L.C. fails to prove that it meets the Demonstration Requirements, it will be barred from conducting any outbound telemarketing for two (2) years. If DISH Network L.L.C. fails to prove that a particular independent third-party retailer meets the Demonstration Requirements, DISH Network L.L.C. will be barred from accepting orders from that independent third-party retailer for two (2) years. On July 3, 2017, DISH Network L.L.C. filed two motions with the Court: (1) to alter or amend the Judgment or in the alternative to amend the Findings of Fact and Conclusions of Law; and (2) to clarify, alter and amend the Injunction. On August 10, 2017, the Court: (a) denied the motion to alter or amend the Judgment or in the alternative to amend the Findings of Fact and Conclusions of Law; and (b) allowed, in part, the motion to clarify, alter and amend the Injunction, and entered an Amended Permanent Injunction (the "Amended Injunction").

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Among other things, the Amended Injunction provided DISH Network L.L.C a thirty (30) day extension to meet the Demonstration Requirements, expanded the exclusion of certain independent third-party retailers from the Demonstration Requirements, and clarified that, with regard to independent third-party retailers, the Amended Injunction only applied to their telemarketing of DISH TV goods and services. On October 10, 2017, DISH Network L.L.C. filed a notice of appeal to the United States Court of Appeals for the Seventh Circuit, which has scheduled oral argument on September 17, 2018. On February 2, 2018, the plaintiffs filed a notice claiming that DISH Network L.L.C. failed to prove that it met the Demonstration Requirements, as required by the Injunction, and asking the Court to impose a two-year ban on telemarketing by us, and a two-year ban on accepting orders from our primary retailers. On April 10, 2018, the plaintiffs withdrew their February 2, 2018 notice, without prejudice, and the Court vacated the hearing that had been set on the matter.

During the second quarter 2017, we recorded $255 million of "Litigation expense" related to the FTC Action on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). We recorded $25 million of "Litigation expense" related to the FTC Action during periods prior to 2017. Our total accrual at June 30, 2018 related to the FTC Action was $280 million and is included in "Other accrued expenses" on our Condensed Consolidated Balance Sheets. Any eventual payments made with respect to the FTC Action may not be deductible for tax purposes. The tax deductibility of any eventual payments made with respect to the FTC Action may change, based upon, among other things, further developments in the FTC Action, including final adjudication of the FTC Action.

We may also from time to time be subject to private civil litigation alleging telemarketing violations. For example, a portion of the alleged telemarketing violations by an independent third-party retailer at issue in the FTC Action are also the subject of a certified class action filed against DISH Network L.L.C. in the United States District Court for the Middle District of North Carolina (the "Krakauer Action"). Following a five-day trial, on January 19, 2017, a jury in that case found that the independent third-party retailer was acting as DISH Network L.L.C.'s agent when it made the 51,119 calls at issue in that case, and that class members are eligible to recover $400 in damages for each call made in violation of the TCPA. On March 7, 2017, DISH Network L.L.C. filed motions with the Court for judgment as a matter of law and, in the alternative, for a new trial, which the Court denied on May 16, 2017. On May 22, 2017, the Court ruled that the violations were willful and knowing, and trebled the damages award to $1,200 for each call made in violation of TCPA. On April 5, 2018, the Court entered a $61 million judgment in favor of the class. On May 4, 2018, DISH Network L.L.C. filed a notice of appeal to the United States Court of Appeals for the Fourth Circuit. During the second quarter 2017, we recorded $41 million of "Litigation expense" related to the Krakauer Action on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). We recorded $20 million of "Litigation expense" related to the Krakauer Action during the fourth quarter 2016. Our total accrual related to the Krakauer Action at June 30, 2018 was $61 million and is included in "Other accrued expenses" on our Condensed Consolidated Balance Sheets.

We intend to vigorously defend these cases. We cannot predict with any degree of certainty the outcome of these suits.

Telemarketing Shareholder Derivative Litigation

On October 19, 2017, Plumbers Local Union No. 519 Pension Trust Fund ("Plumbers Local 519"), a purported shareholder of the Company, filed a putative shareholder derivative action in the District Court for Clark County, Nevada alleging, among other things, breach of fiduciary duty claims against the following current and former members of the Company's Board of Directors: Charles W. Ergen; James DeFranco; Cantey M. Ergen; Steven R. Goodbarn; David K. Moskowitz; Tom A. Ortolf; Carl E. Vogel; George R. Brokaw; Gary S. Howard; and Joseph P. Clayton (collectively, the "Director Defendants"). In its complaint, Plumbers Local 519 contends that, by virtue of their alleged failure to appropriately ensure the Company's compliance with telemarketing laws, the Director Defendants exposed the Company to liability for telemarketing violations, including those in the Krakauer Action. It also contends that the Director Defendants caused the Company to pay improper compensation and benefits to themselves and others who allegedly breached their fiduciary duties to the Company. Plumbers Local 519 alleges causes of action for breach of fiduciary duties of loyalty and good faith, gross mismanagement, abuse of control, corporate waste and unjust enrichment. Plumbers Local 519 is seeking an unspecified amount of damages.

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On November 13, 2017, City of Sterling Heights Police and Fire Retirement System ("Sterling Heights"), a purported shareholder of the Company, filed a putative shareholder derivative action in the District Court for Clark County, Nevada. Sterling Heights makes substantially the same allegations as Plumbers Union 519, and alleges causes of action against the Director Defendants for breach of fiduciary duty, waste of corporate assets and unjust enrichment. Sterling Heights is seeking an unspecified amount of damages.

Pursuant to a stipulation of the parties, on January 4, 2018, the District Court agreed to consolidate the Sterling Heights action with the Plumbers Local 519 action, and on January 12, 2018, the plaintiffs filed an amended consolidated complaint that largely duplicates the original Plumbers Local 519 complaint. Our Board of Directors has established a Special Litigation Committee to review the factual allegations and legal claims in this action. On May 15, 2018, the District Court granted the Special Litigation Committee's motion to stay the case pending its investigation. The Special Litigation Committee's report is due November 13, 2018.

We cannot predict with any degree of certainty the outcome of these suits or determine the extent of any potential liability or damages.

TQ Delta, LLC

On July 17, 2015, TQ Delta, LLC ("TQ Delta") filed a complaint against us and our wholly-owned subsidiaries DISH DBS Corporation and DISH Network L.L.C. in the United States District Court for the District of Delaware. The Complaint alleges infringement of United States Patent No. 6,961,369 (the "369 patent"), which is entitled "System and Method for Scrambling the Phase of the Carriers in a Multicarrier Communications System"; United States Patent No. 8,718,158 (the "158 patent"), which is entitled "System and Method for Scrambling the Phase of the Carriers in a Multicarrier Communications System"; United States Patent No. 9,014,243 (the "243 patent"), which is entitled "System and Method for Scrambling Using a Bit Scrambler and a Phase Scrambler"; United States Patent No.7,835,430 (the "430 patent"), which is entitled "Multicarrier Modulation Messaging for Frequency Domain Received Idle Channel Noise Information"; United States Patent No. 8,238,412 (the "412 patent"), which is entitled "Multicarrier Modulation Messaging for Power Level per Subchannel Information"; United States Patent No. 8,432,956 (the "956 patent"), which is entitled "Multicarrier Modulation Messaging for Power Level per Subchannel Information"; and United States Patent No. 8,611,404 (the "404 patent"), which is entitled "Multicarrier Transmission System with Low Power Sleep Mode and Rapid-On Capability." On September 9, 2015, TQ Delta filed a first amended complaint that added allegations of infringement of United States Patent No. 9,094,268 (the "268 patent"), which is entitled "Multicarrier Transmission System With Low Power Sleep Mode and Rapid-On Capability." On May 16, 2016, TQ Delta filed a second amended complaint that added EchoStar Corporation and its then wholly-owned subsidiary EchoStar Technologies L.L.C. as defendants. TQ Delta alleges that our satellite TV service, Internet service, set-top boxes, gateways, routers, modems, adapters and networks that operate in accordance with one or more Multimedia over Coax Alliance Standards infringe the asserted patents. TQ Delta has filed actions in the same court alleging infringement of the same patents against Comcast Corp., Cox Communications, Inc., DirecTV, Time Warner Cable Inc. and Verizon Communications, Inc. TQ Delta is an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein.

On July 14, 2016, TQ Delta stipulated to dismiss with prejudice all claims related to the 369 patent and the 956 patent. On July 20, 2016, we filed petitions with the United States Patent and Trademark Office challenging the validity of all of the patent claims of the 404 patent and the 268 patent that have been asserted against us. Third parties have filed petitions with the United States Patent and Trademark Office challenging the validity of all of the patent claims that have been asserted against us in the action. On November 4, 2016, the United States Patent and Trademark Office agreed to institute proceedings on the third-party petitions related to the 158 patent, the 243 patent, the 412 patent and the 430 patent. On December 20, 2016, pursuant to a stipulation of the parties, the Court stayed the case until the resolution of all petitions to the United States Patent and Trademark Office challenging the validity of all of the patent claims at issue. On January 19, 2017, the United States Patent and Trademark Office granted our motions to join the instituted petitions on the 430 and 158 patents.

On February 9, 2017, the United States Patent and Trademark Office agreed to institute proceedings on our petition related to the 404 patent, and on February 13, 2017, the United States Patent and Trademark Office agreed to institute proceedings on our petition related to the 268 patent. On February 27, 2017, the United States Patent and Trademark Office granted our motions to join the instituted petitions on the 243 and 412 patents. On October 26, 2017, the United States Patent and Trademark Office issued final written decisions on the petitions challenging the 158 patent, the 243 patent, the 412 patent and the 430 patent, and it invalidated all of the asserted claims of those patents. On February 7, 2018, the United States Patent and Trademark Office issued final written decisions on the petitions challenging the 404 patent, and it invalidated all of the asserted claims of that patent on the basis of our petition. On February 10, 2018, the United States Patent and Trademark Office issued a final written decision on our petition challenging the 268 patent, and it invalidated all of the asserted claims. On March 12, 2018, the United States Patent and Trademark Office issued a final written decision on a third-party petition challenging the 268 patent, and it invalidated all of the asserted claims. All asserted claims have now been invalidated by the United States Patent and Trademark Office. TQ Delta has filed notices of appeal from the nine final written decisions adverse to it.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Turner Network Sales

On October 6, 2017, Turner Network Sales, Inc. (“Turner”) filed a complaint against our wholly-owned subsidiary DISH Network L.L.C. in the United States District Court for the Southern District of New York. The operative First Amended Complaint alleges that DISH Network L.L.C. improperly calculated and withheld licensing fees owing to Turner in connection with its carriage of CNN. On December 14, 2017, DISH Network L.L.C. filed its operative first amended counterclaims against Turner. In the counterclaims, DISH Network L.L.C. seeks a declaratory judgment that it properly calculated the licensing fees owed to Turner for carriage of CNN, and also alleges claims for unrelated breaches of the parties’ affiliation agreement.

We intend to vigorously defend this case. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

DISH NETWORK CORPORATION
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Vermont National Telephone Company

On September 23, 2016, the United States District Court for the District of Columbia unsealed a qui tam complaint that was filed by Vermont National against us; our wholly-owned subsidiaries, American AWS-3 Wireless I L.L.C., American II, American III, and DISH Wireless Holding L.L.C.; Charles W. Ergen (our Chairman) and Cantey M. Ergen (a member of our board of directors); Northstar Wireless; Northstar Spectrum; Northstar Manager; SNR Wireless; SNR HoldCo; SNR Management; and certain other parties. The complaint was unsealed after the United States Department of Justice notified the Court that it had declined to intervene in the action. The complaint is a civil action that was filed under seal on May 13, 2015 by Vermont National, which participated in the AWS-3 Auction through its wholly-owned subsidiary, VTel Wireless. The complaint alleges violations of the federal civil False Claims Act (the "FCA") based on, among other things, allegations that Northstar Wireless and SNR Wireless falsely claimed bidding credits of 25% in the AWS-3 Auction when they were allegedly under the de facto control of DISH Network and, therefore, were not entitled to the bidding credits as designated entities under applicable FCC rules. Vermont National seeks to recover on behalf of the United States government approximately $10 billion, which reflects the $3.3 billion in bidding credits that Northstar Wireless and SNR Wireless claimed in the AWS-3 Auction, trebled under the FCA. Vermont National also seeks civil penalties of not less than $5,500 and not more than $11,000 for each violation of the FCA. On March 2, 2017, the United States District Court for the District of Columbia entered a stay of the litigation until such time as the United States Court of Appeals for the District of Columbia (the "D.C. Circuit") issued its opinion in *SNR Wireless LicenseCo, LLC, et al. v. F.C.C.* The D.C. Circuit issued its opinion on August 29, 2017 and remanded the matter to the FCC for further proceedings. See *"Commitments – DISH Network Non-Controlling Investments in the Northstar Entities and the SNR Entities Related to AWS-3 Wireless Spectrum Licenses"* above for further information. On September 7, 2017, the defendants in the Vermont National action filed a motion with the United States District Court for the District of Columbia to further stay the litigation until resolution of the FCC proceedings. On December 12, 2017, January 29, 2018, May 9, 2018 and July 9, 2018, the Court extended the stay, which is now in effect until the earlier of October 10, 2018 or resolution of the proceedings before the FCC.

We intend to vigorously defend this case. We cannot predict with any degree of certainty the outcome of this proceeding or determine the extent of any potential liability or damages.

Waste Disposal Inquiry

The California Attorney General and the Alameda County (California) District Attorney are investigating whether certain of our waste disposal policies, procedures and practices are in violation of the California Business and Professions Code and the California Health and Safety Code. We expect that these entities will seek injunctive and monetary relief. The investigation appears to be part of a broader effort to investigate waste handling and disposal processes of a number of industries. While we are unable to predict the outcome of this investigation, we do not believe that the outcome will have a material effect on our results of operations, financial condition or cash flows.

Other

In addition to the above actions, we are subject to various other legal proceedings and claims that arise in the ordinary course of business, including, among other things, disputes with programmers regarding fees. In our opinion, the amount of ultimate liability with respect to any of these actions is unlikely to materially affect our financial condition, results of operations or liquidity, though the outcomes could be material to our operating results for any particular period, depending, in part, upon the operating results for such period.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

10. Segment Reporting

Operating segments are components of an enterprise for which separate financial information is available and regularly evaluated by the chief operating decision maker(s) of an enterprise. Operating income is the primary measure used by our chief operating decision maker to evaluate segment operating performance. We currently operate two primary business segments: (1) Pay-TV; and (2) Wireless. See Note 1 for further information.

All other and eliminations primarily include intersegment eliminations related to intercompany debt and the related interest income and interest expense, which are eliminated in consolidation.

The total assets, revenue and operating income by segment were as follows:

	As of	
	June 30, 2018	December 31, 2017
	(In thousands)	
Total assets:		
Pay-TV	$ 28,125,561	$ 28,353,581
Wireless	23,892,140	23,377,088
Eliminations	(22,367,689)	(21,956,903)
Total assets	$ 29,650,012	$ 29,773,766

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2018	2017	2018	2017
	(In thousands)			
Revenue:				
Pay-TV	$ 3,460,845	$ 3,643,632	$ 6,919,332	$ 7,323,993
Wireless	—	—	—	—
Eliminations	—	—	—	—
Total revenue	$ 3,460,845	$ 3,643,632	$ 6,919,332	$ 7,323,993
Operating income (loss):				
Pay-TV	$ 581,323	$ 262,919	$ 1,120,625	$ 884,584
Wireless (1)	(8,663)	(10,816)	(18,459)	(25,161)
Eliminations	—	—	—	—
Total operating income (loss)	$ 572,660	$ 252,103	$ 1,102,166	$ 859,423

(1) Operating income (loss) for the wireless segment was positively impacted for the three and six months ended June 30, 2018 by a decrease in depreciation expense associated with the T1 satellite, which was impaired during the fourth quarter 2017.

Geographic Information. Revenue is attributed to geographic regions based upon the location where the goods and services are provided. All subscriber-related revenue was derived from the United States. Substantially all of our long-lived assets reside in the United States.

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
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The following table summarizes revenue by geographic region:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
Revenue:	**2018**	**2017**	**2018**	**2017**
	(In thousands)			
United States	$ 3,450,809	$ 3,632,203	$ 6,899,825	$ 7,302,967
Canada and Mexico	10,036	11,429	19,507	21,026
Total revenue	$ 3,460,845	$ 3,643,632	$ 6,919,332	$ 7,323,993

The revenue from external customers disaggregated by major revenue source was as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
Category:	**2018**	**2017**	**2018**	**2017**
	(In thousands)			
Pay-TV video and related revenue	$ 3,352,354	$ 3,512,900	$ 6,699,951	$ 7,049,362
Broadband revenue	67,406	101,379	142,513	209,003
Equipment sales and other revenue	41,085	29,353	76,868	65,628
Total	$ 3,460,845	$ 3,643,632	$ 6,919,332	$ 7,323,993

All revenues during the three and six months ended June 30, 2018 were derived from our Pay-TV segment.

11. Contract Balances

Our valuation and qualifying accounts activity as of June 30, 2018 were as follows:

Allowance for doubtful accounts	**Balance at Beginning of Period**	**Charged to Costs and Expenses**	**Deductions**	**Balance at End of Period**
		(In thousands)		
For the six months ended June 30, 2018	$ 15,511	$ 47,274	$ (51,197)	$ 11,588

Deferred revenue related to contracts with subscribers is recorded in “Deferred revenue and other” and “Long-term deferred revenue and other long-term liabilities” on our Condensed Consolidated Balance Sheets. Changes in deferred revenue related to contracts with subscribers were as follows:

	Contract Liabilities
	(In thousands)
Balance as of December 31, 2017	$ 699,597
Recognition of unearned revenue	(3,700,172)
Deferral of revenue	3,698,095
Balance as of June 30, 2018	$ 697,520

We apply a practical expedient and do not disclose the value of the remaining performance obligations for contracts that are less than one year in duration, which represent a substantial majority of our revenue. As such, the amount of revenue related to unsatisfied performance obligations is not necessarily indicative of our future revenue.

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
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12. Related Party Transactions

Related Party Transactions with EchoStar

Following the Spin-off, we and EchoStar have operated as separate publicly-traded companies and neither entity has any ownership interest in the other. However, a substantial majority of the voting power of the shares of both companies is owned beneficially by Charles W. Ergen, our Chairman, and by certain entities established by Mr. Ergen for the benefit of his family.

In connection with and following the Spin-off, we and EchoStar have entered into certain agreements pursuant to which we obtain certain products, services and rights from EchoStar, EchoStar obtains certain products, services and rights from us, and we and EchoStar have indemnified each other against certain liabilities arising from our respective businesses. In connection with the Share Exchange, we and EchoStar and certain of its subsidiaries entered into certain agreements covering, among other things, tax matters, employee matters, intellectual property matters and the provision of transitional services. In addition, certain agreements that we had with EchoStar have terminated, and we entered into certain new agreements with EchoStar. As the Share Exchange was a transaction between entities that are under common control, accounting rules require that our Condensed Consolidated Financial Statements include the results of the Transferred Businesses for all periods presented, including periods prior to the completion of the Share Exchange. Intercompany transactions between the Transferred Businesses and us, including, among others, the sale of set-top boxes and broadcast services from EchoStar to us, have been eliminated to the extent possible, including the margin EchoStar received on those sales. See Note 2 for further information. We also may enter into additional agreements with EchoStar in the future. The following is a summary of the terms of our principal agreements with EchoStar that may have an impact on our financial condition and results of operations.

"Trade accounts receivable"

As of June 30, 2018 and December 31, 2017, trade accounts receivable from EchoStar was $4 million and $2 million, respectively. These amounts are recorded in "Trade accounts receivable" on our Condensed Consolidated Balance Sheets.

"Trade accounts payable"

As of June 30, 2018 and December 31, 2017, trade accounts payable to EchoStar was $30 million and $42 million, respectively. These amounts are recorded in "Trade accounts payable" on our Condensed Consolidated Balance Sheets.

"Equipment sales and other revenue"

During each of the three months ended June 30, 2018 and 2017, we received $1 million for services provided to EchoStar. During the six months ended June 30, 2018 and 2017, we received $5 million and $1 million, respectively, for services provided to EchoStar. These amounts are recorded in "Equipment sales and other revenue" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). The agreements pertaining to these revenues are discussed below.

Real Estate Lease Agreements. We have entered into lease agreements pursuant to which we lease certain real estate to EchoStar. The rent on a per square foot basis for each of the leases is comparable to per square foot rental rates of similar commercial property in the same geographic areas, and EchoStar is responsible for its portion of the taxes, insurance, utilities and maintenance of the premises. The term of each lease is set forth below:

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- *El Paso Lease Agreement.* During 2012, we began leasing certain space at 1285 Joe Battle Blvd., El Paso, Texas to EchoStar for an initial period ending on August 1, 2015, which also provides EchoStar with renewal options for four consecutive three-year terms. During the second quarter 2015, EchoStar exercised its first renewal option for a period ending on August 1, 2018 and in April 2018 EchoStar exercised its second renewal option for a period ending in August 2021.
- *90 Inverness Lease Agreement*. In connection with the completion of the Share Exchange, effective March 1, 2017, EchoStar leases certain space from us at 90 Inverness Circle East, Englewood, Colorado for a period ending in February 2022. EchoStar has the option to renew this lease for four three-year periods.
- *Cheyenne Lease Agreement*. In connection with the completion of the Share Exchange, effective March 1, 2017, EchoStar leases certain space from us at 530 EchoStar Drive, Cheyenne, Wyoming for a period ending in February 2019. EchoStar has the option to renew this lease for thirteen one-year periods.
- *Gilbert Lease Agreement*. In connection with the completion of the Share Exchange, effective March 1, 2017, EchoStar leases certain space from us at 801 N. DISH Dr., Gilbert, Arizona for a period ending in March 2019. EchoStar has the option to renew this lease for thirteen one-year periods.
- *American Fork Occupancy License Agreement.* In connection with the completion of the Share Exchange, effective March 1, 2017, we acquired the lease for certain space at 796 East Utah Valley Drive, American Fork, Utah, and we sublease certain space at this location to EchoStar for a period ending in August 2017. In June 2017, EchoStar exercised its five-year renewal option for a period ending in August 2022.

Collocation and Antenna Space Agreements. In connection with the completion of the Share Exchange, effective March 1, 2017, we entered into certain agreements pursuant to which we will provide certain collocation and antenna space to HNS through February 2022 at the following locations: Cheyenne, Wyoming; Gilbert, Arizona; New Braunfels, Texas; Monee, Illinois; Englewood, Colorado; and Spokane, Washington. During August 2017, we entered into certain other agreements pursuant to which we will provide certain collocation and antenna space to HNS through August 2022 at the following locations: Monee, Illinois and Spokane, Washington. HNS has the option to renew each of these agreements for four three-year periods. HNS may terminate certain of these agreements with 180 days' prior written notice to us at the following locations: New Braunfels, Texas; Englewood, Colorado; and Spokane, Washington. The fees for the services provided under these agreements depend, among other things, on the number of racks leased and/or antennas present at the location.

"Subscriber-related expenses"

During the three months ended June 30, 2018 and 2017, we incurred $11 million and $22 million, respectively, of subscriber-related expenses for services provided to us by EchoStar. During the six months ended June 30, 2018 and 2017, we incurred $24 million and $41 million, respectively, of subscriber-related expenses for services provided to us by EchoStar. These amounts are recorded in "Subscriber-related expenses" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). The agreements pertaining to these expenses are discussed below.

Hughes Broadband Distribution Agreement. Effective October 1, 2012, dishNET Satellite Broadband L.L.C. ("dishNET Satellite Broadband"), our indirect wholly-owned subsidiary, and HNS entered into a Distribution Agreement (the "Distribution Agreement") pursuant to which dishNET Satellite Broadband has the right, but not the obligation, to market, sell and distribute the HNS satellite Internet service (the "Service"). dishNET Satellite Broadband pays HNS a monthly per subscriber wholesale service fee for the Service based upon the subscriber's service level, and, beginning January 1, 2014, certain volume subscription thresholds. The Distribution Agreement also provides that dishNET Satellite Broadband has the right, but not the obligation, to purchase certain broadband equipment from HNS to support the sale of the Service. On February 20, 2014, dishNET Satellite Broadband and HNS amended the Distribution Agreement which, among other things, extended the initial term of the Distribution Agreement through March 1, 2024.

Thereafter, the Distribution Agreement automatically renews for successive one-year terms unless either party gives written notice of its intent not to renew to the other party at least 180 days before the expiration of the then-current term. Upon expiration or termination of the Distribution Agreement, the parties will continue to provide the Service to the then-current dishNET subscribers pursuant to the terms and conditions of the Distribution Agreement.

During the first quarter 2017, we transitioned our wholesale arrangement with Hughes under the Distribution Agreement to an authorized representative arrangement and entered into the MSA with HNS. See "*Hughes Broadband Master Services Agreement"* below for further information.

"Satellite and transmission expenses"

During the three months ended June 30, 2018 and 2017, we incurred expenses of $84 million and $89 million, respectively, for satellite capacity leased from EchoStar and telemetry, tracking and control and other professional services provided to us by EchoStar. During the six months ended June 30, 2018 and 2017, we incurred expenses of $169 million and $178 million, respectively, for satellite capacity leased from EchoStar and telemetry, tracking and control and other professional services provided to us by EchoStar. EchoStar is a supplier of the vast majority of our transponder capacity. These amounts are recorded in "Satellite and transmission expenses" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). The agreements pertaining to these expenses are discussed below.

Satellite Capacity Leased from EchoStar. We have entered into certain satellite capacity agreements pursuant to which we lease certain capacity on certain satellites owned or leased by EchoStar. The fees for the services provided under these satellite capacity agreements depend, among other things, upon the orbital location of the applicable satellite, the number of transponders that are leased on the applicable satellite and the length of the lease. See "Pay-TV Satellites" in Note 7 for further information. The term of each lease is set forth below:

- *EchoStar VII, X, XI and XIV*. On March 1, 2014, we began leasing all available capacity from EchoStar on the EchoStar VII, X, XI and XIV satellites. The term of each satellite capacity agreement generally terminates upon the earlier of: (i) the end-of-life of the satellite; (ii) the date the satellite fails; or (iii) a certain date, which depends upon, among other things, the estimated useful life of the satellite. We generally have the option to renew each satellite capacity agreement on a year-to-year basis through the end of the respective satellite's life. There can be no assurance that any options to renew such agreements will be exercised. The satellite capacity agreement for EchoStar VII expired on June 30, 2018.

- *EchoStar IX*. We lease certain satellite capacity from EchoStar on EchoStar IX. Subject to availability, we generally have the right to continue to lease satellite capacity from EchoStar on EchoStar IX on a month-to-month basis.

- *EchoStar XII.* The lease for EchoStar XII expired as of September 30, 2017.

- *EchoStar XVI.* In December 2009, we entered into a transponder service agreement with EchoStar to lease all of the capacity on EchoStar XVI, a DBS satellite, after its service commencement date. EchoStar XVI was launched in November 2012 to replace EchoStar XV at the 61.5 degree orbital location and is currently in service. Effective December 21, 2012, we and EchoStar amended the transponder service agreement to, among other things, change the initial term to generally expire upon the earlier of: (i) the end-of-life or replacement of the satellite; (ii) the date the satellite fails; (iii) the date the transponder(s) on which service is being provided under the agreement fails; or (iv) four years following the actual service commencement date. In July 2016, we and EchoStar amended the transponder service agreement to, among other things, extend the initial term by one additional year and to reduce the term of the first renewal option by one year. Prior to expiration of the initial term, we had the option to renew for an additional five-year period. In May 2017, we exercised our first renewal option for an additional five-year period ending in January 2023.

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We also have the option to renew for an additional five-year period prior to expiration of the first renewal period in January 2023. There can be no assurance that the option to renew this agreement will be exercised.

Nimiq 5 Agreement. During 2009, EchoStar entered into a fifteen-year satellite service agreement with Telesat Canada ("Telesat") to receive service on all 32 DBS transponders on the Nimiq 5 satellite at the 72.7 degree orbital location (the "Telesat Transponder Agreement"). During 2009, EchoStar also entered into a satellite service agreement (the "DISH Nimiq 5 Agreement") with us, pursuant to which we currently receive service from EchoStar on all 32 of the DBS transponders covered by the Telesat Transponder Agreement. We have also guaranteed certain obligations of EchoStar under the Telesat Transponder Agreement. See discussion under "*Guarantees*" in Note 9.

Under the terms of the DISH Nimiq 5 Agreement, we make certain monthly payments to EchoStar that commenced in 2009 when the Nimiq 5 satellite was placed into service and continue through the service term. Unless earlier terminated under the terms and conditions of the DISH Nimiq 5 Agreement, the service term will expire ten years following the date the Nimiq 5 satellite was placed into service. Upon expiration of the initial term, we have the option to renew the DISH Nimiq 5 Agreement on a year-to-year basis through the end-of-life of the Nimiq 5 satellite. Upon in-orbit failure or end-of-life of the Nimiq 5 satellite, and in certain other circumstances, we have certain rights to receive service from EchoStar on a replacement satellite. There can be no assurance that any options to renew the DISH Nimiq 5 Agreement will be exercised or that we will exercise our option to receive service on a replacement satellite.

QuetzSat-1 Lease Agreement. During 2008, EchoStar entered into a ten-year satellite service agreement with SES Latin America S.A. ("SES"), which provides, among other things, for the provision by SES to EchoStar of service on 32 DBS transponders on the QuetzSat-1 satellite. During 2008, EchoStar also entered into a transponder service agreement ("QuetzSat-1 Transponder Agreement") with us pursuant to which we receive service from EchoStar on 24 DBS transponders. QuetzSat-1 was launched on September 29, 2011 and was placed into service during the fourth quarter 2011 at the 67.1 degree orbital location while we and EchoStar explored alternative uses for the QuetzSat-1 satellite. In the interim, EchoStar provided us with alternate capacity at the 77 degree orbital location. During the first quarter 2013, we and EchoStar entered into an agreement pursuant to which we sublease five DBS transponders back to EchoStar. In January 2013, QuetzSat-1 was moved to the 77 degree orbital location and we commenced commercial operations at that location in February 2013.

Unless earlier terminated under the terms and conditions of the QuetzSat-1 Transponder Agreement, the initial service term will expire in November 2021. Upon expiration of the initial term, we have the option to renew the QuetzSat-1 Transponder Agreement on a year-to-year basis through the end-of-life of the QuetzSat-1 satellite. Upon an in-orbit failure or end-of-life of the QuetzSat-1 satellite, and in certain other circumstances, we have certain rights to receive service from EchoStar on a replacement satellite. There can be no assurance that any options to renew the QuetzSat-1 Transponder Agreement will be exercised or that we will exercise our option to receive service on a replacement satellite.

103 Degree Orbital Location/SES-3. In May 2012, EchoStar entered into a spectrum development agreement (the "103 Spectrum Development Agreement") with Ciel Satellite Holdings Inc. ("Ciel") to develop certain spectrum rights at the 103 degree orbital location (the "103 Spectrum Rights"). In June 2013, we and EchoStar entered into a spectrum development agreement (the "DISH 103 Spectrum Development Agreement") pursuant to which we may use and develop the 103 Spectrum Rights. Both the 103 Spectrum Development Agreement and DISH 103 Spectrum Development Agreement were terminated on March 31, 2018.

In connection with the 103 Spectrum Development Agreement, in May 2012, EchoStar also entered into a ten-year service agreement with Ciel pursuant to which EchoStar leases certain satellite capacity from Ciel on the SES-3 satellite at the 103 degree orbital location (the "103 Service Agreement"). In June 2013, we and EchoStar entered into an agreement pursuant to which we lease certain satellite capacity from EchoStar on the SES-3 satellite (the "DISH 103 Service Agreement"). Under the terms of the DISH 103 Service Agreement, we make certain monthly payments to EchoStar through the service term. Both the 103 Service Agreement and DISH 103 Service Agreement were terminated on March 31, 2018.

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TT&C Agreement. Effective January 1, 2012, we entered into a telemetry, tracking and control ("TT&C") agreement pursuant to which we receive TT&C services from EchoStar for certain satellites (the "TT&C Agreement"). In February 2018, we amended the TT&C Agreement to, among other things, extend the term for one-year with four automatic one-year renewal periods. The fees for services provided under the TT&C Agreement are calculated at either: (i) a fixed fee; or (ii) cost plus a fixed margin, which will vary depending on the nature of the services provided. We and EchoStar are able to terminate the TT&C Agreement for any reason upon 12 months' notice.

DBSD North America Agreement. On March 9, 2012, we completed the DBSD Transaction. During the second quarter 2011, EchoStar acquired Hughes. Prior to our acquisition of DBSD North America and EchoStar's acquisition of Hughes, DBSD North America and HNS entered into an agreement pursuant to which HNS provides, among other things, hosting, operations and maintenance services for DBSD North America's satellite gateway and associated ground infrastructure. This agreement generally may be terminated by us at any time for convenience.

TerreStar Agreement. On March 9, 2012, we completed the TerreStar Transaction. Prior to our acquisition of substantially all the assets of TerreStar and EchoStar's acquisition of Hughes, TerreStar and HNS entered into various agreements pursuant to which HNS provides, among other things, hosting, operations and maintenance services for TerreStar's satellite gateway and associated ground infrastructure. These agreements generally may be terminated by us at any time for convenience.

"General and administrative expenses"

During the three months ended June 30, 2018 and 2017, we incurred $6 million and $12 million, respectively, of general and administrative expenses for services provided to us by EchoStar. During the six months ended June 30, 2018 and 2017, we incurred $11 million and $15 million, respectively, of general and administrative expenses for services provided to us by EchoStar. These amounts are recorded in "General and administrative expenses" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). The agreements pertaining to these expenses are discussed below.

Real Estate Lease Agreements. We have entered into lease agreements pursuant to which we lease certain real estate from EchoStar. The rent on a per square foot basis for each of the leases is comparable to per square foot rental rates of similar commercial property in the same geographic area, and EchoStar is responsible for its portion of the taxes, insurance, utilities and maintenance of the premises. The term of each lease is set forth below:

- *Meridian Lease Agreement.* The lease for all of 9601 S. Meridian Blvd. in Englewood, Colorado is for a period ending on December 31, 2017. In December 2017, we and EchoStar amended this lease to, among other things, extend the term thereof for one additional year until December 31, 2018.
- *Santa Fe Lease Agreement.* The lease for all of 5701 S. Santa Fe Dr. in Littleton, Colorado was for a period ending on December 31, 2017. In December 2017, we and EchoStar amended this lease to, among other things, extend the term thereof for one additional year until December 31, 2018.
- *Cheyenne Lease Agreement.* The lease for certain space at 530 EchoStar Drive in Cheyenne, Wyoming is for a period ending on December 31, 2031. In connection with the completion of the Share Exchange, EchoStar transferred ownership of a portion of this property to us, and, effective March 1, 2017, we and EchoStar amended this lease agreement to (i) terminate the lease of certain space at the portion of the property that was transferred to us and (ii) provide for the continued lease to us of certain space at the portion of the property that EchoStar retained.
- *100 Inverness Lease Agreement*. In connection with the completion of the Share Exchange, effective March 1, 2017, we lease certain space from EchoStar at 100 Inverness Terrace East, Englewood, Colorado for a period ending in December 2020. This agreement may be terminated by either party upon 180 days' prior notice.

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

Professional Services Agreement. Prior to 2010, in connection with the Spin-off, we entered into various agreements with EchoStar including the Transition Services Agreement, Satellite Procurement Agreement and Services Agreement, which all expired on January 1, 2010 and were replaced by a Professional Services Agreement. During 2009, we and EchoStar agreed that EchoStar shall continue to have the right, but not the obligation, to receive the following services from us, among others, certain of which were previously provided under the Transition Services Agreement: information technology, travel and event coordination, internal audit, legal, accounting and tax, benefits administration, program acquisition services and other support services. Additionally, we and EchoStar agreed that we shall continue to have the right, but not the obligation, to engage EchoStar to manage the process of procuring new satellite capacity for us (previously provided under the Satellite Procurement Agreement) and receive logistics, procurement and quality assurance services from EchoStar (previously provided under the Services Agreement) and other support services. The Professional Services Agreement renewed on January 1, 2018 for an additional one-year period until January 1, 2019 and renews automatically for successive one-year periods thereafter, unless terminated earlier by either party upon at least 60 days' notice. However, either party may terminate the Professional Services Agreement in part with respect to any particular service it receives for any reason upon at least 30 days' notice. In connection with the completion of the Share Exchange on February 28, 2017, DISH Network and EchoStar amended the Professional Services Agreement to, among other things, provide certain transition services to each other related to the Share Exchange Agreement.

Revenue for services provided by us to EchoStar under the Professional Services Agreement is recorded in "Equipment sales and other revenue" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

Other Agreements - EchoStar

Tax Sharing Agreement. In connection with the Spin-off, we entered into a tax sharing agreement with EchoStar which governs our respective rights, responsibilities and obligations after the Spin-off with respect to taxes for the periods ending on or before the Spin-off. Generally, all pre-Spin-off taxes, including any taxes that are incurred as a result of restructuring activities undertaken to implement the Spin-off, are borne by us, and we will indemnify EchoStar for such taxes. However, we are not liable for and will not indemnify EchoStar for any taxes that are incurred as a result of the Spin-off or certain related transactions failing to qualify as tax-free distributions pursuant to any provision of Section 355 or Section 361 of the Internal Revenue Code of 1986, as amended (the "Code") because of: (i) a direct or indirect acquisition of any of EchoStar's stock, stock options or assets; (ii) any action that EchoStar takes or fails to take; or (iii) any action that EchoStar takes that is inconsistent with the information and representations furnished to the Internal Revenue Service ("IRS") in connection with the request for the private letter ruling, or to counsel in connection with any opinion being delivered by counsel with respect to the Spin-off or certain related transactions. In such case, EchoStar is solely liable for, and will indemnify us for, any resulting taxes, as well as any losses, claims and expenses. The tax sharing agreement will only terminate after the later of the full period of all applicable statutes of limitations, including extensions, or once all rights and obligations are fully effectuated or performed.

We and EchoStar file combined income tax returns in certain states. In 2015 and 2014, EchoStar earned and recognized a tax benefit for certain state income tax credits that EchoStar estimates it would be unable to utilize in the future if it had filed separately from us. In addition, EchoStar earned and recognized tax benefits for certain federal income tax credits, a portion of which were allocated to us under IRS rules for affiliated companies. We expect to utilize these tax credits to reduce our federal and state income tax payable in the future. In accordance with accounting rules that apply to transfers of assets between entities under common control, we recorded a capital contribution of less than $1 million in "Additional paid-in capital" on our Condensed Consolidated Balance Sheets for the year ended December 31, 2017 representing the amount that we estimate is more likely than not to be realized by us as a result of our utilization of these tax credits earned. Any payments made to EchoStar related to the utilization of these credits will be recorded as a reduction to "Additional paid-in capital" on our Condensed Consolidated Balance Sheets.

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

Tax Matters Agreement. In connection with the completion of the Share Exchange, we and EchoStar entered into a Tax Matters Agreement, which governs certain rights, responsibilities and obligations with respect to taxes of the Transferred Businesses pursuant to the Share Exchange. Generally, EchoStar is responsible for all tax returns and tax liabilities for the Transferred Businesses for periods prior to the Share Exchange, and we are responsible for all tax returns and tax liabilities for the Transferred Businesses from and after the Share Exchange. Both we and EchoStar have made certain tax-related representations and are subject to various tax-related covenants after the consummation of the Share Exchange. Both we and EchoStar have agreed to indemnify each other if there is a breach of any such tax representation or violation of any such tax covenant and that breach or violation results in the Share Exchange not qualifying for tax free treatment for the other party. In addition, we have agreed to indemnify EchoStar if the Transferred Businesses are acquired, either directly or indirectly (e.g., via an acquisition of us), by one or more persons and such acquisition results in the Share Exchange not qualifying for tax free treatment. The Tax Matters Agreement supplements the Tax Sharing Agreement described above, which continues in full force and effect.

TiVo. On April 29, 2011, we and EchoStar entered into a settlement agreement with TiVo Inc. ("TiVo"). The settlement resolved all pending litigation between us and EchoStar, on the one hand, and TiVo, on the other hand, including litigation relating to alleged patent infringement involving certain DISH TV digital video recorders, or DVRs. Under the settlement agreement, all pending litigation was dismissed with prejudice and all injunctions that permanently restrain, enjoin or compel any action by us or EchoStar were dissolved. We and EchoStar are jointly responsible for making payments to TiVo in the aggregate amount of $500 million, including an initial payment of $300 million and the remaining $200 million in six equal annual installments between 2012 and 2017. Pursuant to the terms and conditions of the agreements entered into in connection with the Spin-off of EchoStar from us, we made the initial payment to TiVo in May 2011, except for the contribution from EchoStar totaling approximately $10 million, representing an allocation of liability relating to EchoStar's sales of DVR-enabled receivers to an international customer. Future payments were allocated between us and EchoStar based on historical sales of certain licensed products, with us being responsible for 95% of each annual payment. Pursuant to the Share Exchange Agreement, we were responsible for EchoStar's allocation of the final payment to TiVo, which was paid July 31, 2017.

Patent Cross-License Agreements. In December 2011, we and EchoStar entered into separate patent cross-license agreements with the same third party whereby: (i) EchoStar and such third-party licensed their respective patents to each other subject to certain conditions; and (ii) we and such third-party licensed our respective patents to each other subject to certain conditions (each, a "Cross-License Agreement"). Each Cross License Agreement covers patents acquired by the respective party prior to January 1, 2017 and aggregate payments under both Cross-License Agreements total less than $10 million. Each Cross License Agreement also contains an option to extend each Cross-License Agreement to include patents acquired by the respective party prior to January 1, 2022. In December 2016, we and EchoStar independently exercised our respective options to extend each Cross-License Agreement. The aggregate additional payments to such third-party was less than $3 million. Since the aggregate payments under both Cross-License Agreements were based on the combined annual revenues of us and EchoStar, we and EchoStar agreed to allocate our respective payments to such third party based on our respective percentage of combined total revenue.

Rovi License Agreement. On August 19, 2016, we entered into a ten-year patent license agreement (the "Rovi License Agreement") with Rovi Corporation ("Rovi") and, for certain limited purposes, EchoStar. EchoStar is a party to the Rovi License Agreement solely with respect to certain provisions relating to the prior patent license agreement between EchoStar and Rovi. There are no payments between us and EchoStar under the Rovi License Agreement.

Invidi. In November 2010 and April 2011, EchoStar made investments in Invidi in exchange for shares of Invidi's Series D Preferred Stock. In November 2016, we, DIRECTV, LLC, a wholly-owned indirect subsidiary of AT&T Inc., and Cavendish Square Holding B.V., an affiliate of WPP plc, entered into a series of agreements to acquire Invidi. As a result of the transaction, EchoStar sold its ownership interest in Invidi on the same terms offered to the other shareholders of Invidi. The transaction closed in January 2017.

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

Hughes Broadband Master Services Agreement. In March 2017, DISH Network L.L.C. ("DNLLC") and HNS entered into the MSA pursuant to which DNLLC, among other things: (i) has the right, but not the obligation, to market, promote and solicit orders for the Hughes broadband satellite service and related equipment; and (ii) installs Hughes service equipment with respect to activations generated by DNLLC. Under the MSA, HNS will make certain payments to DNLLC for each Hughes service activation generated, and installation performed, by DNLLC. Payments from HNS for services provided are recorded in "Subscriber-related revenue" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). The MSA has an initial term of five years with automatic renewal for successive one-year terms. After the first anniversary of the MSA, either party has the ability to terminate the MSA, in whole or in part, for any reason upon at least 90 days' notice to the other party. Upon expiration or termination of the MSA, HNS will continue to provide the Hughes service to subscribers and make certain payments to DNLLC pursuant to the terms and conditions of the MSA. For the three months ended June 30, 2018 and 2017, we purchased broadband equipment from HNS of $7 million and $3 million, respectively, under the MSA. For the six months ended June 30, 2018 and 2017, we purchased broadband equipment from HNS of $17 million and $10 million, respectively, under the MSA.

Employee Matters Agreement. In connection with the completion of the Share Exchange, effective March 1, 2017, we and EchoStar entered into an Employee Matters Agreement that addresses the transfer of employees from EchoStar to us, including certain benefit and compensation matters and the allocation of responsibility for employee-related liabilities relating to current and past employees of the Transferred Businesses. We assumed employee-related liabilities relating to the Transferred Businesses as part of the Share Exchange, except that EchoStar will be responsible for certain existing employee-related litigation as well as certain pre-Share Exchange compensation and benefits for employees transferring to us in connection with the Share Exchange.

Intellectual Property and Technology License Agreement. In connection with the completion of the Share Exchange, effective March 1, 2017, we and EchoStar entered into an Intellectual Property and Technology License Agreement ("IPTLA"), pursuant to which we and EchoStar license to each other certain intellectual property and technology. The IPTLA will continue in perpetuity, unless mutually terminated by the parties. Pursuant to the IPTLA, EchoStar granted to us a license to its intellectual property and technology for use by us, among other things, in connection with our continued operation of the Transferred Businesses acquired pursuant to the Share Exchange Agreement, including a limited license to use the "ECHOSTAR" trademark during a transition period. EchoStar retains full ownership of the "ECHOSTAR" trademark. In addition, we granted a license back to EchoStar, among other things, for the continued use of all intellectual property and technology transferred to us pursuant to the Share Exchange Agreement that is used in EchoStar's retained businesses.

Related Party Transactions with NagraStar L.L.C.

As a result of the completion of the Share Exchange on February 28, 2017, we own a 50% interest in NagraStar, a joint venture that is our primary provider of encryption and related security systems intended to assure that only authorized customers have access to our programming. Certain payments related to NagraStar are recorded in "Subscriber-related expenses" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). In addition, certain other payments are initially included in "Inventory" and are subsequently capitalized as "Property and equipment, net" on our Condensed Consolidated Balance Sheets or expensed as "Subscriber acquisition costs" or "Subscriber-related expenses" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) when the equipment is deployed. We record all payables in "Trade accounts payable" or "Other accrued expenses" on our Condensed Consolidated Balance Sheets. Our investment in NagraStar is accounted for using the equity method.

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

The table below summarizes our transactions with NagraStar:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2018	2017	2018	2017
	(In thousands)			
Purchases (including fees):				
Purchases from NagraStar	$ 25,782	$ 18,652	$ 42,625	$ 36,431

	As of	
	June 30, 2018	December 31, 2017
	(In thousands)	
Amounts Payable and Commitments:		
Amounts payable to NagraStar	$ 25,524	$ 16,685
Commitments to NagraStar	$ 1,166	$ 4,927

Related Party Transactions with Dish Mexico

Dish Mexico, S. de R.L. de C.V. (“Dish Mexico”) is an entity that provides direct-to-home satellite services in Mexico, which is owned 49% by EchoStar. We provide certain broadcast services and sell hardware such as digital set-top boxes and related components to Dish Mexico, which are recorded in “Equipment sales and other revenue” on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

The table below summarizes our transactions with Dish Mexico:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2018	2017	2018	2017
	(In thousands)			
Sales:				
Digital receivers and related components	$ 176	$ 312	$ 456	$ 1,183
Uplink services	$ 1,164	$ 975	$ 2,198	$ 1,998

	As of	
	June 30, 2018	December 31, 2017
	(In thousands)	
Amounts Receivable:		
Amounts receivable from Dish Mexico	$ 1,964	$ 3,027

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following management's discussion and analysis of our financial condition and results of operations together with the condensed consolidated financial statements and notes to our financial statements included elsewhere in this Quarterly Report on Form 10-Q. This management's discussion and analysis is intended to help provide an understanding of our financial condition, changes in financial condition and results of our operations and contains forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industry, business and future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed in our Annual Report on Form 10-K for the year ended December 31, 2017 and this Quarterly Report on Form 10-Q under the caption "Item 1A. Risk Factors." Furthermore, such forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q, and we expressly disclaim any obligation to update any forward-looking statements.

Overview

Our business strategy is to be the best provider of video services in the United States by providing products with the best technology, outstanding customer service, and great value. We promote our Pay-TV services as providing our subscribers with a better "price-to-value" relationship than those available from other subscription television service providers. In connection with the growth in OTT industry, we promote our Sling TV services primarily to consumers who do not subscribe to traditional satellite and cable pay-TV services.

As the pay-TV industry is mature, our DISH TV strategy has included an increased emphasis on acquiring and retaining higher quality subscribers, including subscribers in markets underserved by pay-TV services, even if it means that we will acquire and retain fewer overall subscribers. We evaluate the quality of subscribers based upon a number of factors, including, among others, profitability. Our DISH TV subscriber base has been declining due to, among other things, this strategy. There can be no assurance that our DISH TV subscriber base will not continue to decline and that the pace of such decline will not accelerate.

Our revenue and profit is primarily derived from Pay-TV programming services that we provide to our subscribers. We also generate revenue from equipment rental fees and other hardware related fees, including DVRs and fees from subscribers with multiple receivers; advertising services; fees earned from our in-home service operations; broadband services; warranty services; and sales of digital receivers and related equipment to third-party pay-TV providers. Our subscriber-related revenue has been declining due to, among other things, the continuing decline in our DISH TV subscriber base. We expect this trend to continue. Our most significant expenses are subscriber-related expenses, which are primarily related to programming, subscriber acquisition costs and depreciation and amortization.

Financial Highlights

2018 Second Quarter Consolidated Results of Operations and Key Operating Metrics

- Revenue of $3.461 billion
- Net income attributable to DISH Network of $439 million and basic and diluted earnings per share of common stock of $0.94 and $0.83, respectively
- Loss of approximately 151,000 net Pay-TV subscribers
- Loss of approximately 192,000 net DISH TV subscribers
- Addition of approximately 41,000 net Sling TV subscribers
- Pay-TV ARPU of $85.54
- Gross new DISH TV subscriber activations of approximately 278,000
- DISH TV churn rate of 1.46%
- DISH TV SAC of $763

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – Continued

Consolidated Financial Condition as of June 30, 2018

- Cash, cash equivalents and current marketable investment securities of $1.555 billion
- Total assets of $29.650 billion
- Total long-term debt and capital lease obligations of $15.144 billion

Business Segments

We currently operate two primary business segments: (1) Pay-TV; and (2) Wireless.

Pay-TV

We are the nation's fourth largest pay-TV provider and offer pay-TV services under the DISH® brand and the Sling® brand (collectively "Pay-TV" services). The DISH branded pay-TV service consists of, among other things, Federal Communications Commission ("FCC") licenses authorizing us to use direct broadcast satellite ("DBS") and Fixed Satellite Service ("FSS") spectrum, our owned and leased satellites, receiver systems, broadcast operations, customer service facilities, a leased fiber optic network, in-home service and call center operations, and certain other assets utilized in our operations ("DISH TV"). The Sling branded pay-TV services consist of, among other things, live, linear streaming over-the-top ("OTT") Internet-based domestic, international and Latino video programming services ("Sling TV"). As of June 30, 2018, we had 12.997 million Pay-TV subscribers in the United States, including 10.653 million DISH TV subscribers and 2.344 million Sling TV subscribers.

Competition has intensified in recent years as the pay-TV industry has matured. To differentiate our DISH TV services from our competitors, we offer the Hopper whole-home DVR and have continued to add functionality and simplicity for a more intuitive user experience. Our Hopper and Joey® whole-home DVR promotes a suite of integrated features and functionality designed to maximize the convenience and ease of watching TV anytime and anywhere. It also has several innovative features that a consumer can use, at his or her option, to watch and record television programming, through their televisions, Internet-connected tablets, smartphones and computers. Our next generation Hopper, the Hopper 3, is available to customers nationwide. Among other things, the Hopper 3 features 16 tuners, delivers an enhanced 4K Ultra HD experience, and supports up to seven TVs simultaneously.

We market our Sling TV services primarily to consumers who do not subscribe to traditional satellite and cable pay-TV services. Our Sling TV services require an Internet connection and are available on multiple streaming-capable devices including streaming media devices, TVs, tablets, computers, game consoles and smart phones. We offer Sling International, Sling Latino and Sling domestic video programming services. Our domestic Sling TV services have a single-stream service branded Sling Orange and a multi-stream service branded Sling Blue, which includes, among other things, the ability to stream on up to three devices simultaneously. We face competition from providers of digital media, including, among others, Netflix, Hulu, Apple, Amazon, Alphabet, Verizon, DirecTV, Sony, YouTube, Fubo and Philo that offer online services distributing movies, television shows and other video programming as well as programmers, such as HBO, CBS, Univision, STARZ and SHOWTIME, that began selling content directly to consumers over the Internet. Some of these companies have larger customer bases, stronger brand recognition and greater financial, marketing and other resources than we do. In addition, traditional providers of video entertainment, including broadcasters, cable channels and MVPDs, are increasing their Internet-based video offerings. Some of these services charge nominal or no fees for access to their content, which could adversely affect demand for our Pay-TV services. Moreover, new technologies have been, and will likely continue to be, developed that further increase the number of competitors we face with respect to video services, including competition from piracy-based video offerings. This competition, among other things, has caused the rate of growth in subscribers to our Sling TV services to decrease. In June 2018, we launched additional Sling TV services which include offering consumers a la carte channel subscriptions, access to pay-per-view events and movies, and access to free content. There can be no assurance that these additional services will positively affect our results of operations or our net Sling TV subscribers.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

In addition, we have historically offered broadband services under the dishNET™ brand, which includes satellite broadband services that utilize advanced technology and high-powered satellites launched by Hughes Communications, Inc. ("Hughes") and ViaSat, Inc. ("ViaSat") and wireline broadband services. However, as of the first quarter 2018, we have transitioned our broadband business focus from wholesale to authorized representative arrangements, and we are no longer marketing dishNET broadband services. Our existing broadband subscribers will decline through customer attrition. Generally, under these authorized representative arrangements, we will receive certain payments for each broadband service activation generated and installation performed, and we will not incur subscriber acquisition costs for these activations.

As a result of the completion of the Share Exchange with EchoStar, described below, we also design, develop and distribute receiver systems and provide digital broadcast operations, including satellite uplinking/downlinking, transmission and other services to third-party pay-TV providers.

Share Exchange Agreement

On February 28, 2017, we and EchoStar and certain of our respective subsidiaries completed the transactions contemplated by the Share Exchange Agreement (the "Share Exchange Agreement") that was previously entered into on January 31, 2017 (the "Share Exchange"). Pursuant to the Share Exchange Agreement, among other things, EchoStar transferred to us certain assets and liabilities of the EchoStar technologies and EchoStar broadcasting businesses, consisting primarily of the businesses that design, develop and distribute digital set-top boxes, provide satellite uplink services and develop and support streaming video technology, as well as certain investments in joint ventures, spectrum licenses, real estate properties and EchoStar's ten percent non-voting interest in Sling TV Holding L.L.C. (the "Transferred Businesses"), and in exchange, we transferred to EchoStar the 6,290,499 shares of preferred tracking stock issued by EchoStar (the "EchoStar Tracking Stock") and 81.128 shares of preferred tracking stock issued by Hughes Satellite Systems Corporation, a subsidiary of EchoStar (the "HSSC Tracking Stock," and together with the EchoStar Tracking Stock, collectively, the "Tracking Stock"), that tracked the residential retail satellite broadband business of HNS. In connection with the Share Exchange, we and EchoStar and certain of their subsidiaries entered into certain agreements covering, among other things, tax matters, employee matters, intellectual property matters and the provision of transitional services. See Note 12 in the Notes to our Condensed Consolidated Financial Statements for further information.

As the Share Exchange was a transaction between entities that are under common control, accounting rules require that our Condensed Consolidated Financial Statements include the results of the Transferred Businesses for all periods presented, including periods prior to the completion of the Share Exchange. We initially recorded the Transferred Businesses at EchoStar's historical cost basis. The difference between the historical cost basis of the Transferred Businesses and the net carrying value of the Tracking Stock was recorded in "Additional paid-in capital" on our Condensed Consolidated Balance Sheets. The results of the Transferred Businesses were prepared from separate records maintained by EchoStar for the periods prior to March 1, 2017, and may not necessarily be indicative of the conditions that would have existed, or the results of operations, if the Transferred Businesses had been operated on a combined basis with our subsidiaries. See Note 2 in the Notes to our Condensed Consolidated Financial Statements for further information.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Wireless

Since 2008, we have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets and made over $10 billion in non-controlling investments in certain entities, for a total of over $21 billion, as described further below.

DISH Network Spectrum

We have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets. These wireless spectrum licenses are subject to certain interim and final build-out requirements. We will need to make significant additional investments or partner with others to, among other things, commercialize, build-out and integrate these licenses and related assets, and any additional acquired licenses and related assets; and comply with regulations applicable to such licenses. Depending on the nature and scope of such commercialization, build-out, integration efforts and regulatory compliance, any such investments or partnerships could vary significantly. In addition, as we consider our options for the commercialization of our wireless spectrum, we will incur significant additional expenses and will have to make significant investments related to, among other things, research and development, wireless testing and wireless network infrastructure. In March 2017, we notified the FCC that we plan to deploy a next-generation 5G-capable network, focused on supporting narrowband Internet of Things ("IoT"). The first phase of our network deployment will be completed by March 2020, with subsequent phases to be completed thereafter. As of June 30, 2018, we have entered into deployment services agreements, master lease agreements and contracts with multiple parties for, among other things, the development, manufacture and/or deployment of towers, wireless radios and chipsets in connection with the first phase of our network deployment. We may also determine that additional wireless spectrum licenses may be required to commercialize our wireless business and to compete with other wireless service providers. See Note 9 "*Commitments and Contingencies – DISH Network Spectrum*" in the Notes to our Condensed Consolidated Financial Statements for further information.

DISH Network Non-Controlling Investments in the Northstar Entities and the SNR Entities Related to AWS-3 Wireless Spectrum Licenses

During 2015, through our wholly-owned subsidiaries American AWS-3 Wireless II L.L.C. ("American II") and American AWS-3 Wireless III L.L.C. ("American III"), we initially made over $10 billion in certain non-controlling investments in Northstar Spectrum, LLC ("Northstar Spectrum"), the parent company of Northstar Wireless, LLC ("Northstar Wireless," and collectively with Northstar Spectrum, the "Northstar Entities"), and in SNR Wireless HoldCo, LLC ("SNR HoldCo"), the parent company of SNR Wireless LicenseCo, LLC ("SNR Wireless," and collectively with SNR HoldCo, the "SNR Entities"), respectively. On October 27, 2015, the FCC granted certain AWS-3 wireless spectrum licenses (the "AWS-3 Licenses") to Northstar Wireless and to SNR Wireless, respectively, which are recorded in "FCC authorizations" on our Condensed Consolidated Balance Sheets. Under the applicable accounting guidance in Accounting Standards Codification 810, *Consolidation* ("ASC 810"), Northstar Spectrum and SNR HoldCo are considered variable interest entities and, based on the characteristics of the structure of these entities and in accordance with the applicable accounting guidance, we consolidate these entities into our financial statements. See Note 2 in the Notes to our Condensed Consolidated Financial Statements for further information.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

The AWS-3 Licenses are subject to certain interim and final build-out requirements. The Northstar Entities and/or the SNR Entities may need to raise significant additional capital in the future, which may be obtained from third party sources or from us, so that the Northstar Entities and the SNR Entities may commercialize, build-out and integrate these AWS-3 Licenses, comply with regulations applicable to such AWS-3 Licenses, and make any potential payments related to the Northstar Re-Auction Payment and the SNR Re-Auction Payment for the AWS-3 licenses retained by the FCC. Depending upon the nature and scope of such commercialization, build-out, integration efforts, regulatory compliance, and potential Northstar Re-Auction Payment and SNR Re-Auction Payment, any loans, equity contributions or partnerships could vary significantly. See Note 9 "*Commitments and Contingencies – DISH Network Non-Controlling Investments in the Northstar Entities and the SNR Entities Related to AWS-3 Wireless Spectrum Licenses*" in the Notes to our Condensed Consolidated Financial Statements for further information.

We may need to raise significant additional capital in the future to fund the efforts described above, which may not be available on acceptable terms or at all. There can be no assurance that we, the Northstar Entities and/or the SNR Entities will be able to develop and implement business models that will realize a return on these wireless spectrum licenses or that we, the Northstar Entities and/or the SNR Entities will be able to profitably deploy the assets represented by these wireless spectrum licenses, which may affect the carrying amount of these assets and our future financial condition or results of operations. See Note 9 "*Commitments and Contingencies*" in the Notes to our Condensed Consolidated Financial Statements for further information.

Recent Developments

Mergers and acquisitions, joint ventures and alliances among cable television providers, telecommunications companies and others may result in, among other things, greater scale and financial leverage and increase the availability of offerings from providers capable of bundling video, broadband and/or wireless services in competition with our services, and may exacerbate the risks described in our public filings. For example, in October 2016, AT&T announced its acquisition of Time Warner, which was completed in June 2018. In addition, in December 2017, Walt Disney Company announced its acquisition of certain assets of Twenty-First Century Fox, Inc. These transactions may affect us adversely by, among other things, making it more difficult for us to obtain access to certain programming networks on nondiscriminatory and fair terms, or at all.

Also, in April 2018, T-Mobile US, Inc. ("T-Mobile") announced its acquisition of Sprint Corporation ("Sprint"). We cannot predict the practical effect of the impact on us of T-Mobile's acquisition of Sprint (if approved), including without limitation, the impact of any conditions on us (if any conditions are imposed). However, it is possible that the outcomes resulting from this acquisition (if approved, with or without conditions) could have a material adverse effect on our business, results of operations and financial condition or otherwise disrupt our business.

Trends in our Pay-TV Segment

Competition

Competition has intensified in recent years as the pay-TV industry has matured. With respect to our DISH TV services, we and our competitors increasingly must seek to attract a greater proportion of new subscribers from each other's existing subscriber bases rather than from first-time purchasers of pay-TV services. We incur significant costs to retain our existing DISH TV subscribers, mostly as a result of upgrading their equipment to next generation receivers, primarily including our Hopper receivers, and by providing retention credits. Our DISH TV subscriber retention costs may vary significantly from period to period.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Many of our competitors have been especially aggressive by offering discounted programming and services for both new and existing subscribers, including bundled offers combining broadband, video and/or wireless services and other promotional offers. Certain competitors have been able to subsidize the price of video services with the price of broadband and/or wireless services. In addition, our gross new DISH TV subscriber activations and net DISH TV subscriber additions continue to be negatively impacted by stricter customer acquisition and retention policies for our DISH TV subscribers, including an increased emphasis on acquiring and retaining higher quality subscribers.

Our Pay-TV services also face increased competition from programmers and other companies who distribute video directly to consumers over the Internet. Our Sling TV services face increased competition from content providers and other companies, as well as traditional satellite television providers, cable companies and large telecommunications companies, that are increasing their Internet-based video offerings. Competition from video content distributed over the Internet includes services with live linear television programming, single programmer offerings and offerings of large libraries of on-demand content, including in many cases original content. Furthermore, our DISH TV services face increased competition as programming offered over the Internet has become more prevalent and consumers are spending an increasing amount of time accessing video content via the Internet on their mobile devices. Significant changes in consumer behavior with regard to the means by which consumers obtain video entertainment and information in response to digital media competition could have a material adverse effect on our business, results of operations and financial condition or otherwise disrupt our business. In particular, consumers have shown increased interest in viewing certain video programming in any place, at any time and/or on any broadband-connected device they choose. Online content providers may cause our subscribers to disconnect our DISH TV services ("cord cutting"), downgrade to smaller, less expensive programming packages ("cord shaving") or elect to purchase through these online content providers a certain portion of the services that they would have historically purchased from us, such as pay per view movies, resulting in less revenue to us.

We implement new marketing promotions from time to time that are intended to increase our Pay-TV subscriber activations. For our DISH TV services, we have launched various marketing promotions offering certain DISH TV programming packages without a price increase for a commitment period. We also launched our Flex Pack skinny bundle with a core package of programming consisting of more than 50 channels and the choice of one of nine themed add-on channel packs, which include, among others, local broadcast networks and kids and general entertainment programming. Subscribers can also add or remove additional channel packs to best suit their entertainment needs. During 2017, we launched "Tuned In To You" and the accompanying "Spokeslistener" campaign. While we plan to implement these and other new marketing efforts for our DISH TV services, there can be no assurance that we will ultimately be successful in increasing our gross new DISH TV subscriber activations. Additionally, in response to our efforts, we may face increased competitive pressures, including aggressive marketing and retention efforts, bundled discount offers combining broadband, video and/or wireless services and other discounted promotional offers.

For our Sling TV services, we offer a personalized TV experience with a customized channel line-up and two of the lowest priced live-linear online streaming services in the industry, our Sling Orange service and our Sling Blue service. During 2018, we launched our "We are Slingers" campaign. While we plan to implement these and other new marketing efforts for our Sling TV services, there can be no assurance that we will ultimately be successful in increasing our net Sling TV subscriber activations.

Our DISH TV subscriber base has been declining due to, among other things, the factors described above. There can be no assurance that our DISH TV subscriber base will not continue to decline and that the pace of such decline will not accelerate. As our DISH TV subscriber base continues to decline, it could have a material adverse long-term effect on our business, results of operations, financial condition and cash flow.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Programming

Our ability to compete successfully will depend, among other things, on our ability to continue to obtain desirable programming and deliver it to our subscribers at competitive prices. Programming costs represent a large percentage of our "Subscriber-related expenses" and the largest component of our total expense. We expect these costs to continue to increase, and certain programming costs are rising at a much faster rate than wages or inflation, especially for local broadcast channels. The rates we are charged for retransmitting local broadcast channels have been increasing substantially and may exceed our ability to increase our prices to our customers. In addition, programming costs continue to increase due to contractual price increases and the renewal of long-term programming contracts on less favorable pricing terms. Going forward, our margins may face pressure if we are unable to renew our long-term programming contracts on acceptable pricing and other economic terms or if we are unable to pass these increased programming costs on to our customers.

Increases in programming costs have caused us to increase the rates that we charge to our subscribers, which could in turn cause our existing Pay-TV subscribers to disconnect our service or cause potential new Pay-TV subscribers to choose not to subscribe to our service. Additionally, even if our subscribers do not disconnect our services, they may purchase through new and existing online content providers a certain portion of the services that they would have historically purchased from us, such as pay-per-view movies, resulting in less revenue to us.

Furthermore, our net Pay-TV subscriber additions, gross new DISH TV subscriber activations, and DISH TV churn rate may be negatively impacted if we are unable to renew our long-term programming carriage contracts before they expire. In the past, our net Pay-TV subscriber additions, gross new DISH TV subscriber activations, and DISH TV churn rate have been negatively impacted as a result of programming interruptions and threatened programming interruptions in connection with the scheduled expiration of programming carriage contracts with content providers. On June 30, 2018, Univision Communications Inc. ("Univision") removed certain of its channels from our DISH TV and Sling TV programming lineup, after we and Univision were unable to negotiate the terms and conditions of a new programming carriage contract. In light of, among other things, certain Univision programming being available to consumers through alternative methods including over the air antennas and directly from Univision over the Internet, the current state of our negotiations with Univision and the duration of the absence of these Univision channels from our programming lineups, this removal could become permanent. While we cannot predict with any certainty the impact to our net Pay-TV subscriber additions, gross new DISH TV subscriber activations, and DISH TV churn rate resulting from this programming removal, we may suffer lower net Pay-TV subscriber additions or higher net Pay-TV subscriber losses, among other things. As a result, there can be no assurance that the removal of these Univision channels will not have a material adverse effect on our business, results of operations and financial condition or otherwise disrupt our business.

Operations and Customer Service

While competitive factors have impacted the entire pay-TV industry, our relative performance has also been driven by issues specific to us. In the past, our subscriber growth has been adversely affected by signal theft and other forms of fraud and by our operational inefficiencies. For our DISH TV services, in order to combat signal theft and improve the security of our broadcast system, we use microchips embedded in credit card sized access cards, called "smart cards," or security chips in our DBS receiver systems to control access to authorized programming content ("Security Access Devices"). We expect that future replacements of these devices may be necessary to keep our system secure. To combat other forms of fraud, among other things, we monitor our independent third-party distributors' and independent third-party retailers' adherence to our business rules. Furthermore, for our Sling TV services, we encrypt programming content and use digital rights management software to, among other things, prevent unauthorized access to our programming content.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

While we have made improvements in responding to and dealing with customer service issues, we continue to focus on the prevention of these issues, which is critical to our business, financial condition and results of operations. To improve our operational performance, we continue to make investments in staffing, training, information systems, and other initiatives, primarily in our call center and in-home service operations. These investments are intended to help combat inefficiencies introduced by the increasing complexity of our business, improve customer satisfaction, reduce churn, increase productivity, and allow us to scale better over the long run. We cannot be certain, however, that our spending will ultimately be successful in improving our operational performance.

Changes in our Technology

We have been deploying DBS receivers for our DISH TV services that utilize 8PSK modulation technology with MPEG-4 compression technology for several years. These technologies, when fully deployed, will allow improved broadcast efficiency, and therefore allow increased programming capacity. Many of our customers today, however, do not have DBS receivers that use MPEG-4 compression technology. In addition, given that all of our HD content is broadcast in MPEG-4, any growth in HD penetration will naturally accelerate our transition to these newer technologies and may increase our retention costs. All new DBS receivers have MPEG-4 compression with 8PSK modulation technology.

In addition, from time to time, we change equipment for certain subscribers to make more efficient use of transponder capacity in support of HD and other initiatives. We believe that the benefit from the increase in available transponder capacity outweighs the short-term cost of these equipment changes.

EXPLANATION OF KEY METRICS AND OTHER ITEMS

Subscriber-related revenue. "Subscriber-related revenue" consists principally of revenue from basic, local, premium movie, pay-per-view, Latino and international subscriptions; equipment rental fees and other hardware related fees, including DVRs and fees from subscribers with multiple receivers; advertising services; fees earned from our in-home service operations; broadband services; warranty services; and other subscriber revenue. Certain of the amounts included in "Subscriber-related revenue" are not recurring on a monthly basis.

Equipment sales and other revenue. "Equipment sales and other revenue" principally includes the non-subsidized sales of DBS accessories to independent third-party retailers and other independent third-party distributors of our equipment, sales of digital receivers and related components to third-party pay-TV providers and revenue from services and other agreements with EchoStar.

Subscriber-related expenses. "Subscriber-related expenses" principally include programming expenses, which represent a substantial majority of these expenses. "Subscriber-related expenses" also include costs for Pay-TV and broadband services incurred in connection with our subscriber retention, in-home service and call center operations, billing costs, refurbishment and repair costs related to DBS receiver systems, other variable subscriber expenses and monthly wholesale fees paid to broadband providers.

Satellite and transmission expenses. "Satellite and transmission expenses" includes the cost of leasing satellite and transponder capacity from EchoStar and the cost of telemetry, tracking and control and other professional services provided to us by EchoStar. "Satellite and transmission expenses" also includes the cost of digital broadcast operations, executory costs associated with capital leases and costs associated with transponder leases and other related services. In addition, "Satellite and transmission expenses" includes costs associated with our Sling TV services including, among other things, streaming delivery technology and infrastructure.

Cost of sales - equipment and other. "Cost of sales - equipment and other" primarily includes the cost of non-subsidized sales of DBS accessories to independent third-party retailers and other independent third-party distributors of our equipment, costs associated with sales of digital receivers and related components to third-party pay-TV providers and costs related to services and other agreements with EchoStar.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Subscriber acquisition costs. While we primarily lease DBS receiver systems, we also subsidize certain costs to attract new subscribers. Our "Subscriber acquisition costs" include the cost of subsidized sales of DBS receiver systems to independent third-party retailers and other independent third-party distributors of our equipment, the cost of subsidized sales of DBS receiver systems directly by us to subscribers, including net costs related to our promotional incentives, costs related to our direct sales efforts and costs related to installation and acquisition advertising. Our "Subscriber acquisition costs" also includes costs associated with acquiring Sling TV subscribers including, among other things, costs related to acquisition advertising and our direct sales efforts and commissions. Subsequent to the adoption of ASU 2014-09 on January 1, 2018, we capitalize payments made under certain sales incentive programs, including those with our independent third-party retailers and other independent third-party distributors, which were previously expensed as "Subscriber acquisition costs." These amounts are now initially capitalized in "Other current assets" and "Other noncurrent assets, net" on our Condensed Consolidated Balance Sheets, and then amortized in "Other subscriber acquisition costs" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). See Note 2 in the Notes to our Condensed Consolidated Financial Statements for further information.

DISH TV SAC. Subscriber acquisition cost measures are commonly used by those evaluating traditional companies in the pay-TV industry. We are not aware of any uniform standards for calculating the "average subscriber acquisition costs per new DISH TV subscriber activation," or DISH TV SAC, and we believe presentations of pay-TV SAC may not be calculated consistently by different companies in the same or similar businesses. Our DISH TV SAC has historically been calculated as "Subscriber acquisition costs," excluding "Subscriber acquisition costs" associated with our broadband services and Sling TV services, plus the value of equipment capitalized under our lease program for new DISH TV subscribers, divided by gross new DISH TV subscriber activations. Subsequent to the adoption of ASU 2014-09 on January 1, 2018, we capitalize payments made under certain sales incentive programs, including those with our independent third-party retailers and other independent third-party distributors, which were previously expensed as "Subscriber acquisition costs." These amounts are now initially capitalized in "Other current assets" and "Other noncurrent assets, net" on our Condensed Consolidated Balance Sheets, and then amortized in "Other subscriber acquisition costs" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). As such, as of January 1, 2018 our DISH TV SAC is calculated as "Subscriber acquisition costs," excluding "Subscriber acquisition costs" associated with our broadband services and Sling TV services, plus capitalized payments made under certain sales incentive programs, excluding amortization related to these payments, plus the value of equipment capitalized under our lease program for new DISH TV subscribers, divided by gross new DISH TV subscriber activations. We include all the costs of acquiring DISH TV subscribers (e.g., subsidized and capitalized equipment) as we believe it is a more comprehensive measure of how much we are spending to acquire subscribers. We also include all new DISH TV subscribers in our calculation, including DISH TV subscribers added with little or no subscriber acquisition costs.

General and administrative expenses. "General and administrative expenses" consists primarily of employee-related costs associated with administrative services such as legal, information systems, and accounting and finance. It also includes outside professional fees (e.g., legal, information systems and accounting services) and other items associated with facilities and administration.

Interest expense, net of amounts capitalized. "Interest expense, net of amounts capitalized" primarily includes interest expense (net of capitalized interest), prepayment premiums, amortization of debt discounts and debt issuance costs associated with our long-term debt, and interest expense associated with our capital lease obligations. See Note 2 in the Notes to our Condensed Consolidated Financial Statements for further information regarding our capitalized interest policy.

Other, net. The main components of "Other, net" are gains and losses realized on the sale and/or conversion of marketable and non-marketable investment securities and derivative financial instruments, impairment of marketable and non-marketable investment securities, unrealized gains and losses from changes in fair value of certain marketable investment securities and derivative financial instruments, and equity in earnings and losses of our affiliates.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Earnings before interest, taxes, depreciation and amortization ("EBITDA"). EBITDA is defined as "Net income (loss) attributable to DISH Network" plus "Interest expense, net of amounts capitalized" net of "Interest income," "Income tax (provision) benefit, net" and "Depreciation and amortization." This "non-GAAP measure" is reconciled to "Net income (loss) attributable to DISH Network" in our discussion of "Results of Operations" below.

DISH TV subscribers. We include customers obtained through direct sales, independent third-party retailers and other independent third-party distribution relationships in our DISH TV subscriber count. We also provide DISH TV services to hotels, motels and other commercial accounts. For certain of these commercial accounts, we divide our total revenue for these commercial accounts by an amount approximately equal to the retail price of our Flex Pack programming package, and include the resulting number, which is substantially smaller than the actual number of commercial units served, in our DISH TV subscriber count.

Sling TV subscribers. We include customers obtained through direct sales and third-party marketing agreements in our Sling TV subscriber count. Sling TV subscribers are recorded net of disconnects. Sling TV customers receiving service for no charge, under certain new subscriber promotions, are excluded from our Sling TV subscriber count. For customers who subscribe to multiple Sling TV packages, including, among others, Sling TV Blue, Sling TV Orange and Sling Latino, each customer is only counted as one Sling TV subscriber.

Pay-TV subscribers. Our Pay-TV subscriber count includes all DISH TV and Sling TV subscribers discussed above. For customers who subscribe to both our DISH TV services and our Sling TV services, each subscription is counted as a separate Pay-TV subscriber.

Pay-TV average monthly revenue per subscriber ("Pay-TV ARPU"). We are not aware of any uniform standards for calculating ARPU and believe presentations of ARPU may not be calculated consistently by other companies in the same or similar businesses. We calculate Pay-TV average monthly revenue per Pay-TV subscriber, or Pay-TV ARPU, by dividing average monthly "Subscriber-related revenue," excluding revenue from broadband services, for the period by our average number of Pay-TV subscribers for the period. The average number of Pay-TV subscribers is calculated for the period by adding the average number of Pay-TV subscribers for each month and dividing by the number of months in the period. The average number of Pay-TV subscribers for each month are calculated by adding the beginning and ending Pay-TV subscribers for the month and dividing by two. Sling TV subscribers on average purchase lower priced programming services than DISH TV subscribers, and therefore, as Sling TV subscribers increase, it has had a negative impact on Pay-TV ARPU.

DISH TV average monthly subscriber churn rate ("DISH TV churn rate"). We are not aware of any uniform standards for calculating subscriber churn rate and believe presentations of subscriber churn rates may not be calculated consistently by different companies in the same or similar businesses. We calculate DISH TV churn rate for any period by dividing the number of DISH TV subscribers who terminated service during the period by the average number of DISH TV subscribers for the same period, and further dividing by the number of months in the period. The average number of DISH TV subscribers is calculated for the period by adding the average number of DISH TV subscribers for each month and dividing by the number of months in the period. The average number of DISH TV subscribers for each month is calculated by adding the beginning and ending DISH TV subscribers for the month and dividing by two.

Free cash flow. We define free cash flow as "Net cash flows from operating activities" less "Purchases of property and equipment" and "Capitalized interest related to FCC authorizations," as shown on our Condensed Consolidated Statements of Cash Flows.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

RESULTS OF OPERATIONS

Three Months Ended June 30, 2018 Compared to the Three Months Ended June 30, 2017.

Statements of Operations Data	For the Three Months Ended June 30, 2018	2017	Variance Amount	Variance %
	(In thousands)			
Revenue:				
Subscriber-related revenue	$ 3,419,760	$ 3,614,279	$ (194,519)	(5.4)
Equipment sales and other revenue	41,085	29,353	11,732	40.0
Total revenue	3,460,845	3,643,632	(182,787)	(5.0)
Costs and Expenses:				
Subscriber-related expenses	2,159,427	2,242,775	(83,348)	(3.7)
% of Subscriber-related revenue	**63.1 %**	**62.1 %**		
Satellite and transmission expenses	146,052	163,980	(17,928)	(10.9)
% of Subscriber-related revenue	**4.3 %**	**4.5 %**		
Cost of sales - equipment and other	36,117	22,136	13,981	63.2
Subscriber acquisition costs	183,262	275,460	(92,198)	(33.5)
General and administrative expenses	190,625	179,812	10,813	6.0
% of Total revenue	**5.5 %**	**4.9 %**		
Litigation expense	—	295,695	(295,695)	*
Depreciation and amortization	172,702	211,671	(38,969)	(18.4)
Total costs and expenses	2,888,185	3,391,529	(503,344)	(14.8)
Operating income (loss)	572,660	252,103	320,557	*
Other Income (Expense):				
Interest income	10,619	12,447	(1,828)	(14.7)
Interest expense, net of amounts capitalized	(2,865)	(26,269)	23,404	89.1
Other, net	21,432	3,167	18,265	*
Total other income (expense)	29,186	(10,655)	39,841	*
Income (loss) before income taxes	601,846	241,448	360,398	*
Income tax (provision) benefit, net	(141,560)	(182,686)	41,126	22.5
Effective tax rate	**23.5 %**	**75.7 %**		
Net income (loss)	460,286	58,762	401,524	*
Less: Net income (loss) attributable to noncontrolling interests, net of tax	21,569	18,646	2,923	15.7
Net income (loss) attributable to DISH Network	$ 438,717	$ 40,116	$ 398,601	*
Other Data:				
Pay-TV subscribers, as of period end (in millions)	12.997	13.332	(0.335)	(2.5)
DISH TV subscribers, as of period end (in millions)	10.653	11.516	(0.863)	(7.5)
Sling TV subscribers, as of period end (in millions)	2.344	1.816	0.528	29.1
Pay-TV subscriber additions (losses), net (in millions)	(0.151)	(0.196)	0.045	23.0
DISH TV subscriber additions (losses), net (in millions)	(0.192)	(0.316)	0.124	39.2
Sling TV subscriber additions (losses), net (in millions)	0.041	0.120	(0.079)	(65.8)
Pay-TV ARPU	$ 85.54	$ 87.25	$ (1.71)	(2.0)
DISH TV subscriber additions, gross (in millions)	0.278	0.324	(0.046)	(14.2)
DISH TV churn rate	1.46 %	1.83 %	(0.37)%	(20.2)
DISH TV SAC	$ 763	$ 806	$ (43)	(5.3)
EBITDA	$ 745,225	$ 448,295	$ 296,930	66.2

* Percentage is not meaningful.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Pay-TV subscribers. We lost approximately 151,000 net Pay-TV subscribers during the three months ended June 30, 2018 compared to the loss of approximately 196,000 net Pay-TV subscribers during the same period in 2017. The decrease in net Pay-TV subscriber losses during the three months ended June 30, 2018 resulted from fewer net DISH TV subscriber losses, partially offset by fewer net Sling TV subscriber additions. We lost approximately 192,000 net DISH TV subscribers during the three months ended June 30, 2018 compared to the loss of approximately 316,000 net DISH TV subscribers during the same period in 2017. This decrease in net DISH TV subscriber losses primarily resulted from a lower DISH TV churn rate, partially offset by lower gross new DISH TV subscriber activations. We added approximately 41,000 net Sling TV subscribers during the three months ended June 30, 2018 compared to the addition of approximately 120,000 net Sling TV subscribers during the same period in 2017. This decrease in net Sling TV subscriber additions is primarily related to a higher number of customer disconnects on a larger Sling TV subscriber base and to increased competition, including competition from other OTT service providers.

Our DISH TV churn rate for the three months ended June 30, 2018 was 1.46% compared to 1.83% for the same period in 2017. This decrease primarily resulted from our increased emphasis on acquiring and retaining higher quality subscribers. Our DISH TV churn rate is impacted by external factors, such as, among other things, increased competitive pressures, including aggressive marketing, bundled discount offers combining broadband, video and/or wireless services and other discounted promotional offers, as well as cord cutting. Our DISH TV churn rate is also impacted by internal factors, such as, among other things, our ability to consistently provide outstanding customer service, price increases, programming interruptions in connection with the scheduled expiration of certain programming carriage contracts, our ability to control piracy and other forms of fraud and the level of our retention efforts.

During the three months ended June 30, 2018, we activated approximately 278,000 gross new DISH TV subscribers compared to approximately 324,000 gross new DISH TV subscribers during the same period in 2017, a decrease of 14.2%. This decrease in our gross new DISH TV subscriber activations was primarily impacted by increased competitive pressures, including aggressive marketing and retention efforts, bundled discount offers combining broadband, video and/or wireless services and other discounted promotional offers, as well as stricter customer acquisition policies for our DISH TV subscribers, including an increased emphasis on acquiring higher quality subscribers.

During September 2017, Hurricane Maria caused extraordinary damage in Puerto Rico and the U.S. Virgin Islands, resulting in a widespread loss of power and infrastructure. Given the devastation and loss of power, substantially all customers in those areas were unable to receive our service as of September 30, 2017. In an effort to ensure customers would not be charged for services they were unable to receive, we proactively paused service for those customers. Accordingly, we removed approximately 145,000 subscribers, representing all of our subscribers in Puerto Rico and the U.S. Virgin Islands, from our ending Pay-TV subscriber count as of September 30, 2017. During the fourth quarter 2017, 75,000 of these customers reactivated. During the three and six months ended June 30, 2018, 5,000 and 29,000 of these customers reactivated, respectively. We incurred certain costs in connection with the re-activation of these returning subscribers, and accordingly, these returning customers were recorded as gross new DISH TV subscriber activations with the corresponding costs recorded in "Subscriber acquisition costs" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) and/or in "Purchases of property and equipment" on our Condensed Consolidated Statements of Cash Flows. We cannot predict when the remaining subscribers in Puerto Rico and the U.S. Virgin Islands discussed above will be able to receive service, how many will return or when they may return to active subscriber status, and there can be no assurance that they will return. Although we continue to assess the potential impact of Hurricane Maria on our subscriber base, the impact of the hurricane did not have a material effect on our overall financial position or results of operations.

In the past, our net Pay-TV subscriber additions, gross new DISH TV subscriber activations, and DISH TV subscriber churn rate have been negatively impacted as a result of programming interruptions and threatened programming interruptions in connection with the scheduled expiration of programming carriage contracts with content providers.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

We cannot predict with any certainty the impact to our net Pay-TV subscriber additions, gross new DISH TV subscriber activations, and DISH TV subscriber churn rate resulting from programming interruptions or threatened programming interruptions that may occur in the future. As a result, we may at times suffer from periods of lower net Pay-TV subscriber additions or higher net Pay-TV subscriber losses.

We have not always met our own standards for performing high-quality installations, effectively resolving subscriber issues when they arise, answering subscriber calls in an acceptable timeframe, effectively communicating with our subscriber base, reducing calls driven by the complexity of our business, improving the reliability of certain systems and subscriber equipment and aligning the interests of certain independent third-party retailers and installers to provide high-quality service. Most of these factors have affected both gross new DISH TV subscriber activations as well as DISH TV subscriber churn rate. Our future gross new DISH TV subscriber activations and our DISH TV subscriber churn rate may be negatively impacted by these factors, which could in turn adversely affect our revenue.

Subscriber-related revenue. "Subscriber-related revenue" totaled $3.420 billion for the three months ended June 30, 2018, a decrease of $195 million or 5.4% compared to the same period in 2017. The decrease in "Subscriber-related revenue" from the same period in 2017 was primarily related to a lower average Pay-TV subscriber base and the decrease in Pay-TV ARPU discussed below. We expect these trends in "Subscriber-related revenue" to continue.

Pay-TV ARPU. Pay-TV ARPU was $85.54 during the three months ended June 30, 2018 versus $87.25 during the same period in 2017. The $1.71 or 2.0% decrease in Pay-TV ARPU was primarily attributable to an increase in Sling TV subscribers as a percentage of our total Pay-TV subscriber base and a shift in DISH TV programming package mix to lower priced programming packages. Sling TV subscribers on average purchase lower priced programming services than DISH TV subscribers, and therefore, the increase in Sling TV subscribers had a negative impact on Pay-TV ARPU. We expect this trend to continue. These decreases were partially offset by DISH TV programming package price increases in February 2018 and 2017 and an increase in revenue per subscriber related to our Sling TV services. Pay-TV ARPU for the three months ended June 30, 2017 was positively impacted by a pay-per-view event.

Subscriber-related expenses. "Subscriber-related expenses" totaled $2.159 billion during the three months ended June 30, 2018, a decrease of $83 million or 3.7% compared to the same period in 2017. The decrease in "Subscriber-related expenses" was primarily attributable to a lower average Pay-TV subscriber base and a decrease in variable costs per subscriber, partially offset by higher programming costs per subscriber. The increase in programming costs per subscriber was driven by rate increases in certain of our programming contracts, including the renewal of certain contracts at higher rates, particularly for local broadcast channels. "Subscriber-related expenses" represented 63.1% and 62.1% of "Subscriber-related revenue" during the three months ended June 30, 2018 and 2017, respectively. The increase in this expense to revenue ratio primarily resulted from lower subscriber-related revenue and higher programming costs per subscriber, discussed above.

In the normal course of business, we enter into contracts to purchase programming content in which our payment obligations are generally contingent on the number of Pay-TV subscribers to whom we provide the respective content. Our "Subscriber-related expenses" have and will continue to face further upward pressure from price increases and the renewal of long-term programming contracts on less favorable pricing terms. In addition, our programming expenses will increase to the extent we are successful in growing our Pay-TV subscriber base.

Subscriber acquisition costs. "Subscriber acquisition costs" totaled $183 million during the three months ended June 30, 2018, a decrease of $92 million or 33.5% compared to the same period in 2017. This change was primarily attributable to the adoption of ASU 2014-09 and fewer gross new DISH TV subscriber activations. Subsequent to the adoption of ASU 2014-09 on January 1, 2018, we capitalize payments made under certain sales incentive programs, including those with our independent third-party retailers and other independent third-party distributors. These amounts were previously expensed as "Subscriber acquisition costs." See Note 2 in the Notes to our Condensed Consolidated Financial Statements for further information.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

DISH TV SAC. DISH TV SAC was $763 during the three months ended June 30, 2018 compared to $806 during the same period in 2017, a decrease of $43 or 5.3%. This change was primarily attributable to a decrease in advertising costs per activation and the reactivation of subscribers in Puerto Rico during the three months ended June 30, 2018. The expenses we incurred for the reactivation of subscribers in Puerto Rico were lower on a per subscriber basis than those incurred for the remaining gross new DISH TV subscriber activations during the three months ended June 30, 2018.

During the three months ended June 30, 2018 and 2017, the amount of equipment capitalized under our lease program for new DISH TV subscribers totaled $34 million and $35 million, respectively. This decrease in capital expenditures under our lease program for new DISH TV subscribers resulted primarily from fewer gross new DISH TV subscriber activations and a decrease in hardware costs per activation, discussed above.

To remain competitive, we upgrade or replace subscriber equipment periodically as technology changes, and the costs associated with these upgrades may be substantial. To the extent technological changes render a portion of our existing equipment obsolete, we would be unable to redeploy all returned equipment and consequently would realize less benefit from the DISH TV SAC reduction associated with redeployment of that returned lease equipment.

Our "Subscriber acquisition costs" and "DISH TV SAC" may materially increase in the future to the extent that we, among other things, transition to newer technologies, introduce more aggressive promotions, or provide greater equipment subsidies. See further information under *"Liquidity and Capital Resources – Subscriber Acquisition and Retention Costs."*

Litigation expense. "Litigation expense" related to certain significant legal settlements, judgments or accruals totaled $296 million during the three months ended June 30, 2017. See Note 9 in the Notes to the Condensed Consolidated Financial Statements for further discussion.

Depreciation and amortization. "Depreciation and amortization" expense totaled $173 million during the three months ended June 30, 2018, a $39 million or 18.4% decrease compared to the same period in 2017. This change was primarily driven by a decrease in depreciation expense from equipment leased to new and existing DISH branded pay-TV subscribers.

Interest expense, net of amounts capitalized. "Interest expense, net of amounts capitalized" totaled $3 million during the three months ended June 30, 2018, a decrease of $23 million compared to the same period in 2017. This decrease was primarily related to a reduction in interest expense resulting from debt redemptions during 2018 and 2017. On June 14, 2017, the FCC issued an order granting our application to acquire the 600 MHz Licenses. The addition of the carrying amount of these licenses, together with the carrying amount of current wireless spectrum licenses, exceeded the amount of long-term debt and capital lease obligations on our Condensed Consolidated Balance Sheets since June 14, 2017. Therefore, beginning June 14, 2017, materially all of our interest expense is being capitalized. See Note 2 in the Notes to our Condensed Consolidated Financial Statements for further information.

Other, net. "Other, net" income was $21 million during the three months ended June 30, 2018 compared to $3 million for the same period in 2017. This change primarily resulted from an increase in net realized and/or unrealized gains on our marketable investment securities. See Note 5 in the Notes to our Condensed Consolidated Financial Statements for further information.

Earnings before interest, taxes, depreciation and amortization. EBITDA was $745 million during the three months ended June 30, 2018, an increase of $297 million or 66.2% compared to the same period in 2017. The increase in EBITDA was primarily attributable to the changes in operating income discussed above, excluding the change in "Depreciation and amortization." These changes in operating income include a $44 million positive impact related to the adoption of ASU 2014-09. EBITDA for the three months ended June 30, 2017 was negatively impacted by "Litigation expense" of $296 million. The following table reconciles EBITDA to the accompanying financial statements.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

	For the Three Months Ended June 30,	
	2018	**2017**
	(In thousands)	
EBITDA	$ 745,225	$ 448,295
Interest, net	7,754	(13,822)
Income tax (provision) benefit, net	(141,560)	(182,686)
Depreciation and amortization	(172,702)	(211,671)
Net income (loss) attributable to DISH Network	$ 438,717	$ 40,116

EBITDA is not a measure determined in accordance with accounting principles generally accepted in the United States ("GAAP") and should not be considered a substitute for operating income, net income or any other measure determined in accordance with GAAP. EBITDA is used as a measurement of operating efficiency and overall financial performance and we believe it to be a helpful measure for those evaluating companies in the pay-TV industry. Conceptually, EBITDA measures the amount of income generated each period that could be used to service debt, pay taxes and fund capital expenditures. EBITDA should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Income tax (provision) benefit, net. Our income tax provision was $142 million during the three months ended June 30, 2018, a decrease of $41 million compared to the same period in 2017. The decrease in the provision was primarily related to a decrease in our effective tax rate as a result of the Tax Cuts and Jobs Act of 2017 (the "Tax Reform Act"), which, among other things, lowered the federal statutory corporate tax rate from 35% to 21%. In addition, our effective tax rate was negatively impacted by $255 million of "Litigation expense" related to the FTC Action during the three months ended June 30, 2017, as any eventual payments of this expense may not be deductible for income tax purposes. The tax deductibility of any eventual payments may change based upon, among other things, further developments in the FTC Action, including final adjudication of the FTC Action.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Six Months Ended June 30, 2018 Compared to the Six Months Ended June 30, 2017.

Statements of Operations Data	For the Six Months Ended June 30, 2018	2017	Variance Amount	Variance %
		(In thousands)		
Revenue:				
Subscriber-related revenue	$ 6,842,464	$ 7,258,365	$ (415,901)	(5.7)
Equipment sales and other revenue	76,868	65,628	11,240	17.1
Total revenue	6,919,332	7,323,993	(404,661)	(5.5)
Costs and Expenses:				
Subscriber-related expenses	4,344,378	4,485,962	(141,584)	(3.2)
% of Subscriber-related revenue	**63.5 %**	**61.8 %**		
Satellite and transmission expenses	299,696	340,162	(40,466)	(11.9)
% of Subscriber-related revenue	**4.4 %**	**4.7 %**		
Cost of sales - equipment and other	67,743	50,109	17,634	35.2
Subscriber acquisition costs	379,273	565,494	(186,221)	(32.9)
General and administrative expenses	360,402	310,847	49,555	15.9
% of Total revenue	**5.2 %**	**4.2 %**		
Litigation expense	—	295,695	(295,695)	*
Depreciation and amortization	365,674	416,301	(50,627)	(12.2)
Total costs and expenses	5,817,166	6,464,570	(647,404)	(10.0)
Operating income (loss)	1,102,166	859,423	242,743	28.2
Other Income (Expense):				
Interest income	19,936	26,739	(6,803)	(25.4)
Interest expense, net of amounts capitalized	(5,822)	(55,439)	49,617	89.5
Other, net	(13,376)	7,912	(21,288)	*
Total other income (expense)	738	(20,788)	21,526	*
Income (loss) before income taxes	1,102,904	838,635	264,269	31.5
Income tax (provision) benefit, net	(257,297)	(389,798)	132,501	34.0
Effective tax rate	**23.3 %**	**46.5 %**		
Net income (loss)	845,607	448,837	396,770	88.4
Less: Net income (loss) attributable to noncontrolling interests, net of tax	39,330	33,006	6,324	19.2
Net income (loss) attributable to DISH Network	$ 806,277	$ 415,831	$ 390,446	93.9
Other Data:				
Pay-TV subscribers, as of period end (in millions)	12.997	13.332	(0.335)	(2.5)
DISH TV subscribers, as of period end (in millions)	10.653	11.516	(0.863)	(7.5)
Sling TV subscribers, as of period end (in millions)	2.344	1.816	0.528	29.1
Pay-TV subscriber additions (losses), net (in millions)	(0.245)	(0.339)	0.094	27.7
DISH TV subscriber additions (losses), net (in millions)	(0.377)	(0.654)	0.277	42.4
Sling TV subscriber additions (losses), net (in millions)	0.132	0.315	(0.183)	(58.1)
Pay-TV ARPU	$ 85.01	$ 86.90	$ (1.89)	(2.2)
DISH TV subscriber additions, gross (in millions)	0.575	0.676	(0.101)	(14.9)
DISH TV churn rate	1.46 %	1.87 %	(0.41)%	(21.9)
DISH TV SAC	$ 734	$ 784	$ (50)	(6.4)
EBITDA	$ 1,415,134	$ 1,250,630	$ 164,504	13.2

*Percentage is not meaningful.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Pay-TV subscribers. We lost approximately 245,000 net Pay-TV subscribers during the six months ended June 30, 2018 compared to the loss of approximately 339,000 net Pay-TV subscribers during the same period in 2017. The decrease in net Pay-TV subscriber losses during the six months ended June 30, 2018 resulted from fewer net DISH TV subscriber losses, partially offset by fewer net Sling TV subscriber additions. We lost approximately 377,000 net DISH TV subscribers during the six months ended June 30, 2018 compared to the loss of approximately 654,000 net DISH TV subscribers during the same period in 2017. This decrease in net DISH TV subscriber losses primarily resulted from a lower DISH TV churn rate, partially offset by lower gross new DISH TV subscriber activations. We added approximately 132,000 net Sling TV subscribers during the six months ended June 30, 2018 compared to the addition of approximately 315,000 net Sling TV subscribers during the same period in 2017. This decrease in net Sling TV subscriber additions is primarily related to a higher number of customer disconnects on a larger Sling TV subscriber base and to increased competition, including competition from other OTT service providers.

Our DISH TV churn rate for the six months ended June 30, 2018 was 1.46% compared to 1.87% for the same period in 2017. This decrease primarily resulted from our increased emphasis on acquiring and retaining higher quality subscribers. Our DISH TV churn rate is impacted by external factors, such as, among other things, increased competitive pressures, including aggressive marketing, bundled discount offers combining broadband, video and/or wireless services and other discounted promotional offers, as well as cord cutting. Our DISH TV churn rate is also impacted by internal factors, such as, among other things, our ability to consistently provide outstanding customer service, price increases, programming interruptions in connection with the scheduled expiration of certain programming carriage contracts, our ability to control piracy and other forms of fraud and the level of our retention efforts.

During the six months ended June 30, 2018, we activated approximately 575,000 gross new DISH TV subscribers compared to approximately 676,000 gross new DISH TV subscribers during the same period in 2017, a decrease of 14.9%. This decrease in our gross new DISH TV subscriber activations was primarily impacted by increased competitive pressures, including aggressive marketing and retention efforts, bundled discount offers combining broadband, video and/or wireless services and other discounted promotional offers, as well as stricter customer acquisition policies for our DISH TV subscribers, including an increased emphasis on acquiring higher quality subscribers.

During September 2017, Hurricane Maria caused extraordinary damage in Puerto Rico and the U.S. Virgin Islands, resulting in a widespread loss of power and infrastructure. Given the devastation and loss of power, substantially all customers in those areas were unable to receive our service as of September 30, 2017. In an effort to ensure customers would not be charged for services they were unable to receive, we proactively paused service for those customers. Accordingly, we removed approximately 145,000 subscribers, representing all of our subscribers in Puerto Rico and the U.S. Virgin Islands, from our ending Pay-TV subscriber count as of September 30, 2017. During the fourth quarter 2017, 75,000 of these customers reactivated. During the three and six months ended June 30, 2018, 5,000 and 29,000 of these customers reactivated, respectively. We incurred certain costs in connection with the re-activation of these returning subscribers, and accordingly, these returning customers were recorded as gross new DISH TV subscriber activations with the corresponding costs recorded in "Subscriber acquisition costs" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) and/or in "Purchases of property and equipment" on our Condensed Consolidated Statements of Cash Flows. We cannot predict when the remaining subscribers in Puerto Rico and the U.S. Virgin Islands discussed above will be able to receive service, how many will return or when they may return to active subscriber status, and there can be no assurance that they will return. Although we continue to assess the potential impact of Hurricane Maria on our subscriber base, the impact of the hurricane did not have a material effect on our overall financial position or results of operations.

In the past, our net Pay-TV subscriber additions, gross new DISH TV subscriber activations, and DISH TV subscriber churn rate have been negatively impacted as a result of programming interruptions and threatened programming interruptions in connection with the scheduled expiration of programming carriage contracts with content providers.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Subscriber-related revenue. "Subscriber-related revenue" totaled $6.842 billion for the six months ended June 30, 2018, a decrease of $416 million or 5.7% compared to the same period in 2017. The decrease in "Subscriber-related revenue" from the same period in 2017 was primarily related to a lower average Pay-TV subscriber base and the decrease in Pay-TV ARPU discussed below. We expect these trends in "Subscriber-related revenue" to continue.

Pay-TV ARPU. Pay-TV ARPU was $85.01 during the six months ended June 30, 2018 versus $86.90 during the same period in 2017. The $1.89 or 2.2% decrease in Pay-TV ARPU was primarily attributable to an increase in Sling TV subscribers as a percentage of our total Pay-TV subscriber base and a shift in DISH TV programming package mix to lower priced programming packages. Pay-TV ARPU was also negatively impacted by the adoption of ASU 2014-09 on January 1, 2018. See Note 2 in the Notes to our Condensed Consolidated Financial Statements for further information. Sling TV subscribers on average purchase lower priced programming services than DISH TV subscribers, and therefore, the increase in Sling TV subscribers had a negative impact on Pay-TV ARPU. We expect this trend to continue. These decreases were partially offset by DISH TV programming package price increases in February 2018 and 2017 and an increase in revenue per subscriber related to our Sling TV services.

Subscriber-related expenses. "Subscriber-related expenses" totaled $4.344 billion during the six months ended June 30, 2018, a decrease of $142 million or 3.2% compared to the same period in 2017. The decrease in "Subscriber-related expenses" was primarily attributable to a lower average Pay-TV subscriber base and a decrease in variable costs per subscriber, partially offset by higher programming costs per subscriber. The increase in programming costs per subscriber was driven by rate increases in certain of our programming contracts, including the renewal of certain contracts at higher rates, particularly for local broadcast channels. "Subscriber-related expenses" represented 63.5% and 61.8% of "Subscriber-related revenue" during the six months ended June 30, 2018 and 2017, respectively. The increase in this expense to revenue ratio primarily resulted from lower subscriber-related revenue and higher programming costs per subscriber, discussed above.

Subscriber acquisition costs. "Subscriber acquisition costs" totaled $379 million during the six months ended June 30, 2018, a decrease of $186 million or 32.9% compared to the same period in 2017. This change was primarily attributable to the adoption of ASU 2014-09, fewer gross new DISH TV subscriber activations and a decrease in broadband subscriber acquisition costs. Subsequent to the adoption of ASU 2014-09 on January 1, 2018, we capitalize payments made under certain sales incentive programs, including those with our independent third-party retailers and other independent third-party distributors. These amounts were previously expensed as "Subscriber acquisition costs." See Note 2 in the Notes to our Condensed Consolidated Financial Statements for further information.

DISH TV SAC. DISH TV SAC was $734 during the six months ended June 30, 2018 compared to $784 during the same period in 2017, a decrease of $50 or 6.4%. This change was primarily attributable to a decrease in hardware costs per activation, a decrease in advertising costs per activation and the reactivation of subscribers in Puerto Rico during the six months ended June 30, 2018. The expenses we incurred for the reactivation of subscribers in Puerto Rico were lower on a per subscriber basis than those incurred for the remaining gross new DISH TV subscriber activations during the six months ended June 30, 2018. The decrease in hardware costs per activation was primarily due to a higher percentage of remanufactured receivers being activated on new DISH TV subscriber accounts.

During the six months ended June 30, 2018 and 2017, the amount of equipment capitalized under our lease program for new DISH TV subscribers totaled $55 million and $77 million, respectively. This decrease in capital expenditures under our lease program for new DISH TV subscribers resulted primarily from fewer gross new DISH TV subscriber activations and a decrease in hardware costs per activation, discussed above.

General and administrative expenses. "General and administrative expenses" totaled $360 million during the six months ended June 30, 2018, a $50 million or 15.9% increase compared to the same period in 2017. This change was primarily related to the positive impact from the reimbursement of legal fees during 2017.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Litigation expense. "Litigation expense" related to certain significant legal settlements, judgments or accruals totaled $296 million during the six months ended June 30, 2017. See Note 9 in the Notes to the Condensed Consolidated Financial Statements for further discussion.

Depreciation and amortization. "Depreciation and amortization" expense totaled $366 million during the six months ended June 30, 2018, a $51 million or 12.2% decrease compared to the same period in 2017. This change was primarily driven by a decrease in depreciation expense from equipment leased to new and existing DISH branded pay-TV subscribers and a decrease in depreciation expense associated with the T1 satellite, which was impaired during the fourth quarter 2017.

Interest expense, net of amounts capitalized. "Interest expense, net of amounts capitalized" totaled $6 million during the six months ended June 30, 2018, a decrease of $50 million compared to the same period in 2017. This decrease was primarily related to a reduction in interest expense resulting from debt redemptions during 2018 and 2017 and an increase of $24 million in capitalized interest principally associated with the commercialization of our wireless spectrum. On June 14, 2017, the FCC issued an order granting our application to acquire the 600 MHz Licenses. The addition of the carrying amount of these licenses, together with the carrying amount of current wireless spectrum licenses, exceeded the amount of long-term debt and capital lease obligations on our Condensed Consolidated Balance Sheets since June 14, 2017. Therefore, beginning June 14, 2017, materially all of our interest expense is being capitalized. See Note 2 in the Notes to our Condensed Consolidated Financial Statements for further information.

Earnings before interest, taxes, depreciation and amortization. EBITDA was $1.415 billion during the six months ended June 30, 2018, an increase of $165 million or 13.2% compared to the same period in 2017. The increase in EBITDA was primarily attributable to the changes in operating income discussed above, excluding the change in "Depreciation and amortization." These changes in operating income include an $80 million positive impact related to the adoption of ASU 2014-09. EBITDA for the six months ended June 30, 2017 was negatively impacted by "Litigation expense" of $296 million. The following table reconciles EBITDA to the accompanying financial statements.

	For the Six Months Ended June 30,	
	2018	**2017**
	(In thousands)	
EBITDA	$ 1,415,134	$ 1,250,630
Interest, net	14,114	(28,700)
Income tax (provision) benefit, net	(257,297)	(389,798)
Depreciation and amortization	(365,674)	(416,301)
Net income (loss) attributable to DISH Network	$ 806,277	$ 415,831

EBITDA is not a measure determined in accordance with accounting principles generally accepted in the United States ("GAAP") and should not be considered a substitute for operating income, net income or any other measure determined in accordance with GAAP. EBITDA is used as a measurement of operating efficiency and overall financial performance and we believe it to be a helpful measure for those evaluating companies in the pay-TV industry. Conceptually, EBITDA measures the amount of income generated each period that could be used to service debt, pay taxes and fund capital expenditures. EBITDA should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Income tax (provision) benefit, net. Our income tax provision was $257 million during the six months ended June 30, 2018, a decrease of $133 million compared to the same period in 2017. The decrease in the provision was primarily related to a decrease in our effective tax rate as a result of the Tax Cuts and Jobs Act of 2017 (the "Tax Reform Act"), which, among other things, lowered the federal statutory corporate tax rate from 35% to 21%. In addition, our effective tax rate was negatively impacted by $255 million of "Litigation expense" related to the FTC Action during the six months ended June 30, 2017, as any eventual payments of this expense may not be deductible for income tax purposes. The tax deductibility of any eventual payments may change based upon, among other things, further developments in the FTC Action, including final adjudication of the FTC Action.

LIQUIDITY AND CAPITAL RESOURCES

Cash, Cash Equivalents and Current Marketable Investment Securities

We consider all liquid investments purchased within 90 days of their maturity to be cash equivalents. See Note 5 in the Notes to our Condensed Consolidated Financial Statements for further information regarding our marketable investment securities. As of June 30, 2018, our cash, cash equivalents and current marketable investment securities totaled $1.555 billion compared to $1.981 billion as of December 31, 2017, a decrease of $426 million. This decrease in cash, cash equivalents and current marketable investment securities primarily resulted from the redemption and repurchases of our 4 1/4% Senior Notes due 2018 with an aggregate principal balance of $1.026 billion, $62 million of repurchases of our 7 7/8% Senior Notes due 2019 in open market trades and capital expenditures of $641 million (including capitalized interest related to FCC authorizations), partially offset by cash generated from operating activities of $1.325 billion.

Cash Flow

The following discussion highlights our cash flow activities during the six months ended June 30, 2018.

Cash flows from operating activities

For the six months ended June 30, 2018, we reported "Net cash flows from operating activities" of $1.325 billion primarily attributable to $1.425 billion of "Net income (loss)" adjusted to exclude the non-cash items for "Depreciation and amortization" expense, "Realized and unrealized losses (gains) on investments" and "Deferred tax expense (benefit)."

Cash flows from investing activities

For the six months ended June 30, 2018, we reported outflows from "Net cash flows from investing activities" of $697 million primarily related to capital expenditures of $641 million (including capitalized interest related to FCC authorizations) and $63 million in net purchases of marketable investment securities. The capital expenditures included $473 million of capitalized interest related to FCC authorizations, $105 million for new and existing DISH TV subscriber equipment and $63 million of other corporate capital expenditures.

Cash flows from financing activities

For the six months ended June 30, 2018, we reported outflows from "Net cash flows from financing activities" of $1.100 billion primarily related to the redemption and repurchases of our 4 1/4% Senior Notes due 2018 with an aggregate principal balance of $1.026 billion and $62 million of repurchases of our 7 7/8% Senior Notes due 2019 in open market trades.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Free Cash Flow

We define free cash flow as "Net cash flows from operating activities" less "Purchases of property and equipment," and "Capitalized interest related to FCC authorizations," as shown on our Condensed Consolidated Statements of Cash Flows. We believe free cash flow is an important liquidity metric because it measures, during a given period, the amount of cash generated that is available to repay debt obligations, make investments (including strategic wireless investments), fund acquisitions and for certain other activities. Free cash flow is not a measure determined in accordance with GAAP and should not be considered a substitute for "Operating income," "Net income," "Net cash flows from operating activities" or any other measure determined in accordance with GAAP. Since free cash flow includes investments in operating assets, we believe this non-GAAP liquidity measure is useful in addition to the most directly comparable GAAP measure "Net cash flows from operating activities."

Free cash flow can be significantly impacted from period to period by changes in "Net income (loss)" adjusted to exclude certain non-cash charges, operating assets and liabilities, "Purchases of property and equipment," and "Capitalized interest related to FCC authorizations." These items are shown in the "Net cash flows from operating activities" and "Net cash flows from investing activities" sections on our Condensed Consolidated Statements of Cash Flows included herein. Operating asset and liability balances can fluctuate significantly from period to period and there can be no assurance that free cash flow will not be negatively impacted by material changes in operating assets and liabilities in future periods, since these changes depend upon, among other things, management's timing of payments and control of inventory levels, and cash receipts. In addition to fluctuations resulting from changes in operating assets and liabilities, free cash flow can vary significantly from period to period depending upon, among other things, net Pay-TV subscriber additions (losses), subscriber revenue, DISH TV subscriber churn, subscriber acquisition and retention costs including amounts capitalized under our equipment lease programs for DISH TV subscribers, operating efficiencies, increases or decreases in purchases of property and equipment, expenditures related to the commercialization of our wireless spectrum and other factors. In addition, certain changes resulting from the Tax Reform Act, including, among other things, limitations on the deductibility of interest, may increase cash paid for income taxes and decrease free cash flow in 2018.

The following table reconciles free cash flow to "Net cash flows from operating activities."

	For the Six Months Ended June 30,	
	2018	2017
	(In thousands)	
Free cash flow	$ 684,446	$ 828,288
Add back:		
Purchases of property and equipment (including capitalized interest related to FCC authorizations)	640,892	664,808
Net cash flows from operating activities	$ 1,325,338	$ 1,493,096

Operational Liquidity

We make general investments in property such as satellites, set-top boxes, information technology and facilities that support our overall Pay-TV business. We also will need to make significant additional investments or partner with others to, among other things, commercialize, build-out, and integrate our wireless spectrum licenses and related assets. Moreover, since we are primarily a subscriber-based company, we also make subscriber-specific investments to acquire new subscribers and retain existing subscribers. While the general investments may be deferred without impacting the business in the short-term, the subscriber-specific investments are less discretionary. Our overall objective is to generate sufficient cash flow over the life of each subscriber to provide an adequate return against the upfront investment. Once the upfront investment has been made for each subscriber, the subsequent cash flow is generally positive, but there can be no assurances that over time we will recoup or earn a return on the upfront investment.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

There are a number of factors that impact our future cash flow compared to the cash flow we generate at a given point in time. The first factor is our DISH TV churn rate and how successful we are at retaining our current Pay-TV subscribers. To the extent we lose Pay-TV subscribers from our existing base, the positive cash flow from that base is correspondingly reduced. The second factor is how successful we are at maintaining our subscriber-related margins. To the extent our "Subscriber-related expenses" grow faster than our "Subscriber-related revenue," the amount of cash flow that is generated per existing subscriber is reduced. Recently, our subscriber-related margins have been reduced by, among other things, a shift to lower priced Pay-TV programming packages and higher programming costs. The third factor is the rate at which we acquire new subscribers. The faster we acquire new subscribers, the more our positive ongoing cash flow from existing subscribers is offset by the negative upfront cash flow associated with acquiring new subscribers. Conversely, the slower we acquire subscribers, the more our operating cash flow is enhanced in that period. Finally, our future cash flow is impacted by the rate at which we make general investments (including significant investments in wireless), incur expenditures related to the commercialization of our wireless licenses (including any expenditures associated with the deployment of our wireless networks), incur litigation expense, and any cash flow from financing activities. Recently, declines in our Pay-TV subscriber base and subscriber-related margins have negatively impacted our cash flow, which has been partially offset by the short-term benefit of less upfront cash outflows related to acquiring fewer new subscribers. There can be no assurance that the short-term benefit of less upfront cash outflows related to acquiring fewer new subscribers will continue in the future.

Subscriber Base

We lost approximately 245,000 net Pay-TV subscribers during the six months ended June 30, 2018 compared to the loss of approximately 339,000 net Pay-TV subscribers during the same period in 2017. The decrease in net Pay-TV subscriber losses during the six months ended June 30, 2018 resulted from fewer net DISH TV subscriber losses, partially offset by fewer net Sling TV subscriber additions. We lost approximately 377,000 net DISH TV subscribers during the six months ended June 30, 2018 compared to the loss of approximately 654,000 net DISH TV subscribers during the same period in 2017. This decrease in net DISH TV subscriber losses primarily resulted from a lower DISH TV churn rate, partially offset by lower gross new DISH TV subscriber activations. We added approximately 132,000 net Sling TV subscribers during the six months ended June 30, 2018 compared to the addition of approximately 315,000 net Sling TV subscribers during the same period in 2017. This decrease in net Sling TV subscriber additions is primarily related to a higher number of customer disconnects on a larger Sling TV subscriber base and to increased competition, including competition from other OTT service providers. See "Results of Operations" above for further information.

Subscriber Acquisition and Retention Costs

We incur significant upfront costs to acquire subscribers, including advertising, independent third-party retailer incentives, payments made to third-parties, equipment subsidies, installation services, and/or new customer promotions. While we attempt to recoup these upfront costs over the lives of their subscription, there can be no assurance that we will be successful in achieving that objective. With respect to our DISH TV services, we employ business rules such as minimum credit requirements for prospective customers and contractual commitments to receive service for a minimum term. We strive to provide outstanding customer service to increase the likelihood of customers keeping their Pay-TV services over longer periods of time. Subscriber acquisition costs for Sling TV subscribers are significantly lower than those for DISH TV subscribers. Our subscriber acquisition costs may vary significantly from period to period.

We incur significant costs to retain our existing DISH TV subscribers, mostly as a result of upgrading their equipment to next generation receivers, primarily including our Hopper receivers, and by providing retention credits. As with our subscriber acquisition costs, our retention upgrade spending includes the cost of equipment and installation services. In certain circumstances, we also offer programming at no additional charge and/or promotional pricing for limited periods to existing customers in exchange for a contractual commitment to receive service for a minimum term. A component of our retention efforts includes the installation of equipment for customers who move. Our DISH TV subscriber retention costs may vary significantly from period to period.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Seasonality

Historically, the first half of the year generally produces fewer gross new DISH TV subscriber activations than the second half of the year, as is typical in the pay-TV industry. In addition, the first and fourth quarters generally produce a lower DISH TV churn rate than the second and third quarters. However, in recent years, as the pay-TV industry has matured we and our competitors increasingly must seek to attract a greater proportion of new subscribers from each other's existing subscriber bases rather than from first-time purchasers of pay-TV services. As a result, seasonality has recently had a smaller impact on gross new DISH TV subscribers and the DISH TV churn rate. However, we cannot provide assurance that this will continue in the future. Our net Sling TV subscriber additions are impacted by, among other things, certain major sporting events and other major television events. We expect our new Sling TV subscriber additions to potentially demonstrate seasonality patterns as our Sling TV services become more established. We expect to be able to assess the seasonality patterns once we have a longer subscriber history.

Satellites

Operation of our DISH TV services requires that we have adequate satellite transmission capacity for the programming that we offer. Moreover, current competitive conditions require that we continue to expand our offering of new programming. While we generally have had in-orbit satellite capacity sufficient to transmit our existing channels and some backup capacity to recover the transmission of certain critical programming, our backup capacity is limited. In the event of a failure or loss of any of our owned or leased satellites, we may need to acquire or lease additional satellite capacity or relocate one of our other satellites and use it as a replacement for the failed or lost satellite. Such a failure could result in a prolonged loss of critical programming or a significant delay in our plans to expand programming as necessary to remain competitive and cause us to expend a significant portion of our cash to acquire or lease additional satellite capacity.

Security Systems

Increases in theft of our signal or our competitors' signals could, in addition to reducing gross new subscriber activations, also cause subscriber churn to increase. We use Security Access Devices in our DBS receiver systems to control access to authorized programming content. Furthermore, for our Sling TV services, we encrypt programming content and use digital rights management software to, among other things, prevent unauthorized access to our programming content. Our signal encryption has been compromised in the past and may be compromised in the future even though we continue to respond with significant investment in security measures, such as Security Access Device replacement programs and updates in security software, that are intended to make signal theft more difficult. It has been our prior experience that security measures may only be effective for short periods of time or not at all and that we remain susceptible to additional signal theft. We expect that future replacements of Security Access Devices may be necessary to keep our system secure. We cannot ensure that we will be successful in reducing or controlling theft of our programming content and we may incur additional costs in the future if our system's security is compromised.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Covenants and Restrictions Related to our Long-Term Debt

We are subject to the covenants and restrictions set forth in the indentures related to our long-term debt. In particular, the indentures related to our outstanding senior notes issued by DISH DBS Corporation ("DISH DBS") contain restrictive covenants that, among other things, impose limitations on the ability of DISH DBS and its restricted subsidiaries to: (i) incur additional indebtedness; (ii) enter into sale and leaseback transactions; (iii) pay dividends or make distributions on DISH DBS' capital stock or repurchase DISH DBS' capital stock; (iv) make certain investments; (v) create liens; (vi) enter into certain transactions with affiliates; (vii) merge or consolidate with another company; and (viii) transfer or sell assets. Should we fail to comply with these covenants, all or a portion of the debt under the senior notes and our other long-term debt could become immediately payable. The senior notes also provide that the debt may be required to be prepaid if certain change-in-control events occur. In addition, the 3 3/8% Convertible Notes due 2026 (the "Convertible Notes due 2026") and the 2 3/8% Convertible Notes due 2024 (the "Convertible Notes due 2024," and collectively with the Convertible Notes due 2026, the "Convertible Notes") provide that, if a "fundamental change" (as defined in the related indenture) occurs, holders may require us to repurchase for cash all or part of their Convertible Notes. As of the date of filing of this Quarterly Report on Form 10-Q, we and DISH DBS were in compliance with the covenants and restrictions related to our respective long-term debt.

Other

We are also vulnerable to fraud, particularly in the acquisition of new subscribers. While we are addressing the impact of subscriber fraud through a number of actions, there can be no assurance that we will not continue to experience fraud, which could impact our subscriber growth and churn. Economic weakness may create greater incentive for signal theft, piracy and subscriber fraud, which could lead to higher subscriber churn and reduced revenue.

Obligations and Future Capital Requirements

We expect to fund our future working capital, capital expenditures and debt service requirements from cash generated from operations, existing cash, cash equivalents and marketable investment securities balances, and cash generated through raising additional capital. The amount of capital required to fund our future working capital and capital expenditure needs varies, depending on, among other things, the rate at which we acquire new subscribers and the cost of subscriber acquisition and retention, including capitalized costs associated with our new and existing subscriber equipment lease programs. The majority of our capital expenditures for 2018, with the exception of the commercialization of our existing wireless spectrum licenses, including capital expenditures associated with our wireless projects and potential purchase of additional wireless spectrum licenses discussed below, are expected to be driven by the costs associated with subscriber premises equipment. These expenditures are necessary to operate and maintain our DISH TV services. Consequently, we consider them to be non-discretionary. The amount of capital required will also depend on the levels of investment necessary to support potential strategic initiatives that may arise from time to time. Our capital expenditures vary depending on the number of satellites leased or under construction at any point in time, and could increase materially as a result of increased competition, significant satellite failures, or economic weakness and uncertainty. Our DISH TV subscriber base has been declining and there can be no assurance that our DISH TV subscriber base will not continue to decline and that the pace of such decline will not accelerate. In the event that our DISH TV subscriber base continues to decline, it will have a material adverse long-term effect on our cash flow. In addition, the rulings in the Telemarketing litigation requiring us to pay up to an aggregate amount of $341 million and imposing certain injunctive relief against us, if upheld, would have a material adverse effect on our cash, cash equivalents and marketable investment securities balances and our business operations. These factors, including a reduction in our available future cash flows, could require that we raise additional capital in the future.

Volatility in the financial markets has made it more difficult at times for issuers of high-yield indebtedness, such as us, to access capital markets at acceptable terms. These developments may have a significant effect on our cost of financing and our liquidity position.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Wireless

Since 2008, we have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets and made over $10 billion in non-controlling investments in certain entities, for a total of over $21 billion, as described further below.

DISH Network Spectrum

We have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets. These wireless spectrum licenses are subject to certain interim and final build-out requirements. In March 2017, we notified the FCC that we plan to deploy a next-generation 5G-capable network, focused on supporting narrowband IoT. The first phase of our network deployment will be completed by March 2020, with subsequent phases to be completed thereafter. As of June 30, 2018, we have entered into deployment services agreements, master lease agreements and contracts with multiple parties for, among other things, the development, manufacture and/or deployment of towers, wireless radios and chipsets in connection with the first phase of our network deployment. We currently expect expenditures for our wireless projects to be between $500 million and $1.0 billion through 2020. We currently expect expenditures for the second phase of our network deployment to be approximately $10 billion. We will need to make significant additional investments or partner with others to, among other things, commercialize, build-out, and integrate these licenses and related assets, and any additional acquired licenses and related assets; and comply with regulations applicable to such licenses. Depending on the nature and scope of such commercialization, build-out, integration efforts, and regulatory compliance, any such investments or partnerships could vary significantly. In addition, as we consider our options for the commercialization of our wireless spectrum, we will incur significant additional expenses and will have to make significant investments related to, among other things, research and development, wireless testing and wireless network infrastructure.

We may also determine that additional wireless spectrum licenses may be required to commercialize our wireless business and to compete with other wireless service providers. See Note 9 "*Commitments and Contingencies – DISH Network Spectrum*" in the Notes to our Condensed Consolidated Financial Statements for further information.

DISH Network Non-Controlling Investments in the Northstar Entities and the SNR Entities Related to AWS-3 Wireless Spectrum Licenses

During 2015, through our wholly-owned subsidiaries American II and American III, we initially made over $10 billion in certain non-controlling investments in Northstar Spectrum, the parent company of Northstar Wireless, and in SNR HoldCo, the parent company of SNR Wireless, respectively. On October 27, 2015, the FCC granted certain AWS-3 Licenses to Northstar Wireless and to SNR Wireless, respectively, which are recorded in "FCC authorizations" on our Condensed Consolidated Balance Sheets. Under the applicable accounting guidance in ASC 810, Northstar Spectrum and SNR HoldCo are considered variable interest entities and, based on the characteristics of the structure of these entities and in accordance with the applicable accounting guidance, we consolidate these entities into our financial statements. See Note 2 in the Notes to our Condensed Consolidated Financial Statements for further information.

The AWS-3 Licenses are subject to certain interim and final build-out requirements. The Northstar Entities and/or the SNR Entities may need to raise significant additional capital in the future, which may be obtained from third party sources or from us, so that the Northstar Entities and the SNR Entities may commercialize, build-out and integrate these AWS-3 Licenses, comply with regulations applicable to such AWS-3 Licenses, and make any potential payments related to the Northstar Re-Auction Payment and the SNR Re-Auction Payment for the AWS-3 licenses retained by the FCC. Depending upon the nature and scope of such commercialization, build-out, integration efforts, regulatory compliance, and potential Northstar Re-Auction Payment and SNR Re-Auction Payment, any loans, equity contributions or partnerships could vary significantly. See Note 9 "*Commitments and Contingencies – DISH Network Non-Controlling Investments in the Northstar Entities and the SNR Entities Related to AWS-3 Wireless Spectrum Licenses*" in the Notes to our Condensed Consolidated Financial Statements for further information.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

We may need to raise significant additional capital in the future to fund the efforts described above, which may not be available on acceptable terms or at all. There can be no assurance that we, the Northstar Entities and/or the SNR Entities will be able to develop and implement business models that will realize a return on these wireless spectrum licenses or that we, the Northstar Entities and/or the SNR Entities will be able to profitably deploy the assets represented by these wireless spectrum licenses, which may affect the carrying amount of these assets and our future financial condition or results of operations. See Note 9 "*Commitments and Contingencies*" in the Notes to our Condensed Consolidated Financial Statements for further information.

Availability of Credit and Effect on Liquidity

The ability to raise capital has generally existed for us despite economic weakness and uncertainty. While modest fluctuations in the cost of capital will not likely impact our current operational plans, significant fluctuations could have a material adverse effect on our business, results of operations and financial condition.

Debt Maturity

During the first quarter 2018, we repurchased $56 million of our 4 1/4% Senior Notes due 2018 in open market trades. The remaining balance of $969 million were redeemed on April 2, 2018.

During the six months ended June 30, 2018, we repurchased $62 million of our 7 7/8% Senior Notes due 2019 in open market trades. The remaining balance of $1.338 billion matures on September 1, 2019. We expect to fund the remaining obligation from cash and marketable investment securities balances at that time. But, depending on market conditions, we may refinance the remaining obligation in whole or in part.

Off-Balance Sheet Arrangements

Other than the "Guarantees" disclosed in Note 9 in the Notes to our Condensed Consolidated Financial Statements, we generally do not engage in off-balance sheet financing activities.

New Accounting Pronouncements

Leases. In February 2016, the FASB issued new guidance on the accounting for leases, ASU 2016-02 *Leases* ("ASU 2016-02"). The guidance amends the existing accounting standards for lease accounting, including the requirement that lessees recognize right of use assets and lease liabilities initially measured at the present value of the lease payments for all leases with a term of greater than twelve months. The accounting guidance for lessors remains largely unchanged. The effective date of this standard for us will be January 1, 2019. While we have not determined the effect of the standard on our ongoing financial reporting, we currently believe the most significant change will be the recognition of right of use assets and lease liabilities on our Condensed Consolidated Balance Sheets. We have established a multidisciplinary team to assess the implementation of this guidance and are currently in the process of identifying and implementing changes to our systems, process, and internal controls to meet the requirements of the standard.

Financial Instruments – Credit Losses. On June 16, 2016, the FASB issued ASU 2016-13 *Financial Instruments – Credit Losses, Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), which changes the way entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net earnings. This standard will be effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted. We are evaluating the impact the adoption of ASU 2016-13 will have on our Condensed Consolidated Financial Statements and related disclosures.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in our market risk during the six months ended June 30, 2018. For additional information, see Item 7A. Quantitative and Qualitative Disclosures About Market Risk in Part II of our Annual Report on Form 10-K for the year ended December 31, 2017.

Item 4. CONTROLS AND PROCEDURES

Conclusion regarding disclosure controls and procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in internal control over financial reporting

There has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

See Note 9 *"Commitments and Contingencies – Litigation*" in the Notes to our Condensed Consolidated Financial Statements for information regarding certain legal proceedings in which we are involved.

Item 1A. RISK FACTORS

Item 1A, "Risk Factors," of our Annual Report on Form 10-K for the year ended December 31, 2017 include a detailed discussion of our risk factors. The information presented below updates, and should be read in conjunction with, the risk factors and information disclosed in our Annual Report on Form 10-K for the year ended December 31, 2017.

Our wireless spectrum licenses are subject to certain interim and final build-out requirements, as well as certain renewal requirements. The failure to meet such build-out and/or renewal requirements may have a material adverse effect on our business, results of operations and financial condition.

Our wireless spectrum licenses are subject to the interim and final build-out requirements.

On July 9, 2018, the FCC sent us a letter inquiring about our progress toward meeting certain build-out milestones by March 2020, which is publicly available on the FCC's website. We will continue to update the FCC about our progress on the first phase of our network deployment.

There is no assurance that the FCC will find our build-out, including the first phase of our network deployment, sufficient to meet the build-out requirements to which our wireless spectrum licenses are subject.

In addition to the build-out requirements that may apply to a particular wireless license, the FCC grants wireless licenses for terms of generally ten years that are subject to renewal or revocation based on certain factors depending on the license including, among others, public interest considerations, level and quality of services and/or operations provided by the licensee, frequency and duration of any interruptions or outages of services and/or operations provided by the licensee, and the extent to which service is provided to, and/or operation is provided in, rural areas and tribal lands. There can be no assurances that our wireless spectrum licenses will be renewed or that our built-out will be sufficient to meet these renewal requirements.

Failure to comply with FCC requirements in a given license area could result in revocation of the license for that license area. The revocation of our wireless spectrum licenses resulting from a failure to meet build-out requirements and/or renewal requirements may have a material adverse effect on our future business, results of operations and financial condition. For further information related to our wireless spectrum licenses, including the operational risks of commercializing our wireless spectrum licenses, see the discussion below and in *"Item 1A. Risk Factors—Acquisition and Capital Structure Risks,"* of our Annual Report on Form 10-K for the year ended December 31, 2017.

700 MHz Licenses. In 2008, we paid $712 million to acquire certain 700 MHz E Block ("700 MHz") wireless spectrum licenses, which were granted to us by the FCC in February 2009. These licenses are subject to certain build-out requirements. By March 2020, we must provide signal coverage and offer service to at least 70% of the population in each of our E Block license areas (the "700 MHz Build-Out Requirement"). If the 700 MHz Build-Out Requirement is not met with respect to any particular E Block license area, our authorization may terminate for the geographic portion of that license area in which we are not providing service. In addition to the 700 MHz Build-Out Requirement deadline in March 2020, these wireless spectrum licenses also expire in March 2020 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

AWS-4 Licenses. On March 2, 2012, the FCC approved the transfer of 40 MHz of wireless spectrum licenses held by DBSD North America and TerreStar to us. On March 9, 2012, we completed the DBSD Transaction and the TerreStar Transaction, pursuant to which we acquired, among other things, certain satellite assets and wireless spectrum licenses held by DBSD North America and TerreStar. The total consideration to acquire the DBSD North America and TerreStar assets was approximately $2.860 billion.

On February 15, 2013, the FCC issued an order, which became effective on March 7, 2013, modifying our licenses to expand our terrestrial operating authority with AWS-4 authority ("AWS-4"). These licenses are subject to certain build-out requirements. By March 2020, we are required to provide terrestrial signal coverage and offer terrestrial service to at least 70% of the population in each area covered by an individual license (the "AWS-4 Build-Out Requirement"). If the AWS-4 Build-Out Requirement is not met with respect to any particular individual license, our terrestrial authorization for that license area may terminate. The FCC's December 20, 2013 order also conditionally waived certain FCC rules for our AWS-4 licenses to allow us to repurpose all 20 MHz of our uplink spectrum (2000-2020 MHz) for terrestrial downlink operations. On June 1, 2016, we notified the FCC that we had elected to use our AWS-4 uplink spectrum for terrestrial downlink operations, and effective June 7, 2016, the FCC modified our AWS-4 licenses, resulting in all 40 MHz of our AWS-4 spectrum being designated for terrestrial downlink operations. These wireless spectrum licenses expire in March 2023 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

H Block Licenses. On April 29, 2014, the FCC issued an order granting our application to acquire all 176 wireless spectrum licenses in the H Block auction. We paid approximately $1.672 billion to acquire these H Block licenses, including clearance costs associated with the lower H Block spectrum. The H Block licenses are subject to certain build-out requirements. By April 2022, we must provide reliable signal coverage and offer service to at least 75% of the population in each area covered by an individual H Block license (the "H Block Build-Out Requirement"). If the H Block Build-Out Requirement is not met, our authorization for each H Block license area in which we do not meet the requirement may terminate. These wireless spectrum licenses expire in April 2024 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

600 MHz Licenses. The broadcast incentive auction in the 600 MHz frequency range ("Auction 1000") began on March 29, 2016 and concluded on March 30, 2017. On April 13, 2017, the FCC announced that ParkerB.com Wireless L.L.C. ("ParkerB.com"), a wholly-owned subsidiary of DISH Network, was the winning bidder for 486 wireless spectrum licenses (the "600 MHz Licenses") with aggregate winning bids totaling approximately $6.211 billion. On April 27, 2017, ParkerB.com filed an application with the FCC to acquire the 600 MHz Licenses. On July 1, 2016, we paid $1.5 billion to the FCC as a deposit for Auction 1000. On May 11, 2017, we paid the remaining balance of our winning bids of approximately $4.711 billion. On June 14, 2017, the FCC issued an order granting ParkerB.com's application to acquire the 600 MHz Licenses.

The 600 MHz Licenses are subject to certain interim and final build-out requirements. By June 2023, we must provide reliable signal coverage and offer wireless service to at least 40% of the population in each area covered by an individual 600 MHz License (the "600 MHz Interim Build-Out Requirement"). By June 2029, we must provide reliable signal coverage and offer wireless service to at least 75% of the population in each area covered by an individual 600 MHz License (the "600 MHz Final Build-Out Requirement"). If the 600 MHz Interim Build-Out Requirement is not met, the 600 MHz License term and the 600 MHz Final Build-Out Requirement may be accelerated by two years (from June 2029 to June 2027) for each 600 MHz License area in which we do not meet the requirement. If the 600 MHz Final Build-Out Requirement is not met, our authorization for each 600 MHz License area in which we do not meet the requirement may terminate. In addition, certain broadcasters will have up to 39 months (ending July 13, 2020) to relinquish their 600 MHz spectrum, which may impact the timing for our ability to commence operations using certain 600 MHz Licenses. The FCC has issued the 600 MHz Licenses prior to the clearance of the spectrum, and the build-out deadlines are based on the date that the 600 MHz Licenses were issued to us, not the date that the spectrum is cleared. These wireless spectrum licenses expire in June 2029 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

MVDDS Licenses. We have MVDDS licenses in 82 out of 214 geographical license areas, including Los Angeles, New York City, Chicago and several other major metropolitan areas. By August 2014, we were required to meet certain FCC build-out requirements related to our MVDDS licenses, and we are subject to certain FCC service rules applicable to these licenses. In January 2015, the FCC granted our application to extend the build-out requirements related to our MVDDS licenses. We now have until 2019 to provide "substantial service" on our MVDDS licenses. Our MVDDS licenses may be terminated, however, if we do not provide substantial service in accordance with the new build-out requirements. These wireless spectrum licenses expire in August 2024 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

In 2016, the MVDDS 5G Coalition, of which we are a member, filed a petition for rulemaking requesting the FCC to consider updating the rules to allow us to provide two-way 5G services using our MVDDS licenses. We cannot predict when or if the FCC will grant the petition and proceed with a rulemaking. If the FCC adopts rules that would allow us to provide two-way 5G services using our MVDDS licenses, the requests of OneWeb and others for authority to use the band for service from NGSO satellite systems may hinder our ability to provide 5G services using our MVDDS licenses.

LMDS Licenses. As a result of the completion of the Share Exchange on February 28, 2017, we acquired from EchoStar certain Local Multipoint Distribution Service ("LMDS") licenses in four markets: Cheyenne, Kansas City, Phoenix, and San Diego. The "substantial service" milestone has been met with respect to each of the licenses. In addition, through the FCC's Spectrum Frontiers proceeding, a portion of each of our LMDS licenses will be reassigned to the Upper Microwave Flexible Use Service band (27.5-28.35 GHz), which will allow for a more flexible use of the licenses, including, among other things, 5G mobile operations. These wireless spectrum licenses expire in September 2018 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

DISH Network Non-Controlling Investments in the Northstar Entities and the SNR Entities Related to AWS-3 Wireless Spectrum Licenses

During 2015, through our wholly-owned subsidiaries American II and American III, we initially made over $10 billion in certain non-controlling investments in Northstar Spectrum, the parent company of Northstar Wireless, and in SNR HoldCo, the parent company of SNR Wireless, respectively. Northstar Wireless and SNR Wireless each filed applications with the FCC to participate in Auction 97 (the "AWS-3 Auction") for the purpose of acquiring certain AWS-3 Licenses. Each of Northstar Wireless and SNR Wireless applied to receive bidding credits of 25% as designated entities under applicable FCC rules. On October 27, 2015, the FCC granted the Northstar Licenses to Northstar Wireless and the SNR Licenses to SNR Wireless, respectively, which are recorded in "FCC authorizations" on our Condensed Consolidated Balance Sheets. The AWS-3 Licenses are subject to certain interim and final build-out requirements. By October 2021, Northstar Wireless and SNR Wireless must provide reliable signal coverage and offer service to at least 40% of the population in each area covered by an individual AWS-3 License (the "AWS-3 Interim Build-Out Requirement"). By October 2027, Northstar Wireless and SNR Wireless must provide reliable signal coverage and offer service to at least 75% of the population in each area covered by an individual AWS-3 License (the "AWS-3 Final Build-Out Requirement"). If the AWS-3 Interim Build-Out Requirement is not met, the AWS-3 License term and the AWS-3 Final Build-Out Requirement may be accelerated by two years (from October 2027 to October 2025) for each AWS-3 License area in which Northstar Wireless and SNR Wireless do not meet the requirement. If the AWS-3 Final Build-Out Requirement is not met, the authorization for each AWS-3 License area in which Northstar Wireless and SNR Wireless do not meet the requirement may terminate. These wireless spectrum licenses expire in October 2027 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

For a detailed discussion of our risk factors, including build-out and renewal requirements, for the wireless spectrum licenses held by Northstar Wireless and SNR Wireless, see "*Item 1A. Risk Factors – Acquisition and Capital Structure Risks – We face certain risks related to our non-controlling investments in the Northstar Entities and the SNR Entities, which may have a material adverse effect on our business, results of operations and financial condition"* of our Annual Report on Form 10-K for the year ended December 31, 2017.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The following table provides information regarding repurchases of our Class A common stock from April 1, 2018 through June 30, 2018:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Maximum Approximate Dollar Value of Shares that May Yet be Purchased Under the Programs (1)
		(In thousands, except share data)		
April 1, 2018 - April 30, 2018	—	$ —	—	$ 1,000,000
May 1, 2018 - May 31, 2018	—	$ —	—	$ 1,000,000
June 1, 2018 - June 30, 2018	—	$ —	—	$ 1,000,000
Total	—	$ —	—	$ 1,000,000

(1) Our Board of Directors previously authorized stock repurchases of up to $1.0 billion of our outstanding Class A common stock through and including December 31, 2017. On November 2, 2017, our Board of Directors extended this authorization such that we are currently authorized to repurchase up to $1.0 billion of our outstanding Class A common stock through and including December 31, 2018. Purchases under our repurchase program may be made through open market purchases, privately negotiated transactions, or Rule 10b5-1 trading plans, subject to market conditions and other factors. We may elect not to purchase the maximum amount of shares allowable under this program and we may also enter into additional share repurchase programs authorized by our Board of Directors.

Item 6. EXHIBITS

(a) *Exhibits.*

10.1*	Third Amended and Restated Credit Agreement, dated June 7, 2018, by and among American AWS-3 Wireless II L.L.C., Northstar Wireless, LLC and Northstar Spectrum, LLC.
10.2*	Third Amended and Restated Credit Agreement, dated June 7, 2018, by and among American AWS-3 Wireless III L.L.C., SNR Wireless LicenseCo, LLC and SNR Wireless HoldCo, LLC.
10.3*	Third Amended and Restated Limited Liability Company Agreement of Northstar Spectrum, LLC, dated June 7, 2018, by and between Northstar Manager, LLC and American AWS-3 Wireless II L.L.C.
10.4*	Third Amended and Restated Limited Liability Company Agreement of SNR Wireless HoldCo, LLC, dated June 7, 2018, by and between SNR Wireless Management, LLC, John Muleta and American AWS-3 Wireless III L.L.C.
31.1*	Section 302 Certification of Chief Executive Officer.
31.2*	Section 302 Certification of Chief Financial Officer.
32.1*	Section 906 Certification of Chief Executive Officer.
32.2*	Section 906 Certification of Chief Financial Officer.
101*	The following materials from the Quarterly Report on Form 10-Q of DISH Network for the quarter ended June 30, 2018 filed on August 3, 2018, formatted in eXtensible Business Reporting Language ("XBRL"): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) Condensed Consolidated Statements of Cash Flows and (iv) related notes to these financial statements.

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DISH NETWORK CORPORATION

By: /s/ *W. Erik Carlson*
W. Erik Carlson
President and Chief Executive Officer
(Duly Authorized Officer)

By: /s/ *Steven E. Swain*
Steven E. Swain
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

By: */s/ Paul W. Orban*
Paul W. Orban
Senior Vice President and Chief Accounting Officer
(Principal Accounting Officer)

Date: August 3, 2018

Exhibit 10.1

THIRD AMENDED AND RESTATED CREDIT AGREEMENT

BY AND AMONG

AMERICAN AWS-3 WIRELESS II L.L.C.
(AS LENDER)

AND

NORTHSTAR WIRELESS, LLC
(AS BORROWER)

AND

NORTHSTAR SPECTRUM, LLC
(AS GUARANTOR)

Dated as of June 7, 2018

*** Certain confidential portions of this exhibit were omitted by means of redacting a portion of the text. Copies of the exhibit containing the redacted portions have been filed separately with the Securities and Exchange Commission subject to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act.

THIRD AMENDED AND RESTATED CREDIT AGREEMENT

This Third Amended and Restated Credit Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms hereof, this "**Credit Agreement**") is entered into as of June 7, 2018 (the "**Effective Date**"), by and among AMERICAN AWS-3 WIRELESS II L.L.C., a Colorado limited liability company (solely in its capacity as lender hereunder, "**Lender**"), NORTHSTAR WIRELESS, LLC, a Delaware limited liability company ("**Borrower**"), as borrower, and NORTHSTAR SPECTRUM, LLC, a Delaware limited liability company ("**Guarantor**"), as guarantor.

RECITALS

WHEREAS, the FCC has announced that it will auction licenses to use spectrum in the 1695-1710 MHz and 1755-1780/2155-2180 MHz bands in an auction designated by the FCC as Auction Number 97 (the **"Auction"**) and that is currently scheduled by the FCC to begin on November 13, 2014, as the same may be rescheduled or modified by the FCC;

WHEREAS, through the Borrower, Lender desires to participate in the Auction together with Northstar Manager, LLC, a Delaware limited liability company ("**NSM**"), and NSM desires to participate in the Auction together with Lender;

WHEREAS, Borrower is a wholly-owned subsidiary of Guarantor;

WHEREAS, contemporaneously with the execution and delivery of this Credit Agreement, NSM, Lender and Guarantor have entered into the LLC Agreement (as defined below);

WHEREAS, NSM is the sole manager of Guarantor;

WHEREAS, it is the intention of the parties that, subject to the application of the FCC Rules, Borrower will be entitled to the Auction Benefits in the Auction as a result of NSM's qualification as a "very small business" under the terms of the FCC Rules in effect on the initial application date of the Auction, including Sections 1.2110(b)(1) and 27.1106(a)(2) of the FCC Rules;

WHEREAS, the Auction Benefits are of substantial value to Borrower;

WHEREAS, in order to induce NSM to permit Lender to invest in Borrower through Guarantor and to enter the LLC Agreement, and in consideration therefor, Lender wishes to make and establish a line of credit for Borrower in the aggregate amount not to exceed the Loan Commitment Amount for the purposes of (i) Borrower participating as a bidder and obtaining Licenses in the Auction; (ii) facilitating the Build-Out and operation of the License Systems; and (iii) Borrower making certain limited distributions to Guarantor;

WHEREAS, it is a condition precedent to NSM entering into the LLC Agreement and participating in the Auction through Borrower that each of Lender and the Loan Parties executes and delivers this Credit Agreement;

*** Certain confidential portions of this exhibit were omitted by means of redacting a portion of the text. Copies of the exhibit containing the redacted portions have been filed separately with the Securities and Exchange Commission subject to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act.

WHEREAS, as of September 12, 2014, Lender, Borrower, and Guarantor entered into a credit agreement relating to the matters set forth herein ("**Original Credit Agreement**"), which was amended and restated in that First Amended and Restated Credit Agreement dated as of October 13, 2014 (as amended prior to March 31, 2018, the "**First Amended Credit Agreement**"), which was further amended and restated in that Second Amended and Restated Credit Agreement effective as of March 31, 2018 (the "**Second Amended Credit Agreement**");

WHEREAS, the FCC issued an order, *Northstar Wireless, LLC, SNR Wireless LicenseCo, LLC, Applications for New Licenses in the 1695-1710 MHz, 1755-1780 MHz and 2155-2180 MHz Bands*, Memorandum Opinion and Order, 30 FCC Rcd 8887 (2015), resulting in the denial of bidding credits to Borrower;

WHEREAS, the United States Court of Appeals for the District of Columbia Circuit in *SNR* Wireless *LicenseCo, LLC, et al. v. Federal Communications Commission*, 868 F.3d 1021 (D.C. Cir. 2017) affirmed the FCC's decision, in part, and remanded the matter to the FCC to give Borrower an opportunity to seek to negotiate a cure of the issues identified by the FCC in its order;

WHEREAS, the FCC has stated that *Baker Creek Communications, LLC*, Memorandum Opinion and Order, 13 FCC Rcd 18709, 18715 (1998), sets forth an illustrative list of typical investor protections, which the Borrower and Lender adopted in the LLC Agreement;

WHEREAS, the Wireless Telecommunications Bureau of the FCC determined that the investor protections rights specified in the application of Advantage Spectrum, L.P. (ULS File No. 0006668843, granted July 5, 2016), did not preclude the grant of bidding credits to that Auction applicant; and the Borrower and Lender adopted materially similar contractual rights in the LLC Agreement;

WHEREAS, the FCC expressed concerns with certain limitations and repayment provisions in the Original Credit Agreement, and the parties hereto seek to amend the Second Amended Credit Agreement in response to those concerns; and

WHEREAS, pursuant to Section 8.7 of the Second Amended Credit Agreement, Lender, Borrower, and Guarantor wish to amend and restate the Second Amended Credit Agreement to read as set forth herein;

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

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Section 1. Defined Terms and Rules of Interpretation

1.1 Definitions. The following terms shall have the following meanings in this Credit Agreement:

"**Acquisition Sub-Limit**" shall mean the dollar amount equal to the sum of (a) the net purchase price of all Licenses for which Borrower is the Winning Bidder in the Auction minus the amount of all capital contributions made by the Guarantor to the Borrower for the purpose of making payments to the FCC, plus (b) all amounts needed by Borrower to make any net bid withdrawal payments pursuant to Section 2.2(a)(ii), which shall be used solely to participate in the Auction and to pay the net winning bids for licenses for which Borrower is the Winning Bidder, including to make any required deposits or down payments to the FCC in connection therewith, and to make any such net bid withdrawal payments, plus (c) $69,055,200 (the "**Additional FCC Amount**") which amount, together with the amount of the gross winning bids for those specific Licenses for which Borrower is the Winning Bidder and with respect to which Borrower will not be paying the gross winning bid amounts and with respect to which Borrower therefore understands that it will be deemed to have defaulted, pursuant to the letters exchanged between Borrower and the FCC Wireless Bureau, is equal to $1,961,264,850 plus the $333,919,350 additional payment due to the FCC in connection with such default pursuant to 47 C.F.R. §1.2104(g)(2)(ii) (calculated on an interim basis), plus (d) such amounts due to the FCC pursuant to 47 C.F.R. §1.2104(g)(2)(i) as deficiency payments in connection with such default (with respect to clause (d) only, each an "**FCC Deficiency Payment**") less any over-payment of the additional payments described in clause (c) and less any Transferred License Deficiency Payment.

"**Additional FCC Amount**" shall have the meaning set forth in the definition of "Acquisition Sub-Limit".

"**Adverse FCC Action**" shall have the meaning set forth in Section 8.12(a).

"**Adverse FCC Action Reformation**" shall have the meaning set forth in Section 8.12(a).

"**Affiliate**" shall mean, with respect to a Person, any other Person that either directly or indirectly through one or more intermediaries Controls, is Controlled by or is under common Control with such Person at any time during the period for which the determination of affiliation is being made; provided, however, that for purposes of this Credit Agreement, EchoStar Corporation and EchoStar Corporation's direct and indirect subsidiaries will not be considered or deemed to be Affiliates of Lender. For the avoidance of doubt, for purposes of this Credit Agreement, Lender is not an Affiliate of the Borrower or Guarantor.

"**Applicable Law**" shall mean with respect to any Person, any federal, state, local or foreign law, statute, ordinance, rule, regulation, Judgment, order, injunction or decree or any interpretation or administration of any of the foregoing by, any Governmental Authority, whether in effect as of the Effective Date or thereafter, and in each case as amended, applicable to such Person or its Affiliates or their respective assets, including the FCC Rules.

"**Auction**" shall have the meaning set forth in the recitals hereto.

"**Auction Benefits**" means the eligibility of Borrower and its Subsidiaries to hold any of the licenses for which Borrower is the Winning Bidder in the Auction and the ability of Borrower and each of its Subsidiaries to realize the twenty five percent (25%) Bidding Credits that it derives from its status as a Qualified Person without the payment of unjust enrichment penalties with respect to such Bidding Credits.

"**Auction Funds**" shall mean funds paid by the Borrower to the FCC in accordance with FCC Rules (a) to become eligible to participate in the Auction; (b) as a down payment or winning bid payment for any license for which Borrower is the Winning Bidder; (c) as an Auction related bid withdrawal payment; or (d) as an Auction related bid default payment, including but not limited to the Interim Default Payment.

"**Balance Amount**" shall have the meaning set forth in Section 2.2(a)(iii).

"**Bidding Credit**" means, with respect to any license for which Borrower was the Winning Bidder in the Auction, an amount equal to the excess of the gross winning bid placed in the Auction by Borrower for such license over the net winning bid placed in the Auction by Borrower for such license.

"**Bidding Protocol**" shall mean the Bidding Protocol and Joint Bidding Arrangement, dated as of September 12, 2014 (as the same may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its terms), by and among Doyon, Limited, NSM, Lender, Guarantor, Borrower, and, for purposes of Sections 4 and 5 thereof only, American AWS-3 Wireless I L.L.C.

"**Borrower**" shall have the meaning set forth in the preamble hereto.

"**Borrower Change in Control Event**" shall be deemed to have occurred if (a) there shall be consummated (i) any consolidation or merger of Borrower in which Borrower is not the continuing or surviving entity, other than a merger of Borrower in which the holders of the equity securities of Borrower immediately prior to such merger have the same proportionate ownership of the voting equity securities of the surviving entity immediately after the merger or (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of Borrower; (b) the member(s) of Borrower approve any plan or proposal for the liquidation or dissolution of Borrower; or (c) Borrower ceases to be a wholly-owned Subsidiary of Guarantor.

"**Borrower Material Adverse Effect**" shall mean a material adverse effect on the business, properties, assets, liabilities, prospects, or condition (financial or otherwise) of Borrower and the Borrower Subsidiaries, taken as a whole, except for any such effects resulting directly or indirectly from (a) changes in the broadband industry generally; (b) changes in general economic conditions or the financial, banking or securities markets generally (including any disruption thereof and any decline in the price of any security or any market index); (c) any act of war, armed hostilities or terrorism, or the escalation of hostilities; (d) changes in GAAP or its application; (e) changes in Applicable Law (including the FCC Rules) affecting the broadband industry generally;

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and (f) the failure to satisfy the requirements of 47 C.F.R. Section 27.14(s)(1) with respect to any or all of the Licenses; provided, that such failure is caused solely by a direct action or omission of Lender or one or more of its Subsidiaries or Affiliates (whether as Lender or otherwise).

"**Borrower Obligations**" shall mean the collective reference to the payment and performance by Borrower of each covenant and agreement of Borrower contained in this Credit Agreement and the other Loan Documents to which Borrower is a party or by which it is bound.

"**Borrower Subsidiary**" shall mean each Subsidiary of Borrower, each of which shall be a Delaware limited liability company (unless otherwise consented to by Lender) and shall be wholly owned by Borrower.

"**Build-Out**" shall mean the construction and associated operation by Borrower and the Borrower Subsidiaries of a fixed or mobile wireless system using the spectrum authorized for use under the Licenses in accordance with the technical parameters set forth in the FCC Rules.

"**Build-Out Loan Request**" shall have the meaning set forth in Section 2.2(b)(i).

"**Build-Out Sub-Limit**" shall mean, on and after the Effective Date, an amount equal to *** plus, from time to time, such additional amounts as are required to fund Working Capital requirements, plus such additional amounts as Borrower and Lender mutually agree are necessary to meet the Borrower's and its Subsidiaries' Build-Out plans, which shall be used by Borrower to fund the Build-Out and initial operation of the License Systems, including payment of management or similar fees (whether by Borrower, Guarantor or any of their Subsidiaries), if any, to NSM, and to fund other Working Capital requirements of Borrower and Guarantor consistent with the annual business plan and budget adopted and modified from time to time in accordance with the LLC Agreement.

"**Business**" shall have the meaning given to that term in the LLC Agreement.

"**Business Day**" shall mean any day other than Saturday, Sunday, or other day on which commercial banks in New York, New York are authorized or required to close under the laws of the State of New York.

"**Claims**" shall have the meaning set forth in Section 8.4.

"**Commitment Period**" shall mean the period commencing on the Effective Date and expiring on the earliest to occur of (a) the Maturity Date; (b) the date that the LLC Agreement is terminated by either party pursuant to Section 13.1(b) of the LLC Agreement; (c) the date that is one hundred eighty (180) days after the date on which the Borrower or any Borrower Subsidiary enters into any contract or agreement pursuant to which any direct competitor of Lender or any entity in which any direct competitor of Lender owns, directly or indirectly, an interest in excess of twenty percent (20%), is engaged to provide management or material technical services to the Borrower or any Borrower Subsidiary; (d) the date that is one hundred eighty (180) days after the date on which neither Lender nor any of its Affiliates is a limited liability company member of Guarantor (provided that Lender and its Affiliates have complied with the requirements of Section 7.1(a) of the LLC Agreement) or (e) the Mandatory Prepayment Date.

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"**Consolidated Net Income**" shall have the meaning set forth in Section 6.15(b)(i).

"**Control**" (including the correlative meanings of the terms "**Controlled by**," "**Controlling**" and "**under Common Control with**") as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of such Person, whether through the ownership of Voting Securities, by contract or otherwise.

"**Control Agreement**" shall mean such agreements, instruments or other documents that Lender shall reasonably request (subject to the terms and conditions of the Intercreditor and Subordination Agreement) from time to time from any of Guarantor, Borrower or any of Borrower's Subsidiaries granting Lender "control" (as such term is used in Section 9-104 of the Uniform Commercial Code of the State of Delaware) in order to perfect, to ensure the continued perfection of, and to protect the assignment and security interest granted or intended to be granted in any deposit or securities accounts of Guarantor, Borrower or any Borrower Subsidiaries or such other deposit or securities accounts in which Guarantor, Borrower or any Borrower Subsidiaries may have an interest.

"**Credit Agreement**" shall have the meaning set forth in the preamble hereto.

"**DISH**" shall have the meaning set forth in Section 2.2(a)(iv).

"**Down Payment Amount**" shall have the meaning set forth in Section 2.2(a)(ii).

"**Down Payment Date**" shall have the meaning set forth in Section 2.2(a)(ii).

"**Economic Element**" shall have the meaning set forth in Section 8.12(a).

"**Effective Date**" shall have the meaning set forth in the preamble hereto.

"**Equity Interests**" means capital stock, partnership interests, limited liability company interests or other ownership or beneficial interests of any Person.

"**Event of Default**" shall have the meaning set forth in Section 7.1.

"**Excess Cash**" shall mean, for any period, the sum of all cash and cash equivalents held by Guarantor, Borrower and any of its Subsidiaries at the time of determination in excess of such amount required (as determined in good faith by Borrower) for Guarantor, Borrower and the Borrower Subsidiaries to satisfy the then current liabilities of Guarantor, Borrower and the Borrower Subsidiaries and provide a reasonable reserve for the future liabilities (including obligations to make distributions pursuant to Section 3.1 and Section 3.2 of the LLC Agreement) and then current and future operating expenses and capital expenditures of Guarantor, Borrower and the Borrower Subsidiaries.

"**FCC**" shall mean the Federal Communications Commission or any successor agency or entity performing substantially the same functions.

"**FCC Deficiency Payment**" shall have the meaning set forth in the definition of "Acquisition Sub-Limit".

"**FCC Deficiency Payment Amount Loan**" shall have the meaning set forth in Section 2.2(a)(v).

"**FCC Rules**" shall mean the Communications Act of 1934, as amended by, *inter alia*, the Telecommunications Act of 1996, codified at 47 U.S.C. § 151 *et seq.*, as it may be amended in the future, including the rules and regulations established by the FCC and codified in Title 47 of the Code of Federal Regulations, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time hereafter, and effective orders, rulings, and public notices of the FCC.

"**Financing Statements**" shall mean such UCC financing statements and other instruments reasonably required by Lender to create, perfect and/or maintain the security interests granted by the Loan Parties under the Pledge Agreement and the Security Agreement.

"**First Amended Credit Agreement**" shall have the meaning set forth in the preamble hereto.

"**Funding Date**" shall mean each date on which Lender makes a Loan to Borrower.

"**GAAP**" means generally accepted accounting principles as used in the United States by the Financial Accounting Standards Board and/or the American Institute of Certified Public Accountants, as in effect from time to time.

"**Governmental Authority**" shall mean any government or political subdivision thereof, whether domestic or foreign, including any national, state, regional, provincial, county, city, municipal, local or other governmental department, ministry, commission, board, bureau, agency, regulatory body or authority, instrumentality, judicial or administrative body, having jurisdiction over the matter or matters in question, including the FCC.

"**Guarantor**" shall have the meaning set forth in the preamble hereto.

"**Guarantor Change in Control Event**" shall be deemed to have occurred if (a) there shall be consummated (i) any consolidation or merger of Guarantor in which Guarantor is not the continuing or surviving entity, other than a merger of Guarantor in which the holders of the voting equity securities of Guarantor immediately prior to the merger have the same proportionate ownership of the voting equity securities of the surviving entity immediately after the merger or (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of Guarantor or (b) the member(s) of Guarantor approve any plan or proposal for the liquidation or dissolution of Guarantor.

"**Guarantor Material Adverse Effect**" shall mean a material adverse effect on the business, properties, assets, liabilities, prospects, or condition (financial or otherwise) of Guarantor and its Subsidiaries, taken as a whole, except for any such effects resulting directly or indirectly from (a) changes in the broadband industry generally; (b) changes in general economic conditions or the financial, banking or securities markets generally (including any disruption thereof and any decline in the price of any security or any market index); (c) any act of war, armed hostilities or terrorism, or the escalation of hostilities; (d) changes in GAAP or its application; and (e) changes in Applicable Law (including the FCC Rules) generally affecting the broadband industry.

"**Guarantor Obligations**" means all liabilities and obligations of Guarantor that may arise under or in connection with this Credit Agreement (including under Section 3) and the other Loan Documents to which it is a party or by which it is bound, whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses and otherwise.

"**Guaranty**" shall have the meaning set forth in Section 2.2(a)(iv).

"**Initial Application Date**" means September 12, 2014.

"**Initial Loan Amount**" shall have the meaning set forth in Section 2.2(a)(i).

"**Initial Loan Date**" shall have the meaning set forth in Section 2.2(a)(i).

"**Intercreditor and Subordination Agreement**" shall mean the Intercreditor and Subordination Agreement, dated as of September 12, 2014, by and between Lender and NSM, as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"**Interest Purchase Agreement**" shall mean the Second Amended and Restated Interest Purchase Agreement, effective as of June 7, 2018, by and among NSM, Guarantor, Borrower and Lender, as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof.

"**Interim Default Payment**" shall mean Borrower's payment of $333,919,350 to the FCC in connection with bids made pursuant to the Auction.

"**Judgment**" shall mean any judgment, writ, order, injunction, award or decree of any court, judge, justice or magistrate, including any bankruptcy court, or arbiter, and any order of or by any other Governmental Authority.

"**Lender**" shall have the meaning set forth in the preamble hereto.

"**License**" shall mean any license (a) issued by the FCC to the Borrower for which Borrower is a Winning Bidder in the Auction or (b) any other license issued by the FCC (i) now to the Borrower or a Borrower Subsidiary or (ii) hereafter held by Borrower or a Borrower Subsidiary.

"**License System**" shall mean the fixed or mobile wireless system(s) licensed to, constructed and operated, or to be constructed and operated, by the Borrower and/or any Borrower Subsidiaries for the purpose of providing service authorized under a License or Licenses in each of the Markets.

"**Litigation**" shall mean any claim, action, suit, proceeding, arbitration, investigation, hearing or other activity or procedure that could result in a Judgment, and any notice of any of the foregoing.

"**LLC Agreement**" shall mean the Third Amended and Restated Limited Liability Company Agreement of Northstar Spectrum, LLC, a Delaware limited liability company, by and between Lender and NSM, effective as of the Effective Date, as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"**Loan Commitment Amount**" shall mean the aggregate sum of (a) the Acquisition Sub-Limit and (b) the Build-Out Sub-Limit.

"**Loan Documents**" shall mean this Credit Agreement, the Note, the Security Agreement, the Pledge Agreement, the Control Agreement(s), the Intercreditor and Subordination Agreement, and all other agreements, instruments, certificates and other documents at any time executed and delivered pursuant to or in connection herewith or therewith, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time after the Effective Date in accordance with terms hereof and thereof. For the avoidance of doubt, the Loan Documents shall not include the LLC Agreement or any agreement, instrument, certificate or other document at any time executed and delivered pursuant to or in connection with the LLC Agreement, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time after the Effective Date in accordance with the terms thereof.

"**Loan Parties**" shall mean Borrower, Guarantor and, upon its respective formation, each Borrower Subsidiary.

"**Loans**" shall mean the loans to Borrower evidenced by the Note, not to exceed in the aggregate the Loan Commitment Amount. Each advance made under the Note is a Loan.

"**Mandatory Prepayment Date**" shall mean the date on which Borrower receives a refund of Auction Funds (less any amounts retained by the FCC) because (a) Borrower is not the Winning Bidder for any Licenses or (b) Borrower is the Winning Bidder for a License or Licenses and the FCC does not grant at least one such License to Borrower.

"**Markets**" shall mean the geographic area(s) in which Borrower or any of the Borrower Subsidiaries is authorized by the FCC to provide fixed or mobile wireless services.

"**Maturity Date**" shall mean the tenth anniversary of the Initial Grant Date (as defined in the LLC Agreement).

"**Member(s)**" shall have the meaning given to the term in the LLC Agreement.

"**Moody's**" shall have the meaning set forth in Section 6.10.

"**Non-American II Members**" shall have the meaning set forth in Section 8.12(a).

"**Note**" shall mean that certain second amended and restated promissory note in the form attached hereto as Exhibit B, executed by Borrower in favor of Lender and delivered by Borrower to Lender in accordance with the terms of this Credit Agreement.

"**NSM**" shall have the meaning set forth in the recitals hereto.

"**NSM Lien**" shall mean the liens and security interests in favor of NSM granted by Borrower and the Borrower Subsidiaries pursuant to the NSM Security Agreement and by Borrower pursuant to the NSM Pledge Agreement, in each case, to secure the obligations of Borrower under the Interest Purchase Agreement.

"**NSM Pledge Agreement**" shall mean that certain pledge agreement, dated as of September 12, 2014, executed by Borrower in favor of NSM, pursuant to which Borrower shall pledge to NSM all of the Borrower's membership interests in all of the Borrower Subsidiaries holding Licenses, in each case to secure the obligations of Borrower under the Interest Purchase Agreement to the extent set forth in the NSM Pledge Agreement, as such agreement may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"**NSM Security Agreement**" shall mean the security agreement, dated as of September 12, 2014, executed by Borrower in favor of NSM, and each Supplement to Security Agreement executed after the Effective Date by a Subsidiary of Borrower, in each case to secure the obligations under the Interest Purchase Agreement or guarantees thereof to the extent set forth in the NSM Security Agreement, as such agreement may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"**NSM Security Documents**" shall mean the NSM Security Agreement and the NSM Pledge Agreement.

"**Permitted Disposition**" means a disposition of the assets of Borrower or any Borrower Subsidiary pursuant to (a) the NSM Security Agreement; (b) the NSM Pledge Agreement or (c) the Interest Purchase Agreement and any guarantees relating thereto, and in accordance with the terms and provisions of such agreements and (x) Section 6.3 of the LLC Agreement and (y) the Intercreditor and Subordination Agreement.

"**Permitted Distribution**" means (a) payments made pursuant to and in accordance with the terms and provisions of (i) Section 3.1(b) of the LLC Agreement, (ii) Section 3.2 of the LLC Agreement, (iii) Section 3.4 of the LLC Agreement or (iv) Section 8.4 of the LLC Agreement (including, in each case, distributions by Borrower or its Subsidiaries to Guarantor to enable Guarantor to make such Permitted Distributions) or (b) payments to NSM in exchange for membership interests in Guarantor pursuant to the provisions of the Interest Purchase Agreement or the NSM Security Documents (including distributions by Borrower or its Subsidiaries to Guarantor to enable Guarantor to make such Permitted Distributions).

"**Permitted Liens**" shall mean (a) any and all liens and security interests created pursuant to any of the Loan Documents or pursuant to the NSM Security Documents; (b) liens for taxes, fees, assessments and governmental charges or levies not delinquent or that are being contested in good faith by appropriate proceedings; provided, however, that Borrower and the Borrower Subsidiaries shall have set aside on their books and shall maintain adequate reserves for the payment of same in conformity with GAAP; (c) liens, deposits or pledges made to secure statutory obligations, surety or appeal bonds, or bonds for the release of attachments or for stay of execution, or to secure the performance of bids, tenders, contracts (other than for the payment of borrowed money), leases or for purposes of like general nature in the ordinary course of business (including landlords', carriers', warehousemen's, mechanics', workers', suppliers', materialmen's, or repairmen's liens) that do not exceed Thirty-Seven Million Five Hundred Thousand Dollars ($37,500,000) in the aggregate at any time outstanding; (d) purchase money liens on tangible personal property in the nature of office equipment utilized in the normal operation of the business of Borrower, which liens encumber only the equipment acquired with such indebtedness; (e) liens for indebtedness permitted under the terms of Section 6.9(b), which liens encumber only the equipment acquired with such purchase money indebtedness; (f) other liens securing obligations of the Borrower and the Borrower Subsidiaries in an aggregate amount not to exceed Five Million and No Dollars ($5,000,000) at any time outstanding; and (g) liens securing obligations of the Borrower and the Borrower Subsidiaries which by their express terms are subordinate to the Loans.

"**Person**" shall mean any individual, corporation, partnership, firm, joint venture, limited liability company, limited liability partnership, association, joint stock company, trust, estate, incorporated or unincorporated organization, Governmental Authority or other entity.

"**Pledge Agreement**" shall mean the Pledge Agreement in substantially the form attached hereto as Exhibit A pursuant to which Guarantor and Borrower shall pledge to Lender all of each such person's membership interests in all of its Subsidiaries as security for the Obligations, as any of the same may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with their terms.

"**Qualified Person**" means a Person that qualifies as a "very small business" under the terms of FCC Rules applicable to the Auction in effect on the Initial Application Date, including but not limited to Sections 1.2110(b)(1) and 27.1106(a)(2) of the FCC Rules in effect on the Initial Application Date.

"**Refund**" shall mean any Auction Funds that are refunded to Borrower or any Borrower Subsidiary.

"**Refund Date**" shall mean, for each Refund, the date on which Borrower or a Borrower Subsidiary receives such Refund.

"**Remaining FCC Deficiency Payment Amount Loan**" shall have the meaning set forth in Section 2.2(a)(vi).

"**Remaining Licenses**" shall have the meaning set forth in Section 2.2(a)(v).

"**Required Capital Contributions**" shall mean the capital contributions required to be made to Guarantor (and by Guarantor to Borrower) by NSM and Lender pursuant to the LLC Agreement.

"**S&P**" shall have the meaning set forth in Section 6.10.

"**Security Agreement**" shall mean the Security Agreement in substantially the form attached hereto as Exhibit C pursuant to which Guarantor, Borrower and each Borrower Subsidiary shall grant to Lender a lien and security interest in and to all of each such person's personal property, fixtures and owned real property as security for the Borrower Obligations, as any of the same may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with their terms.

"**Subsidiary**" of any Person shall mean any other Person with respect to which either (a) more than fifty percent (50%) of the interests having ordinary voting power to elect a majority of the directors or individuals having similar functions of such other Person (irrespective of whether at the time interests of any other class or classes of such Person shall or might have voting power upon the occurrence of any contingency) or (b) more than fifty percent (50%) of the Equity Interests of such other Person is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

"**Transferee**" shall have the meaning set forth in Section 2.2(a)(vi).

"**Transferred License Deficiency Payment**" shall have the meaning set forth in Section 2.2(a)(vi).

"**Voting Securities**" means Equity Interests of a Person having the right to vote generally in the election of the directors (or persons performing equivalent functions) of such Person.

"**Winning Bidder**" shall mean a Person who is the winning bidder in the Auction for a License offered by the FCC therein (a) as set forth in the FCC's post-Auction public notice identifying Auction winning bidders or (b) by virtue of having accepted the FCC's offer of a License for the amount of its final Auction net bid therefore following the default of the winning bidder for that License described in clause (a) of this definition; provided, that, for purposes of this Agreement, Borrower shall be deemed to not have been the winning bidder for the licenses in respect of which Borrower did not pay the gross winning bid amounts (as more fully described in that letter dated October 1, 2015 from Mark F. Dever (then of Drinker Biddle & Reath LLP) to Jean L. Kiddoo, Deputy Bureau Chief, Office of the Bureau Chief, Wireless Telecommunications Bureau of the FCC, and set forth on Attachment 2 to such letter).

"**Winning Bidder Balance Amount Loan**" shall have the meaning set forth in Section 2.2(a)(iii).

"**Working Capital**" shall mean a reasonable amount of working capital (including the payment of all fees and expenses and including the payment of tax distributions to the Members under Section 3.1(b) of the LLC Agreement) for Guarantor, Borrower and the Borrower Subsidiaries, as determined in accordance with the annual budget of Guarantor, Borrower and the Borrower Subsidiaries, which budget shall be adopted and modified from time to time in accordance with the LLC Agreement.

1.2 Construction.

a. The singular includes the plural and the plural includes the singular.

b. A reference to Applicable Law includes any amendment or modification to such Applicable Law, and all regulations, rulings and other Applicable Law promulgated under such Applicable Law.

c. A reference to a Person includes its permitted successors and permitted assigns.

d. Accounting terms have the meanings assigned to them by GAAP, as applied by the accounting entity to which they refer.

e. The words "include," "includes" and "including" are not limiting.

f. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

g. A reference in a document to an Article, Section, Exhibit, Schedule, Annex or Appendix is to the Article, Section, Exhibit, Schedule, Annex or Appendix of such document unless otherwise indicated. Exhibits, Schedules, Annexes or Appendices to any document shall be deemed incorporated by reference in such document. In the event of any conflict between the provisions of this Credit Agreement (exclusive of the Exhibits, Schedules, Annexes and Appendices thereto) and any Exhibit, Schedule, Annex or Appendix thereto, the provisions of this Credit Agreement shall control.

h. References to any document, instrument or agreement (i) shall include all exhibits, schedules and other attachments thereto; (ii) shall include all documents, instruments or agreements issued or executed in replacement thereof and (iii) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, amended and restated, supplemented or otherwise modified from time to time and in effect at any given time.

i. The words "hereof," "herein" and "hereunder" and words of similar import when used in any document shall refer to such document as a whole and not to any particular provision of such document.

j. References to "days" shall mean calendar days, unless the term "Business Days" shall be used. References to a time of day shall mean such time in New York, New York, unless otherwise specified.

k. The word "will" shall be construed to have the same meaning and effect as the word "shall."

l. Each of the parties hereto acknowledges that it has reviewed this Credit Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Credit Agreement or any amendments hereto.

m. All section and descriptive headings and the recitals herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Credit Agreement, and no construction or reference shall be derived therefrom.

n. If, at any time after the Effective Date, Alfred M. Best Company, Inc., Moody's or S&P shall change its respective system of classifications, then any Alfred M. Best Company, Inc., Moody's or S&P "rating" referred to herein shall be considered to be at or above a specified level if it is at or above the new rating which most closely corresponds to the specified level under the old rating system.

o. The Loan Documents are the result of negotiations among, and have been reviewed by each of, Borrower, Guarantor, Lender and their respective counsel. Accordingly, the Loan Documents shall be deemed to be the product of all parties thereto, and no ambiguity shall be construed in favor of or against Borrower, Guarantor or Lender solely as a result of any such party having drafted or proposed the ambiguous provision.

Section 2. Terms of Loan

2.1 The Loans.

Subject to the terms and conditions and in reliance upon the representations and warranties set forth in this Credit Agreement, Lender agrees to make Loans to Borrower from time to time during the Commitment Period in an aggregate principal amount not to exceed at any time the Loan Commitment Amount; provided, however, Lender shall have no obligation to make any Loans if NSM, either directly or through Guarantor (but not the Bidding Manager (as defined in the Bidding Protocol) acting on its own volition or in accordance with the Bidding Protocol), causes Borrower to bid on a license that was not a Target License (as defined in the Bidding Protocol) as set forth in the Bidding Protocol or causes Borrower to purchase a Targeted License by bidding materially in excess of the established bid limits for such license, in each case, without the prior written consent (which may be delivered by electronic mail, facsimile transmission or otherwise) of Lender or of Lender under the Bidding Protocol (which consent shall be deemed given by Lender if the member of the Auction Committee (as defined in the Bidding Protocol) appointed by Lender has approved thereof).

*** Certain confidential portions of this exhibit were omitted by means of redacting a portion of the text. Copies of the exhibit containing the redacted portions have been filed separately with the Securities and Exchange Commission subject to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act.

2.2 Procedure for Borrowing.

a. Subject to the terms and conditions and in reliance upon the representations and warranties set forth in this Credit Agreement, Lender shall make the following Loans to Borrower in accordance with the following schedule:

(i) On October 15, 2014 (the "**Initial Loan Date**"), Lender made a Loan to Borrower in the amount of Four Hundred Thirty One Million Eight Hundred Thousand and No Dollars ($431,800,000.00) (such Loan amount, the "**Initial Loan Amount**"), via direct payment to the FCC on behalf of the Borrower in accordance with FCC Rules enabling Borrower to become eligible to participate in the Auction.

(ii) On the date that was two (2) Business Days prior to the date (the "**Down Payment Date**") on which Borrower was required to submit sufficient funds to bring its total amount of money on deposit with the FCC to twenty percent (20%) of the aggregate amount of Borrower's net winning bids (the "**Down Payment Amount**"), Lender made a Loan to Borrower in an amount equal to the following formula (to the extent such sum was greater than zero): (A) the Down Payment Amount, plus (B) the aggregate amount of any bid withdrawal payment obligations incurred by Borrower in the Auction, less (C) the Required Capital Contributions, less (D) the Initial Loan Amount, via direct payment to the FCC on behalf of the Borrower.

(iii) On the date that was two (2) Business Days prior to the date on which Borrower was required to submit the then remaining balance of the aggregate amount of its net winning bids to the FCC (the "**Balance Amount**"), Lender made a Loan to Borrower in an amount equal to the following formula (to the extent such amount was greater than zero): (A) the Balance Amount, less (B) the Required Capital Contributions to the extent that the Required Capital Contributions were not expended in full in making the payment set forth in Section 2.2(a)(ii) (the "**Winning Bidder Balance Amount Loan**"), via direct payment to the FCC on behalf of the Borrower.

(iv) On the date on which Borrower is required to submit such Additional FCC Amount to the FCC, Lender or DISH Network Corporation ("**DISH**") (solely in the event that DISH is obligated to pay the Additional FCC Amount pursuant to the Guaranty made by DISH in favor of the FCC on October 1, 2015 (the "**Guaranty**")) shall transfer immediately available funds, directly to the FCC in a principal amount equal to the Additional FCC Amount, which will be deemed to be a Loan by Lender to Borrower in a principal amount equal to the Additional FCC Amount.

(v) In the event that: (a) an FCC Deficiency Payment is due and owing to the FCC; and (b) as of the date such payment is due and owing to the FCC, neither Borrower nor a Borrower Subsidiary has previously consummated, or has currently entered into, a contract to sell, assign or otherwise transfer (other than to a Borrower Subsidiary in accordance with Section 6.14(a) of this Credit Agreement) any of the Licenses for which Borrower is the Winning Bidder (other than those Licenses with respect to which Borrower will not be paying the gross winning bid amounts and with respect to which Borrower therefore understands that it will be deemed to have defaulted, pursuant to the letters exchanged between Borrower and the FCC Wireless Bureau) (the "**Remaining Licenses**"), then on the date on which Borrower is required to submit such due and owing FCC Deficiency Payment to the FCC, notwithstanding the conditions precedent to making a Loan set forth in Section 2.4, Lender or DISH (solely in the event that DISH is obligated to make the FCC Deficiency Payment pursuant to the Guaranty) shall transfer immediately available funds directly to the FCC in a principal amount equal to the amount of such due and owing FCC Deficiency Payment, which will be deemed to be a Loan to Borrower (each, an "**FCC Deficiency Payment Amount Loan**").

(vi) In the event that Borrower or a Borrower Subsidiary enters into any contract to sell, assign or otherwise transfer any of the Remaining Licenses pursuant to Section 6.3 of the LLC Agreement or Section 3.1 of the Intercreditor and Subordination Agreement: (a) Borrower or the Borrower Subsidiary, as applicable, shall condition each and every such sale, assignment or transfer upon the assumption by any purchaser, assignee or transferee (each, a "**Transferee**") of the following obligations: (x) payment of the pro-rata share of all past, present and future FCC Deficiency Payments attributable to the Licenses to be sold, assigned or transferred calculated as follows: (i) the aggregate amount of each past, present and future FCC Deficiency Payment (which, for the avoidance of doubt, would be a maximum of $2,226,129,000 (if all of the Remaining Licenses were being sold, assigned or transferred), plus any additional amounts for interest and enforcement and recovery costs and expenses with respect to any FCC Deficiency Payments as set forth in Section 1(b) of the Guaranty); multiplied by (ii) ((1) the aggregate amount of the gross winning bids at the Auction for the Licenses to be sold, assigned or transferred; divided by (2) the aggregate amount of the gross winning bids at the Auction for all the Remaining Licenses) (each, a "**Transferred License Deficiency Payment**"); and (y) any Transferred License Deficiency Payment: (i) will first be made by Transferee via direct payment to the FCC by Transferee to satisfy any due and owing FCC Deficiency Payment then currently due and owing to the FCC; and (ii) any excess Transferred License Deficiency Payment, after payment to the FCC under the immediately preceding clause (i), will be made (A) first, to NSM for any Put Price (as defined in the LLC Agreement) then due and owing, and after the Put Price has been paid in full, then (B) to Lender by Transferee, which payment to Lender shall be considered a partial prepayment of the Loans; and (b) on any date thereafter on which Borrower is required to submit a due and owing FCC Deficiency Payment to the FCC, notwithstanding the conditions precedent to making a Loan set forth in Section 2.4, Lender or DISH (solely in the event that DISH is obligated to make the FCC Deficiency Payment pursuant to the Guaranty) shall transfer immediately available funds directly to the FCC in a principal amount equal to the result of the following formula, which will be deemed to be a Loan to Borrower: (x) the amount of such due and owing FCC Deficiency Payment; minus (y) any Transferred License Deficiency Payments

required to be made to the FCC at such time (each, an "**Remaining FCC Deficiency Payment Amount Loan**"). For the avoidance of doubt, Borrower acknowledges and agrees that it shall remain jointly and severally liable with the applicable Transferee for each Transferred License Deficiency Payment.

(vii) Lender, Borrower and Guarantor hereby acknowledge and agree: (a) that Lender's obligations to fund due and owing FCC Deficiency Payments under Sections 2.2(a)(v) and (vi) above are intended by the Borrower to induce the FCC to take certain actions and to forbear from taking certain actions as set forth in the letters described above notwithstanding Borrower's deemed default in failing to pay certain gross winning bid amounts; and (b) that the FCC is the intended third-party beneficiary with respect to Lender's obligations to fund due and owing FCC Deficiency Payments pursuant to Sections 2.2(a)(v) and (vi) with the right to enforce Lender's obligations to fund FCC Deficiency Payment Amount Loans pursuant to Section 2.2(a)(v) above and Remaining FCC Deficiency Payment Amount Loans pursuant to Section 2.2(a)(vi) above. In the event that multiple due and owing FCC Deficiency Payments become due and owing to the FCC on different dates, then Lender or DISH (solely in the event that DISH is obligated to make the FCC Deficiency Payment pursuant to the Guaranty) shall submit payment directly to the FCC on the corresponding date that each such applicable due and owing FCC Deficiency Payment is due and owing to the FCC in a principal amount determined pursuant to Section 2.2(a)(v) or (vi) above, as applicable, each of which will be deemed to be a Loan to Borrower. It is understood and agreed that the Lender and the Borrower intend that the Lender or DISH (solely in the event that DISH is obligated to make the FCC Deficiency Payment pursuant to the Guaranty) will fund any due and owing FCC Deficiency Payment in an amount determined pursuant to Section 2.2(a)(v) or (vi) above, as applicable, with its own funds, and not with any funds of the Borrower or any Borrower Subsidiary. For the avoidance of doubt and to help ensure that no funds of the Borrower or any of its Subsidiaries or Affiliates are used to satisfy the obligations of the Lender or DISH (solely in the event that DISH is obligated to make the FCC Deficiency Payment pursuant to the Guaranty) to fund any due and owing FCC Deficiency Payment, it is understood and agreed that any obligation to reimburse the Lender for any due and owing FCC Deficiency Payment shall arise only following payment by the Lender or DISH (solely in the event that DISH is obligated to make the FCC Deficiency Payment pursuant to the Guaranty) in accordance with the terms of this Credit Agreement.

(viii) In no event shall Lender be required to make an aggregate amount of Loans under this Section 2.2(a) in excess of the Acquisition Sub-Limit.

b. Subject to the terms and conditions and in reliance upon the representations and warranties set forth in this Credit Agreement, Lender shall make Loans to Borrower from time to time, as follows:

(i) within five (5) Business Days of a written request of Borrower (each, a "**Build-Out Loan Request**"), for Borrower to fund the Build-Out and initial operation of the License Systems and the Working Capital requirements of Guarantor and Borrower (including for expenses incurred prior to, during or after the Auction and prior to the date on which Borrower is granted any Licenses). Each Build-Out Loan Request shall provide the following information: (A) the amount of the Loan, which shall not exceed the reasonable amount necessary to fund Borrower's Build-Out expenses and the Working Capital requirements of Guarantor and Borrower for the following calendar quarter, taking into account the then existing cash balances and reasonably expected cash flows from operations of Guarantor, Borrower and the Borrower Subsidiaries and (B) wiring instructions. In no event shall Lender be obligated to make an aggregate amount of Loans under this Section 2.2(b)(i) in excess of the Build-Out Sub-Limit. For the avoidance of doubt, if the aggregate amount of the net winning bids for the Licenses purchased by Borrower in connection with the Auction does not exceed the Required Capital Contributions, or if Borrower has any excess proceeds from Loans under Section 2.2(a) that are not remitted to the FCC, Lender shall not be obligated to make Loans under this Section 2.2(b)(i) until Borrower has expended all of the Required Capital Contributions and any such excess Loan proceeds other than as necessary for its reasonable Working Capital requirements.

c. Lender's obligation to make new Loans to Borrower shall terminate upon the expiration of the Commitment Period and otherwise as expressly provided for herein.

d. Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon at least three (3) Business Days' notice to Lender, specifying the date and amount of prepayment. If any such notice is given, the amount specified in such notice, together with accrued and unpaid interest to the date of such prepayment on the amount prepaid (it being understood that interest added to principal pursuant to Section 2.3(c) shall not be deemed accrued and unpaid), shall be due and payable on the date specified therein. Amounts prepaid may not be reborrowed. Subject to Section 2.3(c), partial or total prepayments of the Loans shall be credited first to any charges or other amounts due to Lender under the terms of this Credit Agreement or any other Loan Document, then to accrued but unpaid interest on the Loans, then to the principal balance outstanding.

e. Within three (3) Business Days after any Refund Date, Borrower shall prepay to Lender the principal amount of the Loans in an amount equal to the Refund received on such Refund Date (minus any amounts paid to the NSM Members (as defined in the LLC Agreement) or distributed to Guarantor to make any payments to the NSM Members as required by Section 8.4 of the LLC Agreement), or, if less, the aggregate principal amount of all Loans previously made to Borrower (minus any amounts paid to the NSM Members (as defined in the LLC Agreement) or distributed to Guarantor to make any payments to the NSM Members as required by Section 8.4 of the LLC Agreement). Notwithstanding any other provision in this Credit Agreement, if timely paid in accordance with the preceding sentence, no interest shall accrue on the principal amount of the Loans so prepaid, and, for the avoidance of doubt, the Borrower shall have no obligation to pay any interest on the principal amount of the Loans so prepaid (including any interest that was previously added to the principal amount of the Loans pursuant to Section 2.3(c)).

f. Amounts prepaid or repaid may not be re-borrowed under this Credit Agreement.

g. Notwithstanding any other provision of this Section 2.2 to the contrary, the parties hereto have agreed as follows:

(i) Lender may make the Winning Bidder Balance Amount Loan via direct payment to the FCC on behalf of the Borrower.

(ii) Effective as of March 31, 2018, Lender is deemed to have exchanged **six billion eight hundred seventy million four hundred ninety two thousand and six hundred sixty Dollars ($6,870,492,660)** of the amounts outstanding and owed to it under the First Amended Credit Agreement for **6,870,493** Class A Preferred Interests (as defined in the LLC Agreement), which were deemed to be extinguished and discharged with immediate effect as of March 31, 2018. Lender released the Borrower and the Guarantor from all obligations with respect such indebtedness exchanged for Class A Preferred Interests effective as of March 31, 2018.

2.3 Interest Rates and Payments.

a. Interest accrued on the aggregate principal balance from time to time outstanding under the First Amended Credit Agreement at a rate equal to twelve percent (12%) per annum from the date of the initial advance thereunder until March 31, 2018, and interest shall accrue on the aggregate principal balance from time to time outstanding hereunder at a rate of six percent (6%) per annum from March 31, 2018, through the remaining term of the Loan, in each case compounded quarterly. Interest shall be computed on the basis of a year with three hundred sixty (360) days, and the actual number of days elapsed.

b. All payments by Borrower hereunder and under the Loan Documents shall be made to Lender at its address set forth in Section 8.10 in United States dollars and in immediately available funds on the date on which such payment shall be due.

c. All interest accrued and unpaid on the aggregate outstanding principal balance of the Loans shall be added to and become a part of the outstanding principal amount of the Loans on and as of the last day of each calendar quarter. Notwithstanding anything foregoing to the contrary, any and all interest that is added to the principal balance of the Loans (i) shall not count against the Loan Commitment Amount; (ii) shall not be deemed made to Borrower for purposes of determining whether Loans made to Borrower exceed the Loan Commitment Amount, the Build-Out Sub-Limit or the Acquisition Sub-Limit and (iii) shall no longer be deemed "unpaid" at the time so added.

d. On the Maturity Date, the entire balance of principal and accrued interest together with all other amounts due and owing under the Loan Documents to the extent not paid shall be due and payable.

e. [Intentionally omitted].

f. [Intentionally omitted].

g. Any present or future debt, liability or obligation Borrower or any Borrower Subsidiary now or hereafter owes to Lender under any Loan and any of the rights and remedies of Lender under this Credit Agreement shall remain in full force and effect, and Lender and its Affiliates reserve any and all rights and remedies they may have under any one or more of the Loan Documents in accordance with Applicable Law; provided, however, that, in the event that at any time a demand is made by the FCC in accordance with Section 1(c) of the Guaranty with respect to a Guaranteed Obligation (as defined in the Guaranty) or in accordance with Section 2 of the Guaranty with respect to any amount avoided, rescinded or recovered, and DISH fails to make timely payment pursuant to the Guaranty, then, from that time until such time as payment is made in full to the FCC (and only during such period), any indebtedness of Borrower now or hereafter held by Lender, whether directly or indirectly through any one or more of its Affiliates, shall be subordinated in right of payment to such Guaranteed Obligations (as defined in the Guaranty), and any such indebtedness collected or received by Lender after any such Guaranteed Obligation (as defined by the Guaranty) has become due from Borrower, and any amount paid to Lender or DISH on account of any subrogation, reimbursement, indemnification or contribution rights referred to in Section 9(a) of the Guaranty shall be held in trust for the FCC and shall promptly be paid over to the FCC to be credited and applied against the Guaranteed Obligations (as defined in the Guaranty); provided that, without affecting, impairing or limiting in any manner the liability of DISH under any other provision of the Guaranty, any payment on such indebtedness received by Lender or DISH at any other time shall be permitted and need not be held in trust for or paid over to the FCC. Lender, Borrower and Guarantor hereby acknowledge and agree that the FCC is an intended third-party beneficiary of this Credit Agreement with respect to, and with the right to enforce, such subordination pursuant to this Section 2.3(g). Furthermore, Borrower and its Affiliates hereby acknowledges and agree that it and its Affiliates will not assert waiver, estoppel, laches, or any similar claim related to the failure of Lender or any of its Affiliates to exercise any claims, rights or remedies in the event such subordination is in effect or otherwise and that any statute of limitations or similar limitation will be tolled during any period in which subordination pursuant to this Section 2.3(g) is in effect.

2.4 Conditions Precedent to Lender's Obligation to Make Any Loan.

a. Lender shall not be required to make any Loan to Borrower under this Credit Agreement unless, as of the applicable Funding Date, each of the following conditions has been satisfied to Lender's satisfaction:

(i) Borrower shall have executed and delivered to Lender the Note, the Pledge Agreement and the Security Agreement.

(ii) Guarantor shall have executed and delivered the Pledge Agreement and the Security Agreement. Each Borrower Subsidiary then formed shall have executed and delivered a guaranty pursuant to Section 3.7 and a Supplement to the Security Agreement.

(iii) The Loan Parties shall have executed and delivered such Financing Statements and other instruments (other than the Control Agreements) reasonably required by Lender to create, perfect and/or maintain the security interests created pursuant to the Security Agreement and the Pledge Agreement.

(iv) Prior to the date that is two (2) Business Days prior to the commencement of the Auction, and from time to time thereafter, the Loan Parties shall have executed and delivered such Control Agreements reasonably requested by Lender.

(v) Lender shall have a perfected first priority security interest in all of Guarantor's membership interests in Borrower. Subject to the NSM Pledge Agreement and the Intercreditor and Subordination Agreement, Lender shall have a perfected first priority security interest in all of Borrower's membership interests in Borrower Subsidiaries.

(vi) Lender shall have received evidence reasonably satisfactory to it that the Financing Statements have been filed in all appropriate filing offices and that such filed Financing Statements perfect first priority security interests, subject to any Permitted Liens and to the NSM Lien, in favor of Lender in the property described therein in which a security interest can be perfected by filing a Financing Statement.

(vii) With respect to the initial Loan under this Credit Agreement, Lender shall have received customary reports of searches of filings made with Governmental Authorities showing that there are no liens on the assets of any Loan Party other than Permitted Liens and the NSM Lien.

(viii) Each Loan Party shall have delivered to Lender an officer's certificate signed by an officer of each such Loan Party certifying that as of such Funding Date:

(A) The representations and warranties of the Loan Parties contained in Section 5 and of the Loan Parties and NSM in the Loan Documents are true and correct in all material respects at and as of the Funding Date as though then made (except for those representations and warranties which refer to facts existing at a specific earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date), except for representations and warranties which are qualified as to materiality or material adverse effect, which shall be true and correct in all respects at and as of the Funding Date (except for those representations and warranties which refer to facts existing at a specific earlier date, in which case such representations and warranties shall have been true and correct in all respects as of such earlier date) except, in each case, where such representations and warranties are not or were not true and correct in all material respects (or in all respects, as applicable) as of the applicable date due to any breach by Lender or one of its Subsidiaries or other Affiliates (whether as Lender or otherwise) of its obligations or any action or inaction consented to by Lender or one of its Subsidiaries or other Affiliates.

(B) Each Loan Party is in compliance in all material respects with the covenants set forth in Section 6, and, in the case of Guarantor, Section 3, and, in the case of the Borrower Subsidiaries, if any, with the covenants in the guaranty executed pursuant to Section 3.7, except, in each case, where the failure to comply with any such covenant was caused by Lender or one of its Subsidiaries or other Affiliates (whether as Lender or otherwise) or consented to by Lender or one of its Subsidiaries or other Affiliates.

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(C) Borrower has taken all action necessary to authorize it to incur the Loan, such Loan is permitted under the terms of the LLC Agreement and the organizational documents of Borrower, and such Loan does not conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, the LLC Agreement or any other material agreement to which Borrower is a party or by which it is bound.

(D) No Event of Default (or other event that if not timely cured or corrected would, with the giving of notice or passage of time or both, result in an Event of Default) shall have occurred or be continuing.

(E) All consents required to be received in connection with the Loan and the Loan Documents from any Governmental Authority shall have been received.

(F) No Litigation or proceeding is pending against Borrower (other than as disclosed by Borrower to Lender on or prior to the Effective Date) which would reasonably be expected to result in a Borrower Material Adverse Effect that could have an adverse effect on the Licenses.

2.5 Security Documents.

The Loans and all amounts outstanding from time to time under the Loan Documents shall be secured by:

a. A first priority security interest (subject to Permitted Liens) in (i) all tangible and intangible personal property, (ii) all fixtures and (iii) all owned real property of Borrower and the Borrower Subsidiaries, now owned or hereafter acquired, and all proceeds and products of such assets. Lender's security interest in the foregoing shall be created by and shall be subject to the provisions of the Security Agreement and shall be subject to the provisions of the Intercreditor and Subordination Agreement. Promptly, and in any event within one (1) Business Day, following the formation (or, as applicable, incorporation) thereof, Borrower shall cause each Borrower Subsidiary to execute and deliver to Lender a Supplement to the Security Agreement.

b. A first priority security interest (subject to Permitted Liens) in all assets of Guarantor (other than the membership interests of Guarantor in Borrower which are addressed in clause (c) below), now owned or hereafter acquired, and all proceeds and products of such assets. Lender's security interest in the foregoing shall be created by and subject to the provisions of the Security Agreement and shall be subject to the provisions of the Intercreditor and Subordination Agreement to the extent provided therein.

c. A first priority security interest in the membership interests of Guarantor in Borrower, now owned or hereafter acquired by Guarantor, and all proceeds and products thereof. Lender's security interest in the foregoing shall be created by and shall be subject to the provisions of the Pledge Agreement and shall be subject to the provisions of the Intercreditor and Subordination Agreement to the extent provided therein.

d. A first priority security interest (subject to the NSM Lien) in Borrower's membership interests in the Borrower Subsidiaries hereafter formed or acquired by Borrower, and all proceeds and products thereof. Lender's security interest in the foregoing shall be created by and shall be subject to the provisions of the Pledge Agreement and shall be subject to the provisions of the Intercreditor and Subordination Agreement to the extent provided therein.

e. Notwithstanding the provisions of Section 2.5(a) through 2.5(d), inclusive, Lender acknowledges and agrees that the obligations of Borrower and the Borrower Subsidiaries under the Interest Purchase Agreement shall be secured by a first priority security interest in favor of NSM in and to all personal property, fixtures and owned real property of Borrower and the membership interests owned by Borrower (other than Borrower's membership interests in each Borrower Subsidiary that does not hold Licenses) and all personal property, fixtures and owned real property of the Borrower Subsidiaries, in each case now owned or hereafter acquired, and all proceeds and products of such assets. NSM's security interests in the foregoing shall be created by and shall be subject to the provisions of the NSM Security Agreement and the NSM Pledge Agreement. NSM's security interest in the foregoing shall have priority over Lender's security interest in such assets, and Lender's security interest in the foregoing shall be subordinated to the NSM Lien in such assets and membership interests, in each case to the extent provided herein and in the Intercreditor and Subordination Agreement.

Section 3. Guarantee

3.1 Guarantee.

a. Guarantor hereby, unconditionally and irrevocably, guarantees to Lender and its respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Borrower Obligations.

b. Guarantor waives any right or claims of right to cause a marshalling of Borrower's assets to the fullest extent permitted by Applicable Law.

3.2 Amendments, Etc. with Respect to the Borrower Obligations.

Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against Guarantor and without notice to or further assent by Guarantor, any demand for payment of any of the Borrower Obligations made by Lender may be rescinded by it, and the Borrower Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, increased, extended, amended, modified, accelerated, compromised, waived, surrendered or released by Lender (in accordance with the terms thereof), and this Credit Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as Lender may deem advisable from time to time (with the consent of Borrower, if required hereunder or thereunder), and any collateral security, guarantee or right of offset at any

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time held by Lender, for the payment of the Borrower Obligations may be sold, exchanged, waived, surrendered or released. Lender has no obligation to protect, secure, perfect or insure any lien at any time held by it as security for the Borrower Obligations or for the guarantee contained in this Section 3 or any property subject thereto.

3.3 Guarantee Absolute and Unconditional.

Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Borrower Obligations and notice of or proof of reliance by Lender upon the guarantee contained in this Section 3 or acceptance of the guarantee contained in this Section 3; the Borrower Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 3; and all dealings between Borrower and Guarantor, on the one hand, and Lender, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 3. Guarantor waives diligence, presentment, protest, demand for payment and notice of default, notice of nonpayment, notice of dishonor and all other notices of any kind to or upon Borrower or Guarantor with respect to the Borrower Obligations and any exemption rights that either Loan Party may have. Guarantor understands and agrees that the guarantee contained in this Section 3 shall be construed as a continuing, absolute and unconditional guarantee of payment and performance without regard to (a) the validity or enforceability of this Credit Agreement or any other Loan Document, any of the Borrower Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by Lender; (b) any defense, set off or counterclaim (other than a defense of payment or performance in full hereunder) that may at any time be available to or be asserted by Borrower or any other Person against Lender or (c) any other circumstance whatsoever (with or without notice to or knowledge of Borrower or Guarantor) that constitutes, or might be construed to constitute, an equitable or legal discharge of Borrower for the Borrower Obligations or of Guarantor under the guarantee contained in this Section 3, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against Guarantor, Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against Borrower or any other Person or against any collateral security or guarantee for the Borrower Obligations or any right of offset with respect thereto, and any failure by Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from Borrower or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of Borrower or any other Person or any such collateral security, guarantee or right of offset, shall not relieve Guarantor of any Guarantor Obligations, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of Lender against Guarantor. For the purposes hereof, "demand" shall include the commencement and continuance of any legal proceedings.

3.4 Reinstatement.

The guarantee contained in this Section 3 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Borrower Obligations is rescinded or must otherwise be restored or returned by Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Borrower, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or collateral agent or similar officer for, Borrower or any substantial part of its property, or otherwise, all as though such payments had not been made.

3.5 Payments.

Guarantor hereby guarantees that payments hereunder shall be paid to Lender without set off or counterclaim (other than compulsory counterclaims) in United States dollars and in immediately available funds at the address of Lender set forth in Section 8.10.

3.6 Coordination with Permitted Distributions.

Notwithstanding the foregoing, Lender acknowledges and consents to the Permitted Distributions by Borrower and Guarantor. No Permitted Distributions made in accordance with the requirements hereof shall constitute a default of the Guarantor Obligations to Lender hereunder or otherwise.

3.7 Guarantees by Borrower Subsidiaries.

Promptly, and in any event within one (1) Business Day, following the formation (or, as applicable, incorporation) thereof, Borrower shall cause each Borrower Subsidiary to execute and deliver to Lender a guarantee in the form attached hereto as Exhibit D.

Section 4. Representations and Warranties of Lender

Lender hereby represents and warrants to the Loan Parties as follows:

4.1 Organization and Standing.

Lender is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Colorado and has all requisite power and authority to execute and deliver this Credit Agreement and to perform its obligations hereunder.

4.2 Authorization by Lender.

a. This Credit Agreement has been duly and validly executed and delivered by Lender and constitutes the legal, valid and binding obligation of Lender enforceable against Lender in accordance with its terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally or (ii) general principles of equity.

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b. Neither the execution, delivery and performance of this Credit Agreement by Lender nor the consummation by Lender of the transactions contemplated herein shall, with or without the giving of notice or the lapse of time, or both, (i) violate any Applicable Law to which Lender is subject; (ii) conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, the certificate of incorporation or bylaws of Lender or any material agreement or commitment to which Lender is a party or by which Lender or any of Lender's assets, may be bound or affected or (iii) except with respect to Borrower's participation in the Auction and procurement and retention of any Licenses by Borrower, and except with respect to the exercise of certain of Lender's remedies under the Loan Documents, require Lender to obtain any authorization, consent, approval or waiver from, or to make any filing with, any Governmental Authority or other Person.

Section 5. Representations and Warranties of the Loan Parties

The Loan Parties hereby jointly and severally represent and warrant to Lender as follows:

5.1 Organization and Standing of Loan Parties.

Each Loan Party is a limited liability company (or such other type of entity expressly consented to by Lender) duly organized, validly existing and in good standing under the laws of the State of Delaware with all requisite power and authority to own its properties, and conduct its business as now being conducted, and is duly qualified to do business as a foreign limited liability company (or, with the express consent of Lender, other entity) in good standing in each jurisdiction where the ownership of its properties or the conduct of its business makes such qualification necessary, except in those jurisdictions where failure so to qualify shall not permanently impair title to a material amount of its properties, permits or licenses or its rights to enforce in all material respects contracts against others or expose it to substantial liabilities in such jurisdictions. Each Loan Party has all material licenses (other than Licenses), permits and authorizations necessary for the conduct of its business as currently conducted.

5.2 Authorization by the Loan Parties; Consents.

a. Borrower has all requisite power and authority to execute, deliver and perform its obligations under this Credit Agreement, the Note and all other Loan Documents to which it is a party. Borrower has taken all action necessary to authorize this Credit Agreement, the Note and all other Loan Documents to which it is a party, and all such documents have been duly authorized, executed and delivered by Borrower and are legal, valid and binding obligations of Borrower enforceable in accordance with their terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally or (ii) general principles of equity.

b. Neither the execution, delivery and performance of this Credit Agreement, the Note or the other Loan Documents by Borrower nor the consummation by Borrower of the transactions contemplated herein or therein shall, with or without the giving of notice or the lapse of time, or both, (i) violate any Applicable Law to which Borrower is subject (other than relating to any Loan Party's qualification as a "very small business," under the FCC Rules and to hold any License under provisions of Applicable Law governing alien ownership of common carrier radio licenses to the extent of any alien ownership directly or indirectly attributable to Lender under the FCC Rules, as to which the Loan Parties make no representation or warranty hereunder); (ii) conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, its certificate of formation or limited liability company agreement (or similar governing documents), any material license or permit of Borrower or any material contract to which Borrower is a party or by which Borrower may be bound or affected or (iii) except with respect to Borrower's participation in the Auction and procurement and retention of any Licenses by Borrower and except with respect to the exercise of certain of Lender's remedies under the Loan Documents, require Borrower to obtain any authorization, consent, approval or waiver from, or to make any filing with, any Governmental Authority or other Person, other than filings to perfect security interests granted pursuant to the Security Agreement.

c. Guarantor has all requisite power and authority to execute, deliver and perform its obligations under this Credit Agreement and all other Loan Documents to which it is a party. Guarantor has taken all action necessary to authorize this Credit Agreement and all other Loan Documents to which it is a party, and all such documents have been duly authorized, executed and delivered by Guarantor and are legal, valid and binding obligations of Guarantor enforceable in accordance with their terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally or (ii) general principles of equity.

d. Neither the execution, delivery and performance of this Credit Agreement or the other Loan Documents by Guarantor nor the consummation by Guarantor of the transactions contemplated herein or therein shall, with or without the giving of notice or the lapse of time, or both, (i) violate any Applicable Law to which Guarantor is subject (other than relating to Guarantor's qualification as a "very small business," under the FCC Rules and to hold any FCC license under provisions of Applicable Law governing alien ownership of common carrier radio licenses to the extent of any alien ownership directly or indirectly attributable to Lender under the FCC Rules, as to which the Loan Parties make no representation or warranty hereunder); (ii) conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, its certificate of formation, the LLC Agreement, any license or permit of Guarantor or any material contract to which Guarantor is a party or by which Guarantor may be bound or affected or (iii) except with respect to Borrower's participation in the Auction and procurement and retention of any Licenses by Borrower and except with respect to the exercise of certain of Lender's remedies under the Loan Documents, require Guarantor to obtain any authorization, consent, approval or waiver from, or to make any filing with, any Governmental Authority or other Person, other than filings to perfect security interests granted pursuant to the Security Agreements.

e. Each Borrower Subsidiary once formed will have all requisite power and authority to execute, deliver and perform its obligations under this Credit Agreement and all other Loan Documents to which it is a party. Each Borrower Subsidiary once formed will have taken all action necessary to authorize this Credit Agreement and all other Loan Documents to which it is a party, and all such documents will have been duly authorized, executed and delivered by such Borrower Subsidiary and will be legal, valid and binding obligations of such Borrower Subsidiary enforceable in accordance with their terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally or (ii) general principles of equity.

f. Neither the execution, delivery and performance of this Credit Agreement or the other Loan Documents by each Borrower Subsidiary once formed nor the consummation by each Borrower Subsidiary once formed of the transactions contemplated herein or therein shall, with or without the giving of notice or the lapse of time, or both, (i) violate any Applicable Law to which such Borrower Subsidiary is subject (other than relating to such Borrower Subsidiary's qualification as a "very small business," under the FCC Rules and to hold any FCC license under provisions of Applicable Law governing alien ownership of common carrier radio licenses to the extent of any alien ownership directly or indirectly attributable to Lender under the FCC Rules, as to which the Loan Parties make no representation or warranty hereunder); (ii) conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, its certificate of formation, the LLC Agreement, any license or permit of such Borrower Subsidiary or any material contract to which such Borrower Subsidiary is a party or by which it may be bound or affected or (iii) except with respect to Borrower's participation in the Auction and procurement and retention of any Licenses by Borrower and except with respect to the exercise of certain of Lender's remedies under the Loan Documents, require such Borrower Subsidiary to obtain any authorization, consent, approval or waiver from, or to make any filing with, any Governmental Authority or other Person, other than filings to perfect security interests granted pursuant to the Security Agreement.

5.3 Litigation.

As of the September 12, 2014, there was no Litigation pending or, to the actual knowledge of the Loan Parties, threatened against any Loan Party that (a) seeks to enjoin or obtain damages in respect of the consummation of the transactions contemplated hereby, including the Loans, the Auction and the Build-Out, (b) has or would reasonably be expected to have a Borrower Material Adverse Effect or Guarantor Material Adverse Effect, or (c) directly or indirectly contests the validity or enforceability of any Loan Document or the LLC Agreement.

5.4 Compliance with Applicable Law.

Each Loan Party has complied and presently is in compliance in all material respects with all Applicable Law, except (i) to the extent that failure to comply with the same does not or shall not have a Borrower Material Adverse Effect or Guarantor Material Adverse Effect and (ii) the Loan Parties make no representation or warranty with respect to the FCC Rules relating to any Loan Party's qualification as a "very small business."

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5.5 Subsidiaries.

As of the Effective Date, Borrower has no Subsidiaries. Following the Effective Date, Borrower shall have no Subsidiaries except as provided in Section 6.14. Guarantor has no Subsidiaries other than Borrower. Each Borrower Subsidiary once formed will have no Subsidiaries.

5.6 Absence of Defaults.

No Loan Party is in material default under or in material violation in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any provision of its constitutive documents or contained in any other material agreement or instrument to which it is a party or by which it is bound or to which any of its properties is subject.

5.7 Indebtedness.

No Loan Party has any indebtedness outstanding except the indebtedness permitted pursuant to the terms of this Credit Agreement and obligations under the Loan Documents. No Loan Party is in material default under any such indebtedness.

5.8 FCC Qualifications.

NSM qualifies and, for so long as may be required under FCC Rules in order for Borrower and the Borrower Subsidiaries to retain the Auction Benefits shall qualify, as a "very small business" under FCC Rules, including but not limited to Sections 1.2110(b)(1), and 27.1106(a)(2) of the FCC Rules.

5.9 Business and Financial Experience.

Each of the Loan Parties by reason of its own business and financial experience or that of its professional advisors has the capacity to protect its own interests in connection with the transactions contemplated hereby.

5.10 Accuracy and Completeness of Information.

The representations and warranties of the Loan Parties contained in this Credit Agreement or the other Loan Documents do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained herein or therein not materially misleading in light of the circumstances in which the same were made.

Section 6. Covenants of the Loan Parties

Each of the Loan Parties hereby covenants and agrees with Lender as follows:

6.1 Use of Proceeds.

a. Each of the Loan Parties shall use one hundred percent (100%) of the Loan proceeds under this Credit Agreement solely for the following purposes: (a) to make deposits, down payments, bid withdrawal payments, or payments for Licenses in connection with the Auction; (b) to finance the Build-Out and the initial operation of the License Systems, including Working Capital, as contemplated by the LLC Agreement, in connection with Licenses and (c) to make distributions to Guarantor to finance Guarantor's Working Capital in accordance with the annual business plan and budget adopted pursuant to the provisions of the LLC Agreement, including to enable Guarantor to make Permitted Distributions due under the LLC Agreement to its Members (including tax distributions).

b. If the LLC Agreement is terminated by either party pursuant to Section 13.1(b) of the LLC Agreement or if the Borrower or any Borrower Subsidiary is at any time entitled under applicable FCC Rules to any refunds of Auction Funds, Borrower shall apply (or shall cause the applicable Borrower Subsidiary to apply) as promptly as reasonably practicable and permitted under the FCC Rules to obtain a refund of all such refundable Auction Funds.

6.2 Compliance with other Agreements.

Each Loan Party shall at all times observe and perform all of the covenants, conditions and obligations required to be performed by it under the LLC Agreement and all other material agreements to which it is a party or by which it is bound, except to the extent the failure to observe and perform such covenants, conditions and obligations would not have a Guarantor Material Adverse Effect or a Borrower Material Adverse Effect.

6.3 Payment.

Borrower shall promptly pay to Lender the obligations due at the times and places and in the amount and manner specified in this Credit Agreement, the Note and the other Loan Documents.

6.4 Existence.

Except as otherwise permitted hereunder, each Loan Party shall maintain: (a) its limited liability company (or, if such Loan Party is not a limited liability company, corporate or other) existence under the laws of the State of Delaware; (b) its good standing and its right to carry on its business and operations in Delaware and in each other jurisdiction in which the character of the properties owned or leased by it or the business conducted by it makes such qualification necessary and the failure to be in good standing would preclude such Loan Party or Lender from enforcing its rights with respect to any material assets or expose such Loan Party to any material liability and (c) all licenses, permits and authorizations necessary to the conduct of its business.

6.5 Compliance with Laws, Taxes, Etc.

Each Loan Party shall comply in all material respects with all Applicable Law, such compliance to include paying before the same become delinquent all material taxes, material assessments and material governmental charges imposed upon it or upon its property except to the extent contested in good faith by appropriate proceedings and for which any reserves required by GAAP have been established. In the event any Loan Party fails to satisfy its obligations under this Section 6.5, as to taxes, assessments and governmental charges, Lender may, but is not obligated to, satisfy such obligations in whole or in part and any payments made and expenses incurred in doing so shall constitute principal indebtedness hereunder governed by the terms of the Note and shall be paid or reimbursed by Borrower upon demand by Lender.

6.6 Books and Records.

Each Loan Party shall at all times keep proper books and records of accounts in which full, true and correct entries shall be made of its transactions in accordance with GAAP consistently applied and shall permit representatives of Lender to examine such books and records upon reasonable request. Each Loan Party shall permit representatives of Lender to discuss its affairs and finances with the principal officers of such Loan Party and its independent public accountants, all upon reasonable notice and at such reasonable times during such normal business hours as Lender shall reasonably request. Borrower shall, promptly upon request of Lender, deliver to Lender copies of all such documents, materials, construction and operating budgets, invoices, receipts and other information reasonably requested by Lender from time to time relating to the Build-Out and the operation of the License Systems.

6.7 Assets and Insurance.

If Borrower is a Winning Bidder in the Auction, each Loan Party shall maintain in full force and effect from and after the Initial Grant Date (a) an adequate errors and omissions insurance policy; (b) such other insurance coverage, on all properties of a character usually insured by organizations engaged in the same or similar business against loss or damage of a kind customarily insured against by such organizations; (c) adequate public liability insurance against tort claims that may be asserted against such Loan Party and (d) such other insurance coverage for other hazards as Lender may from time to time reasonably require to protect its rights and benefits under this Credit Agreement and the other Loan Documents. All commercial general liability and property damage insurance policies and any other insurance policies required to be carried hereunder by each Loan Party shall (i) be issued by insurance companies with a then-current Alfred M. Best Company, Inc. (or if no longer in existence, a comparable rating service) general policy holder's rating of "A" or better and financial size category of Class XII or higher and otherwise reasonably satisfactory to Lender; (ii) designate Lender as loss payee and additional insured; (iii) be written as primary policy coverage and not contributing with or in excess of any coverage that Lender may carry; (iv) provide for thirty (30) days prior written notice to Lender of any cancellation or nonrenewal of such policy and (v) contain contractual liability coverage insuring performance by such Loan Party of the indemnity provisions of the Loan Documents. Each Loan Party shall promptly deliver to Lender upon receipt and from time to time upon Lender's request either a copy of each such policies of insurance or certificates evidencing the coverages required hereunder.

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6.8 Financial Statements and Other Reports.

Each Loan Party shall maintain a system of accounting (as to its own operations and financial condition) established and administered in accordance with sound business practices such as to permit the preparation of financial statements in accordance with GAAP, and Borrower shall furnish or cause to be furnished to Lender:

a. Annual Statements. As soon as practicable following the end of each fiscal year, but in any event within ninety (90) days after the end of each fiscal year, the audited consolidated statement of income and audited consolidated statement of cash flows for such fiscal year and the audited consolidated balance sheet as of the end of such fiscal year, for Guarantor and its Subsidiaries, accompanied by the report thereon of independent certified public accountants and accompanying notes to financial statements, on a consolidated basis, prepared in accordance with GAAP; provided, however, that notwithstanding the foregoing, the financial statements for the fiscal year ended December 31, 2014 furnished or caused to furnished by Borrower need not be audited and Borrower shall be deemed to have satisfied its obligations under this Section 6.8(a) upon furnishing or causing to be furnished unaudited versions of such financial statements to Lender.

b. Quarterly Statements. As soon as practicable following the end of each fiscal quarter (other than the fourth fiscal quarter), but in any event within thirty (30) days after the end of each such quarter, an unaudited consolidated statement of income and unaudited consolidated statement of cash flows for such quarter and an unaudited balance sheet as of the end of such quarter, for Guarantor and its Subsidiaries, on a consolidated basis, prepared (subject to normal year-end audit adjustments and absence of footnotes and supplemental information) in accordance with GAAP.

c. Monthly Statements. As soon as possible following the end of each calendar month in each fiscal year, but in any event within thirty (30) days after the end of such month, an unaudited monthly report of significant operating and financial statistics for Guarantor and its Subsidiaries, including, to the extent applicable, number of subscribers, subscriber churn statistics, minutes of use, average revenues per subscriber, acquisition costs and capital expenditures statistics and such additional statistics and information as may be approved for internal use by such Loan Party, if any.

d. Certain Notices. Within five (5) Business Days after a Loan Party has actual knowledge of their occurrence, notice of each of the following events:

(i) the commencement of any action, suit, proceeding or arbitration against such Loan Party (other than any such action, suit, proceeding or arbitration against, or commenced by, Lender), or any material development in any such action, suit, proceeding or arbitration pending against such Loan Party;

(ii) any Event of Default or any other event that would constitute an Event of Default, but for the passage of time or the requirement that notice be given or both;

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(iii) any event that would be reasonably likely to have a Borrower Material Adverse Effect that could have an adverse effect on the Licenses; and

(iv) the receipt by any Loan Party of any written notice from the FCC, other than in the ordinary course of business (together with a copy of such FCC notice).

e. Other Information. From time to time, such other information regarding the business, operations, affairs and condition (financial or otherwise) of such Loan Party as Lender may reasonably request.

6.9 Indebtedness.

Neither Borrower, Guarantor nor any Borrower Subsidiary shall, directly or indirectly, create, incur, assume, guarantee, or otherwise become or remain directly or indirectly liable with respect to any indebtedness, except:

a. the indebtedness created under this Credit Agreement and the other Loan Documents;

b. purchase money financing of telecommunications and broadband equipment incurred by any Borrower Subsidiaries if the terms of such financing are more favorable to such Borrower Subsidiaries than the terms of the Loans;

c. current trade obligations incurred in the ordinary course of business and not overdue (unless the same are being contested in good faith and by appropriate proceedings and adequate reserves are maintained therefor in accordance with GAAP);

d. renewals, extensions, replacements, refinancings or refundings of any of the foregoing that do not increase the principal amount of the indebtedness so refinanced or refunded;

e. the obligations of Borrower and the Borrower Subsidiaries under the Interest Purchase Agreement or any guarantees in respect thereof, the NSM Security Agreement or the NSM Pledge Agreement;

f. guarantees of the Borrower or any Borrower Subsidiary in respect of indebtedness otherwise permitted hereunder of the Borrower or any of the Borrower Subsidiaries; and

g. other unsecured indebtedness of the Borrower or any Borrower Subsidiary.

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6.10 Investments.

None of the Loan Parties shall, except as otherwise set forth herein and subject to the annual budget then in place under the LLC Agreement, directly or indirectly, make or own any investment in any Person, except (a) marketable direct obligations issued or unconditionally guaranteed by the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition thereof; (b) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having the highest rating obtainable from either Standard & Poor's Corporation ("**S&P**") or Moody's Investors Service, Inc. ("**Moody's**"); (c) commercial paper maturing no more than two hundred seventy (270) days from the date of creation thereof and, at the time of acquisition, having the highest rating obtainable from either S&P or Moody's; (d) demand deposits, or time deposits maturing within one (1) year from the date of creation thereof, including certificates of deposit issued by, any office located in the United States of any bank or trust company that is organized under the laws of the United States or any state thereof and whose certificates of deposit are rated P-1 or better by Moody's or A-1 or better by S&P; (e) Guarantor's investment in Borrower (including any future investments); (f) Borrower's investments in the Borrower Subsidiaries (including any future investments); (g) investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss (whether received in bankruptcy, reorganization or otherwise); (h) guarantees permitted under Section 6.9(b); and (i) prepaid expenses or lease, utility and other similar deposits, in each case made in the ordinary course of business.

6.11 Negative Covenants.

Each Loan Party agrees that it shall not take any of the actions set forth in this Section 6.11 without the prior written approval of Lender, which approval may be withheld in Lender's sole and absolute discretion; provided, however, that for so long as Lender (or one or more of its Subsidiaries or other Affiliates) is a member of Guarantor, the approval of Lender shall be deemed given other than with respect to Section 6.11(g) with respect to any action taken by Borrower or Guarantor that may be taken without the approval of Lender (or such Subsidiary or other Affiliate), as applicable, under the terms of the LLC Agreement or for which Lender (or such Subsidiary or other Affiliate), as applicable, has granted its approval under the terms of the LLC Agreement:

a. Conduct, transact or otherwise engage in, or commit to transact, conduct or otherwise engage in, any business or operations other than the Business;

b. Undertake any of the activities permitted by Section 6.11(a) above or own any assets related thereto, other than by and through the Borrower Subsidiaries except during the period prior to the formation of the Borrower Subsidiaries as set forth in Section 6.14(a);

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c. Enter into any transaction of merger or consolidation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, transfer or otherwise dispose of, in one transaction or a series of transactions, all or substantially all of its business or property, whether now owned or hereafter acquired, in each case except for Permitted Dispositions, or, except as expressly permitted under the terms of this Credit Agreement, acquire by purchase or otherwise all or substantially all the business or property of, or stock or other evidence of beneficial ownership of, any Person, or acquire, purchase, redeem or retire any membership interests in such Loan Party now or hereafter outstanding for value;

d. Become liable, directly or indirectly, contingently or otherwise, for any obligation of any other Person by endorsement, guaranty, surety or otherwise, except in connection with (i) the Loans and (ii) indebtedness permitted pursuant to the terms of this Credit Agreement;

e. Enter into any agreement containing any provision that would be violated or breached by any borrowing hereunder or by the performance of its obligations hereunder or under any document executed pursuant hereto;

f. Own, lease, manage or otherwise operate any properties or assets other than in connection with the Business, or incur, create, assume or suffer to exist any indebtedness or other consensual liabilities or financial obligations other than as may be incurred, created or assumed or as may exist in connection with the Business (including the Loans and other obligations incurred by such Loan Party hereunder). Notwithstanding the foregoing, Borrower may invest excess funds in investments permitted under Section 6.10; and

g. Amend or modify its certificate of formation or limited liability company agreement (or similar governing document), including the LLC Agreement, in any manner that materially affects Lender as a secured lender to any of the Loan Parties.

6.12 Further Assurances.

a. Borrower shall use its commercially reasonable efforts to cause (i) the condition set forth in Section 2.4(a)(iv) to be satisfied on or prior to the date that is two (2) Business Days prior to the commencement of the Auction and (ii) the condition set forth in Section 2.4(a)(viii) to be satisfied on or prior to the Initial Loan Date.

b. At any time and from time to time, upon the written request of Lender, and at the expense of the Loan Parties, each Loan Party shall promptly and duly execute and deliver such further instruments and documents and take such further action as are necessary or reasonably required by Lender to further carry out and consummate the transactions contemplated by this Credit Agreement and the other Loan Documents and to perfect or effect the purposes of this Credit Agreement and the other Loan Documents.

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6.13 Independence of Covenants.

All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or be otherwise within the limitations of, another covenant shall not avoid the occurrence of an Event of Default if such action is taken or condition exists.

6.14 Build-Out and Operation of the Licenses.

a. As promptly as practicable after the Initial Grant Date (and in any event within ten (10) Business Days thereafter), Borrower shall cause to be formed a separate Borrower Subsidiary for the Licenses granted to Borrower and shall promptly (and in any event within ten (10) Business Days following the formation of such Borrower Subsidiary) make the necessary filings with the FCC to obtain its consent to the assignment of each License granted to Borrower to the Borrower Subsidiary, and following receipt of such approval (if required), Borrower shall assign each such License to the Borrower Subsidiary. The Borrower Subsidiary that holds Licenses shall conduct no business nor incur any obligations other than under the Licenses and under this Credit Agreement, the other Loan Documents, the Interest Purchase Agreement, the NSM Security Agreement and any guarantees in respect of any of the foregoing. In addition, Borrower shall cause to be formed a Borrower Subsidiary that will serve as the operating subsidiary and that will not acquire any Licenses. Borrower shall not form nor acquire any Subsidiary that is not a Borrower Subsidiary.

b. The Loan Parties shall use their respective commercially reasonable efforts to pursue the Build-Out and the operation of the License System with respect to each License, in each case pursuant to the Business Plan (as defined in the LLC Agreement), subject to the availability of adequate capital resources to effect the same (as determined in the reasonable business judgment of the Loan Parties).

6.15 Dividends, Distributions or Return of Capital.

a. Each Loan Party agrees that it shall not, without the prior approval of Lender, which approval may be withheld in Lender's sole and absolute discretion, make any dividend, distribution or return of capital or other payments to any Loan Party or its Affiliates, except that (i) Borrower and the Borrower Subsidiaries may make Permitted Distributions to Guarantor (and Guarantor to its Members) or to NSM, as applicable; (ii) Borrower may make distributions to Guarantor for the payment of Guarantor's expenses to the extent consistent with the Business Plan and budget then in effect under the LLC Agreement; (iii) Borrower may make payments of Management Fees to NSM pursuant to (and as defined in) Section 6.6 of the LLC Agreement and (iv) so long as no default shall have occurred and be continuing or would result therefrom, Borrower and the Borrower Subsidiaries may make distributions or returns of capital to Guarantor (and Guarantor to its Members) solely from Excess Cash, if, in the case of clause (iv) only, after giving effect to such proposed distribution or return of capital the aggregate amount of all such distributions and returns of capital paid or made in any fiscal year (including, without duplication, distributions described in clauses (i), (ii) and (iii) above) would be less than fifty percent (50%) of the Consolidated Net Income for the fiscal year immediately preceding the fiscal year in which such distribution or return of capital is paid or made.

b. For purposes of this Section 6.15, the following term shall have the following meaning:

(i) "**Consolidated Net Income**" means, for any fiscal year, the net income of Guarantor and its Subsidiaries (without giving effect to extraordinary gains or extraordinary losses) calculated on a consolidated basis, in accordance with GAAP consistently applied.

c. Borrower shall not amend or waive (and Guarantor shall cause Borrower not to amend or waive) any term or provision of the Interest Purchase Agreement, the NSM Security Agreement or the NSM Pledge Agreement without the prior written consent of Lender, in its sole discretion (provided that if such amendment or waiver would not be adverse to the Lender's rights and remedies under the Loan Documents, then the Lender shall not unreasonably withhold, condition or delay such consent).

6.16 Liens.

No Loan Party shall create or permit to exist at any time, any mortgage, deed of trust, trust deed, lien, security interest, pledge, charge or other encumbrance against any of its property or assets (including any owned or leased real property or other real property estate) now owned or hereafter acquired, or assign or sell any income or revenues (including accounts receivable) or rights in respect thereof, except for Permitted Liens and except for the NSM Lien and the NSM Pledge Agreement, and shall, at its sole cost and expense, promptly take all such action as may be necessary duly to discharge, or cause to be discharged all such mortgages, deeds of trust, trust deeds, liens, security interests, pledges, charges or other encumbrances.

6.17 Disposition of Assets.

Each Loan Party agrees that it shall not, without the prior written approval of Lender, which approval may be withheld in Lender's sole and absolute discretion, sell, lease, convey, transfer, or otherwise dispose of its property or assets now owned or hereafter acquired except in the ordinary course of business, except for any Permitted Disposition and except to any wholly owned Subsidiary of Borrower, or except as permitted pursuant to subparagraph (v) of the definition of "Significant Matter" in Section 1.1 of the LLC Agreement; provided that the net cash proceeds from each such Permitted Disposition closed following any NSM exercise of its Put Right (as defined in the LLC Agreement) are paid to NSM to satisfy, in whole or in part, the obligations of Borrower and the Borrower Subsidiaries under the Interest Purchase Agreement and any guarantees with respect thereto, the NSM Security Agreement and the NSM Pledge Agreement (and in each case, to the extent that there are net cash proceeds in excess of the amount required to satisfy such obligations, such excess is retained by Borrower as collateral subject to Lender's security interest under the Loan Documents).

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6.18 Separateness Covenants.

a. Each Loan Party shall, and shall cause each of its Subsidiaries to, (i) to the extent that such entities have one or more deposit accounts, each maintain their own deposit account or accounts, separate from the accounts of Lender and its Subsidiaries and joint ventures, with commercial banking institutions and (ii) not commingle their funds with those of Lender or any of its Subsidiaries or joint ventures;

b. Each Loan Party shall, and shall cause each of its Subsidiaries to, maintain separate addresses from the addresses of Lender and its Subsidiaries and joint ventures, or to the extent that any Loan Party or any of its Subsidiaries may have offices in the same location as Lender or any of its Subsidiaries or joint ventures, to maintain a fair and appropriate allocation of overhead costs among them, with each such entity bearing its fair share of such expense;

c. Guarantor shall issue quarterly and annual consolidated financial statements from time to time as prepared in accordance with GAAP, consistently applied;

d. Each Loan Party shall, and shall cause each of its Subsidiaries to, (i) each maintain its separate status as a limited liability company and (ii) each conduct its affairs in accordance with its certificate of formation and limited liability company agreement and observe all necessary, appropriate and customary company formalities, including, but not limited to, holding all regular and special members' and managers' meetings appropriate to authorize company 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, payroll and intercompany transaction accounts, to the extent applicable;

e. Each Loan Party shall not, and shall not permit any of its Subsidiaries to, (i) assume or guarantee any of the liabilities of, or pledge any of its assets as security for the liabilities of, Lender or any of its Subsidiaries or joint ventures or (ii) hold out the credit of Lender or any of its Subsidiaries or joint ventures as being able to satisfy the obligations of such Loan Party or any of its Subsidiaries (which shall be deemed not to refer to any disclosure by such Loan Party or any of its Subsidiaries of any capital contributions or loans that Lender or any of its Subsidiaries is required to make to such Loan Party or any of its Subsidiaries or of any other obligations that Lender or any of its Subsidiaries is required to perform for the benefit of such Loan Party or any of its Subsidiaries), except with respect to any guarantees or assumptions of indebtedness or other liabilities that have been expressly agreed to by Lender or any of its Subsidiaries in writing;

f. Each Loan Party shall not, and shall cause each of its Subsidiaries not to, authorize the use of its name or trademarks or service marks by Lender or any of its Subsidiaries or joint ventures, except pursuant to a written license agreement;

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g. Each Loan Party shall not, and shall not permit any of its Subsidiaries to conduct its own business with suppliers of goods and services, lenders or purchasers of securities in the name of Lender or any of its Subsidiaries or joint ventures; and

h. If any Loan Party or any of its Subsidiaries obtains actual knowledge that Lender or any of its Subsidiaries or joint ventures has represented or indicated to any supplier of goods and services to, lender to or purchaser of securities of any Loan Party or any of its Subsidiaries that the credit of Lender or any of its Subsidiaries or joint ventures is available to satisfy the obligations of any Loan Party or any of its Subsidiaries (which shall be deemed not to refer to any disclosure by Lender or any of its Subsidiaries or joint ventures of any capital contributions or loans that Lender or any of its Subsidiaries is required to make to any Loan Party or any of its Subsidiaries or of any other obligations that Lender or any of its Subsidiaries is required to perform for the benefit of any Loan Party or any of its Subsidiaries), other than with respect to any guarantees or assumptions of indebtedness or other liabilities that have been expressly agreed to by Lender or any of its Subsidiaries in writing, then each such Loan Party shall, and shall cause each of its Subsidiaries to, provide written notice to any person to whom such representation or indication was made, to make clear that the credit of Lender and its Subsidiaries and joint ventures is not available to satisfy the obligations of such Loan Party or any of its Subsidiaries, other than with respect to any guarantees or assumptions of indebtedness or other liabilities that have been expressly agreed to by Lender or any of its Subsidiaries in writing.

Section 7. Events of Default and their Effect

7.1 Events of Default.

The occurrence and continuance of any of the following shall constitute an Event of Default under this Credit Agreement and the Note (each, an "**Event of Default**"):

a. Failure to Pay. Borrower fails to pay when due and payable any principal payment, interest or other payment required under the terms of this Credit Agreement or the Note that is not cured within five (5) Business Days after the date on which Lender delivers notice to Borrower that such payment is past due; or

b. Breaches of Other Covenants. Any Loan Party fails to observe or perform in any material respect any covenant, obligation or agreement contained in this Credit Agreement or any covenant, obligation or agreement under any of the other Loan Documents (or, with respect to any portion of any such covenant, obligation or agreement which is qualified by materiality, any Loan Party fails to observe or perform such portion of such covenant, obligation or agreement in any respect, taking into account such qualifications) and such failure shall continue unremedied for thirty (30) days after the earlier of (i) notice thereof from Lender or (ii) the actual knowledge of such failure by a senior executive officer of such Loan Party; provided, however, that a failure to observe any covenant set forth in Section 6.11, Section 6.15 or Section 6.17 shall constitute an Event of Default immediately upon the occurrence thereof and without any cure period; provided, further, that no such failure shall be an Event of Default if such failure was caused by Lender or one of its Subsidiaries or other Affiliates (whether as Lender or otherwise) or consented to by Lender or one of its Subsidiaries or other Affiliates; or

c. Bankruptcy or Insolvency Proceedings. (i) Any Loan Party (A) applies for or consents to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property; (B) is unable, or admits in writing its inability, to pay its debts generally as they mature; (C) makes a general assignment for the benefit of its or any of its creditors; (D) is dissolved or liquidated in full or in part; (E) becomes insolvent (as such term may be defined or interpreted under Applicable Law); (F) commences a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or (G) takes any action for the purpose of effecting any of the foregoing or (ii) a case or proceeding under the bankruptcy laws of the United States now or hereafter in effect or under any insolvency, reorganization, receivership, readjustment of debt, dissolution or liquidation law of any jurisdiction now or hereafter in effect is filed against any Loan Party or all or any part of its properties and such application is not dismissed, bonded or discharged within sixty (60) days after the date of its filing or such Loan Party shall file any answer admitting or not contesting such petition or application or indicates its consent to, acquiescence in or approval of any such action or proceeding or the relief requested is granted sooner; or

d. Representations and Warranties. Any representation or warranty made by any Loan Party herein or in any other Loan Document shall be false as of the date made (or deemed made) in any material respect, and not cured prior to the expiration of any applicable cure period, (except that no breach of any representation or warranty made by any Loan Party in Section 5.4, 5.6 or 5.7 shall be an Event of Default if such breach was caused by Lender or one of its Subsidiaries or other Affiliates (whether as Lender or otherwise) or consented to by Lender or one of its Subsidiaries or other Affiliates); or

e. Change in Control. The occurrence of any Borrower Change in Control Event or Guarantor Change in Control Event; or

f. Termination of LLC Agreement. The termination of the LLC Agreement in accordance with its terms; or

g. Loan Documents. Any Loan Document ceases to be in full force and effect or any lien in favor of Lender ceases to be, or is not, valid, perfected and prior to all other liens and security interests (other than Permitted Liens and the NSM Lien), except (i) as a result of Lender's relinquishment of possession of any unit certificates, promissory notes or other documents delivered to it under the Security Agreement or the Pledge Agreement; (ii) where the perfection of such liens is pending during the transmission to the appropriate filing office of applicable and appropriate documentation required by Applicable Law to perfect such liens; (iii) with respect to intellectual property collateral, where the perfection of such liens may not be accomplished by recording in the United States Patent and Trademark Office and/or the United States Copyright Office and the filing of Uniform Commercial Code financing statements or where the time period contemplated in the applicable Security Agreement has not expired or (iv) as a result of the release of such lien as a result of a Permitted Disposition or other disposition hereunder in accordance with the terms of the Intercreditor and Subordination Agreement, the Security Agreement or the Pledge Agreement; or

h. Loss of Status. NSM or any Loan Party admits, or it is determined in an order, notice or ruling of the FCC, that NSM or any Loan Party holding FCC Licenses has ceased to qualify as a "very small business" under FCC Rules, including but not limited to, Sections 1.2110(b), and 27.1106(a)(2) of the FCC Rules, if such qualification is then required under FCC Rules in order for Borrower and the Borrower Subsidiaries to retain the Auction Benefits; or

i. Cross Default. Any Loan Party (i) defaults in making payments of any indebtedness permitted under Section 6.9 that is outstanding in a principal amount of at least Five Million and No Dollars ($5,000,000.00) (but excluding indebtedness outstanding hereunder) on the scheduled due date with respect thereto beyond the period of grace, if any, provided in the instrument or agreement under which such indebtedness was created; (ii) defaults in making any payment of any interest on such indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such indebtedness was created or (iii) defaults in the observance or performance of any other agreement or condition relating to such indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, in each case, beyond the applicable grace period, if any, which default permits the lender thereunder to declare such indebtedness to be due and payable prior to its stated maturity; provided, however, that any such default by a Loan Party shall not be an Event of Default hereunder if and to the extent that, and for so long as, such Loan Party's default is proximately caused by Lender's (or its assignee's) failure to satisfy its funding obligations under this Credit Agreement or the LLC Agreement; or

j. Borrower Material Adverse Effect. A Borrower Material Adverse Effect caused directly or indirectly by any Loan Party that could have an adverse effect on the Licenses.

7.2 Remedies Upon Event of Default.

a. If any Event of Default shall occur and be continuing then Lender, upon notice to the Borrower, may do any or all of the following: (i) terminate or reduce the commitment of Lender to make Loans to Borrower under this Credit Agreement; (ii) declare all obligations of Borrower hereunder and under the Note to be immediately due and payable, whereupon the Borrower Obligations hereunder and under the Note shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything in this Credit Agreement or in any other Loan Document to the contrary notwithstanding; (iii) enforce its rights under any one or more of the Loan Documents in accordance with Applicable Law; (iv) subject to prior FCC approval, if required, without any obligation to do so, make disbursements to or on behalf of Borrower or any of its Subsidiaries to cure any default and render any performance under any other agreement by Borrower or any of the Borrower Subsidiaries and (v) subject to prior FCC approval, if required, perform on behalf of Borrower or any of the Borrower Subsidiaries any and all work and labor necessary to build, operate and maintain the License System; provided that upon the occurrence of any Event of Default under Section 7.1(c), 7.1(e) or 7.1(h) the commitment of Lender shall immediately terminate and all Borrower Obligations shall automatically become immediately due and payable without notice or demand of any kind.

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b. Upon the occurrence of any Event of Default and at any time thereafter so long as any Event of Default shall be continuing, Lender may proceed to protect and enforce this Credit Agreement, the Note and the other Loan Documents by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted, or for foreclosure hereunder, or for the appointment of a receiver or receivers for the collateral subject to the applicable Loan Documents or for the recovery of judgment for the indebtedness secured thereby or for the enforcement of any other proper, legal or equitable remedy available under Applicable Law.

c. Borrower shall pay to Lender forthwith upon demand any and all expenses, costs and other amounts to the extent due hereunder or under the other Loan Documents, whether incurred before, after or during the exercise of any of the foregoing remedies, including all reasonable legal fees and other reasonable costs and expenses incurred by Lender by reason of the occurrence of any Event of Default, the enforcement of this Credit Agreement and the other Loan Documents and/or the preservation of Lender's rights hereunder and under the other Loan Documents.

d. Any and all remedies of Lender hereunder, including those described in Sections 7.2(a) through (c), inclusive, above are subject to the terms of the Intercreditor and Subordination Agreement and must be exercised in accordance therewith.

Section 8. Miscellaneous

8.1 Entire Agreement.

This Credit Agreement (including the attached Exhibits) and the other Loan Documents, together with any schedules and exhibits hereto and thereto, constitute the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes all prior and all contemporaneous oral or written negotiations, proposals, offers, agreements, commitments and understandings relating to such subject matters.

Notwithstanding the foregoing, that certain Appeal Contingency Agreement dated as of October 1, 2015 by and among the parties hereto and NSM shall continue to apply, provided, however, that (i) any references therein to the Credit Agreement shall instead be references to this Agreement, (ii) any references therein to the LLC Agreement shall instead be references to the Third Amended and Restated Limited Liability Company Agreement effective as of the Effective Date, and (iii) any references therein to the Interest Purchase Agreement shall instead be references to the Second Amended and Restated Interest Purchase Agreement effective as of June 7, 2018.

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8.2 Successors and Assigns.

Neither this Credit Agreement nor any Loan Documents may be assigned by any Loan Party without the consent of Lender, which consent may be withheld in its sole and absolute discretion, and any assignment without such prior written consent shall be null and void and without force or effect. Lender may assign all or a portion of its rights under this Credit Agreement or any Loan Documents to an Affiliate of Lender without the consent of the Loan Parties; provided that such Affiliate of Lender agrees to be bound by all of the terms hereof and thereof and of the Intercreditor and Subordination Agreement; provided, further, that, unless Borrower otherwise consents in its sole and absolute discretion, Lender shall remain obligated under this Credit Agreement to make all Loans required hereunder. No such permitted assignment shall relieve any party hereto of any liability for a breach of this Credit Agreement or of any other Loan Document or of the Intercreditor and Subordination Agreement by such party or its assignee. Any such assignment shall be subject to compliance with the requirements of all applicable FCC Rules. This Credit Agreement, the Loan Documents and the Intercreditor and Subordination Agreement each shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs or successors in interest.

8.3 Remedies Cumulative.

Notwithstanding anything to the contrary herein, all rights, powers and remedies provided to Lender under this Credit Agreement and under the other Loan Documents or otherwise available in respect hereof or thereof, at law or in equity, shall not be mutually exclusive and shall be cumulative and not alternative, and the exercise or beginning of the exercise of any one or more right, power or remedy thereof by Lender pursuant to this Credit Agreement or the other Loan Documents shall not preclude the simultaneous or later exercise by Lender of any other such right, power or remedy by Lender hereunder or under Applicable Law or the principles of equity.

8.4 Indemnity; Reimbursement of Lender.

a. Each Loan Party agrees to indemnify, defend and hold Lender and its Affiliates, directors, employees, attorneys or agents harmless from and against any and all claims, demands, losses, judgments and liabilities (including but not limited to, liabilities for penalties) of any nature ("**Claims**"), and to reimburse Lender for all reasonable and documented out-of-pocket costs and expenses, including reasonable attorneys' fees and expenses, arising from any of the Loan Documents or the exercise of any right or remedy granted to Lender hereunder or thereunder, other than any Claim (including of Borrower) arising from Lender's gross negligence, willful misconduct or bad faith, or from Lender's failure to comply with its obligations under this Credit Agreement or any other Loan Document. In no event shall Lender be liable for any matter or thing in connection with the Loan Documents other than to account for moneys actually received by Lender in accordance with the terms hereof. In addition, in no event shall any party hereto be liable for any indirect, incidental, consequential or special damages (including damages for harm to business, lost revenues, lost savings, or lost profits suffered by any of the Loan Parties, Lender or other Persons), regardless of the form of action, whether in contract, warranty, strict liability, or tort, including negligence of any kind whether active or passive, and regardless of whether Lender or the Loan Parties knew of the possibility that such damages could result.

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b. All indemnities contained in this Section 8.4 and elsewhere in this Credit Agreement shall survive the expiration or earlier termination of this Credit Agreement.

8.5 Highest Lawful Rate.

Anything herein to the contrary notwithstanding, the obligations of Borrower on the Note shall be subject to the limitation that payments of interest shall not be required, for any period for which interest is computed hereunder, to the extent that contracting for or receipt thereof would be contrary to provisions of any Applicable Law applicable to Lender limiting the highest rate of interest that may be lawfully contracted for, charged or received by Lender, as determined by a final Judgment of a court of competent jurisdiction. Any interest paid in excess of such highest rate shall be applied to the principal balance of the Borrower Obligations.

8.6 Counterparts.

This Credit Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument.

8.7 Amendment; Waiver.

Neither this Credit Agreement nor any provision hereof may be amended, modified, or waived except in a writing signed by the parties. No failure or delay of any party in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce any such right or power, preclude any other further exercise thereof or the exercise of any other right or power. No waiver by any party of any departure by any other party from any provision of this Credit Agreement shall be effective unless the same shall be in a writing signed by the party against which enforcement of such waiver or consent is sought, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice or similar communication by any party to another shall entitle such other party to any other or further notice or similar communication in similar or other circumstances, except as specifically provided herein.

8.8 Payments on Business Days.

Whenever any payment to be made hereunder or under any Note shall be stated to be due on a day other than a Business Day, such payment may be made on the next succeeding Business Day and such extension of time shall in such case be included in computing interest, if any, in connection with such payment.

8.9 Expenses.

Except as specifically provided herein, each party hereto shall pay all costs and expenses incurred by it or on its behalf in connection with this Credit Agreement, including the preparation of this Credit Agreement, and the transactions contemplated hereby, including, without limiting the generality of the foregoing, fees, and expenses of its own consultants, accountants, and counsel. Notwithstanding the foregoing, Borrower shall pay, immediately when due, all present and future stamp and other like duties and applicable taxes, if any, to which this Credit Agreement may be subject or give rise.

8.10 Notices.

All notices or requests that are required or permitted to be given pursuant to this Credit Agreement shall be given in writing and shall be sent by facsimile transmission, or by first-class certified mail, postage prepaid, or by overnight courier service, charges prepaid, to the party to be notified, addressed to such party at the address(es) set forth below, or sent by facsimile to the fax number(s) set forth below, or such other address(es) or fax number(s) as such party may have substituted by written notice (given in accordance with this Section) to the other party. The sending of such notice with confirmation of receipt of the complete transmission (in the case of facsimile transmission) or receipt of such notice (in the case of delivery by first-class certified mail or by overnight courier service) shall constitute the giving thereof.

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If to be given to Borrower:
c/o Doyon, Limited
Attn: Allen M. Todd, General Counsel

If by overnight courier service:
Doyon, Limited
1 Doyon Place, Suite 300
Fairbanks, AK 99701-2941

If by first-class certified mail:
Doyon, Limited
1 Doyon Place, Suite 300
Fairbanks, AK 99701-2941

If by facsimile:
Fax #: (907) 459-2075

cc: Lowenstein Sandler LLP
1251 Avenue of the Americas
New York, NY 10020
Attention: Michael A. Brosse
Fax: (973) 422-6841

If to be given to Lender:
American AWS-3 Wireless II L.L.C.
Attn: EVP, Corporate Development

If by overnight courier service:
9601 South Meridian Blvd.
Englewood, Colorado 80112

If by first-class certified mail:
P.O. Box 6655
Englewood, Colorado 80155

If by facsimile:
Fax #: (303) 723-2020

cc: Office of the General Counsel
American AWS-3 Wireless II L.L.C.

If by overnight courier service:
Same address as noted above for Lender overnight courier delivery

If by first-class certified mail:
Same address as noted above for Lender first- class certified mail delivery

If by facsimile:
Fax #: (303) 723-2050

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8.11 Severability.

Subject to Section 8.12, each provision of this Credit Agreement shall be construed as separable and divisible from every other provision and the enforceability of any one provision shall not limit the enforceability, in whole or in part, of any other provision. In the event that a court or administrative body of competent jurisdiction holds any provision of this Credit Agreement to be invalid, illegal, void or less than fully enforceable as to time, scope or otherwise, the parties agree that such provision shall be construed by limiting and reducing it so that such provision is valid, legal, and fully enforceable while preserving to the greatest extent permissible the original intent of the parties; the remaining terms and conditions of this Credit Agreement shall not be affected by such alteration, and shall remain in full force and effect.

8.12 Reformation.

a. If the FCC should (i) change any FCC Rule in a manner that would adversely affect the enforceability of this Credit Agreement; (ii) directly or indirectly reject or take action to challenge the enforceability of this Credit Agreement or (iii) take any other steps whatsoever, on its own initiative or by petition from another Person, to challenge or deny the transactions contemplated hereby or the eligibility of Borrower to hold any of the licenses won in the Auction or the ability of Borrower to realize the Auction Benefits (each, an "Adverse FCC Action"), then the parties shall promptly consult with each other and negotiate in good faith to reform and amend this Credit Agreement so as to eliminate or amend to make unobjectionable any portion that is the subject of any Adverse FCC Action (each, an "Adverse FCC Action Reformation"). Furthermore, subject to consent in writing by Lender, in the event of an Adverse FCC Action, the parties other than Lender (the "Non-American II Members") shall use their best efforts with respect to all aspects of the Adverse FCC Action to agree upon an Adverse FCC Action Reformation with Lender; provided, however, that in the event that an element of any such Adverse FCC Action materially adversely impacts the material economic benefits of the Non-American II Members (each, an "Economic Element"), then the Non-American II Members may use commercially reasonable efforts solely with respect to the Economic Element of the Adverse FCC Action to agree upon an Adverse FCC Action Reformation with Lender. None of the parties hereto shall take any action that is reasonably likely to contribute to such Adverse FCC Action.

b. If the FCC should determine that a portion of this Credit Agreement or any of the other Loan Documents, after having been reformed pursuant to paragraph (a) above, continues to violate FCC Rules, then such provisions shall be null and void and the remainder of this Credit Agreement and the other Loan Documents shall continue in full force and effect; provided that the relative economic and other rights and benefits expected to be derived by the parties hereunder are preserved.

8.13 Governing Law.

This Credit Agreement shall be construed in accordance with and governed by the internal laws of the State of New York applicable to agreements made and to be performed wholly within such jurisdiction, without regard to principles of conflicts of law provisions of that or of any other state, all rights and remedies being governed by said laws.

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8.14 Arbitration.

a. Arbitration. Any controversy or claim arising out of or relating to this Credit Agreement or any of the other Loan Documents, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Within fifteen (15) days after the commencement of arbitration, each party shall select one Person to act as arbitrator and the two selected shall select a third arbitrator within ten (10) days of their appointment. If the arbitrators selected by the parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be selected by the American Arbitration Association. The place of arbitration shall be Chicago, Illinois or such other place as the parties may agree. The arbitrators shall be knowledgeable in the broadband industry and public auctions of FCC licenses. Notwithstanding the foregoing, if the arbitration is consolidated with a then pending arbitration proceeding pursuant to Section 8.14(d), then the arbitrators and the place of arbitration for such then pending proceeding shall be the arbitrators and place of arbitration hereunder.

b. Interim Relief. Any party may apply to the arbitrators seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy under this Credit Agreement or any of the other Loan Documents, seek from any court having jurisdiction any interim or provisional relief that is necessary to protect the rights or property of that party, pending the establishment of the arbitral tribunal (or pending the arbitral tribunal's determination of the merits of the controversy).

c. Award. The award shall be made within ninety (90) days of the filing of the notice of intention to arbitrate, and the arbitrators shall agree to comply with this schedule before accepting appointment. However, this time limit may be extended by agreement of the parties and the arbitrators if necessary.

d. Consent to Consolidation of Arbitrations. Each party irrevocably consents to consolidating any arbitration proceeding under this Credit Agreement and/or any of the other Loan Documents with any other arbitration proceedings involving any party that may be then pending that are brought under the LLC Agreement.

e. Venue. Each party hereto irrevocably and unconditionally consents to the exclusive jurisdiction of the courts of the State of Delaware and of the United States District Courts located in the State of Delaware for entering of any judgment on the award rendered by the arbitrators; provided that if such courts do not have jurisdiction to enforce such judgment, then the parties may enter such judgment in any other court having jurisdiction thereof.

8.15 Lender's Discretion.

Unless this Credit Agreement shall otherwise expressly provide, Lender shall have the right to make any decision, grant or withhold any consent, and exercise any other right or remedy hereunder in its sole and absolute discretion.

8.16 No Third-Party Beneficiaries.

Except solely with respect to the designation of the FCC as an intended third-party beneficiary of certain obligations described in Sections 2.2(a)(vii) and 2.3(g) of this Credit Agreement, this Credit Agreement is entered into solely for the benefit of the parties and no Person, other than the parties and their respective successors and permitted assigns, may exercise any right or enforce any obligation hereunder, and nothing herein expressed or implied will create or be construed to create any third-party beneficiary rights hereunder. Except as otherwise expressly provided herein in Section 2.3(g), nothing in this Credit Agreement shall impair, as between the Borrower and the Borrower Subsidiaries and NSM, or as between the Borrower and the Borrower Subsidiaries and Lender, the obligations of the Borrower and the Borrower Subsidiaries to pay principal, interest, fees, and other amounts as provided in the Interest Purchase Agreement or the NSM Security Documents, or in the Intercreditor and Subordination Agreement or the Loan Documents, respectively.

8.17 Further Assurances.

Each party shall execute and deliver any such further documents and shall take such further actions as any other party may at any time or times reasonably request, at the expense of the requesting party, consistent with the provisions hereof in order to carry out and effect the intent and purposes of this Credit Agreement.

8.18 Transferred License Deficiency Payments.

Notwithstanding any provisions of the Intercreditor and Subordination Agreement or the NSM Security Documents to the contrary, in the event that (a) Guarantor is in breach of Section 8.1 of the LLC Agreement by failing to pay the Put Price (as defined in the LLC Agreement) when due following the exercise of the Put Right (as defined in the LLC Agreement) thereunder and Borrower is in breach of Sections 2.2-2.4 of the Interest Purchase Agreement by failing to pay the Put Price when due following the exercise of the Put thereunder; and (b) NSM is exercising its rights to sell, assign or transfer NSM Collateral (as defined in the Intercreditor and Subordination Agreement) pursuant to Section 3.1 of the Intercreditor and Subordination Agreement; then each of Lender, Borrower, Guarantor and NSM hereby agree that: (i) the "Interest Purchase Agreement Obligations" (as defined in the Intercreditor and Subordination Agreement) and the "Obligations" (as defined in each of the NSM Security Documents) shall each be deemed to include the amount of any Transferred Licensed Deficiency Payment(s) applicable to the NSM Collateral being sold, assigned or transferred; and (ii) for avoidance of doubt under the Intercreditor and Subordination Agreement and each of the NSM Security Documents, all such Obligations and Interest Purchase Agreement Obligations (including any such Transferred License Deficiency Payment(s)) shall be deemed to be owed to NSM; provided that NSM or Borrower or a Borrower Subsidiary promptly remits or causes to be promptly remitted to the FCC any Transferred Licensed Deficiency Payment applicable to the NSM Collateral being sold, assigned or transferred using the proceeds of such sale, assignment or transfer.

[Remainder of Page Intentionally Blank; Signature Page Follows]

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IN WITNESS WHEREOF, the parties hereto have signed this Credit Agreement, or have caused this Credit Agreement to be signed in their respective names by an officer, hereunto duly authorized, on the date first written above.

AMERICAN AWS-3 WIRELESS II L.L.C.,
as Lender

By: _____
Name: _____
Title: _____

NORTHSTAR WIRELESS, LLC,
as Borrower

By Northstar Spectrum, LLC
Its sole member

By Northstar Manager, LLC
Its Manager

By Doyon, Limited,
Its Manager

By:_____
Name:
Title:

NORTHSTAR SPECTRUM, LLC,
as Guarantor

By Northstar Manager, LLC
Its Manager

By Doyon, Limited,
Its Manager

By:_____
Name:
Title:

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EXHIBITS:

A. FORM OF PLEDGE AGREEMENT

B. FORM OF PROMISSORY NOTE

C. FORM OF SECURITY AGREEMENT

D. FORM OF SUBSIDIARY GUARANTY

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Exhibit 10.2

THIRD AMENDED AND RESTATED CREDIT AGREEMENT

BY AND AMONG

AMERICAN AWS-3 WIRELESS III L.L.C.
(AS LENDER)

AND

SNR WIRELESS LICENSECO, LLC
(AS BORROWER)

AND

SNR WIRELESS HOLDCO, LLC
(AS GUARANTOR)

Effective as of June 7, 2018

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THIRD AMENDED AND RESTATED CREDIT AGREEMENT

This Third Amended and Restated Credit Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms hereof, this "**Credit Agreement**") is effective as of June 7, 2018 (the "**Effective Date**"), by and among AMERICAN AWS-3 WIRELESS III L.L.C., a Colorado limited liability company (solely in its capacity as lender hereunder, "**Lender**"), SNR WIRELESS LICENSECO, LLC, a Delaware limited liability company ("**Borrower**"), as borrower, and SNR WIRELESS HOLDCO, LLC, a Delaware limited liability company ("**Guarantor**"), as guarantor.

RECITALS

WHEREAS, the FCC has announced that it will auction licenses to use spectrum in the 1695-1710 MHz and 1755-1780/2155-2180 MHz bands in an auction designated by the FCC as Auction Number 97 (the "**Auction**") and that is currently scheduled by the FCC to begin on November 13, 2014, as the same may be rescheduled or modified by the FCC;

WHEREAS, through the Borrower, Lender desires to participate in the Auction together with SNR Wireless Management, LLC, a Delaware limited liability company ("**SNR**"), and SNR desires to participate in the Auction together with Lender;

WHEREAS, Borrower is a wholly-owned subsidiary of Guarantor;

WHEREAS, contemporaneously with the execution and delivery of this Credit Agreement, SNR, Lender and Guarantor have entered into the LLC Agreement (as defined below);

WHEREAS, SNR is the sole manager of Guarantor;

WHEREAS, it is the intention of the parties that, subject to the application of the FCC Rules, Borrower will be entitled to the Auction Benefits in the Auction as a result of SNR's qualification as a "very small business" under the terms of the FCC Rules in effect on the initial application date of the Auction, including Sections 1.2110(b)(1) and 27.1106(a)(2) of the FCC Rules;

WHEREAS, the Auction Benefits are of substantial value to Borrower;

WHEREAS, in order to induce SNR to permit Lender to invest in Borrower through Guarantor and to enter the LLC Agreement, and in consideration therefor, Lender wishes to make and establish a line of credit for Borrower in the aggregate amount not to exceed the Loan Commitment Amount for the purposes of (i) Borrower participating as a bidder and obtaining Licenses in the Auction; (ii) facilitating the Build-Out and operation of the License Systems; and (iii) Borrower making certain limited distributions to Guarantor;

WHEREAS, it is a condition precedent to SNR entering into the LLC Agreement and participating in the Auction through Borrower that each of Lender and the Loan Parties executes and delivers this Credit Agreement;

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WHEREAS, as of September 12, 2014, Lender, Borrower, and Guarantor entered into a credit agreement relating to the matters set forth herein ("**Original Credit Agreement**"), which was amended and restated in that First Amended and Restated Credit Agreement dated as of October 13, 2014 (as amended prior to March 31, 2018, the "**First Amended Credit Agreement**") which was further amended and restated in that Second Amended and Restated Credit Agreement effective as of March 31, 2018 (the "**Second Amended Credit Agreement**");

WHEREAS, the FCC issued an order, *Northstar Wireless, LLC, SNR Wireless LicenseCo, LLC, Applications for New Licenses in the 1695-1710 MHz, 1755-1780 MHz and 2155-2180 MHz Bands*, Memorandum Opinion and Order, 30 FCC Rcd 8887 (2015), resulting in the denial of bidding credits to Borrower;

WHEREAS, the United States Court of Appeals for the District of Columbia Circuit in *SNR Wireless LicenseCo, LLC, et al. v. Federal Communications Commission*, 868 F.3d 1021 (D.C. Cir. 2017) affirmed the FCC's decision, in part, and remanded the matter to the FCC to give SNR an opportunity to seek to negotiate a cure of the issues identified by the FCC in its order;

WHEREAS, the FCC has not responded to substantive inquiries and meeting requests by SNR regarding how to cure the issues identified by the FCC in its order referenced above;

WHEREAS, the FCC has stated that *Baker Creek Communications, LLC*, Memorandum Opinion and Order, 13 FCC Rcd 18709, 18715 (1998), sets forth an illustrative list of typical passive investor protections, which the Borrower and Lender adopted in the LLC Agreement;

WHEREAS, the Wireless Telecommunications Bureau of the FCC determined that the contractual rights specified in the agreements supporting the application of Advantage Spectrum, L.P. (ULS File No. 0006668843, granted July 5, 2016) did not preclude the grant of bidding credits to that Auction applicant; and the Borrower and Lender adopted materially similar contractual rights in the LLC Agreement;

WHEREAS, the FCC expressed concerns with certain limitations and repayment provisions in the Original Credit Agreement, and the parties hereto seek to amend the Second Amended Credit Agreement in response to those concerns; and

WHEREAS, pursuant to Section 8.7 of the Second Amended Credit Agreement, Lender, Borrower, and Guarantor wish to amend and restate the Second Amended Credit Agreement to read as set forth herein;

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

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Section 1. Defined Terms and Rules of Interpretation

1.1 Definitions. The following terms shall have the following meanings in this Credit Agreement:

"**Acquisition Sub-Limit**" shall mean the dollar amount equal to the sum of (a) the net purchase price of all Licenses for which Borrower is the Winning Bidder in the Auction minus the amount of all capital contributions made by the Guarantor to the Borrower for the purpose of making payments to the FCC, plus (b) all amounts needed by Borrower to make any net bid withdrawal payments pursuant to Section 2.2(a)(ii), which shall be used solely to participate in the Auction and to pay the net winning bids for licenses for which Borrower is the Winning Bidder, including to make any required deposits or down payments to the FCC in connection therewith, and to make any such net bid withdrawal payments, plus (c) $344,095,565 (the "**Additional FCC Amount**") which amount, together with the amount of the gross winning bids for those specific Licenses for which Borrower is the Winning Bidder and with respect to which Borrower will not be paying the gross winning bid amounts and with respect to which Borrower therefore understands that it will be deemed to have defaulted, pursuant to the letters exchanged between Borrower and the FCC Wireless Bureau, is equal to $1,373,365,325 plus the $181,635,840 additional payment due to the FCC in connection with such default pursuant to 47 C.F.R. §1.2104(g)(2)(ii) (calculated on an interim basis), plus (d) such amounts due to the FCC pursuant to 47 C.F.R. §1.2104(g)(2)(i) as deficiency payments in connection with such default (with respect to clause (d) only, each an "**FCC Deficiency Payment**") less any over-payment of the additional payments described in clause (c) and less any Transferred License Deficiency Payment (as defined in Section 2.2(a)(vi)).

"**Additional FCC Amount**" shall have the meaning set forth in the definition of "Acquisition Sub-Limit".

"**Adverse FCC Action**" shall have the meaning set forth in Section 8.12(a).

"**Adverse FCC Action Reformation**" shall have the meaning set forth in Section 8.12(a).

"**Affiliate**" shall mean, with respect to a Person, any other Person that either directly or indirectly through one or more intermediaries Controls, is Controlled by or is under common Control with such Person at any time during the period for which the determination of affiliation is being made; provided that the Members shall not be deemed to be the Affiliates of Borrower, Guarantor, and the Borrower Subsidiaries for purposes of this Credit Agreement; provided, further, however, that for purposes of this Credit Agreement, EchoStar Corporation and EchoStar Corporation's direct and indirect subsidiaries will not be considered or deemed to be Affiliates of Lender. For the avoidance of doubt, for purposes of this Credit Agreement, Lender is not an Affiliate of the Borrower or Guarantor.

"**Applicable Law**" shall mean with respect to any Person, any federal, state, local or foreign law, statute, ordinance, rule, regulation, Judgment, order, injunction or decree or any interpretation or administration of any of the foregoing by, any Governmental Authority, whether in effect as of the Effective Date or thereafter, and in each case as amended, applicable to such Person or its Affiliates or their respective assets, including the FCC Rules.

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"**Auction**" shall have the meaning set forth in the recitals hereto.

"**Auction Benefits**" means the eligibility of Borrower and its Subsidiaries to hold any of the licenses for which Borrower is the Winning Bidder in the Auction and the ability of Borrower and each of its Subsidiaries to realize the twenty five percent (25%) Bidding Credits and other financial benefits that it derives from its status as a Qualified Person without the payment of unjust enrichment penalties with respect to such Bidding Credits.

"**Auction Funds**" shall mean funds paid by the Borrower to the FCC in accordance with FCC Rules (a) to become eligible to participate in the Auction; (b) as a down payment or winning bid payment for any license for which Borrower is the Winning Bidder; (c) as an Auction related bid withdrawal payment; or (d) as an Auction related bid default payment, including, but not limited to, the Interim Default Payment.

"**Balance Amount**" shall have the meaning set forth in Section 2.2(a)(iii).

"**Bidding Credit**" means, with respect to any license for which Borrower was the Winning Bidder, an amount equal to the excess of the gross winning bid placed in the Auction by Borrower for such license over the net winning bid placed in the Auction by Borrower for such license.

"**Bidding Protocol**" shall mean the Bidding Protocol and Joint Bidding Arrangement, dated as of September 12, 2014 (as the same may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its terms), by and among SNR, Lender, Guarantor, Borrower, and, for purposes of Sections 4 and 5 thereof only, American AWS-3 Wireless I L.L.C.

"**Borrower**" shall have the meaning set forth in the preamble hereto.

"**Borrower Change in Control Event**" shall be deemed to have occurred if (a) there shall be consummated (i) any consolidation or merger of Borrower in which Borrower is not the continuing or surviving entity, other than a merger of Borrower in which the holders of the equity securities of Borrower immediately prior to such merger have the same proportionate ownership of the voting equity securities of the surviving entity immediately after the merger or (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of Borrower; (b) the member(s) of Borrower approve any plan or proposal for the liquidation or dissolution of Borrower; or (c) Borrower ceases to be a wholly-owned Subsidiary of Guarantor.

"**Borrower Material Adverse Effect**" shall mean a material adverse effect on the business, properties, assets, liabilities, prospects, or condition (financial or otherwise) of Borrower and the Borrower Subsidiaries, taken as a whole, except for any such effects resulting directly or indirectly from (a) changes in the wireless broadband industry generally; (b) changes in general economic conditions or the financial, banking or securities markets generally (including any disruption thereof and any decline in the price of any security or any market index); (c) any act of war, armed hostilities or terrorism, or the escalation of hostilities; (d) changes in GAAP or its application; and (e) changes in Applicable Law (including the FCC Rules) affecting the wireless broadband industry generally.

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"**Borrower Obligations**" shall mean the collective reference to the payment and performance by Borrower of each covenant and agreement of Borrower contained in this Credit Agreement and the other Loan Documents to which Borrower is a party or by which it is bound.

"**Borrower Subsidiary**" shall mean each Subsidiary of Borrower, each of which shall be a Delaware limited liability company (unless otherwise consented to by Lender) and shall be wholly owned by Borrower.

"**Build-Out**" shall mean the construction and associated operation by Borrower and the Borrower Subsidiaries of a fixed or mobile wireless system using the spectrum authorized for use under the Licenses in accordance with the technical parameters, including coordination, set forth in the FCC Rules.

"**Build-Out Loan Request**" shall have the meaning set forth in Section 2.2(b).

"**Build-Out Sub-Limit**" shall mean, on and after the Effective Date, an amount equal to *** plus such additional amounts as Borrower and Lender mutually agree are necessary to meet the Borrower's and its Subsidiaries' Build-Out plans, which shall be used by Borrower to fund the Build-Out and initial operation of the License Systems, including payment of management or similar fees (whether by Borrower, Guarantor or any of their Subsidiaries), if any, to SNR.

"**Business**" shall have the meaning given to that term in the LLC Agreement.

"**Business Day**" shall mean any day other than Saturday, Sunday, or other day on which commercial banks in New York, New York are authorized or required to close under the laws of the State of New York.

"**Claims**" shall have the meaning set forth in Section 8.4.

"**Commitment Period**" shall mean the period commencing on the Effective Date and expiring on the earliest to occur of (a) the Maturity Date; (b) the date that the LLC Agreement is terminated by either party pursuant to Section 13.1(b) of the LLC Agreement; (c) [intentionally omitted]; (d) the date that is one hundred eighty (180) days after the date on which the Borrower or any Borrower Subsidiary enters into any contract or agreement pursuant to which any direct competitor of Lender or any entity in which any direct competitor of Lender owns, directly or indirectly, an interest in excess of twenty percent (20%), is engaged to provide management or material technical services to the Borrower or any Borrower Subsidiary; and (e) the Mandatory Prepayment Date.

"**Consolidated Net Income**" shall have the meaning set forth in Section 6.16(b)(i).

"**Control**" (including the correlative meanings of the terms "Controlled by," "Controlling" and "under Common Control with") as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management policies of such Person, whether through the ownership of Voting Securities, by contract or otherwise.

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"**Control Agreement**" shall mean such agreements, instruments or other documents that Lender shall reasonably request (subject to the terms and conditions of the Intercreditor and Subordination Agreement) from time to time from any of Guarantor, Borrower or any of Borrower's Subsidiaries granting Lender "control" (as such term is used in Section 9-104 of the Uniform Commercial Code of the State of Delaware) in order to perfect, to ensure the continued perfection of, and to protect the assignment and security interest granted or intended to be granted in any deposit or securities accounts of Guarantor, Borrower or any Borrower Subsidiaries or such other deposit or securities accounts in which Guarantor, Borrower or any Borrower Subsidiaries may have an interest.

"**Credit Agreement**" shall have the meaning set forth in the preamble hereto.

"**DISH**" shall have the meaning set forth in Section 2.2(a)(iv).

"**Down Payment Amount**" shall have the meaning set forth in Section 2.2(a)(ii).

"**Down Payment Date**" shall have the meaning set forth in Section 2.2(a)(ii).

"**Economic Element**" shall have the meaning set forth in Section 8.12(a).

"**Effective Date**" shall have the meaning set forth in the preamble hereto.

"**Equity Interests**" means capital stock, partnership interests, limited liability company interests or other ownership or beneficial interests of any Person.

"**Event of Default**" shall have the meaning set forth in Section 7.1.

"**Excess Cash**" shall mean, for any period, the sum of all cash and cash equivalents held by Guarantor, Borrower and any of its Subsidiaries at the time of determination in excess of such amount required (as determined in good faith by Borrower) for Guarantor, Borrower and the Borrower Subsidiaries to satisfy the then current liabilities of Guarantor, Borrower and the Borrower Subsidiaries and provide a reasonable reserve for the future liabilities (including obligations to make distributions pursuant to Section 3.1 and Section 3.2 of the LLC Agreement) and then current and future operating expenses and capital expenditures of Guarantor, Borrower and the Borrower Subsidiaries.

"**FCC**" shall mean the Federal Communications Commission or any successor agency or entity performing substantially the same functions.

"**FCC Deficiency Payment**" shall have the meaning set forth in the definition of "Acquisition Sub-Limit".

"**FCC Deficiency Payment Amount Loan**" shall have the meaning set forth in Section 2.2(a)(v).

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"**FCC Rules**" shall mean the Communications Act of 1934, as amended by, *inter alia*, the Telecommunications Act of 1996, codified at 47 U.S.C. § 151 *et seq.*, as it may be amended in the future, including the rules and regulations established by the FCC and codified in Title 47 of the Code of Federal Regulations, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time hereafter, and effective orders, rulings, and public notices of the FCC.

"**Financing Statements**" shall mean such UCC financing statements and other instruments reasonably required by Lender to create, perfect and/or maintain the security interests granted by the Loan Parties under the Pledge Agreement and the Security Agreement.

"**First Amended Credit Agreement**" shall have the meaning set forth in the preamble hereto.

"**Funding Date**" shall mean each date on which Lender makes a Loan to Borrower.

"**GAAP**" means generally accepted accounting principles as used in the United States by the Financial Accounting Standards Board and/or the American Institute of Certified Public Accountants, as in effect from time to time.

"**Governmental Authority**" shall mean any government or political subdivision thereof, whether domestic or foreign, including any national, state, regional, provincial, county, city, municipal, local or other governmental department, ministry, commission, board, bureau, agency, regulatory body or authority, instrumentality, judicial or administrative body, having jurisdiction over the matter or matters in question, including the FCC.

"**Guarantor**" shall have the meaning set forth in the preamble hereto.

"**Guarantor Change in Control Event**" shall be deemed to have occurred if (a) there shall be consummated (i) any consolidation or merger of Guarantor in which Guarantor is not the continuing or surviving entity, other than a merger of Guarantor in which the holders of the voting equity securities of Guarantor immediately prior to the merger have the same proportionate ownership of the voting equity securities of the surviving entity immediately after the merger or (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of Guarantor or (b) the member(s) of Guarantor approve any plan or proposal for the liquidation or dissolution of Guarantor.

"**Guarantor Material Adverse Effect**" shall mean a material adverse effect on the business, properties, assets, liabilities, prospects, or condition (financial or otherwise) of Guarantor and its Subsidiaries, taken as a whole, except for any such effects resulting directly or indirectly from (a) changes in the wireless broadband industry generally; (b) changes in general economic conditions or the financial, banking or securities markets generally (including any disruption thereof and any decline in the price of any security or any market index); (c) any act of war, armed hostilities or terrorism, or the escalation of hostilities; (d) changes in GAAP or its application; and

(e) changes in Applicable Law (including the FCC Rules) generally affecting the wireless broadband industry.

"**Guarantor Obligations**" means all liabilities and obligations of Guarantor that may arise under or in connection with this Credit Agreement (including under Section 3) and the other Loan Documents to which it is a party or by which it is bound, whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses and otherwise.

"**Guaranty**" shall have the meaning set forth in Section 2.2(a)(iv).

"**Initial Application Date**" means September 12, 2014.

"**Initial Loan Amount**" shall have the meaning set forth in Section 2.2(a)(i).

"**Initial Loan Date**" shall have the meaning set forth in Section 2.2(a)(i).

"**Intercreditor and Subordination Agreement**" shall mean the Second Amended and Restated Intercreditor and Subordination Agreement, effective as of June 7, 2018, by and between Lender and SNR, as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"**Interest Purchase Agreement**" shall mean the Second Amended and Restated Interest Purchase Agreement, effective as of June 7, 2018, by and among SNR, Guarantor, Borrower and Lender, as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof.

"**Interim Default Payment**" shall mean Borrower's payment of $181,635,840 to the FCC in connection with bids made pursuant to the Auction.

"**Judgment**" shall mean any judgment, writ, order, injunction, award or decree of any court, judge, justice or magistrate, including any bankruptcy court, or arbiter, and any order of or by any other Governmental Authority.

"**Lender**" shall have the meaning set forth in the preamble hereto.

"**License**" shall mean any license (a) issued by the FCC to the Borrower for which Borrower is a Winning Bidder in the Auction or (b) any other license issued by the FCC (i) now to the Borrower or a Borrower Subsidiary or (ii) hereafter held by Borrower or a Borrower Subsidiary.

"**License System**" shall mean the fixed or mobile wireless system(s) licensed to, constructed and operated, or to be constructed and operated, by the Borrower and/or any Borrower Subsidiaries for the purpose of providing service authorized under a License or Licenses in each of the Markets.

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"**Litigation**" shall mean any claim, action, suit, proceeding, arbitration, investigation, hearing or other activity or procedure that could result in a Judgment, and any notice of any of the foregoing.

"**LLC Agreement**" shall mean the Third Amended and Restated Limited Liability Company Agreement of SNR Wireless HoldCo, LLC, a Delaware limited liability company, by and between Lender, Atelum LLC, and SNR, effective as of the Effective Date, as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"**Loan Commitment Amount**" shall mean the aggregate sum of (a) the Acquisition Sub-Limit, (b) the Build-Out Sub-Limit, and (c) the Working Capital Amount.

"**Loan Documents**" shall mean this Credit Agreement, the Note, the Security Agreement, the Pledge Agreement, the Control Agreement(s), the Intercreditor and Subordination Agreement, and all other agreements, instruments, certificates and other documents at any time executed and delivered pursuant to or in connection herewith or therewith, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time after the Effective Date in accordance with terms hereof and thereof. For the avoidance of doubt, the Loan Documents shall not include the LLC Agreement, or any agreement, instrument, certificate or other document at any time executed and delivered pursuant to or in connection with the LLC Agreement, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time after the Effective Date in accordance with the terms thereof.

"**Loan Parties**" shall mean Borrower, Guarantor and, upon its respective formation, each Borrower Subsidiary.

"**Loans**" shall mean the loans to Borrower evidenced by the Note, not to exceed in the aggregate the Loan Commitment Amount. Each advance made under the Note is a Loan.

"**Mandatory Prepayment Date**" shall mean the date on which Borrower receives a refund of Auction Funds (less any amounts retained by the FCC) because (a) Borrower is not the Winning Bidder for any Licenses or (b) Borrower is the Winning Bidder under a license or licenses issued by the FCC in the Auction and the FCC does not grant at least one such license to Borrower.

"**Market**" shall mean the geographic area(s) in which Borrower or any of the Borrower Subsidiaries is authorized by the FCC to provide fixed or mobile wireless services under a license issued by the FCC.

"**Maturity Date**" shall mean the tenth anniversary of the Initial Grant Date (as defined in the LLC Agreement).

"**Member(s)**" shall have the meaning given to the term in the LLC Agreement.

"**Moody's**" shall have the meaning set forth in Section 6.10.

"**Non-American III Parties**" shall have the meaning set forth in Section 8.12(a).

"**Note**" shall mean that certain second amended and restated promissory note in the form attached hereto as Exhibit B, executed by Borrower in favor of Lender and delivered by Borrower to Lender in accordance with the terms of this Credit Agreement.

"**Permitted Disposition**" means a disposition of the assets of Borrower or any Borrower Subsidiary pursuant to (a) the SNR Security Agreement, (b) the SNR Pledge Agreement, or (c) the Interest Purchase Agreement, and any guarantees relating thereto, or (d) the LLC Agreement to the extent permitted in order to satisfy Guarantor's obligations under Article 8 of the LLC Agreement, and in each such case in accordance with the terms and provisions of such agreements and (x) Section 6.3 of the LLC Agreement and (y) the Intercreditor and Subordination Agreement.

"**Permitted Distribution**" means (a) payments made pursuant to and in accordance with the terms and provisions of (i) Section 3.0 of the LLC Agreement, (ii) Section 3.1 of the LLC Agreement, (iii) Section 3.3 of the LLC Agreement or (iv) Section 8.4 or Section 13.1(b) of the LLC Agreement (including, in each case, distributions by Borrower or its Subsidiaries to Guarantor to enable Guarantor to make such Permitted Distributions) or (b) payments to SNR in exchange for membership interests in Guarantor pursuant to the provisions of Article 8 of the LLC Agreement or pursuant to the provisions of the Interest Purchase Agreement or the SNR Security Documents (including distributions by Borrower or its Subsidiaries to Guarantor to enable Guarantor to make such Permitted Distributions).

"**Permitted Liens**" shall mean (a) any and all liens and security interests created pursuant to any of the Loan Documents or pursuant to the SNR Security Documents; (b) liens for taxes, fees, assessments and governmental charges or levies not delinquent or that are being contested in good faith by appropriate proceedings; provided, however, that Borrower and the Borrower Subsidiaries shall have set aside on their books and shall maintain adequate reserves for the payment of same in conformity with GAAP; (c) liens, deposits or pledges made to secure statutory obligations, surety or appeal bonds, or bonds for the release of attachments or for stay of execution, or to secure the performance of bids, tenders, contracts (other than for the payment of borrowed money), leases or for purposes of like general nature in the ordinary course of business (including landlords', carriers', warehousemen's, mechanics', workers', suppliers', materialmen's, or repairmen's liens) that do not exceed Thirty-Seven Million Five Hundred Thousand and No Dollars ($37,500,000) in the aggregate at any time outstanding; (d) purchase money liens on tangible personal property in the nature of office equipment utilized in the normal operation of the business of Borrower, which liens encumber only the equipment acquired with such indebtedness; (e) liens for indebtedness permitted under the terms of Section 6.9(b), which liens encumber only the equipment acquired with such purchase money indebtedness; (f) other liens securing obligations of the Borrower and the Borrower Subsidiaries in an aggregate amount not to exceed Five Million and No Dollars ($5,000,000) at any time outstanding; and (g) liens securing obligations of the Borrower and the Borrower Subsidiaries which by their express terms are subordinate to the Loans.

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"**Person**" shall mean any individual, corporation, partnership, firm, joint venture, limited liability company, limited liability partnership, association, joint stock company, trust, estate, incorporated or unincorporated organization, Governmental Authority or other entity.

"**Pledge Agreement**" shall mean the First Amended and Restated Pledge Agreement in substantially the form attached hereto as Exhibit A pursuant to which Guarantor and Borrower shall pledge to Lender all of each such person's membership interests in all of its Subsidiaries as security for the Obligations, as any of the same may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with their terms.

"**Qualified Person**" means a Person that qualifies as a "very small business" under the terms of FCC Rules applicable to the Auction in effect on the Initial Application Date, including but not limited to Sections 1.2110(b)(1) and 27.1106(a)(2) of the FCC Rules in effect on the Initial Application Date.

"**Refund**" shall mean any Auction Funds that are refunded to Borrower or any Borrower Subsidiary.

"**Refund Date**" shall mean, for each Refund, the date on which Borrower or a Borrower Subsidiary receives such Refund.

"**Remaining FCC Deficiency Payment Amount Loan**" shall have the meaning set forth in Section 2.2(a)(vi).

"**Remaining Licenses**" shall have the meaning set forth in Section 2.2(a)(v).

"**Required Capital Contributions**" shall mean the capital contributions required to be made to Guarantor (and by Guarantor to Borrower) by SNR and Lender pursuant to the LLC Agreement.

"**S&P**" shall have the meaning set forth in Section 6.10.

"**Security Agreement**" shall mean the Security Agreement in substantially the form attached hereto as Exhibit C pursuant to which Guarantor, Borrower and each Borrower Subsidiary shall grant to Lender a lien and security interest in and to all of each such person's personal property, fixtures and owned real property as security for the Borrower Obligations, as any of the same may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with their terms.

"**SNR**" shall have the meaning set forth in the recitals hereto.

"**SNR Lien**" shall mean the liens and security interests in favor of SNR granted by Borrower and the Borrower Subsidiaries pursuant to the SNR Security Agreement and by Borrower pursuant to the SNR Pledge Agreement, in each case, to secure the obligations of Borrower under the Interest Purchase Agreement.

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"**SNR Pledge Agreement**" shall mean the pledge agreement, dated as of September 12, 2014, executed by Borrower in favor of SNR, pursuant to which Borrower shall pledge to SNR all of the Borrower's membership interests in all of the Borrower Subsidiaries holding Licenses, in each case to secure the obligations of Borrower under the Interest Purchase Agreement to the extent set forth in the SNR Pledge Agreement, as such agreement may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"**SNR Security Agreement**" shall mean the security agreement, dated as of September 12, 2014, executed by Borrower in favor of SNR, and each Supplement to Security Agreement executed after the Effective Date by a Subsidiary of Borrower, in each case to secure the obligations under the Interest Purchase Agreement or guarantees thereof to the extent set forth in the SNR Security Agreement, as such agreement may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"**SNR Security Documents**" shall mean the SNR Security Agreement and the SNR Pledge Agreement.

"**Subsidiary**" of any Person shall mean any other Person with respect to which either (a) more than fifty percent (50%) of the interests having ordinary voting power to elect a majority of the directors or individuals having similar functions of such other Person (irrespective of whether at the time interests of any other class or classes of such Person shall or might have voting power upon the occurrence of any contingency) or (b) more than fifty percent (50%) of the Equity Interests of such other Person is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

"**Transferee**" shall have the meaning set forth in Section 2.2(a)(vi).

"**Transferred License Deficiency Payment**" shall have the meaning set forth in Section 2.2(a)(vi).

"**Voting Securities**" means Equity Interests of a Person having the right to vote generally in the election of the directors (or persons performing equivalent functions) of such Person.

"**Winning Bidder**" shall mean a Person who is the winning bidder in the Auction for a License offered by the FCC therein (a) as set forth in the FCC's post-Auction public notice identifying Auction winning bidders or (b) by virtue of having accepted the FCC's offer of a License for the amount of its final Auction net bid therefore following the default of the winning bidder for that License described in clause (a) of this definition; provided, that, for purposes of this Agreement, Borrower shall be deemed to not have been the winning bidder for the licenses in respect of which Borrower did not pay the gross winning bid amounts (as more fully described in that letter dated October 1, 2015 from Ari Q. Fitzgerald (Hogan Lovells US LLP) to Jean L. Kiddoo, Deputy Bureau Chief, Office of the Bureau Chief, Wireless Telecommunications Bureau of the FCC, and set forth on Attachment 2 to such letter).

"**Winning Bidder Balance Amount Loan**" shall have the meaning set forth in Section 2.2(a)(iii).

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"**Working Capital**" shall mean a reasonable amount of working capital (including the payment of all fees and expenses and including the payment of tax distributions to the Members under Section 3.1(b) of the LLC Agreement) for Guarantor, Borrower and the Borrower Subsidiaries, as determined in accordance with the annual budget of Guarantor, Borrower and the Borrower Subsidiaries, which budget shall be adopted and modified from time to time in accordance with the LLC Agreement.

"**Working Capital Amount**" shall mean, in the aggregate, such amounts as are required to fund Working Capital requirements of Borrower, Guarantor and the Borrower Subsidiaries.

"Working Capital Request" shall have the meaning set forth in Section 2.2(c).

1.2 Construction.

a. The singular includes the plural and the plural includes the singular.

b. A reference to Applicable Law includes any amendment or modification to such Applicable Law, and all regulations, rulings and other Applicable Law promulgated under such Applicable Law.

c. A reference to a Person includes its permitted successors and permitted assigns.

d. Accounting terms have the meanings assigned to them by GAAP, as applied by the accounting entity to which they refer.

e. The words "include," "includes" and "including" are not limiting.

f. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

g. A reference in a document to an Article, Section, Exhibit, Schedule, Annex or Appendix is to the Article, Section, Exhibit, Schedule, Annex or Appendix of such document unless otherwise indicated. Exhibits, Schedules, Annexes or Appendices to any document shall be deemed incorporated by reference in such document. In the event of any conflict between the provisions of this Credit Agreement (exclusive of the Exhibits, Schedules, Annexes and Appendices thereto) and any Exhibit, Schedule, Annex or Appendix thereto, the provisions of this Credit Agreement shall control.

h. References to any document, instrument or agreement (i) shall include all exhibits, schedules and other attachments thereto; (ii) shall include all documents, instruments or agreements issued or executed in replacement thereof and (iii) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, amended and restated, supplemented or otherwise modified from time to time and in effect at any given time.

i. The words "hereof," "herein" and "hereunder" and words of similar import when used in any document shall refer to such document as a whole and not to any particular provision of such document.

j. References to "days" shall mean calendar days, unless the term "Business Days" shall be used. References to a time of day shall mean such time in New York, New York, unless otherwise specified.

k. The word "will" shall be construed to have the same meaning and effect as the word "shall."

l. Each of the parties hereto acknowledges that it has reviewed this Credit Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Credit Agreement or any amendments hereto.

m. All section and descriptive headings and the recitals herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Credit Agreement, and no construction or reference shall be derived therefrom.

n. If, at any time after the Effective Date, Alfred M. Best Company, Inc., Moody's or S&P shall change its respective system of classifications, then any Alfred M. Best Company, Inc., Moody's or S&P "rating" referred to herein shall be considered to be at or above a specified level if it is at or above the new rating which most closely corresponds to the specified level under the old rating system.

o. The Loan Documents are the result of negotiations among, and have been reviewed by each of, Borrower, Guarantor, Lender and their respective counsel. Accordingly, the Loan Documents shall be deemed to be the product of all parties thereto, and no ambiguity shall be construed in favor of or against Borrower, Guarantor or Lender solely as a result of any such party having drafted or proposed the ambiguous provision.

Section 2. Terms of Loan

2.1 The Loans.

Subject to the terms and conditions and in reliance upon the representations and warranties set forth in this Credit Agreement, Lender agrees to make Loans to Borrower from time to time during the Commitment Period in an aggregate principal amount not to exceed at any time the Loan Commitment Amount; provided, however, Lender shall have no obligation to make any Loans if SNR, either directly or through Guarantor (but not the Bidding Manager (as defined in the Bidding Protocol) acting on its own volition or in accordance with the Bidding Protocol), causes Borrower to bid on a license that was not a Target License (as defined in the Bidding Protocol) as set forth in the Bidding Protocol or causes Borrower to purchase a Targeted License by bidding materially in excess of the established bid limits for such license, in each case, without the prior written consent (which may be delivered by electronic mail, facsimile transmission or otherwise) of Lender or of Lender under the Bidding Protocol (which consent shall be deemed given by Lender if the member of the Auction Committee (as defined in the Bidding Protocol) appointed by Lender has approved thereof).

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2.2 Procedure for Borrowing.

a. Subject to the terms and conditions and in reliance upon the representations and warranties set forth in this Credit Agreement, Lender shall make the following Loans to Borrower in accordance with the following schedule:

(i) On October 15, 2014 (the "**Initial Loan Date**"), Lender made a Loan to Borrower in the amount of Three Hundred Fifty Million Two Hundred Thousand and No Dollars ($350,200,000.00) (such Loan amount, the "**Initial Loan Amount**"), via direct payment to the FCC on behalf of the Borrower in accordance with FCC Rules enabling Borrower to become eligible to participate in the Auction.

(ii) On the date that was two (2) Business Days prior to the date (the "**Down Payment Date**") on which Borrower is required to submit sufficient funds to bring its total amount of money on deposit with the FCC to twenty percent (20%) of the aggregate amount of Borrower's net winning bids (the "**Down Payment Amount**"), Lender shall make a Loan to Borrower in an amount equal to the following formula (to the extent such sum is greater than zero): (A) the Down Payment Amount, plus (B) the aggregate amount of any bid withdrawal payment obligations incurred by Borrower in the Auction, less (C) the Required Capital Contributions, less (D) the Initial Loan Amount, via direct payment to the FCC on behalf of the Borrower.

(iii) On the date that was two (2) Business Days prior to the date on which Borrower shall be required to submit the then remaining balance of the aggregate amount of its net winning bids to the FCC (the "**Balance Amount**"), Lender shall make a Loan to Borrower in an amount equal to the following formula (to the extent such amount is greater than zero): (A) the Balance Amount, less (B) the Required Capital Contributions to the extent that the Required Capital Contributions were not expended in full in making the payment set forth in Section 2.2(a)(ii) (the "**Winning Bidder Balance Amount Loan**"), via direct payment to the FCC on behalf of the Borrower.

(iv) On the date on which Borrower is required to submit such Additional FCC Amount to the FCC, Lender or DISH Network Corporation ("**DISH**") (solely in the event that DISH is obligated to pay the Additional FCC Amount pursuant to the Guaranty made by DISH in favor of the FCC on October 1, 2015 (the "**Guaranty**")) shall transfer immediately available funds, directly to the FCC in a principal amount equal to the Additional FCC Amount, which will be deemed to be a Loan by Lender to Borrower in a principal amount equal to the Additional FCC Amount.

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(v) In the event that: (a) an FCC Deficiency Payment is due and owing to the FCC; and (b) as of the date such payment is due and owing to the FCC, neither Borrower nor a Borrower Subsidiary has previously consummated, or has currently entered into, a contract to sell, assign or otherwise transfer (other than to a Borrower Subsidiary in accordance with Section 6.15(a) of this Credit Agreement) any of the Licenses for which Borrower is the Winning Bidder (other than those Licenses with respect to which Borrower will not be paying the gross winning bid amounts and with respect to which Borrower therefore understands that it will be deemed to have defaulted, pursuant to the letters exchanged between Borrower and the FCC Wireless Bureau) (the "**Remaining Licenses**") then on the date on which Borrower is required to submit such due and owing FCC Deficiency Payment to the FCC, notwithstanding the conditions precedent to making a Loan set forth in Section 2.4, Lender or DISH (solely in the event that DISH is obligated to make the FCC Deficiency Payment pursuant to the Guaranty) shall transfer immediately available funds directly to the FCC in a principal amount equal to the amount of such due and owing FCC Deficiency Payment, which will be deemed to be a Loan to Borrower (each, an "**FCC Deficiency Payment Amount Loan**").

(vi) In the event that Borrower or a Borrower Subsidiary enters into any contract to sell, assign or otherwise transfer any of the Remaining Licenses in accordance with Section 6.3 of the LLC Agreement, to the extent applicable, or Section 3.1 of the Intercreditor and Subordination Agreement (other than to a Borrower Subsidiary in accordance with Section 6.15(a) of this Credit Agreement): (a) Borrower or the Borrower Subsidiary, as applicable, shall condition each and every such sale, assignment or transfer upon the assumption by the applicable purchaser, assignee or transferee (each, a "**Transferee**") of the following obligations: (x) payment of the pro-rata share of all past, present and future FCC Deficiency Payments attributable to each License to be sold, assigned or transferred calculated as follows: (i) the aggregate amount of each past, present and future FCC Deficiency Payment; multiplied by (ii) ((1) the amount of the gross winning bid at the Auction for such License to be sold, assigned or transferred; divided by (2) the aggregate amount of the gross winning bids at the Auction for all the Remaining Licenses) (each, a "**Transferred License Deficiency Payment**"); and (y) the present and past portions of any Transferred License Deficiency Payment: (i) will first be made by Transferee via direct payment to the FCC by Transferee to satisfy any due and owing FCC Deficiency Payment then currently due and owing to the FCC; and (ii) after payment to the FCC under the immediately preceding clause (i), any amount remaining of the present and past portions of such Transferred License Deficiency Payment will be paid to Lender by Transferee, which payment to Lender shall be considered a partial prepayment of the Loans by Borrower; and (b) on any date thereafter on which Borrower is required to submit a due and owing FCC Deficiency Payment to the FCC, notwithstanding the conditions precedent to making a Loan set forth in Section 2.4, Lender or DISH (solely in the event that DISH is obligated to make the FCC Deficiency Payment pursuant to the Guaranty) shall transfer immediately available funds directly to the FCC in a principal amount equal to the result of the following formula, which will be deemed to be a Loan to Borrower: (x) the amount of such due and owing FCC Deficiency Payment; minus (y) any Transferred License Deficiency Payments required to be made to the FCC at such time (each, a "**Remaining FCC Deficiency Payment Amount Loan**"). For the avoidance of doubt, Borrower acknowledges and agrees that it shall remain jointly and severally liable to the FCC with the applicable Transferee for each Transferred License Deficiency Payment.

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(vii) Lender, Borrower and Guarantor hereby acknowledge and agree: (a) that Lender's obligations to fund due and owing FCC Deficiency Payments under Sections 2.2(a)(v) and (vi) above are intended by the Borrower to induce the FCC to take certain actions and to forbear from taking certain actions as set forth in the letters described above notwithstanding Borrower's deemed default in failing to pay certain gross winning bid amounts; and (b) that the FCC is the intended third-party beneficiary with respect to Lender's obligations to fund due and owing FCC Deficiency Payments pursuant to Sections 2.2(a)(v) and (vi) with the right to enforce Lender's obligations to fund FCC Deficiency Payment Amount Loans pursuant to Section 2.2(a)(v) above and Remaining FCC Deficiency Payment Amount Loans pursuant to Section 2.2(a)(vi) above. In the event that multiple due and owing FCC Deficiency Payments become due and owing to the FCC on different dates, then Lender or DISH (solely in the event that DISH is obligated to make the FCC Deficiency Payment pursuant to the Guaranty) shall submit payment directly to the FCC on the corresponding date that each such applicable due and owing FCC Deficiency Payment is due and owing to the FCC in a principal amount determined pursuant to Section 2.2(a)(v) or (vi) above, as applicable, each of which will be deemed to be a Loan to Borrower. It is understood and agreed that the Lender and the Borrower intend that the Lender or DISH (solely in the event that DISH is obligated to make the FCC Deficiency Payment pursuant to the Guaranty) will fund any due and owing FCC Deficiency Payment in an amount determined pursuant to Section 2.2(a)(v) or (vi) above, as applicable, with its own funds, and not with any funds of the Borrower or any Borrower Subsidiary. For the avoidance of doubt and to help ensure that no funds of the Borrower or any of its Subsidiaries or Affiliates are used to satisfy the obligations of the Lender or DISH (solely in the event that DISH is obligated to make the FCC Deficiency Payment pursuant to the Guaranty) to fund any due and owing FCC Deficiency Payment, it is understood and agreed that any obligation to reimburse the Lender for any due and owing FCC Deficiency Payment shall arise only following payment by the Lender or DISH (solely in the event that DISH is obligated to make the FCC Deficiency Payment pursuant to the Guaranty) in accordance with the terms of this Credit Agreement.

(viii) In no event shall Lender be required to make an aggregate amount of Loans under this Section 2.2(a) in excess of the Acquisition Sub-Limit.

b. Subject to the terms and conditions and in reliance upon the representations and warranties set forth in this Credit Agreement, Lender shall make Loans to Borrower within five (5) Business Days of a written request of Borrower (each, a "**Build-Out Loan Request**") for Borrower to fund the Build-Out and initial operation of the License Systems. Each Build-Out Loan Request shall provide the following information: (A) the amount of the Loan, which shall not exceed the reasonable amount necessary to fund Borrower's Build-Out expenses taking into account the then existing cash balances and reasonably expected cash flows from operations of Guarantor, Borrower and the Borrower Subsidiaries; and (B) wiring instructions. In no event shall Lender be obligated to make an aggregate amount of Loans under this Section 2.2(b) in excess of the Build-Out Sub-Limit. For the avoidance of doubt, if the aggregate amount of the net winning bids for the Licenses purchased by Borrower in connection with the Auction does not exceed the Required Capital Contributions, or if Borrower has any excess proceeds from Loans under Section 2.2(a) that are not remitted to the FCC, Lender shall not be obligated to make Loans under this Section 2.2(b) until Borrower has expended all of the Required Capital Contributions and any such excess Loan proceeds other than as necessary for its reasonable Working Capital requirements.

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c. Subject to the terms and conditions and in reliance upon the representations and warranties set forth in this Credit Agreement, Lender shall make Loans to Borrower within five (5) Business Days of a written request of Borrower (each, a "**Working Capital Request**") for Borrower to fund the Working Capital requirements of Guarantor and Borrower and the Borrower Subsidiaries (including for expenses incurred prior to, during or after the Auction and prior to the date on which Borrower is granted any Licenses). Each Working Capital Request shall provide the following information: (A) the amount of the Loan, which shall not exceed the Working Capital requirements of Guarantor and Borrower for the following calendar month; and (B) wiring instructions.

d. Lender's obligation to make new Loans to Borrower shall terminate upon the expiration of the Commitment Period and otherwise as expressly provided for herein.

e. Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon at least three (3) Business Days' notice to Lender, specifying the date and amount of prepayment. If any such notice is given, the amount specified in such notice, together with accrued and unpaid interest to the date of such prepayment on the amount prepaid (it being understood that interest added to principal pursuant to Section 2.3(c) shall not be deemed accrued and unpaid), shall be due and payable on the date specified therein. Amounts prepaid may not be reborrowed. Subject to Section 2.3(c), partial or total prepayments of the Loans shall be credited first to any charges or other amounts due to Lender under the terms of this Credit Agreement or any other Loan Document, then to accrued but unpaid interest on the Loans, then to the principal balance outstanding.

f. Within three (3) Business Days after any Refund, Borrower shall prepay to Lender the principal amount of the Loans in an amount equal to the Refund (minus any amounts paid to the SNR Members (as defined in the LLC Agreement) or distributed to Guarantor to make any payments to the SNR Members as required by Section 8.4, Section 11.4 or Section 13.1(b) of the LLC Agreement), or, if less, the aggregate principal amount of all Loans previously made to Borrower (minus any amounts paid to the SNR Members (as defined in the LLC Agreement) or distributed to Guarantor to make any payments to the SNR Members as required by Section 8.4, Section 11.4, or Section 13.1(b) of the LLC Agreement). Notwithstanding any other provision in this Credit Agreement, if timely paid in accordance with the preceding sentence, no interest shall accrue on the principal amount of the Loans so prepaid, and, for the avoidance of doubt, Borrower shall have no obligation to pay any interest on the principal amount of the Loans so prepaid (including any interest that was previously added to the principal amount of the Loans pursuant to Section 2.3(c)).

g. Amounts prepaid or repaid may not be re-borrowed under this Credit Agreement.

h. Notwithstanding any other provision of this Section 2.2 to the contrary, the parties hereto have agreed as follows:

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(i) Lender may make the Winning Bidder Balance Amount Loan via direct payment to the FCC on behalf of the Borrower on or prior to March 2, 2015 simultaneously with the $115,845,300.44 capital contribution being made by Lender pursuant to Section 2 of the LLC Agreement.

(ii) Effective as of March 31, 2018, Lender is deemed to have exchanged **five billion sixty-five million four hundred fourteen thousand nine hundred and forty Dollars ($5,065,414,940)** of the amounts outstanding and owed to it under the First Amended Credit Agreement for 5,065,415 Class A Preferred Interests (as defined in the LLC Agreement), which amounts were deemed to be extinguished and discharged with immediate effect. Effective as of March 31, 2018, Lender released the Borrower and the Guarantor from all obligations with respect to such indebtedness exchanged for the Class A Preferred Interests.

2.3 Interest Rates and Payments.

a. Interest accrued on the aggregate principal balance from time to time outstanding under the First Amended Credit Agreement at a rate equal to twelve percent (12%) per annum from the date of the initial advance thereunder until March 31, 2018 and interest shall accrue on the aggregate principal balance from time to time outstanding hereunder at a rate of six percent (6%) per annum from March 31, 2018 through the remaining term of the Loan, in each case compounded quarterly. Interest shall be computed on the basis of a year with three hundred sixty (360) days, and the actual number of days elapsed.

b. All payments by Borrower hereunder and under the Loan Documents shall be made to Lender at its address set forth in Section 8.10 in United States dollars and in immediately available funds on the date on which such payment shall be due.

c. All interest accrued and unpaid on the aggregate outstanding principal balance of the Loans shall be added to and become a part of the outstanding principal amount of the Loans on and as of the last day of each calendar quarter. Notwithstanding anything foregoing to the contrary, any and all interest that is added to the principal balance of the Loans (i) shall not count against the Loan Commitment Amount; (ii) shall not be deemed made to Borrower for purposes of determining whether Loans made to Borrower exceed the Loan Commitment Amount, the Build-Out Sub-Limit, or the Acquisition Sub-Limit and (iii) shall no longer be deemed "unpaid" at the time so added.

d. On the Maturity Date, the entire balance of principal and accrued interest together with all other amounts due and owing under the Loan Documents to the extent not paid shall be due and payable.

e. [Intentionally omitted]

f. [Intentionally omitted]

g. Any present or future debt, liability or obligation Borrower or any Borrower Subsidiary now or hereafter owes to Lender under any Loan and any of the rights and remedies of Lender under this Credit Agreement shall remain in full force and effect, and Lender and its Affiliates reserve any and all rights and remedies they may have under any one or more of the Loan Documents in accordance with Applicable Law; provided, however, that, in the event that at any time a demand is made by the FCC in accordance with Section 1(c) of the Guaranty with respect to a Guaranteed Obligation (as defined in the Guaranty) or in accordance with Section 2 of the Guaranty with respect to any amount avoided, rescinded or recovered, and DISH fails to make timely payment pursuant to the Guaranty, then, from that time until such time as payment is made in full to the FCC (and only during such period), any indebtedness of Borrower now or hereafter held by Lender, whether directly or indirectly through any one or more of its Affiliates, shall be subordinated in right of payment to such Guaranteed Obligations (as defined in the Guaranty), and any such indebtedness collected or received by Lender after any such Guaranteed Obligation has become due from Borrower, and any amount paid to Lender or DISH on account of any subrogation, reimbursement, indemnification or contribution rights referred to in Section 9(a) of the Guaranty shall be held in trust for the FCC and shall promptly be paid over to the FCC to be credited and applied against the Guaranteed Obligations; provided that, without affecting, impairing or limiting in any manner the liability of DISH under any other provision of the Guaranty, any payment on such indebtedness received by Lender or DISH at any other time shall be permitted and need not be held in trust for or paid over to the FCC. Lender, Borrower and Guarantor hereby acknowledge and agree that the FCC is an intended third-party beneficiary of this Credit Agreement with respect to, and with the right to enforce, such subordination pursuant to this Section 2.3(g). Furthermore, Borrower and its Affiliates hereby acknowledge and agree that it and its Affiliates will not assert waiver, estoppel, laches, or any similar claim related to the failure of Lender or any of its Affiliates to exercise any claims, rights or remedies in the event such subordination is in effect or otherwise and that any statute of limitations or similar limitation will be tolled during any period in which subordination pursuant to this Section 2.3(g) is in effect.

2.4 Conditions Precedent to Lender's Obligation to Make Any Loan.

a. Lender shall not be required to make any Loan to Borrower under this Credit Agreement unless, as of the applicable Funding Date, each of the following conditions has been satisfied to Lender's satisfaction:

(i) Borrower shall have executed and delivered to Lender the Note, the Pledge Agreement and the Security Agreement.

(ii) Guarantor shall have executed and delivered the Pledge Agreement and the Security Agreement. Each Borrower Subsidiary then formed shall have executed and delivered a guaranty pursuant to Section 3.7 and a Supplement to the Security Agreement.

(iii) The Loan Parties shall have executed and delivered such Financing Statements and other instruments (other than the Control Agreements) reasonably required by Lender to create, perfect and/or maintain the security interests created pursuant to the Security Agreement and the Pledge Agreement.

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(iv) Prior to the date that is two (2) Business Days prior to the commencement of the Auction, and from time to time thereafter, the Loan Parties shall have executed and delivered such Control Agreements reasonably requested by Lender.

(v) Lender shall have a perfected first priority security interest in all of Guarantor's membership interests in Borrower. Subject to the SNR Pledge Agreement and the Intercreditor and Subordination Agreement, Lender shall have a perfected first priority security interest in all of Borrower's membership interests in Borrower Subsidiaries.

(vi) Lender shall have received evidence reasonably satisfactory to it that the Financing Statements have been filed in all appropriate filing offices and that such filed Financing Statements perfect first priority security interests, subject to any Permitted Liens and to the SNR Lien, in favor of Lender in the property described therein in which a security interest can be perfected by filing a Financing Statement.

(vii) With respect to the initial Loan under this Credit Agreement, Lender shall have received customary reports of searches of filings made with Governmental Authorities showing that there are no liens on the assets of any Loan Party other than Permitted Liens and the SNR Lien.

(viii) Each Loan Party shall have delivered to Lender an officer's certificate signed by an officer of each such Loan Party certifying that as of such Funding Date:

(A) The representations and warranties of the Loan Parties contained in Section 5 and of the Loan Parties and SNR in the Loan Documents are true and correct in all material respects at and as of the Funding Date as though then made (except for those representations and warranties which refer to facts existing at a specific earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date), except for representations and warranties which are qualified as to materiality or material adverse effect, which shall be true and correct in all respects at and as of the Funding Date (except for those representations and warranties which refer to facts existing at a specific earlier date, in which case such representations and warranties shall have been true and correct in all respects as of such earlier date) except, in each case, where such representations and warranties are not or were not true and correct in all material respects (or in all respects, as applicable) as of the applicable date due to any breach by Lender or one of its Subsidiaries or other Affiliates (whether as Lender or otherwise) of its obligations or any action or inaction consented to by Lender or one of its Subsidiaries or other Affiliates.

(B) Each Loan Party is in compliance in all material respects with the covenants set forth in Section 6, and, in the case of Guarantor, Section 3, and, in the case of the Borrower Subsidiaries, if any, with the covenants in the guaranty executed pursuant to Section 3.7, except, in each case, where the failure to comply with any such covenant was caused by Lender or one of its Subsidiaries or other Affiliates (whether as Lender or otherwise) or consented to by Lender or one of its Subsidiaries or other Affiliates.

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(C) Borrower has taken all action necessary to authorize it to incur the Loan, such Loan is permitted under the terms of the LLC Agreement and the organizational documents of Borrower, and such Loan does not conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, the LLC Agreement or any other material agreement to which Borrower is a party or by which it is bound.

(D) No Event of Default (or other event that if not timely cured or corrected would, with the giving of notice or passage of time or both, result in an Event of Default) shall have occurred or be continuing.

(E) All consents required to be received in connection with the Loan and the Loan Documents from any Governmental Authority shall have been received.

(F) No Litigation or proceeding is pending against Borrower (other than as disclosed by Borrower to Lender on or prior to the Effective Date) which would reasonably be expected to result in any Borrower Material Adverse Effect.

2.5 Security Documents.

The Loans and all amounts outstanding from time to time under the Loan Documents shall be secured by:

a.A first priority security interest (subject to Permitted Liens) in (i) all tangible and intangible personal property, (ii) all fixtures and (iii) all owned real property of Borrower and the Borrower Subsidiaries, now owned or hereafter acquired, and all proceeds and products of such assets. Lender's security interest in the foregoing shall be created by and shall be subject to the provisions of the Security Agreement and shall be subject to the provisions of the Intercreditor and Subordination Agreement. Promptly, and in any event within one (1) Business Day, following the formation (or, as applicable, incorporation) thereof, Borrower shall cause each Borrower Subsidiary to execute and deliver to Lender a Supplement to the Security Agreement.

b. A first priority security interest (subject to Permitted Liens) in all assets of Guarantor (other than the membership interests of Guarantor in Borrower which are addressed in clause (c) below), now owned or hereafter acquired, and all proceeds and products of such assets. Lender's security interest in the foregoing shall be created by and subject to the provisions of the Security Agreement and shall be subject to the provisions of the Intercreditor and Subordination Agreement to the extent provided therein.

c. A first priority security interest in the membership interests of Guarantor in Borrower, now owned or hereafter acquired by Guarantor, and all proceeds and products thereof. Lender's security interest in the foregoing shall be created by and shall be subject to the provisions of the Pledge Agreement and shall be subject to the provisions of the Intercreditor and Subordination Agreement to the extent provided therein.

d. A first priority security interest (subject to the SNR Lien) in Borrower's membership interests in the Borrower Subsidiaries hereafter formed or acquired by Borrower, and all proceeds and products thereof. Lender's security interest in the foregoing shall be created by and shall be subject to the provisions of the Pledge Agreement and shall be subject to the provisions of the Intercreditor and Subordination Agreement to the extent provided therein.

e. Notwithstanding the provisions of Section 2.5(a) through 2.5(d), inclusive, Lender acknowledges and agrees that the obligations of Borrower and the Borrower Subsidiaries under the Interest Purchase Agreement shall be secured by a first priority security interest in favor of SNR in and to all personal property, fixtures and owned real property of Borrower and the membership interests owned by Borrower (other than Borrower's membership interests in each Borrower Subsidiary that does not hold Licenses) and all personal property, fixtures and owned real property of the Borrower Subsidiaries, in each case now owned or hereafter acquired, and all proceeds and products of such assets. SNR's security interests in the foregoing shall be created by and shall be subject to the provisions of the SNR Security Agreement and the SNR Pledge Agreement. SNR's security interest in the foregoing shall have priority over Lender's security interest in such assets, and Lender's security interest in the foregoing shall be subordinated to the SNR Lien in such assets and membership interests, in each case to the extent provided herein and in the Intercreditor and Subordination Agreement.

Section 3. Guarantee

3.1 Guarantee.

a. Guarantor hereby, unconditionally and irrevocably, guarantees to Lender and its respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Borrower Obligations.

b. Guarantor waives any right or claims of right to cause a marshalling of Borrower's assets to the fullest extent permitted by Applicable Law.

3.2 Amendments, Etc. with Respect to the Borrower Obligations.

Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against Guarantor and without notice to or further assent by Guarantor, any demand for payment of any of the Borrower Obligations made by Lender may be rescinded by it, and the Borrower Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, increased, extended, amended, modified, accelerated, compromised, waived, surrendered or released by Lender (in accordance with the terms thereof), and this Credit Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as Lender may deem advisable from time to time (with the consent of Borrower,

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if required hereunder or thereunder), and any collateral security, guarantee or right of offset at any time held by Lender, for the payment of the Borrower Obligations may be sold, exchanged, waived, surrendered or released. Lender has no obligation to protect, secure, perfect or insure any lien at any time held by it as security for the Borrower Obligations or for the guarantee contained in this Section 3 or any property subject thereto.

3.3 Guarantee Absolute and Unconditional.

Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Borrower Obligations and notice of or proof of reliance by Lender upon the guarantee contained in this Section 3 or acceptance of the guarantee contained in this Section 3; the Borrower Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 3; and all dealings between Borrower and Guarantor, on the one hand, and Lender, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 3. Guarantor waives diligence, presentment, protest, demand for payment and notice of default, notice of nonpayment, notice of dishonor and all other notices of any kind to or upon Borrower or Guarantor with respect to the Borrower Obligations and any exemption rights that either Loan Party may have. Guarantor understands and agrees that the guarantee contained in this Section 3 shall be construed as a continuing, absolute and unconditional guarantee of payment and performance without regard to (a) the validity or enforceability of this Credit Agreement or any other Loan Document, any of the Borrower Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by Lender; (b) any defense, set off or counterclaim (other than a defense of payment or performance in full hereunder) that may at any time be available to or be asserted by Borrower or any other Person against Lender or (c) any other circumstance whatsoever (with or without notice to or knowledge of Borrower or Guarantor) that constitutes, or might be construed to constitute, an equitable or legal discharge of Borrower for the Borrower Obligations or of Guarantor under the guarantee contained in this Section 3, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against Guarantor, Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against Borrower or any other Person or against any collateral security or guarantee for the Borrower Obligations or any right of offset with respect thereto, and any failure by Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from Borrower or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of Borrower or any other Person or any such collateral security, guarantee or right of offset, shall not relieve Guarantor of any Guarantor Obligations, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of Lender against Guarantor. For the purposes hereof, "demand" shall include the commencement and continuance of any legal proceedings.

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3.4 Reinstatement.

The guarantee contained in this Section 3 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Borrower Obligations is rescinded or must otherwise be restored or returned by Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Borrower, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or collateral agent or similar officer for, Borrower or any substantial part of its property, or otherwise, all as though such payments had not been made.

3.5 Payments.

Guarantor hereby guarantees that payments hereunder shall be paid to Lender without set off or counterclaim (other than compulsory counterclaims) in United States dollars and in immediately available funds at the address of Lender set forth in Section 8.10.

3.6 Coordination with Permitted Distributions.

Notwithstanding the foregoing, Lender acknowledges and consents to the Permitted Distributions by Borrower and Guarantor. No Permitted Distributions made in accordance with the requirements hereof shall constitute a default of the Guarantor Obligations to Lender hereunder or otherwise.

3.7 Guarantees by Borrower Subsidiaries.

Promptly, and in any event within one (1) Business Day, following the formation (or, as applicable, incorporation) thereof, Borrower shall cause each Borrower Subsidiary to execute and deliver to Lender a guarantee in the form attached hereto as Exhibit D.

Section 4. Representations and Warranties of Lender

Lender hereby represents and warrants to the Loan Parties as follows:

4.1 Organization and Standing.

Lender is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Colorado and has all requisite power and authority to execute and deliver this Credit Agreement and to perform its obligations hereunder.

4.2 Authorization by Lender.

a. This Credit Agreement has been duly and validly executed and delivered by Lender and constitutes the legal, valid and binding obligation of Lender enforceable against Lender in accordance with its terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally or (ii) general principles of equity.

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b. Neither the execution, delivery and performance of this Credit Agreement by Lender nor the consummation by Lender of the transactions contemplated herein shall, with or without the giving of notice or the lapse of time, or both, (i) violate any Applicable Law to which Lender is subject; (ii) conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, the certificate of formation or operating agreement or bylaws of Lender or any material agreement or commitment to which Lender is a party or by which Lender or any of Lender's assets, may be bound or affected or (iii) except with respect to Borrower's participation in the Auction and procurement and retention of any Licenses by Borrower, and except with respect to the exercise of certain of Lender's remedies under the Loan Documents, require Lender to obtain any authorization, consent, approval or waiver from, or to make any filing with, any Governmental Authority or other Person.

Section 5. Representations and Warranties of the Loan Parties

The Loan Parties hereby jointly and severally represent and warrant to Lender as follows:

5.1 Organization and Standing of Loan Parties.

Each Loan Party is a limited liability company (or such other type of entity expressly consented to by Lender) duly organized, validly existing and in good standing under the laws of the State of Delaware with all requisite power and authority to own its properties, and conduct its business as now being conducted, and is duly qualified to do business as a foreign limited liability company (or, with the express consent of Lender, other entity) in good standing in each jurisdiction where the ownership of its properties or the conduct of its business makes such qualification necessary, except in those jurisdictions where failure so to qualify shall not permanently impair title to a material amount of its properties, permits or licenses or its rights to enforce in all material respects contracts against others or expose it to substantial liabilities in such jurisdictions. Each Loan Party has all material licenses (other than Licenses), permits and authorizations necessary for the conduct of its business as currently conducted.

5.2 Authorization by the Loan Parties; Consents.

a. Borrower has all requisite power and authority to execute, deliver and perform its obligations under this Credit Agreement, the Note and all other Loan Documents to which it is a party. Borrower has taken all action necessary to authorize this Credit Agreement, the Note and all other Loan Documents to which it is a party, and all such documents have been duly authorized, executed and delivered by Borrower and are legal, valid and binding obligations of Borrower enforceable in accordance with their terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally or (ii) general principles of equity.

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b. Neither the execution, delivery and performance of this Credit Agreement, the Note or the other Loan Documents by Borrower nor the consummation by Borrower of the transactions contemplated herein or therein shall, with or without the giving of notice or the lapse of time, or both, (i) violate any Applicable Law to which Borrower is subject (other than relating to any Loan Party's qualification as a "very small business," under the FCC Rules and to hold any License under provisions of Applicable Law governing alien ownership of common carrier radio licenses to the extent of any alien ownership directly or indirectly attributable to Lender under the FCC Rules, as to which the Loan Parties make no representation or warranty hereunder); (ii) conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, its certificate of formation or limited liability company agreement (or similar governing documents), any material license or permit of Borrower or any material contract to which Borrower is a party or by which Borrower may be bound or affected or (iii) except with respect to Borrower's participation in the Auction and procurement and retention of any Licenses by Borrower and except with respect to the exercise of certain of Lender's remedies under the Loan Documents, require Borrower to obtain any authorization, consent, approval or waiver from, or to make any filing with, any Governmental Authority or other Person, other than filings to perfect security interests granted pursuant to the Security Agreement.

c. Guarantor has all requisite power and authority to execute, deliver and perform its obligations under this Credit Agreement and all other Loan Documents to which it is a party. Guarantor has taken all action necessary to authorize this Credit Agreement and all other Loan Documents to which it is a party, and all such documents have been duly authorized, executed and delivered by Guarantor and are legal, valid and binding obligations of Guarantor enforceable in accordance with their terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally or (ii) general principles of equity.

d. Neither the execution, delivery and performance of this Credit Agreement or the other Loan Documents by Guarantor nor the consummation by Guarantor of the transactions contemplated herein or therein shall, with or without the giving of notice or the lapse of time, or both, (i) violate any Applicable Law to which Guarantor is subject (other than relating to Guarantor's qualification as a "very small business," under the FCC Rules and to hold any FCC license under provisions of Applicable Law governing alien ownership of common carrier radio licenses to the extent of any alien ownership directly or indirectly attributable to Lender under the FCC Rules, as to which the Loan Parties make no representation or warranty hereunder); (ii) conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, its certificate of formation, the LLC Agreement, any license or permit of Guarantor or any material contract to which Guarantor is a party or by which Guarantor may be bound or affected or (iii) except with respect to Borrower's participation in the Auction and procurement and retention of any Licenses by Borrower and except with respect to the exercise of certain of Lender's remedies under the Loan Documents, require Guarantor to obtain any authorization, consent, approval or waiver from, or to make any filing with, any Governmental Authority or other Person, other than filings to perfect security interests granted pursuant to the Security Agreements.

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e. Each Borrower Subsidiary once formed will have all requisite power and authority to execute, deliver and perform its obligations under this Credit Agreement and all other Loan Documents to which it is a party. Each Borrower Subsidiary once formed will have taken all action necessary to authorize this Credit Agreement and all other Loan Documents to which it is a party, and all such documents will have been duly authorized, executed and delivered by such Borrower Subsidiary and will be legal, valid and binding obligations of such Borrower Subsidiary enforceable in accordance with their terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally or (ii) general principles of equity.

f. Neither the execution, delivery and performance of this Credit Agreement or the other Loan Documents by each Borrower Subsidiary once formed nor the consummation by each Borrower Subsidiary once formed of the transactions contemplated herein or therein shall, with or without the giving of notice or the lapse of time, or both, (i) violate any Applicable Law to which such Borrower Subsidiary is subject (other than relating to such Borrower Subsidiary's qualification as a "very small business," under the FCC Rules and to hold any FCC license under provisions of Applicable Law governing alien ownership of common carrier radio licenses to the extent of any alien ownership directly or indirectly attributable to Lender under the FCC Rules, as to which the Loan Parties make no representation or warranty hereunder); (ii) conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, its certificate of formation, the LLC Agreement, any license or permit of such Borrower Subsidiary or any material contract to which such Borrower Subsidiary is a party or by which it may be bound or affected or (iii) except with respect to Borrower's participation in the Auction and procurement and retention of any Licenses by Borrower and except with respect to the exercise of certain of Lender's remedies under the Loan Documents, require such Borrower Subsidiary to obtain any authorization, consent, approval or waiver from, or to make any filing with, any Governmental Authority or other Person, other than filings to perfect security interests granted pursuant to the Security Agreement.

5.3 Litigation.

As of September 12, 2014, there was no Litigation pending or, to the actual knowledge of the Loan Parties, threatened against any Loan Party that (a) seeks to enjoin or obtain damages in respect of the consummation of the transactions contemplated hereby, including the Loans, the Auction and the Build-Out, (b) has or would reasonably be expected to have a Borrower Material Adverse Effect or Guarantor Material Adverse Effect, or (c) directly or indirectly contests the validity or enforceability of any Loan Document or the LLC Agreement.

5.4 Compliance with Applicable Law.

Each Loan Party has complied and presently is in compliance in all material respects with all Applicable Law, except (i) to the extent that failure to comply with the same does not or shall not have a Borrower Material Adverse Effect or Guarantor Material Adverse Effect and (ii) the Loan Parties make no representation or warranty with respect to the FCC Rules relating to any Loan Party's qualification as a "very small business."

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5.5 Subsidiaries.

As of the Effective Date, Borrower has no Subsidiaries. Following the Effective Date, Borrower shall have no Subsidiaries except as provided in Section 6.15. Guarantor has no Subsidiaries other than Borrower. Each Borrower Subsidiary once formed will have no Subsidiaries.

5.6 Absence of Defaults.

No Loan Party is in material default under or in material violation in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any provision of its constitutive documents or contained in any other material agreement or instrument to which it is a party or by which it is bound or to which any of its properties is subject.

5.7 Indebtedness.

No Loan Party has any indebtedness outstanding except the indebtedness permitted pursuant to the terms of this Credit Agreement and obligations under the Loan Documents. No Loan Party is in material default under any such indebtedness.

5.8 FCC Qualifications.

SNR qualifies and, for so long as may be required under FCC Rules in order for Borrower and the Borrower Subsidiaries to retain the Auction Benefits shall qualify, as a "very small business" under FCC Rules, including but not limited to Sections 1.2110(b)(1), and 27.1106(a)(2) of the FCC Rules.

5.9 Business and Financial Experience.

Each of the Loan Parties by reason of its own business and financial experience or that of its professional advisors has the capacity to protect its own interests in connection with the transactions contemplated hereby.

5.10 Accuracy and Completeness of Information.

The representations and warranties of the Loan Parties contained in this Credit Agreement or the other Loan Documents do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained herein or therein not materially misleading in light of the circumstances in which the same were made.

Section 6. Covenants of the Loan Parties

Each of the Loan Parties hereby covenants and agrees with Lender as follows:

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6.1 Use of Proceeds.

a. Each of the Loan Parties shall use one hundred percent (100%) of the Loan proceeds under this Credit Agreement solely for the following purposes: (a) to make deposits, down payments, bid withdrawal payments, or payments for Licenses in connection with the Auction; (b) to finance the Build-Out and the initial operation of the License Systems, including Working Capital, as contemplated by the LLC Agreement, in connection with Licenses; and (c) to make distributions to Guarantor to finance Guarantor's Working Capital in accordance with the annual business plan and budget adopted pursuant to the provisions of the LLC Agreement, including to enable Guarantor to make Permitted Distributions due under the LLC Agreement to its Members (including tax distributions).

b. If the LLC Agreement is terminated by either party pursuant to Section 13.1(b) of the LLC Agreement or if the Borrower or any Borrower Subsidiary is at any time entitled under applicable FCC Rules to any refunds of Auction Funds, Borrower shall apply (or shall cause the applicable Borrower Subsidiary to apply) as promptly as reasonably practicable and permitted under the FCC Rules to obtain a refund of all such refundable Auction Funds.

6.2 Compliance with other Agreements.

Each Loan Party shall at all times observe and perform all of the covenants, conditions and obligations required to be performed by it under the LLC Agreement, and all other material agreements to which it is a party or by which it is bound, except to the extent the failure to observe and perform such covenants, conditions and obligations would not have a Guarantor Material Adverse Effect or a Borrower Material Adverse Effect.

6.3 Payment.

Borrower shall promptly pay to Lender the obligations due at the times and places and in the amount and manner specified in this Credit Agreement, the Note and the other Loan Documents.

6.4 Existence.

Except as otherwise permitted hereunder, each Loan Party shall maintain: (a) its limited liability company (or, if such Loan Party is not a limited liability company, corporate or other) existence under the laws of the State of Delaware; (b) its good standing and its right to carry on its business and operations in Delaware and in each other jurisdiction in which the character of the properties owned or leased by it or the business conducted by it makes such qualification necessary and the failure to be in good standing would preclude such Loan Party or Lender from enforcing its rights with respect to any material assets or expose such Loan Party to any material liability and (c) all licenses, permits and authorizations necessary to the conduct of its business.

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6.5 Compliance with Laws, Taxes, Etc.

Each Loan Party shall comply in all material respects with all Applicable Law, such compliance to include paying before the same become delinquent all material taxes, material assessments and material governmental charges imposed upon it or upon its property except to the extent contested in good faith by appropriate proceedings and for which any reserves required by GAAP have been established. In the event any Loan Party fails to satisfy its obligations under this Section 6.5, as to taxes, assessments and governmental charges, Lender may, but is not obligated to, satisfy such obligations in whole or in part and any payments made and expenses incurred in doing so shall constitute principal indebtedness hereunder governed by the terms of the Note and shall be paid or reimbursed by Borrower upon demand by Lender.

6.6 Books and Records.

Each Loan Party shall at all times keep proper books and records of accounts in which full, true and correct entries shall be made of its transactions in accordance with GAAP consistently applied and shall permit representatives of Lender to examine such books and records upon reasonable request. Each Loan Party shall permit representatives of Lender to discuss its affairs and finances with the principal officers of such Loan Party and its independent public accountants, all upon reasonable notice and at such reasonable times during such normal business hours as Lender shall reasonably request. Borrower shall, promptly upon request of Lender, deliver to Lender copies of all such documents, materials, construction and operating budgets, invoices, receipts and other information reasonably requested by Lender from time to time relating to the Build-Out and the operation of the License Systems.

6.7 Assets and Insurance.

If Borrower is a Winning Bidder in the Auction, each Loan Party shall maintain in full force and effect from and after the Initial Grant Date (a) an adequate errors and omissions insurance policy; (b) such other insurance coverage, on all properties of a character usually insured by organizations engaged in the same or similar business against loss or damage of a kind customarily insured against by such organizations; (c) adequate public liability insurance against tort claims that may be asserted against such Loan Party and (d) such other insurance coverage for other hazards as Lender may from time to time reasonably require to protect its rights and benefits under this Credit Agreement and the other Loan Documents. All commercial general liability and property damage insurance policies and any other insurance policies required to be carried hereunder by each Loan Party shall (i) be issued by insurance companies with a then-current Alfred M. Best Company, Inc. (or if no longer in existence, a comparable rating service) general policy holder's rating of "A" or better and financial size category of Class XII or higher and otherwise reasonably satisfactory to Lender; (ii) designate Lender as loss payee and additional insured; (iii) be written as primary policy coverage and not contributing with or in excess of any coverage that Lender may carry; (iv) provide for thirty (30) days prior written notice to Lender of any cancellation or nonrenewal of such policy and (v) contain contractual liability coverage insuring performance by such Loan Party of the indemnity provisions of the Loan Documents. Each Loan Party shall promptly deliver to Lender upon receipt and from time to time upon Lender's request either a copy of each such policies of insurance or certificates evidencing the coverages required hereunder.

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6.8 Financial Statements and Other Reports.

Each Loan Party shall maintain a system of accounting (as to its own operations and financial condition) established and administered in accordance with sound business practices such as to permit the preparation of financial statements in accordance with GAAP, and Borrower shall furnish or cause to be furnished to Lender:

a. Annual Statements. As soon as practicable following the end of each fiscal year, but in any event within ninety (90) days after the end of each fiscal year, the audited consolidated statement of income and audited consolidated statement of cash flows for such fiscal year and the audited consolidated balance sheet as of the end of such fiscal year, for Guarantor and its Subsidiaries, accompanied by the report thereon of independent certified public accountants and accompanying notes to financial statements, on a consolidated basis, prepared in accordance with GAAP; provided, however, that notwithstanding the foregoing, the financial statements for the fiscal year ended December 31, 2014 furnished or caused to furnished by Borrower need not be audited and Borrower shall be deemed to have satisfied its obligations under this Section 6.8(a) upon furnishing or causing to be furnished unaudited versions of such financial statements to Lender.

b. Quarterly Statements. As soon as practicable following the end of each fiscal quarter (other than the fourth fiscal quarter), but in any event within thirty (30) days after the end of each such quarter, an unaudited consolidated statement of income and unaudited consolidated statement of cash flows for such quarter and an unaudited balance sheet as of the end of such quarter, for Guarantor and its Subsidiaries, on a consolidated basis, prepared (subject to normal year-end audit adjustments and absence of footnotes and supplemental information) in accordance with GAAP.

c. Monthly Statements. As soon as possible following the end of each calendar month in each fiscal year, but in any event within thirty (30) days after the end of such month, an unaudited monthly report of significant operating and financial statistics for Guarantor and its Subsidiaries, including, to the extent applicable, number of subscribers, subscriber churn statistics, minutes of use, average revenues per subscriber, acquisition costs and capital expenditures statistics and such additional statistics and information as may be approved for internal use by such Loan Party, if any.

d. Certain Notices. Within five (5) Business Days after a Loan Party has actual knowledge of their occurrence, notice of each of the following events:

(i) the commencement of any action, suit, proceeding or arbitration against such Loan Party (other than any such action, suit, proceeding or arbitration against, or commenced by, Lender), or any material development in any such action, suit, proceeding or arbitration pending against such Loan Party;

(ii) any Event of Default or any other event that would constitute an Event of Default, but for the passage of time or the requirement that notice be given or both;

(iii) any event that would be reasonably likely to have a Borrower Material Adverse Effect that could have an adverse effect on the Licenses; and

(iv) the receipt by any Loan Party of any written notice from the FCC, other than in the ordinary course of business (together with a copy of such FCC notice).

e. Other Information. From time to time, such other information regarding the business, operations, affairs and condition (financial or otherwise) of such Loan Party as Lender may reasonably request.

6.9 Indebtedness. Neither Borrower, Guarantor nor any Borrower Subsidiary shall, directly or indirectly, create, incur, assume, guarantee, or otherwise become or remain directly or indirectly liable with respect to any indebtedness, except:

a. the indebtedness created under this Credit Agreement and the other Loan Documents;

b. purchase money financing of telecommunications and broadband equipment incurred by any Borrower Subsidiaries if the terms of such financing are more favorable to such Borrower Subsidiaries than the terms of the Loans;

c. current trade obligations incurred in the ordinary course of business and not overdue (unless the same are being contested in good faith and by appropriate proceedings and adequate reserves are maintained therefor in accordance with GAAP);

d. renewals, extensions, replacements, refinancings or refundings of any of the foregoing that do not increase the principal amount of the indebtedness so refinanced or refunded;

e. the obligations of Guarantor under Article 8 of the LLC Agreement and the obligations of Borrower and the Borrower Subsidiaries under the Interest Purchase Agreement or any guarantees in respect thereof, the SNR Security Agreement or the SNR Pledge Agreement;

f. guarantees of the Guarantor, Borrower or any Borrower Subsidiary in respect of indebtedness otherwise permitted hereunder of the Guarantor, the Borrower or any of the Borrower Subsidiaries; and

g. other unsecured indebtedness of the Borrower or any Borrower Subsidiary.

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6.10 Investments.

None of the Loan Parties shall, except as otherwise set forth herein and subject to the annual budget then in place under the LLC Agreement, directly or indirectly, make or own any investment in any Person, except (a) marketable direct obligations issued or unconditionally guaranteed by the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition thereof; (b) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having the highest rating obtainable from either Standard & Poor's Corporation ("**S&P**") or Moody's Investors Service, Inc. ("**Moody's**"); (c) commercial paper maturing no more than two hundred seventy (270) days from the date of creation thereof and, at the time of acquisition, having the highest rating obtainable from either S&P or Moody's; (d) demand deposits, or time deposits maturing within one (1) year from the date of creation thereof, including certificates of deposit issued by, any office located in the United States of any bank or trust company that is organized under the laws of the United States or any state thereof and whose certificates of deposit are rated P-1 or better by Moody's or A-1 or better by S&P; (e) Guarantor's investment in Borrower (including any future investments); (f) Borrower's investments in the Borrower Subsidiaries (including any future investments); (g) Borrower's investment in the Guarantor pursuant to the Interest Purchase Agreement; (h) investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss (whether received in bankruptcy, reorganization or otherwise); (i) guarantees permitted under Section 6.9(f) and (j) prepaid expenses or lease, utility and other similar deposits, in each case made in the ordinary course of business.

6.11 Negative Covenants.

Each Loan Party agrees that it shall not take any of the actions set forth in this Section 6.11 without the prior written approval of Lender, which approval may be withheld in Lender's sole and absolute discretion; provided, however, that for so long as Lender (or one or more of its Subsidiaries or other Affiliates) is a member of Guarantor, the approval of Lender shall be deemed given other than with respect to Section 6.11(g) with respect to any action taken by Borrower or Guarantor that may be taken without the approval of Lender (or such Subsidiary or other Affiliate), as applicable, under the terms of the LLC Agreement or for which Lender (or such Subsidiary or other Affiliate), as applicable, has granted its approval under the terms of the LLC Agreement:

a. Conduct, transact or otherwise engage in, or commit to transact, conduct or otherwise engage in, any business or operations other than the Business;

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b. Undertake any of the activities permitted by Section 6.11(a) above or own any assets related thereto, other than by and through the Borrower Subsidiaries except during the period prior to the formation of the Borrower Subsidiaries as set forth in Section 6.15(a);

c. Enter into any transaction of merger or consolidation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, transfer or otherwise dispose of, in one transaction or a series of transactions, all or substantially all of its business or property, whether now owned or hereafter acquired, in each case except for Permitted Dispositions, or, except as expressly permitted under the terms of this Credit Agreement, Article 8 of the LLC Agreement, or the Interest Purchase Agreement, acquire by purchase or otherwise all or substantially all the business or property of, or stock or other evidence of beneficial ownership of, any Person, or acquire, purchase, redeem or retire any membership interests in such Loan Party now or hereafter outstanding for value;

d. Become liable, directly or indirectly, contingently or otherwise, for any obligation of any other Person by endorsement, guaranty, surety or otherwise, except in connection with (i) the Loans and (ii) indebtedness permitted pursuant to the terms of this Credit Agreement;

e. Enter into any agreement containing any provision that would be violated or breached by any borrowing hereunder or by the performance of its obligations hereunder or under any document executed pursuant hereto;

f. Own, lease, manage or otherwise operate any properties or assets other than in connection with the Business, or incur, create, assume or suffer to exist any indebtedness or other consensual liabilities or financial obligations other than as may be incurred, created or assumed or as may exist in connection with the Business (including the Loans and other obligations incurred by such Loan Party hereunder). Notwithstanding the foregoing, Borrower may invest excess funds in investments permitted under Section 6.10; and

g. Amend or modify its certificate of formation or limited liability company agreement (or similar governing document), including the LLC Agreement, in any manner that materially affects Lender as a secured lender to any of the Loan Parties.

6.12 [Intentionally omitted.]

6.13 Further Assurances.

a. Borrower shall use its commercially reasonable efforts to cause (i) the condition set forth in Section 2.4(a)(iv) to be satisfied on or prior to the date that is two (2) Business Days prior to the commencement of the Auction and (ii) the condition set forth in Section 2.4(a)(viii) to be satisfied on or prior to the Initial Loan Date.

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b. At any time and from time to time, upon the written request of Lender, and at the expense of the Loan Parties, each Loan Party shall promptly and duly execute and deliver such further instruments and documents and take such further action as are necessary or reasonably required by Lender to further carry out and consummate the transactions contemplated by this Credit Agreement and the other Loan Documents and to perfect or effect the purposes of this Credit Agreement and the other Loan Documents.

6.14 Independence of Covenants.

All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or be otherwise within the limitations of, another covenant shall not avoid the occurrence of an Event of Default if such action is taken or condition exists.

6.15 Build-Out and Operation of the Licenses.

a. As promptly as practicable after the Initial Grant Date (and in any event within ten (10) Business Days thereafter), Borrower shall cause to be formed a separate Borrower Subsidiary for the Licenses granted to Borrower and shall promptly (and in any event within ten (10) Business Days following the formation of such Borrower Subsidiary) make the necessary filings with the FCC to obtain its consent to the assignment of each License granted to Borrower to the Borrower Subsidiary, and following receipt of such approval (if required), Borrower shall assign each such License to the Borrower Subsidiary. The Borrower Subsidiary that holds Licenses shall conduct no business nor incur any obligations other than under the Licenses and under this Credit Agreement, the other Loan Documents, the Interest Purchase Agreement, the SNR Security Agreement and any guarantees in respect of any of the foregoing. In addition, Borrower shall cause to be formed a Borrower Subsidiary that will serve as the operating subsidiary and that will not acquire any Licenses. Borrower shall not form nor acquire any Subsidiary that is not a Borrower Subsidiary.

b. The Loan Parties shall use their respective commercially reasonable efforts to pursue the Build-Out and the operation of the License System with respect to each License, in each case pursuant to the Business Plan (as defined in the LLC Agreement), subject to the availability of adequate capital resources to effect the same (as determined in the reasonable business judgment of the Loan Parties).

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6.16 Dividends, Distributions or Return of Capital.

a. Each Loan Party agrees that it shall not, without the prior approval of Lender, which approval may be withheld in Lender's sole and absolute discretion, make any dividend, distribution or return of capital or other payments to any Loan Party or its Affiliates, except that (i) Borrower and the Borrower Subsidiaries may make Permitted Distributions to Guarantor (and Guarantor to its Members) or to SNR, as applicable; (ii) Borrower may make distributions to Guarantor for the payment of Guarantor's expenses to the extent consistent with the Business Plan and budget then in effect under the LLC Agreement; (iii) Borrower may make payments of Management Fees to SNR pursuant to (and as defined in) Section 6.6 of the LLC Agreement and (iv) so long as no default shall have occurred and be continuing or would result therefrom, Borrower and the Borrower Subsidiaries may make distributions or returns of capital to Guarantor (and Guarantor to its Members) solely from Excess Cash, if, in the case of clause (iv) only, after giving effect to such proposed distribution or return of capital the aggregate amount of all such distributions and returns of capital paid or made in any fiscal year (including, without duplication, distributions described in clauses (i), (ii) and (iii) above) would be less than fifty percent (50%) of the Consolidated Net Income for the fiscal year immediately preceding the fiscal year in which such distribution or return of capital is paid or made.

b. For purposes of this Section 6.16, the following term shall have the following meaning:

(i) "**Consolidated Net Income**" means, for any fiscal year, the net income of Guarantor and its Subsidiaries (without giving effect to extraordinary gains or extraordinary losses) calculated on a consolidated basis, in accordance with GAAP consistently applied.

c. Borrower shall not amend or waive (and Guarantor shall cause Borrower not to amend or waive) any term or provision of the Interest Purchase Agreement, the SNR Security Agreement or the SNR Pledge Agreement without the prior written consent of Lender, in its sole discretion (provided that if such amendment or waiver would not be adverse to the Lender's rights and remedies under the Loan Documents, then the Lender shall not unreasonably withhold, condition or delay such consent).

6.17 Liens.

No Loan Party shall create or permit to exist at any time, any mortgage, deed of trust, trust deed, lien, security interest, pledge, charge or other encumbrance against any of its property or assets (including any owned or leased real property or other real property estate) now owned or hereafter acquired, or assign or sell any income or revenues (including accounts receivable) or rights in respect thereof, except for Permitted Liens and except for the SNR Lien and the SNR Pledge Agreement, and shall, at its sole cost and expense, promptly take all such action as may be necessary duly to discharge, or cause to be discharged all such mortgages, deeds of trust, trust deeds, liens, security interests, pledges, charges or other encumbrances.

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6.18 Disposition of Assets.

Each Loan Party agrees that it shall not, without the prior written approval of Lender, which approval may be withheld in Lender's sole and absolute discretion, sell, lease, convey, transfer, or otherwise dispose of its property or assets now owned or hereafter acquired except for the sale of non-major assets in the ordinary course of business, except for any Permitted Disposition, except to any wholly owned Subsidiary of Borrower, or except as permitted pursuant to subparagraph (vi) of the definition of "Significant Matter" in Section 1.1 of the LLC Agreement; provided that the net cash proceeds from each such Permitted Disposition closed following any SNR exercise of its Put Right (as defined in the LLC Agreement) are paid to SNR to satisfy, in whole or in part, the obligations of Guarantor under the Put Right or the obligations of Borrower and the Borrower Subsidiaries under the Interest Purchase Agreement and any guarantees with respect thereto, the SNR Security Agreement and the SNR Pledge Agreement (and in each case, to the extent that there are net cash proceeds in excess of the amount required to satisfy such obligations, such excess is retained by Borrower as collateral subject to Lender's security interest under the Loan Documents).

6.19 Separateness Covenants.

a. Each Loan Party shall, and shall cause each of its Subsidiaries to, (i) to the extent that such entities have one or more deposit accounts, each maintain their own deposit account or accounts, separate from the accounts of Lender and its Subsidiaries and joint ventures, with commercial banking institutions and (ii) not commingle their funds with those of Lender or any of its Subsidiaries or joint ventures;

b. Each Loan Party shall, and shall cause each of its Subsidiaries to, maintain separate addresses from the addresses of Lender and its Subsidiaries and joint ventures, or to the extent that any Loan Party or any of its Subsidiaries may have offices in the same location as Lender or any of its Subsidiaries or joint ventures, to maintain a fair and appropriate allocation of overhead costs among them, with each such entity bearing its fair share of such expense;

c. Guarantor shall issue quarterly and annual consolidated financial statements from time to time as prepared in accordance with GAAP, consistently applied;

d. Each Loan Party shall, and shall cause each of its Subsidiaries to, (i) each maintain its separate status as a limited liability company and (ii) each conduct its affairs in accordance with its certificate of formation and limited liability company agreement and observe all necessary, appropriate and customary company formalities, including, but not limited to, holding all regular and special members' and managers' meetings appropriate to authorize company 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, payroll and intercompany transaction accounts, to the extent applicable;

e. Each Loan Party shall not, and shall not permit any of its Subsidiaries to, (i) assume or guarantee any of the liabilities of, or pledge any of its assets as security for the liabilities of, Lender or any of its Subsidiaries or joint ventures or (ii) hold out the credit of Lender or any of its Subsidiaries or joint ventures as being able to satisfy the obligations of such Loan Party or any of its Subsidiaries (which shall be deemed not to refer to any disclosure by such Loan Party or any of its Subsidiaries of any capital contributions or loans that Lender or any of its Subsidiaries is required to make to such Loan Party or any of its Subsidiaries or of any other obligations that Lender or any of its Subsidiaries is required to perform for the benefit of such Loan Party or any of its Subsidiaries), except with respect to any guarantees or assumptions of indebtedness or other liabilities that have been expressly agreed to by Lender or any of its Subsidiaries in writing;

f. Each Loan Party shall not, and shall cause each of its Subsidiaries not to, authorize the use of its name or trademarks or service marks by Lender or any of its Subsidiaries or joint ventures, except pursuant to a written license agreement;

g. Each Loan Party shall not, and shall not permit any of its Subsidiaries to conduct its own business with suppliers of goods and services, lenders or purchasers of securities in the name of Lender or any of its Subsidiaries or joint ventures; and

h. If any Loan Party or any of its Subsidiaries obtains actual knowledge that Lender or any of its Subsidiaries or joint ventures has represented or indicated to any supplier of goods and services to, lender to or purchaser of securities of any Loan Party or any of its Subsidiaries that the credit of Lender or any of its Subsidiaries or joint ventures is available to satisfy the obligations of any Loan Party or any of its Subsidiaries (which shall be deemed not to refer to any disclosure by Lender or any of its Subsidiaries or joint ventures of any capital contributions or loans that Lender or any of its Subsidiaries is required to make to any Loan Party or any of its Subsidiaries or of any other obligations that Lender or any of its Subsidiaries is required to perform for the benefit of any Loan Party or any of its Subsidiaries), other than with respect to any guarantees or assumptions of indebtedness or other liabilities that have been expressly agreed to by Lender or any of its Subsidiaries in writing, then each such Loan Party shall, and shall cause each of its Subsidiaries to, provide written notice to any person to whom such representation or indication was made, to make clear that the credit of Lender and its Subsidiaries and joint ventures is not available to satisfy the obligations of such Loan Party or any of its Subsidiaries, other than with respect to any guarantees or assumptions of indebtedness or other liabilities that have been expressly agreed to by Lender or any of its Subsidiaries in writing.

Section 7. Events of Default and their Effect

7.1 Events of Default.

The occurrence and continuance of any of the following shall constitute an Event of Default under this Credit Agreement and the Note (each, an "**Event of Default**"):

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a. Failure to Pay. Borrower fails to pay when due and payable any principal payment, interest or other payment required under the terms of this Credit Agreement or the Note that is not cured within five (5) Business Days after the date on which Lender delivers notice to Borrower that such payment is past due; or

b. Breaches of Other Covenants. Any Loan Party fails to observe or perform in any material respect any covenant, obligation or agreement contained in this Credit Agreement or any covenant, obligation or agreement under any of the other Loan Documents (or, with respect to any portion of any such covenant, obligation or agreement which is qualified by materiality, any Loan Party fails to observe or perform such portion of such covenant, obligation or agreement in any respect, taking into account such qualifications) and such failure shall continue unremedied for thirty (30) days after the earlier of (i) notice thereof from Lender or (ii) the actual knowledge of such failure by a senior executive officer of such Loan Party; provided, however, that a failure to observe any covenant set forth in Section 6.11, Section 6.16 or Section 6.18 shall constitute an Event of Default immediately upon the occurrence thereof and without any cure period; provided, further, that no such failure shall be an Event of Default if such failure was caused by Lender or one of its Subsidiaries or other Affiliates (whether as Lender or otherwise) or consented to by Lender or one of its Subsidiaries or other Affiliates; or

c. Bankruptcy or Insolvency Proceedings. (i) Any Loan Party (A) applies for or consents to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property; (B) is unable, or admits in writing its inability, to pay its debts generally as they mature; (C) makes a general assignment for the benefit of its or any of its creditors; (D) is dissolved or liquidated in full or in part; (E) becomes insolvent (as such term may be defined or interpreted under Applicable Law); (F) commences a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or (G) takes any action for the purpose of effecting any of the foregoing or (ii) a case or proceeding under the bankruptcy laws of the United States now or hereafter in effect or under any insolvency, reorganization, receivership, readjustment of debt, dissolution or liquidation law of any jurisdiction now or hereafter in effect is filed against any Loan Party or all or any part of its properties and such application is not dismissed, bonded or discharged within sixty (60) days after the date of its filing or such Loan Party shall file any answer admitting or not contesting such petition or application or indicates its consent to, acquiescence in or approval of any such action or proceeding or the relief requested is granted sooner; or

d. Representations and Warranties. Any representation or warranty made by any Loan Party herein or in any other Loan Document shall be false as of the date made (or deemed made) in any material respect, and not cured prior to the expiration of any applicable cure period, (except that no breach of any representation or warranty made by any Loan Party in Section 5.4, 5.6 or 5.7 shall be an Event of Default if such breach was caused by Lender or one of its Subsidiaries or other Affiliates (whether as Lender or otherwise) or consented to by Lender or one of its Subsidiaries or other Affiliates); or

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e. Change in Control. The occurrence of any Borrower Change in Control Event or Guarantor Change in Control Event; or

f. Termination of LLC Agreement. The termination of the LLC Agreement in accordance with its terms; or

g. Loan Documents. Any Loan Document ceases to be in full force and effect or any lien in favor of Lender ceases to be, or is not, valid, perfected and prior to all other liens and security interests (other than Permitted Liens and the SNR Lien), except (i) as a result of Lender's relinquishment of possession of any unit certificates, promissory notes or other documents delivered to it under the Security Agreement or the Pledge Agreement; (ii) where the perfection of such liens is pending during the transmission to the appropriate filing office of applicable and appropriate documentation required by Applicable Law to perfect such liens; (iii) with respect to intellectual property collateral, where the perfection of such liens may not be accomplished by recording in the United States Patent and Trademark Office and/or the United States Copyright Office and the filing of Uniform Commercial Code financing statements or where the time period contemplated in the applicable Security Agreement has not expired; or (iv) as a result of the release of such lien as a result of a Permitted Disposition or other disposition hereunder in accordance with the terms of the Intercreditor and Subordination Agreement, the Security Agreement or the Pledge Agreement; or

h. Loss of Status. SNR or any Loan Party admits, or it is determined in an order, notice or ruling of the FCC, that SNR or any Loan Party holding FCC Licenses has ceased to qualify as a "very small business" under FCC Rules, including but not limited to, Sections 1.2110(b), and 27.1106(a)(2) of the FCC Rules, if such qualification is then required under FCC Rules in order for Borrower and the Borrower Subsidiaries to retain the Auction Benefits; or

i. Cross Default. Any Loan Party (i) defaults in making payments of any indebtedness permitted under Section 6.9 that is outstanding in a principal amount of at least Five Million and No Dollars ($5,000,000.00) (but excluding indebtedness outstanding hereunder or under the Interest Purchase Agreement or Article 8 of the LLC Agreement) on the scheduled due date with respect thereto beyond the period of grace, if any, provided in the instrument or agreement under which such indebtedness was created; (ii) defaults in making any payment of any interest on such indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such indebtedness was created or (iii) defaults in the observance or performance of any other agreement or condition relating to such indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, in each case, beyond the applicable grace period, if any, which default permits the lender thereunder to declare such indebtedness to be due and payable prior to its stated maturity; provided, however, that any such default by a Loan Party shall not be an Event of Default hereunder if and to the extent that, and for so long as, such Loan Party's default is proximately caused by Lender's (or its assignee's) failure to satisfy its funding obligations under this Credit Agreement or the LLC Agreement; or

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j. Borrower Material Adverse Effect. A Borrower Material Adverse Effect caused directly or indirectly by any Loan Party that could have an adverse effect on the Licenses.

7.2 Remedies Upon Event of Default.

a. If any Event of Default shall occur and be continuing then Lender, upon notice to the Borrower, may do any or all of the following: (i) terminate or reduce the commitment of Lender to make Loans to Borrower under this Credit Agreement; (ii) declare all obligations of Borrower hereunder and under the Note to be immediately due and payable, whereupon the Borrower Obligations hereunder and under the Note shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything in this Credit Agreement or in any other Loan Document to the contrary notwithstanding; (iii) enforce its rights under any one or more of the Loan Documents in accordance with Applicable Law; (iv) subject to prior FCC approval, if required, without any obligation to do so, make disbursements to or on behalf of Borrower or any of its Subsidiaries to cure any default and render any performance under any other agreement by Borrower or any of the Borrower Subsidiaries and (v) subject to prior FCC approval, if required, perform on behalf of Borrower or any of the Borrower Subsidiaries any and all work and labor necessary to build, operate and maintain the License System; provided that upon the occurrence of any Event of Default under Section 7.1(c), 7.1(e) or 7.1(h) the commitment of Lender shall immediately terminate and all Borrower Obligations shall automatically become immediately due and payable without notice or demand of any kind.

b. Upon the occurrence of any Event of Default and at any time thereafter so long as any Event of Default shall be continuing, Lender may proceed to protect and enforce this Credit Agreement, the Note and the other Loan Documents by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted, or for foreclosure hereunder, or for the appointment of a receiver or receivers for the collateral subject to the applicable Loan Documents or for the recovery of judgment for the indebtedness secured thereby or for the enforcement of any other proper, legal or equitable remedy available under Applicable Law.

c. Borrower shall pay to Lender forthwith upon demand any and all expenses, costs and other amounts to the extent due hereunder or under the other Loan Documents, whether incurred before, after or during the exercise of any of the foregoing remedies, including all reasonable legal fees and other reasonable costs and expenses incurred by Lender by reason of the occurrence of any Event of Default, the enforcement of this Credit Agreement and the other Loan Documents and/or the preservation of Lender's rights hereunder and under the other Loan Documents.

d. Any and all remedies of Lender hereunder, including those described in Sections 7.2(a) through (c), inclusive, above are subject to the terms of the Intercreditor and Subordination Agreement and must be exercised in accordance therewith.

Section 8. Miscellaneous

8.1 Entire Agreement.

This Credit Agreement and the other Loan Documents, together with any schedules and exhibits hereto and thereto, constitute the entire agreement and understanding of the parties with respect to the subject matter hereof and supersede all prior and all contemporaneous oral or written negotiations, proposals, offers, agreements, commitments and understandings relating to such subject matter.

Notwithstanding the foregoing, that certain Appeal Contingency Agreement dated as of October 1, 2015 by and among the parties hereto and SNR shall continue to apply; provided, however, that (i) any references therein to the Credit Agreement shall instead be references to this Agreement, (ii) any references therein to the LLC Agreement shall instead be references to the Third Amended and Restated Limited Liability Company Agreement effective as of the Effective Date, and (iii) any references therein to the Interest Purchase Agreement shall instead be references to the Second Amended and Restated Interest Purchase Agreement effective as of June 7, 2018.

8.2 Successors and Assigns.

Neither this Credit Agreement nor any Loan Documents may be assigned by any Loan Party without the consent of Lender, which consent may be withheld in its sole and absolute discretion. Lender may assign all or a portion of its rights under this Credit Agreement or any Loan Documents to an Affiliate of Lender without the consent of the Loan Parties; provided that such Affiliate of Lender agrees to be bound by all of the terms hereof and thereof and of the Intercreditor and Subordination Agreement; provided, further, that, unless Borrower otherwise consents in its sole and absolute discretion, Lender shall remain obligated under this Credit Agreement to make all Loans required hereunder. In addition, Lender may assign all of its rights under this Credit Agreement and the Loan Documents to a creditworthy third party who purchases all of the membership interests in Guarantor owned by Lender and its Affiliates without the consent of the Loan Parties; provided that Lender and its Affiliates have complied with the requirements of Section 7.1(a) of the LLC Agreement; provided, further, that unless Borrower otherwise consents in its sole and absolute discretion, Lender shall remain obligated under this Credit Agreement to make all Loans required hereunder (and not otherwise made by the assignee) until the date that is one hundred eighty (180) days after the date of such assignment. Except as provided in the immediately preceding proviso, no such permitted assignment shall relieve any party hereto of any liability for a breach of this Credit Agreement or of any other Loan Document or of the Intercreditor and Subordination Agreement by such party or its assignee. This Credit Agreement, the Loan Documents and the Intercreditor and Subordination Agreement each shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs or successors in interest.

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8.3 Remedies Cumulative.

Notwithstanding anything to the contrary herein, all rights, powers and remedies provided to Lender under this Credit Agreement and under the other Loan Documents or otherwise available in respect hereof or thereof, at law or in equity, shall not be mutually exclusive and shall be cumulative and not alternative, and the exercise or beginning of the exercise of any one or more right, power or remedy thereof by Lender pursuant to this Credit Agreement or the other Loan Documents shall not preclude the simultaneous or later exercise by Lender of any other such right, power or remedy by Lender hereunder or under Applicable Law or the principles of equity.

8.4 Indemnity; Reimbursement of Lender.

a. Each Loan Party agrees to indemnify, defend and hold Lender and its Affiliates, directors, employees, attorneys or agents harmless from and against any and all claims, demands, losses, judgments and liabilities (including but not limited to, liabilities for penalties) of any nature ("Claims"), and to reimburse Lender for all reasonable and documented out-of-pocket costs and expenses, including reasonable attorneys' fees and expenses, arising from any of the Loan Documents or the exercise of any right or remedy granted to Lender hereunder or thereunder, other than any Claim (including of Borrower) arising from Lender's gross negligence, willful misconduct or bad faith, or from Lender's failure to comply with its obligations under this Credit Agreement or any other Loan Document. In no event shall Lender be liable for any matter or thing in connection with the Loan Documents other than to account for moneys actually received by Lender in accordance with the terms hereof. In addition, in no event shall any party hereto be liable for any indirect, incidental, consequential or special damages (including damages for harm to business, lost revenues, lost savings, or lost profits suffered by any of the Loan Parties, Lender or other Persons), regardless of the form of action, whether in contract, warranty, strict liability, or tort, including negligence of any kind whether active or passive, and regardless of whether Lender or the Loan Parties knew of the possibility that such damages could result.

b. All indemnities contained in this Section 8.4 and elsewhere in this Credit Agreement shall survive the expiration or earlier termination of this Credit Agreement.

8.5 Highest Lawful Rate.

Anything herein to the contrary notwithstanding, the obligations of Borrower on the Note shall be subject to the limitation that payments of interest shall not be required, for any period for which interest is computed hereunder, to the extent that contracting for or receipt thereof would be contrary to provisions of any Applicable Law applicable to Lender limiting the highest rate of interest that may be lawfully contracted for, charged or received by Lender, as determined by a final Judgment of a court of competent jurisdiction. Any interest paid in excess of such highest rate shall be applied to the principal balance of the Borrower Obligations.

8.6 Counterparts.

This Credit Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument.

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8.7 Amendment; Waiver.

Neither this Credit Agreement nor any provision hereof may be amended, modified, or waived except in a writing signed by the parties. No failure or delay of any party in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce any such right or power, preclude any other further exercise thereof or the exercise of any other right or power. No waiver by any party of any departure by any other party from any provision of this Credit Agreement shall be effective unless the same shall be in a writing signed by the party against which enforcement of such waiver or consent is sought, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice or similar communication by any party to another shall entitle such other party to any other or further notice or similar communication in similar or other circumstances, except as specifically provided herein.

8.8 Payments on Business Days.

Whenever any payment to be made hereunder or under any Note shall be stated to be due on a day other than a Business Day, such payment may be made on the next succeeding Business Day and such extension of time shall in such case be included in computing interest, if any, in connection with such payment.

8.9 Expenses.

Except as specifically provided herein, each party hereto shall pay all costs and expenses incurred by it or on its behalf in connection with this Credit Agreement, including the preparation of this Credit Agreement, and the transactions contemplated hereby, including, without limiting the generality of the foregoing, fees, and expenses of its own consultants, accountants, and counsel. Notwithstanding the foregoing, Borrower shall pay, immediately when due, all present and future stamp and other like duties and applicable taxes, if any, to which this Credit Agreement may be subject or give rise.

8.10 Notices.

All notices or requests that are required or permitted to be given pursuant to this Credit Agreement shall be given in writing and shall be sent by facsimile transmission, or by first-class certified mail, postage prepaid, or by overnight courier service, charges prepaid, to the party to be notified, addressed to such party at the address(es) set forth below, or sent by facsimile to the fax number(s) set forth below, or such other address(es) or fax number(s) as such party may have substituted by written notice (given in accordance with this Section) to the other party. The sending of such notice with confirmation of receipt of the complete transmission (in the case of facsimile transmission) or receipt of such notice (in the case of delivery by first-class certified mail or by overnight courier service) shall constitute the giving thereof.

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If to be given to Borrower:
Attn: John Muleta

If by overnight courier service:
200 Little Falls Street, Suite 102
Falls Church, VA 22046

If by first-class certified mail:
200 Little Falls Street, Suite 102
Falls Church, VA 22046

If by facsimile:
Fax#: (888) 804-0321

cc: Venable LLP
101 California Street
Suite 3800
San Francisco, CA 94111
Attention: Arthur E. Cirulnick
Fax: (415) 653-3755

If to be given to Lender:
American AWS-3 Wireless III L.L.C.
Attn: EVP, Corporate Development

If by overnight courier service:
9601 South Meridian Blvd.
Englewood, Colorado 80112

If by first-class certified mail:
P.O. Box 6655
Englewood, Colorado 80155

If by facsimile:
Fax #: (303) 723-2020

cc: Office of the General Counsel
American AWS-3 Wireless III L.L.C.

If by overnight courier service:
Same address as noted above for Lender overnight courier delivery

If by first-class certified mail:
Same address as noted above for Lender first-class certified mail delivery

If by facsimile:
Fax #: (303) 723-2050

8.11 Severability.

Subject to Section 8.12, each provision of this Credit Agreement shall be construed as separable and divisible from every other provision and the enforceability of any one provision shall not limit the enforceability, in whole or in part, of any other provision. In the event that a court or administrative body of competent jurisdiction holds any provision of this Credit Agreement to be invalid, illegal, void or less than fully enforceable as to time, scope or otherwise, the parties agree that such provision shall be construed by limiting and reducing it so that such provision is valid, legal, and fully enforceable while preserving to the greatest extent permissible the original intent of the parties; the remaining terms and conditions of this Credit Agreement shall not be affected by such alteration, and shall remain in full force and effect.

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8.12 Reformation.

a. If the FCC should (i) change any FCC Rule in a manner that would adversely affect the enforceability of this Credit Agreement; (ii) directly or indirectly reject or take action to challenge the enforceability of this Credit Agreement or (iii) take any other steps whatsoever, on its own initiative or by petition from another Person, to challenge or deny the transactions contemplated hereby or the eligibility of Borrower to hold any of the licenses won in the Auction or the ability of Borrower to realize the Auction Benefits (each, an "**Adverse FCC Action**"), then the parties shall promptly consult with each other and negotiate in good faith to reform and amend this Credit Agreement so as to eliminate or amend to make unobjectionable any portion that is the subject of any Adverse FCC Action (each, an "**Adverse FCC Action Reformation**"). Furthermore, subject to consent in writing by Lender, in the event of an Adverse FCC Action, the parties other than Lender (the "**Non-American III Parties**") shall use their best efforts with respect to all aspects of the Adverse FCC Action to agree upon an Adverse FCC Action Reformation with Lender; provided, however, that in the event that an element of any such Adverse FCC Action materially adversely impacts the material economic benefits of the Non-American III Parties (each, an "**Economic Element**"), then the Non-American III Parties may use commercially reasonable efforts solely with respect to the Economic Element of the Adverse FCC Action to agree upon an Adverse FCC Action Reformation with Lender. None of the parties hereto shall take any action that is reasonably likely to contribute to such Adverse FCC Action.

b. If the FCC should determine that a portion of this Credit Agreement or any of the other Loan Documents, after having been reformed pursuant to paragraph (a) above, continues to violate FCC Rules, then such provisions shall be null and void and the remainder of this Credit Agreement and the other Loan Documents shall continue in full force and effect; provided that the relative economic and other rights and benefits expected to be derived by the parties hereunder are preserved.

8.13 Governing Law.

This Credit Agreement shall be construed in accordance with and governed by the internal laws of the State of New York applicable to agreements made and to be performed wholly within such jurisdiction, without regard to principles of conflicts of law provisions of that or of any other state, all rights and remedies being governed by said laws.

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8.14 Arbitration.

a. Arbitration. Any controversy or claim arising out of or relating to this Credit Agreement or any of the other Loan Documents, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Within fifteen (15) days after the commencement of arbitration, each party shall select one Person to act as arbitrator and the two selected shall select a third arbitrator within ten (10) days of their appointment. If the arbitrators selected by the parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be selected by the American Arbitration Association. The place of arbitration shall be Chicago, Illinois or such other place as the parties may agree. The arbitrators shall be knowledgeable in the wireless broadband industry and public auctions of FCC licenses. Notwithstanding the foregoing, if the arbitration is consolidated with a then pending arbitration proceeding pursuant to Section 8.14(d), then the arbitrators and the place of arbitration for such then pending proceeding shall be the arbitrators and place of arbitration hereunder.

b. Interim Relief. Any party may apply to the arbitrators seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy under this Credit Agreement or any of the other Loan Documents, seek from any court having jurisdiction any interim or provisional relief that is necessary to protect the rights or property of that party, pending the establishment of the arbitral tribunal (or pending the arbitral tribunal's determination of the merits of the controversy).

c. Award. The award shall be made within ninety (90) days of the filing of the notice of intention to arbitrate, and the arbitrators shall agree to comply with this schedule before accepting appointment. However, this time limit may be extended by agreement of the parties and the arbitrators if necessary.

d. Consent to Consolidation of Arbitrations. Each party irrevocably consents to consolidating any arbitration proceeding under this Credit Agreement and/or any of the other Loan Documents with any other arbitration proceedings involving any party that may be then pending that are brought under the LLC Agreement.

e. Venue. Each party hereto irrevocably and unconditionally consents to the exclusive jurisdiction of the courts of the State of Delaware and of the United States District Courts located in the State of Delaware for entering of any judgment on the award rendered by the arbitrators; provided that if such courts do not have jurisdiction to enforce such judgment, then the parties may enter such judgment in any other court having jurisdiction thereof.

8.15 Lender's Discretion.

Unless this Credit Agreement shall otherwise expressly provide, Lender shall have the right to make any decision, grant or withhold any consent, and exercise any other right or remedy hereunder in its sole and absolute discretion.

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8.16 No Third-Party Beneficiaries.

Except solely with respect to the designation of the FCC as an intended third-party beneficiary of certain obligations described in Sections 2.2(a)(vii) and 2.3(g) of this Credit Agreement, this Credit Agreement is entered into solely for the benefit of the parties and no Person, other than the parties and their respective successors and permitted assigns, may exercise any right or enforce any obligation hereunder, and nothing herein expressed or implied will create or be construed to create any third-party beneficiary rights hereunder. Except as otherwise expressly provided in Section 2.3(g), nothing in this Credit Agreement shall impair, as between the Borrower and the Borrower Subsidiaries and SNR, or as between the Borrower and the Borrower Subsidiaries and Lender, the obligations of the Borrower and the Borrower Subsidiaries to pay principal, interest, fees, and other amounts as provided in the Interest Purchase Agreement or the SNR Security Documents, or in the Intercreditor and Subordination Agreement or the Loan Documents, respectively.

8.17 Further Assurances.

Each party shall execute and deliver any such further documents and shall take such further actions as any other party may at any time or times reasonably request, at the expense of the requesting party, consistent with the provisions hereof in order to carry out and effect the intent and purposes of this Credit Agreement.

8.18 Transferred License Deficiency Payments.

Notwithstanding any provisions of the Intercreditor and Subordination Agreement, the SNR Security Documents or the Interest Purchase Agreement to the contrary, in the event that (a) Borrower is in breach of Sections 2.1-2.4 of the Interest Purchase Agreement by failing to pay the Put Price (as defined in the LLC Agreement) when due following the exercise of the Put (as defined in the Interest Purchase Agreement) thereunder; and (b) SNR is exercising its rights to sell, assign or transfer SNR Collateral (as defined in the Intercreditor and Subordination Agreement) pursuant to an SNR Security Document and Section 3.1 of the Intercreditor and Subordination Agreement; then each of Lender, Borrower, Guarantor and SNR hereby agree that: (i) the "Interest Purchase Agreement Obligations" (as defined in the Intercreditor and Subordination Agreement), the "Obligations" (as defined in each of the SNR Security Documents) and the obligations under the Interest Purchase Agreement, shall each be deemed to include any Transferred Licensed Deficiency Payment(s) applicable to the SNR Collateral being sold, assigned or transferred; and (ii) for avoidance of doubt under the Intercreditor and Subordination Agreement and each of the SNR Security Documents, all such Obligations and Interest Purchase Agreement Obligations (including any such Transferred License Deficiency Payment(s)) shall be deemed to be owed to SNR; provided that SNR or Borrower or a Borrower Subsidiary promptly remits or causes to be promptly remitted to the FCC any Transferred Licensed Deficiency Payment applicable to the SNR Collateral being sold, assigned or transferred using the proceeds of such sale, assignment or transfer.

[Remainder of Page Intentionally Blank; Signature Page Follows]

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IN WITNESS WHEREOF, the parties hereto have signed this Credit Agreement, or have caused this Credit Agreement to be signed in their respective names by an officer, hereunto duly authorized, on the date first written above.

AMERICAN AWS-3 WIRELESS III L.L.C.,
as Lender

By: _____
Name: _____
Title: _____

SNR WIRELESS LICENSECO, LLC,
as Borrower

By SNR Wireless HoldCo, LLC
Its sole member

By SNR Wireless Management, LLC
Its Manager

By Atelum LLC,
Its Manager

By:_____
Name: John Muleta
Title: Managing Member

SNR WIRELESS HOLDCO, LLC,
as Guarantor

By SNR Wireless Management, LLC
Its Manager

By Atelum LLC,
Its Manager

By:_____
Name: John Muleta
Title: Managing Member

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EXHIBITS:

A. FORM OF PLEDGE AGREEMENT

B. FORM OF PROMISSORY NOTE

C. FORM OF SECURITY AGREEMENT

D. FORM OF SUBSIDIARY GUARANTY

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THIRD AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

of

NORTHSTAR SPECTRUM, LLC

by and between

NORTHSTAR MANAGER, LLC

and

AMERICAN AWS-3 WIRELESS II L.L.C.

Dated as of June 7, 2018

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS LIMITED LIABILITY COMPANY AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS. SUCH INTERESTS MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE DISPOSED OF AT ANY TIME WITHOUT EFFECTIVE REGISTRATION UNDER SUCH ACT AND LAWS OR EXEMPTION THEREFROM AND COMPLIANCE WITH THE OTHER SUBSTANTIAL RESTRICTIONS ON TRANSFERABILITY SET FORTH HEREIN.

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS LIMITED LIABILITY COMPANY AGREEMENT ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER SET FORTH IN THIS LIMITED LIABILITY COMPANY AGREEMENT.

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THIRD AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT

THIRD AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT of NORTHSTAR SPECTRUM, LLC, a Delaware limited liability company (the "Company"), effective as of June 7, 2018 (the "Effective Date"), by and between AMERICAN AWS-3 WIRELESS II L.L.C., a Colorado limited liability company ("American II"), and NORTHSTAR MANAGER, LLC, a Delaware limited liability company ("NSM").

WHEREAS, the FCC announced the auction of licenses to use spectrum in the 1695-1710 MHz and 1755-1780/2155-2180 MHz bands in an auction designated by the FCC as Auction Number 97 (the "Auction");

WHEREAS, Congress directed the FCC to promote economic opportunity and competition by disseminating licenses among a wide variety of applicants, including small businesses and businesses owned by members of minority groups, and to ensure that small businesses and businesses owned by members of minority groups are given the opportunity to participate in the provision of spectrum-based services;

WHEREAS, NSM includes Alaska Native Corporations formed under the Alaska Native Claims Settlement Act of 1971 who participated in the provision of spectrum-based services to secure economic opportunity for their shareholders, to develop telecommunications industry expertise for and on behalf of its shareholders and to provide innovative new wireless service offerings;

WHEREAS, in pursuit of these goals, NSM desired to participate in the Auction together with American II and was awarded certain licenses to use spectrum in the Auction;

WHEREAS, License Company, American II and the Company were party to the Original Credit Agreement (as defined below), pursuant to which License Company borrowed $**7,370,492,660** from American II and the Company guaranteed License Company's obligations thereunder;

WHEREAS, American II exchanged **six billion eight hundred seventy million four hundred ninety two thousand and six hundred sixty Dollars ($6,870,492,660)** of outstanding indebtedness owed to it by License Company under the Original Credit Agreement for **6,870,493** Class A Preferred Interests (as defined below) effective as of March 31, 2018;

WHEREAS, the FCC issued an order, *Northstar Wireless, LLC, SNR Wireless LicenseCo, LLC, Applications for New Licenses in the 1695-1710 MHz, 1755-1780 MHz and 2155-2180 MHz Bands*, Memorandum Opinion and Order, 30 FCC Rcd 8887 (2015), resulting in the denial of bidding credits to License Company;

WHEREAS, the United States Court of Appeals for the District of Columbia Circuit in *SNR Wireless LicenseCo, LLC, et al. v. Federal Communications Commission*, 868 F.3d 1021 (D.C. Cir. 2017) affirmed the FCC's decision, in part, and remanded the matter to the FCC to give NSM an opportunity to seek to negotiate a cure of the issues identified by the FCC in its order;

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WHEREAS, as of September 12, 2014, American II and NSM entered into a Limited Liability Company Agreement of Northstar Spectrum, LLC relating to the matters set forth herein ("Original Agreement"), which was amended and restated in the First Amended and Restated Limited Liability Company Agreement dated as of October 13, 2014 (the "First Amended Agreement"), and further amended and restated in the Second Amended and Restated Limited Liability Company Agreement dated as of March 31, 2018 (the "Second Amended Agreement");

WHEREAS, the FCC has stated that *Baker Creek Communications, LLC*, Memorandum Opinion and Order, 13 FCC Rcd 18709, 18715 (1998), sets forth an illustrative list of typical investor protections, which the Company and American II adopted in the Second Amended Agreement;

WHEREAS, the Wireless Telecommunications Bureau ("WTB") of the FCC determined that the investor protections rights specified in the application of Advantage Spectrum, L.P. (ULS File No. 0006668843, granted July 5, 2016), did not preclude the grant of bidding credits to that Auction applicant; and the Company and American II adopted materially similar contract rights in the Second Amended Agreement;

WHEREAS, the WTB expressed concerns with certain provisions related to the sale of NSM's Interest, sales of licenses, rights of first refusals, tag-along rights, and the Put Right, and American II and NSM seek to amend this Agreement in response to those concerns; and

WHEREAS, pursuant to Section 14.2 of the Second Amended Agreement, American II and NSM wish to amend and restate the Second Amended Agreement to read as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, it is hereby agreed as follows:

ARTICLE 1
DEFINITIONS AND ORGANIZATION

Section 1.1. Definitions

Capitalized terms used in this Agreement without other definition shall, unless expressly stated otherwise, have the meanings specified in this Section 1.1.

"Act" means the Delaware Limited Liability Company Act, as amended from time to time.

"Additional Appraiser" is defined in Section 8.1(c)(vi).

"Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments:

(i) such Capital Account shall be deemed to be increased by any amounts which such Member is obligated to restore to the Company (pursuant to this Agreement or otherwise) or is deemed to be obligated to restore pursuant to the second to last sentence of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5) (relating to allocations attributable to nonrecourse debt); and

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(ii) such Capital Account shall be deemed to be decreased by the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted and applied consistently therewith.

"Adverse FCC Action" is defined in Section 14.14(a).

"Adverse FCC Action Reformation" is defined in Section 14.14(a).

"Affiliate" means, with respect to a Person, any other Person that either directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with such Person at any time during the period for which the determination of affiliation is being made; provided, that the Members shall be deemed not to be Affiliates of the Company for purposes of this Agreement; provided, further, however, that for purposes of this Agreement, EchoStar Corporation and EchoStar Corporation's direct and indirect subsidiaries will not be considered or deemed to be Affiliates of American II. For the avoidance of doubt, for purposes of this Agreement, American II is not an Affiliate of the Company.

"Agents" is defined in Section 10.2(a).

"Agreement" means this Third Amended and Restated Limited Liability Company Agreement, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its terms.

"American II" is defined in the preamble.

"American II FMV Acceptance Notice" is defined in Section 8.1(c)(iii).

"American II Members" means American II and its transferees.

"Applicable Law" means with respect to any Person, any federal, state, local or foreign law, statute, ordinance, rule, regulation, Judgment, order, injunction or decree or any interpretation or administration of any of the foregoing by any Governmental Authority, whether in effect as of the date of execution of this Agreement or thereafter, and in each case as amended, applicable to such Person or its Affiliates or their respective assets, including the FCC Rules.

"Appraisal Anniversary" is defined in Section 8.1(c)(i).

"Appraisal Option Parties" is defined in Section 8.1(c)(iii).

"Auction" is defined in the preamble.

"Auction Benefits" means the eligibility of the License Company and its Subsidiaries to hold any of the licenses for which the License Company is the Winning Bidder in the Auction the ability of the License Company and each of its Subsidiaries to realize the twenty five percent (25%) Bidding Credits that it derives from its status as a Qualified Person without the payment of unjust enrichment penalties with respect to such Bidding Credits.

"Auction Purchase Price" is defined in Section 2.2(c)(i).

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"Bankruptcy" means, with respect to any Person:

(i) the filing by such Person of a voluntary petition seeking liquidation, dissolution, reorganization, rearrangement, readjustment or similar relief, in any form, of its debts under Title 11 of the United States Code (or corresponding provisions of future laws) or any other bankruptcy or insolvency law, or such Person's filing an answer consenting to, or acquiescing in any such petition, or the adjudication of such Person as a bankrupt or insolvent;

(ii) the making by such Person of any assignment for the benefit of its creditors or any similar action for the benefit of creditors, or the admission by such Person in writing of its inability to pay its debts as they mature;

(iii) the expiration of sixty (60) days after the filing of an involuntary petition under Title 11 of the United States Code (or corresponding provisions of future laws), an application for the appointment of a receiver for the assets of such Person, or an involuntary petition seeking liquidation, dissolution, reorganization, rearrangement or readjustment of its debts or similar relief under any bankruptcy or insolvency law, provided that the same shall not have been vacated, set aside or stayed within such sixty (60) day period;

(iv) the giving of notice by such Person to any Governmental Authority of insolvency or pending insolvency or suspension or pending suspension of operations;

(v) the appointment (or such Person's seeking or acquiescing to such appointment) of any trustee, receiver, conservator or liquidator of such Person of all or any substantial part of its properties; or

(vi) the entry of an order for relief against such Person under Title 11 of the United States Code (or corresponding provisions of future laws) or any other bankruptcy or insolvency law.

The foregoing is intended to supersede and replace the events listed in Section 18-304(a) of the Act.

"Bidding Credit" means, with respect to any license for which the License Company was the Winning Bidder, an amount equal to the excess of the gross winning bid placed in the Auction by the License Company for such license over the net winning bid placed in the Auction by the License Company for such license.

"Bidding Protocol" means the Bidding Protocol and Joint Bidding Arrangement, dated as of September 12, 2014 (as the same may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its terms), by and among Doyon, Limited, NSM, American II, the Company, the License Company and, for purposes of Sections 4 and 5 thereof only, American AWS-3 Wireless I L.L.C.

"Book Value" means, with respect to any asset of the Company, the asset's adjusted basis as of the relevant date for federal income tax purposes, except as follows:

(i) the initial Book Value of any asset contributed by a Member to the Company shall be the Fair Market Value of such asset, as determined by the contributing Member and the Company with the concurrence of the Members other than the contributing Member;

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(ii) the Book Values of all Company assets (including intangible assets, such as goodwill) shall be adjusted to equal their respective Fair Market Values (as adjusted by Section 7701(g) of the Code) as of the following times:

(A) the acquisition of an additional Interest by any new or existing Member in exchange for more than a *de minimis* capital contribution or for services;

(B) the distribution by the Company to a Member of more than a *de minimis* amount of money or other Company property as consideration for an interest in the Company;

(C) the termination of the Company for federal income tax purposes pursuant to Section 708(b) of the Code; and

(D) immediately prior to incorporation of the Company (however effected, in connection with an initial public offering);

(iii) the Book Value of any Company asset distributed to any Member shall be the Fair Market Value of such asset (as adjusted by Section 7701(g) of the Code) on the date of distribution;

(iv) if the Book Value of an asset has been determined or adjusted pursuant to clause (i) or clause (ii) above, such Book Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses, and other items allocated pursuant to ARTICLE 4; and

(v) the Book Value of Company assets shall be increased or decreased, as appropriate, to reflect any adjustments to the adjusted tax bases of such assets pursuant to Sections 734(b) or 743(b) of the Code, but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m) and clause (v) of the definition of "Profits" and "Losses" set forth below; provided, however, that Book Values shall not be adjusted pursuant to this clause (v) to the extent that an adjustment pursuant to clause (ii) or (iii) hereof is required in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (v).

The foregoing definition of Book Value is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(iv) and shall be interpreted and applied consistently therewith.

"Business" means the business (conducted through the License Company and its Subsidiaries) of (i) acquiring licenses in the Auction; (ii) the deployment of such licenses in a manner consistent with Applicable Law, including FCC Rules, whether by (A) owning, constructing and operating systems to provide wireless services, (B) entering into one or more joint venture, lease, wholesale or other agreements or (C) any other means, (iii) marketing and offering the services and features described in clause (ii), including advertising such services and features using broadcast and other media, and (iv) any other activities which the Manager reasonably determines to be in the best interests of the Company.

"Business Day" means any day other than Saturday, Sunday, or other day on which commercial banks in New York, New York are authorized or required to close under the laws of the State of New York.

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"Business Plan" means the Five-Year Business Plan and each annual business plan adopted in accordance with Section 6.5.

"Business Purpose" is defined in Section 1.7.

"Capital Account" is defined in Section 2.1(a).

"Cash Equity Investor" means each member of NSM other than Doyon, Limited, and each such member's successors and Permitted Transferees.

"Change of Control of NSM" means (i) any circumstance, event or transaction following which any Person or group (as such term is used in Sections 13(d) and 14(d) of the Exchange Act and the rules and regulations promulgated thereunder), other than the members of NSM as of October 10, 2014, and such members' Affiliates, is the "beneficial owner" (as such term is used in Rules 13d-3, 13d-5 or 16a-1 under the Exchange Act) of at least 50.1% of the Voting Securities of NSM or otherwise has the power to control NSM; (ii) the sale or other disposition of all or substantially all of NSM's membership interests, business or assets (including through a merger or otherwise); (iii) a change of the sole managing member of NSM; or (iv) any amendment or modification of the limited liability company agreement of NSM which would have the effect of vesting control or management of NSM in any entity other than the sole managing member of NSM.

"Claim" is defined in Section 12.3(a).

"Class A Member" means, initially, American II as long as it has not ceased to be a Class A Member, and any Person who, at the time of the reference thereto, has been admitted to the Company as a Class A Member in accordance with the terms of this Agreement and has not ceased to be a Class A Member.

"Class A Percentage" means, as to a Class A Member, such Class A Member's percentage ownership of the Class A Preferred Interests as set forth herein. The current Class A Percentage of American II is one hundred percent (100%).

"Class A Preferred Interest" is defined in Section 2.2(e).

"Class B Common Interest" means the Interest of a Class B Member in its capacity as such.

"Class B Member" means, initially, American II and NSM as long as they have not ceased to be Class B Members, and any Person who, at the time of the reference thereto, has been admitted to the Company as a Class B Member in accordance with the terms of this Agreement and has not ceased to be a Class B Member.

"Class B Percentage" means, as to a Class B Member, such Class B Member's percentage ownership of the Class B Common Interests as set forth herein. The current Class B Percentage of American II is eighty-five percent (85%), and the current Class B Percentage of NSM is fifteen percent (15%).

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Company" is defined in the preamble.

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"Company Minimum Gain" means the aggregate of the amounts of gain, if any, determined for each nonrecourse liability of the Company, that would be realized by the Company for federal income tax purposes if it disposed of the Company property subject to such liability in a taxable transaction in full satisfaction thereof and for no other consideration. To the extent the foregoing is inconsistent with Treasury Regulations Section 1.704-2(d) or incomplete with respect to such regulation, Company Minimum Gain shall be computed in accordance with such regulation.

"control," "controlled" and "controlling" as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of Voting Securities, by contract or otherwise.

"Deemed Liquidation Event" means: (i) a merger, consolidation or similar transaction in which the Company is a constituent party (except any such merger, consolidation, or similar transaction in which the Company's Members prior to such transaction own a majority of the equity securities of the surviving, resulting or acquiring entity in approximately the same relative percentages after such transaction as before such transaction); or (ii) the sale, license or lease of all or substantially all of the Company's assets in a single transaction or series of related transactions.

"Depreciation" means, for each fiscal year or part thereof, an amount equal to the depreciation, amortization or other cost recovery deduction allowable for federal income tax purposes with respect to an asset for such year or other period, except that if the Book Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year, Depreciation shall be an amount which bears the same ratio to such Book Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year bears to such adjusted tax basis; provided that if the federal income tax depreciation, amortization or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such Book Value using any reasonable method selected by the Manager.

"Economic Element" is defined in Section 14.14(a).

"Effective Date" is defined in the preamble.

"Equity Interests" means capital stock, partnership interests, limited liability company interests or other ownership or beneficial interests of any Person.

"Excess Cash" means all cash and cash equivalents held by the Company at the time of determination in excess of such amount required for the Company and its Subsidiaries to retain to satisfy the then current liabilities of the Company and its Subsidiaries and to provide a reasonable reserve for the future liabilities and then current and future operating expenses and capital expenditures of the Company and its Subsidiaries.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Face Amount" means the Initial Face Amount *plus* the value of any and all amounts added to the Initial Face Amount pursuant to Section 3.1 *minus* all Non-Liquidating Distributions paid pursuant to Section 3.2(a) to the Class A Members in accordance with their Liquidation Preference.

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"Fair Market Value" means, with respect to any asset, as of the date of determination, the cash price at which a willing seller would sell and a willing buyer would buy such asset in a transaction negotiated at arm's length, each being apprised of and considering all relevant facts, circumstances and factors, and neither acting under compulsion, with the parties being unaffiliated third parties acting without time constraints.

"FCC" means the Federal Communications Commission or any successor agency or entity performing substantially the same functions.

"FCC Rules" means the Communications Act of 1934, as amended by, *inter alia*, the Telecommunications Act of 1996, codified at 47 U.S.C. § 151 *et seq.*, as it may be amended in the future, including the rules and regulations established by the FCC and codified in Title 47 of the Code of Federal Regulations, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time hereafter, and effective orders, rulings, and public notices of the FCC.

"First Amended Agreement" is defined in the preamble.

"First Put Window" is defined in Section 8.1(a).

"Five-Year Business Plan" is defined in Section 6.5(a), as the same may be updated from time to time in accordance with the terms hereof.

"FMV Report" is defined in Section 8.1(c)(iv).

"GAAP" means generally accepted accounting principles as used in the United States by the Financial Accounting Standards Board and/or the American Institute of Certified Public Accountants, as in effect from time to time.

"Governmental Authority" means any government or political subdivision thereof, whether domestic or foreign, including any national, state, regional, provincial, county, city, municipal, local or other governmental department, ministry, commission, board, bureau, agency, regulatory body or authority, instrumentality, judicial or administrative body, having jurisdiction over the matter or matters in question, including the FCC.

"Indemnified Person" is defined in Section 12.1(b).

"Independent Appraisers" is defined in Section 8.1(c)(v).

"Initial Application Date" means September 12, 2014.

"Initial Face Amount" is defined in Section 2.2(e).

"Initial Grant Date" means October 27, 2015.

"Inspectors" is defined in Section 9.6(h).

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"Intercreditor and Subordination Agreement" means the First Amended and Restated Intercreditor and Subordination Agreement effective as of March 31, 2018 and entered into by American II and NSM (as the same may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its terms).

"Interest" means the interest of a Member (or a Permitted Transferee of a Member pursuant to ARTICLE 7 which has not been admitted as a Member of the Company) in the aggregate distributions by the Company, and the aggregate allocations by the Company of Profits, Losses, income, gain, loss, deduction or credit or any similar item, and all other rights and interests of a Member of the Company.

"Interest Purchase Agreement" is defined in Section 3.4.

"IPO Price" is defined in Section 9.3.

"Joint Appraiser" is defined in Section 8.1(c)(iv).

"Judgment" means any judgment, writ, order, injunction, award or decree of any court, judge, justice or magistrate, including any bankruptcy court, or arbiter, and any order of or by any other Governmental Authority.

"license" means a license issued by the FCC authorizing the licensee to construct and operate radio transmitting facilities. Unless otherwise indicated, references to licenses in this Agreement shall refer to licenses to use spectrum in the 1695-1710 MHz and/or 1755-1780/2155-2180 MHz bands.

"License Company" means Northstar Wireless, LLC, a Delaware limited liability company and wholly-owned Subsidiary of the Company.

"License Company System(s)" means the fixed or mobile wireless system(s) licensed to, constructed and operated by, or to be constructed and operated by, the License Company and/or any License Company Subsidiaries for the purpose of providing service authorized under a license or licenses in each of the Markets.

"Lien" means, with respect to any asset, any lien (including, without limitation, judgment liens and liens arising by operation of Applicable Law), mortgage, pledge, assignment, security interest, charge, right of first refusal or rights of others therein, or encumbrance of any nature whatsoever (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) in respect of such asset.

"Liquidation Event" means a liquidation, dissolution or cessation of the business of the Company.

"Liquidation Preference" means the sum of the then-current Face Amount of the Class A Preferred Interests and all accrued but unpaid distributions on such Class A Preferred Interests.

"Liquidator" is defined in Section 13.3(b).

"Management Fee" is defined in Section 6.6.

"Manager" means NSM for so long as it serves as the "manager" of the Company (within the meaning of the Act) in accordance with the provisions of this Agreement and, thereafter, any manager of the Company duly appointed in accordance with the terms hereof.

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"Mandatory Quarterly Distributions" is defined in Section 3.1.

"Markets" shall mean the geographic area(s) in which License Company or any of its Subsidiaries is authorized by the FCC to provide fixed or mobile wireless services.

"Member" means each Person who has been admitted to the Company as a Class A Member and/or Class B Member in accordance with the terms of this Agreement and has not ceased to be a Member, in such Person's capacity as a member (within the meaning of the Act) of the Company.

"Member Minimum Gain" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a nonrecourse liability, determined in accordance with Treasury Regulations Section 1.704-2(i).

"Member Nonrecourse Debt" has the meaning ascribed to the term "partner nonrecourse debt" in Treasury Regulations Section 1.704-2(b)(4), and generally means any nonrecourse debt of the Company for which any Member bears the economic risk of loss (such as a nonrecourse loan to the Company by a Member or certain Affiliates of a Member).

"Member Nonrecourse Deduction" has the meaning ascribed to the term "partner nonrecourse deduction" in Treasury Regulations Section 1.704-2(i)(2). The amount of the Member Nonrecourse Deductions with respect to a Member Nonrecourse Debt for a Company fiscal year equals the net increase, if any, in the amount of Member Minimum Gain attributable to such Member Nonrecourse Debt during that fiscal year, reduced (but not below zero) by the aggregate amount of any distributions during that fiscal year to the Member that bears the economic risk of loss for such Member Nonrecourse Debt to the extent such distributions are from the proceeds of such Member Nonrecourse Debt and are allocable to an increase in Member Minimum Gain attributable to such Member Nonrecourse Debt.

"Newco" is defined in Section 9.1.

"Non-American II Members" is defined in Section 14.14(a).

"Non-Conforming Appraisal" is defined in Section 8.1(c)(vi).

"Nonrecourse Deductions" has the meaning set forth in Treasury Regulations Section 1.704-2(c). The amount of Nonrecourse Deductions for a fiscal year equals the net increase, if any, in the amount of Company Minimum Gain during that fiscal year, reduced (but not below zero) by any Nonrecourse Distributions during such year.

"Nonrecourse Distributions" means the aggregate amount, as determined in accordance with Treasury Regulations Section 1.704-2(c), of any distributions during the fiscal year of proceeds of a nonrecourse liability, as defined in Treasury Regulations Section 1.704-2(b)(3), that are allocable to an increase in Company Minimum Gain.

"Non-Liquidating Distribution Record Date" means, with respect to any Non-Liquidating Distribution declared and paid pursuant to Section 3.2(a), the date that such Non-Liquidating Distribution is declared by the Company.

"Non-Liquidating Distributions" is defined in Section 3.2(a).

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"NSM" is defined in the preamble.

"NSM Capital" is defined in Section 8.1(b).

"NSM Members" means NSM and its Permitted Transferees.

"NSM Pledge Agreement" is defined in Section 3.4.

"NSM Return" is defined in Section 8.1(b).

"NSM Security Agreement" is defined in Section 3.4.

"Offering" is defined in Section 9.1.

"Original Agreement" is defined in the preamble.

"Original Credit Agreement" is defined in Section 2.2(e).

"Participating Members" is defined in Section 9.5.

"Permitted Transferee" means, with respect to a Member, an Affiliate, a direct or indirect wholly-owned Subsidiary of such Member, and a direct or indirect wholly-owned Subsidiary of a Person of which such Member is a direct or indirect wholly-owned Subsidiary.

"Person" means any individual, corporation, partnership, firm, joint venture, limited liability company, limited liability partnership, association, joint stock company, trust, estate, incorporated or unincorporated organization, Governmental Authority or other entity.

"Profits" and "Losses" means, for each fiscal year or part thereof, the Company's taxable income or loss for such year determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss and deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss) with the following adjustments:

(i) any income of the Company that is exempt from federal income tax shall be added to such taxable income or loss;

(ii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as such pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i) shall be subtracted from such taxable income or loss;

(iii) in lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, Depreciation for such fiscal year shall be taken into account;

(iv) if the Book Value of any Company asset is adjusted pursuant to clause (ii) or clause (iii) of the definition of Book Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

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(v) gain or loss resulting from the disposition of any Company asset with respect to which gain or loss is recognized for federal income tax purposes shall be computed with reference to the Book Value of the asset disposed of, notwithstanding that the adjusted basis of such asset differs from the Book Value of such asset;

(vi) to the extent an adjustment to the adjusted tax basis of any Company asset under Section 734(b) of the Code is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the adjusted tax basis of the asset) or an item of loss (if the adjustment decreases the adjusted tax basis of the asset) from the disposition of such asset and shall be taken into account for purposes of computing Profits and Losses; and

(vii) such taxable income or loss shall not be deemed to include items of income, gain, loss, or deduction allocated pursuant to Section 2.1(c)(iii) (to comply with Treasury Regulations under Section 704(b) of the Code), Section 4.3, Section 4.4 or Section 4.5.

"Put Price" is defined in Section 8.1(b).

"Put Right" is defined in Section 8.1(a).

"Qualified Person" means a Person that qualifies as a "very small business" under the terms of FCC Rules applicable to the Auction in effect on the Initial Application Date, including but not limited to Sections 1.2110(b)(1) and 27.1106(a)(2) of the FCC Rules in effect on the Initial Application Date.

"Quarterly Distribution Payment Date" means January 15, April 15, July 15 and October 15 of each year commencing April 15, 2018 (for the period from March 31, 2018 to, but excluding, April 15, 2018); provided, however, if any Quarterly Distribution Payment Date would fall on a date that is not a Business Day, that Quarterly Distribution Payment Date will be postponed to the next succeeding Business Day.

"Quarterly Distribution Period" means the period from, and including, a Quarterly Distribution Payment Date to, but excluding, the next Quarterly Distribution Payment Date, except that the initial Quarterly Distribution Period shall commence on, and include, March 31, 2018 and shall end on, and exclude, the first Quarterly Distribution Payment Date occurring after March 31, 2018.

"Quarterly Distribution Record Date" means, with respect to any Quarterly Distribution Payment Date, the first day of the month in which that Quarterly Distribution Payment Date occurs. These Quarterly Distribution Record Dates shall apply regardless of whether a particular Quarterly Distribution Record Date is a Business Day.

"Records" is defined in Section 9.6(h).

"Related Agreements" means the Bidding Protocol.

"Required Tax Amount" is defined in Section 3.2(b).

"SEC" means the Securities and Exchange Commission or any successor commission or agency having similar powers.

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"Second Amended Agreement" is defined in the preamble.

"Second Put Window" is defined in Section 8.1(a).

"Securities Act" means the Securities Act of 1933, as amended.

"Sellers" means NSM and, to the extent applicable, any other owners of NSM's Interests.

"Senior Credit Facility" means the secured credit facility created by that certain Third Amended and Restated Credit Agreement, dated as of the date hereof, by and among the Company, the License Company and American II, including all schedules, attachments and exhibits thereto and the note, the pledge agreements, the security agreement and the other agreements ancillary thereto, as any of the same may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with their terms.

"Significant Breach" means (i) fraud, embezzlement or any other conduct by the Manager related to the Company or any of its Subsidiaries constituting a criminal or other material violation of Applicable Law; (ii) gross negligence, any knowingly dishonest act, or knowing bad faith or willful misconduct (in each case, which has a material negative impact on the Company and its Subsidiaries taken together as a whole), (A) by the Manager in the performance of its obligations under this Agreement, or (B) by the Company or any of its Subsidiaries in the performance of their respective obligations under any material agreement to which the Company or any such Subsidiary is a party or by which it is bound; (iii) voluntary or involuntary insolvency or Bankruptcy of the Manager; (iv) any action or omission by the Manager or the Company or any of its Subsidiaries (including any violation of or failure to comply with FCC Rules) that is reasonably likely to materially impair the ability of the License Company or any of its Subsidiaries to realize the Auction Benefits or result in the revocation or non-renewal of any FCC license; or (v) any material breach by the Manager of its obligations under this Agreement, unless such breach is cured within thirty (30) days following notice thereof by American II or other Members holding at least fifteen percent (15%) of the Class B Percentages, which notice shall specify in reasonable detail such alleged breach; provided that if such breach cannot be cured within thirty (30) days, then ninety (90) days as long as the Manager is diligently acting in good faith to cure such deviation or failure as soon as reasonably practicable; provided, further, that in the case of (ii)(B), (iv) and (v), such (x) gross negligence, knowingly dishonest act, or knowing bad faith or willful misconduct, (y) action or omission or (z) material breach was not caused (directly or indirectly, and whether as the lender under the Senior Credit Facility or otherwise) or expressly approved or authorized in writing by American II.

"Significant Matter" means each of the following matters, in each case to the extent consistent with the decision in *Baker Creek Communications, LLC*, Memorandum Opinion and Order, 13 FCC Rcd 18709, 18715 (1998) and the Wireless Telecommunications Bureau's determination that the contractual rights specified in Advantage Spectrum, L.P. Form 601, ULS File No. 0006668843, LP Agreement – Advantage Spectrum (filed Mar. 20, 2015, Agreement Establishing Advantage Spectrum L.P., By and Between Frequency Advantage, L.P. and USCC Wireless Investment, Inc. entered into as of August 29, 2014, § 5.3), granted July 5, 2016, did not preclude the grant of bidding credits to that Auction applicant:

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(i) the reclassification of Interests and the issuance of Interests in the Company directly from the Company to any Person and the admission of any such Person to the Company as a Member; provided, however, that this provision shall not restrict any issuance of additional Class A Preferred Interests in connection with any distributions made to Class A Members in respect of their Class A Preferred Interests pursuant to the terms of this Agreement as determined by the Manager in its sole discretion, or transfers of existing Interests in the Company, which shall be governed by ARTICLE 7;

(ii) setting compensation for senior management (provided that this shall not include compensation that is market-based);

(iii) the incurrence of any significant indebtedness in the name of the Company; the modification, extension, renewal, refinancing or restructuring of any significant debt; the pledge, assignment or otherwise use of any assets of the Company as security for any significant indebtedness or the action to obligate the Company as a surety, guarantor or accommodation party to any obligation or to any other Person (in each case, other than the obligations of the License Company and its Subsidiaries under the Interest Purchase Agreement and the NSM Security Agreement and the related Subsidiary guarantees and security agreement supplements);

(iv) the liquidation or dissolution of the Company, the filing of a petition for bankruptcy, the consolidation or merger of the Company into or with any other Person or acquisition of any interest in any other Person or any significant portion of the assets of any other Person or agree to enter into any partnership or joint venture, except in the ordinary course of business;

(v) the making of any expenditure, or the agreement to make any expenditure, which would significantly affect the Company's market capitalization; and

(vi) the sale, transfer, exchange, lease, mortgage, pledge or assignment or entry into any agreement for the sale, transfer, exchange, lease, mortgage, pledge or assignment of any major asset (where assets include, but are not limited to, licenses), or of all or substantially all of the Company's assets (including assets held by the Company's subsidiaries) (in each case, other than pursuant to the Interest Purchase Agreement, NSM Pledge Agreement and NSM Security Agreement).

"Significant Violation" means (i) fraud, embezzlement or any other conduct by the Manager related to the Company or any of its Subsidiaries constituting a criminal or other material violation of Applicable Law, (ii) gross negligence, any knowingly dishonest act, or knowing bad faith or willful misconduct, (a) by the Manager in the performance of its obligations under this Agreement, or (b) by the Company or any of its Subsidiaries in the performance of their respective obligations under any material agreement to which the Company or any such Subsidiary is a party or by which it is bound, (iii) voluntary or involuntary insolvency or Bankruptcy of the Manager, (iv) any action or omission by the Manager or the Company or any of its Subsidiaries (including any violation of or failure to comply with FCC Rules) that is reasonably likely to materially impair the ability of the License Company or any of its Subsidiaries to realize the Auction Benefits or result in the revocation or non-renewal of any FCC license owned by the Company or any of its Subsidiaries, or (v) any material breach by the Manager of its obligations under this Agreement, unless such breach is cured within thirty (30) days following notice thereof by American II or other Members holding at least twenty percent (20%) of the Class B Percentages,

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which notice shall specify in reasonable detail such alleged breach; provided that if such breach is capable of being cured but cannot be cured within thirty (30) days, then ninety (90) days as long as the Manager is diligently acting in good faith to cure such deviation or failure as soon as reasonably practicable; provided, further, that in the case of any of the foregoing in (i) through (v), such event has a material negative impact on the Company and its Subsidiaries taken together as a whole and was not caused (directly or indirectly, and whether as the lender under the Senior Credit Facility or otherwise) or expressly approved or authorized in writing by American II or any of its Affiliates.

"Subsidiary" of any Person means any other Person with respect to which either (i) more than fifty percent (50%) of the interests having ordinary voting power to elect a majority of the directors or individuals having similar functions of such other Person (irrespective of whether at the time interests of any other class or classes of such Person shall or might have voting power upon the occurrence of any contingency) or (ii) more than fifty percent (50%) of the Equity Interests of such other Person is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

"Tax Matters Member" is defined in Section 5.5(d).

"Tax Shortfall Amount" is defined in Section 3.2(b).

"Transfer" means any direct or indirect transfer, sale, assignment, pledge, encumbrance or other disposition.

"Treasury Regulations" means regulations issued by the United States Department of the Treasury pursuant to the Code.

"Voting Securities" means Equity Interests of a Person having the right to vote generally in the election of the directors (or persons performing equivalent functions) of such Person.

"Winning Bidder" shall mean a Person who is the winning bidder in the Auction for a license offered by the FCC therein (i) as set forth in the FCC's post-Auction public notice identifying Auction winning bidders or (ii) by virtue of having accepted the FCC's offer of a license for the amount of its final Auction net bid therefor following the default of the winning bidder for that license described in clause (i) of this definition; provided, that, for purposes of this Agreement, the License Company shall be deemed to not have been the winning bidder for the licenses in respect of which the License Company did not pay the gross winning bid amounts (as more fully described in that letter dated October 1, 2015 from Mark F. Dever (then of Drinker Biddle & Reath LLP) to Jean L. Kiddoo, Deputy Bureau Chief, Office of the Bureau Chief, Wireless Telecommunications Bureau of the FCC, and set forth on Attachment 2 to such letter).

"WTB" is defined in the preamble.

Section 1.2. Formation

The Company was formed as a Delaware limited liability company by filing a certificate of formation under the Act on September 3, 2014. The certificate of formation is in all respects approved and the Members hereby agree to continue the Company.

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Section 1.3. Name

The name of the Company shall be Northstar Spectrum, LLC.

Section 1.4. Principal Place of Business

The Company's principal office and place of business shall be located at c/o Doyon, Limited, 1 Doyon Place, Suite 300, Fairbanks, Alaska 99701-2941.

Section 1.5. Registered Office; Registered Agent

The address of the registered office of the Company in the State of Delaware shall be c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808 or such other address as the Manager may determine. The name and address of the registered agent for service of process on the Company in the State of Delaware shall be Corporation Service Company, 2711 Centerville Road, Wilmington, New Castle County, Delaware 19808.

Section 1.6. Term

The term of the Company commenced on September 3, 2014 and, unless terminated in accordance with this Agreement, shall be perpetual.

Section 1.7. Purpose and Powers

The purposes of the Company are to establish and conduct the Business and to do any and all things reasonably necessary or advisable in connection therewith (the "Business Purpose"). The Company shall have the power and authority to take any and all actions necessary or advisable to or for the furtherance of said purposes.

Section 1.8. Filings

The Manager shall cause to be executed, filed and published all such certificates, notices, statements or other instruments, and amendments thereto under the laws of the State of Delaware and other applicable jurisdictions as the Manager may deem necessary or advisable for the operation of the Company and to enable the Company to conduct business in each applicable jurisdiction.

Section 1.9. Sole Agreement

The Members intend that their obligations to each other with respect to the Company and the scope of the Company's activities, including any activities of its Subsidiaries, be as set forth in this Agreement, and that no further authority to bind the other or the Company or any liabilities to each other or any third party be inferred from the relationships described herein.

ARTICLE 2
CAPITALIZATION

Section 2.1. Capital Accounts

(a) Establishment

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A separate capital account ("Capital Account") was established for each Member as of the date of the Original Agreement.

(b) General Rules for Adjustment of Capital Accounts

The Capital Account of each Member shall be:

(i) increased by:

(A) the aggregate amount of such Member's cash contributions to the Company;

(B) the initial Book Value of property contributed by such Member to the Company;

(C) such Member's allocable share of Profits and items of income and gain allocated to such Member pursuant to Section 2.1(c)(iii) or ARTICLE 4 (other than Section 4.6 and Section 4.7(a));

(D) any positive adjustment to such Capital Account by reason of an adjustment to the Book Value of the Company assets; and

(E) the amount of Company liabilities assumed by such Member or which are secured by any property distributed to such Member; and

(ii) decreased by:

(A) cash distributions to such Member from the Company;

(B) the Book Value of property distributed in kind to such Member;

(C) such Member's allocable share of Losses and items of loss or deduction allocated to such Member pursuant to Section 2.1(c)(iii) or ARTICLE 4 (other than Section 4.7(a));

(D) any negative adjustment to such Capital Account by reason of an adjustment to the Book Value of Company assets;

(E) any amount charged to the Capital Account of such Member pursuant to Section 5.5(e); and

(F) the amount of any liabilities of such Member assumed by the Company or which are secured by property contributed by such Member to the Company.

(c) Special Rules

(i) Time of Adjustment for Capital Contributions. For purposes of computing the balance in a Member's Capital Account, no credit shall be given for any capital contribution which such Member is obligated to make until such contribution is actually made.

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(ii) Capital Account for Transferred Interest. If any Interest in the Company or part thereof is Transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the Transferred Interest.

(iii) Intent to Comply with Treasury Regulations. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such regulation. To the extent the provisions of this Agreement are inconsistent with such regulation or are incomplete with respect thereto, the Capital Accounts of the Members shall be maintained in accordance with such regulation except to the extent that doing so would materially distort the timing or amount of an allocation or distribution to a Member.

Section 2.2. Capital Contributions

(a) Initial Contribution

On September 12, 2014, NSM contributed one hundred fifty dollars ($150) and American II contributed eight hundred fifty dollars ($850) to the equity capital of the Company.

(b) Upfront Payment

On October 14, 2014, NSM contributed Eleven Million Four Hundred Thirty Thousand and No Dollars ($11,430,000.00) in cash to the equity capital of the Company, and on October 15, 2014, American II contributed Sixty Four Million Seven Hundred Seventy Thousand and No Dollars ($64,770,000.00) in cash to the equity capital of the Company, both via direct payment to the FCC on behalf of the License Company. The Company, in turn, immediately contributed such amounts to the equity capital of the License Company, which used such proceeds to make the upfront payment necessary to permit the License Company to bid on licenses in the Auction in accordance with the Bidding Protocol, and the balance of the capital needs of the License Company to fund such upfront payment was funded through the Senior Credit Facility.

(c) Auction Purchase Price Payment

(i) On or prior to February 13, 2015, NSM contributed $100,313,836.50 in cash to the equity capital of the Company, and American II contributed $568,445,073.50 in cash to the equity capital of the Company, which contributions were made via direct payment to the FCC on behalf of the License Company, and constituted capital contributions hereunder. For purposes of Section 8.1, NSM's $100,313,836.50 capital contribution shall be deemed to have been deposited on February 11, 2015. Immediately following such contributions, the Company contributed such cash to the equity capital of the License Company.

(ii) On or prior to March 2, 2015, NSM contributed $20,641,540.88 in cash to the equity capital of the Company, and American II contributed $116,968,731.62 in cash to the equity capital of the Company, which contributions were made via direct payment to the FCC on behalf of the License Company, and constituted capital contributions hereunder. For purposes of Section 8.1, NSM's $20,641,540.88 capital contribution shall be deemed to have been deposited on February 11, 2015. Immediately following such contributions, the Company contributed such cash to the equity capital of the License Company.

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(d) No Additional Commitments

Other than as set forth in this Section 2.2, neither NSM nor American II shall be required to contribute any additional capital to the Company.

(e) Exchange of Indebtedness for Preferred Equity

As of March 31, 2018, American II exchanged **six billion eight hundred seventy million four hundred ninety two thousand and six hundred sixty Dollars ($6,870,492,660)** (the "Initial Face Amount") of the amounts outstanding and owed to it under the First Amended and Restated Credit Agreement among License Company, American II and the Company dated as of October 13, 2014, (as amended through March 31, 2018, the "Original Credit Agreement"), for **6,870,493** Class A Preferred Interests, par value $1,000 (the "Class A Preferred Interests"), with the rights and preferences described in this Section 2.2(e). The parties hereto agree and acknowledge that the Initial Face Amount of indebtedness under the Original Credit Agreement was exchanged for **6,870,493** Class A Preferred Interests and was extinguished and discharged with immediate effect as of March 31, 2018. American II released the Company and License Company from all obligations with respect to the Initial Face Amount of indebtedness exchanged for Class A Preferred Interests. The Class A Preferred Interests shall be non-voting and non-participating. The Class A Preferred Interests shall not have any preemptive rights or co-sale rights, though American II shall retain its consent rights over Significant Matters pursuant to Section 6.3 hereof.

Section 2.3. No Withdrawals

Except as expressly set forth herein, no Member shall be entitled to withdraw any portion of its capital contribution or Capital Account balance.

Section 2.4. No Interest

Except as expressly set forth herein, no Member shall be entitled to receive any interest or similar return on its capital contributions or Capital Account balance.

Section 2.5. Interests are Securities

Each Interest shall constitute a "security" within the meaning of and shall be governed by (a) Article 8 of the Uniform Commercial Code (including Section 8-102(a)(15) thereof) as in effect from time to time in the State of Delaware and (b) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995.

Section 2.6. Certification of Interests

Interests shall be issued in non-certificated form; provided that at the request of any Member, the Manager shall cause the Company to issue certificates to the Members representing the Interests held by the Members. If any Interest certificate is issued, then such certificate shall bear a legend substantially in the following form:

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This certificate evidences a membership interest representing an interest in Northstar Spectrum, LLC and shall constitute a "security" within the meaning of and shall be governed by (i) Article 8 of the Uniform Commercial Code (including Section 8-102(a)(15) thereof) as in effect from time to time in the State of Delaware, and (ii) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995.

The membership interest in Northstar Spectrum, LLC represented by this certificate is subject to restrictions on transfer set forth in that certain Third Amended and Restated Limited Liability Company Agreement of Northstar Spectrum, LLC, dated as of June 7, 2018, by and among the members from time to time party thereto, as the same may be amended from time to time.

The membership interest in Northstar Spectrum, LLC represented by this certificate has not been registered under the United States Securities Act of 1933, as amended, or under any other applicable securities laws. Such membership interest may not be sold, assigned, pledged or otherwise disposed of at any time without effective registration under such Act and laws or, in each case, exemption therefrom.

Section 2.7. Failure to Fund

American II acknowledges that if the License Company is the Winning Bidder for one or more licenses and (a) it is determined in any arbitration proceeding (whether under this Agreement or under the Senior Credit Facility or any Related Agreement) or (b) if American II admits in writing, in either case (a) or (b), that American II failed to fund any amounts required to be funded by it under this Agreement or the Senior Credit Facility and that such failure to fund caused the License Company to be or become in default under the FCC Rules (including, without limitation, the provisions of 47 C.F.R. Section 1.2109), then NSM, the Company and its Subsidiaries will have all remedies available to them in law and in equity (including specific performance).

ARTICLE 3
DISTRIBUTIONS

Section 3.1. Mandatory Quarterly Distribution

The Class A Preferred Interests will accrue distributions during each Quarterly Distribution Period at the rate of twelve percent (12%) per annum until the Effective Date, and the rate of eight percent (8%) per annum from and after the Effective Date, calculated based on actual days elapsed in a year of 365 or 366 days, as applicable, on the then-current Face Amount of the Class A Preferred Interests. Distributions on the Class A Preferred Interests will be made on a mandatory basis each quarter. Each Class A Member on the applicable Quarterly Distribution Record Date shall be entitled to receive (regardless of whether such Class A Member remains a Class A Member of record on the applicable Quarterly Distribution Payment Date), distributions accrued to but excluding the applicable Quarterly Distribution Payment Date ("Mandatory Quarterly Distributions"), by 5:00 pm, New York City time, on such Quarterly Distribution Payment Date in respect of the Quarterly Distribution Period then ended. Any and all such Mandatory Quarterly Distributions may be paid either (i) in cash, (ii) by adding such amounts to the then-current Face Amount or (iii) in a combination of cash and additional Face Amount, and the method of payment will be in the sole and absolute discretion of the Manager.

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In the event that the Manager elects to pay all or part of any Mandatory Quarterly Distribution in cash, the Company shall request wire transfer instructions from each Class A Member as of the relevant Quarterly Distribution Record Date at least five (5) Business Days prior to the relevant Quarterly Distribution Payment Date. All such Mandatory Quarterly Distributions paid in cash shall be paid by wire transfer of funds legally available for the payment of distributions under Delaware law to the accounts designated by the Class A Members entitled to payment. Upon a Liquidation Event or a Deemed Liquidation Event, the Liquidation Preference shall become due and payable to the Class A Members, subject to the limitations contained in this Section 3.1, Section 8.1 and Section 13.3(d)(i).

Section 3.2. Non-Liquidating Distributions

(a) The Company may at any time, other than in connection with a Liquidation Event or Deemed Liquidation Event, and separately from and in addition to the Mandatory Quarterly Distributions and the distributions provided for in Section 3.2(b), declare and pay cash distributions to the Class A Members out of funds legally available for the payment of distributions under Delaware law ("Non-Liquidating Distributions"). The Company shall request wire transfer instructions from each Class A Member as of the relevant Non-Liquidating Distribution Record Date at least five (5) Business Days prior to the date that the Company sets for the payment of such Non-Liquidating Distributions. Non-Liquidating Distributions shall be made *first*, to the Class A Members as of the Non-Liquidating Distribution Record Date in respect of any unpaid distributions under this Agreement with respect to their Class A Preferred Interests until all such unpaid distributions have been paid, *second*, to the Class A Members as of the Non-Liquidating Distribution Record Date in accordance with their Liquidation Preference until the Liquidation Preference has been paid in full and *third*, to the Class B Members as of the Non-Liquidating Distribution Record Date in proportion to their Class B Percentages. The Manager shall have the sole and absolute discretion to declare and pay any Non-Liquidating Distributions. For the avoidance of doubt, Mandatory Quarterly Distributions paid pursuant to Section 3.1 shall be mandatory and not subject to the Company's discretion, except that the Manager shall have sole discretion on the method of payment.

(b) Notwithstanding the provisions of Section 3.2(a), within thirty (30) days after the end of each fiscal quarter other than the fiscal quarter in which the proceeds from a liquidation are distributed in accordance with Section 3.3, the Company shall make distributions to each Member in amounts that are at least sufficient to allow each Member to pay income tax obligations arising from its respective membership interests in the Company (the "Required Tax Amount"), which shall be calculated based on the Assumed Tax Rate. "Assumed Tax Rate" means the highest effective marginal combined U.S. federal, state and local income tax rate for a fiscal year prescribed for an individual or corporate resident in New York, New York (taking into account (a) the nondeductibility of expenses subject to the limitation described in Section 67(a) and Section 68 of the Code, (b) the character (e.g., long-term or short- term capital gain or ordinary or exempt income) of the applicable income, and (c) the extent to which state and local income taxes are deductible for U.S. federal income tax purposes). For the avoidance of doubt, the Assumed Tax Rate will be the same for all Members and items of loss or deduction previously allocated to a Member and not taken into account in a manner that reduced tax distributions to such Member shall be taken into account in determining a Member's income tax obligations arising from their respective membership interests in the Company for purposes of this provision. The total amount of such tax distributions shall not exceed the amount of Excess Cash then held by the Company (except that the Manager may, in its discretion, cause the License Company to borrow amounts available for such purpose under the Senior Credit Facility and cause the License Company to distribute such borrowed amounts to the Company, to enable the Company to make tax distributions hereunder); provided, further, that, in the event that the amount otherwise required to be distributed to the Members pursuant to this Section 3.2(b) for such fiscal quarter, as estimated by the Manager, exceeds the

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amount of Excess Cash then held by the Company, such that the aggregate distributions made pursuant to this Section 3.2(b) with respect to such fiscal quarter are less than such amount otherwise required to be distributed to the Members pursuant to this Section 3.2(b) for such fiscal quarter (such shortfall, the "Tax Shortfall Amount"), then the Company shall make initial tax distributions under this Section 3.2(b) to the members in proportion to their rights to tax distributions and shall make additional tax distributions in an aggregate amount equal to the Tax Shortfall Amount to the Members at such time as the Company holds sufficient Excess Cash to fund, in whole or in part, such remaining Tax Shortfall Amount (or portion thereof). Distributions to a Member under this Section 3.2(b) shall be treated as advances in respect of amounts subsequently distributable to such Member (or a successor to such Member) under Section 3.1, Section 3.2(a), Section 13.3(d)(iii) and Section 13.3(d)(iv) and shall reduce such amounts on a dollar-for-dollar basis.

Section 3.3. Liquidating Distributions

Subject to Section 6.3, distributions to the Members of cash or property in connection with a Liquidation Event or Deemed Liquidation Event shall be made in accordance with Section 13.3.

Section 3.4. Interest Purchase Agreement, Security Agreement and Pledge Agreement

The parties hereto acknowledge that, effective as of June 7, 2018, the License Company executed and delivered in favor of NSM a Second Amended and Restated Interest Purchase Agreement (the "Interest Purchase Agreement"), and on September 12, 2014 executed and delivered in favor of NSM a Security Agreement (the "NSM Security Agreement") and a Pledge Agreement (the "NSM Pledge Agreement"). Within one (1) Business Day of the date upon which any Subsidiary of the License Company is formed, the Company shall cause the License Company to cause such Subsidiary to execute and deliver to NSM (a) a guarantee of the License Company's obligations under the Interest Purchase Agreement in the form attached as an exhibit to the Interest Purchase Agreement and (b) a security agreement supplement in the form attached as an exhibit to the NSM Security Agreement. In addition, within one (1) Business Day of the date upon which any Subsidiary of the License Company holding licenses is formed, the Company shall cause the License Company to take the actions required under the NSM Pledge Agreement to perfect NSM's first priority Lien in the outstanding equity interests of such Subsidiary. The parties hereto also acknowledge and agree that, notwithstanding the provisions of Section 3.2, the License Company and its Subsidiaries may make payments to NSM in exchange for membership interests in the Company pursuant to the provisions of the Interest Purchase Agreement, the NSM Security Agreement and the NSM Pledge Agreement and such related Subsidiary guarantees and security agreement supplements when due, subject to the provisions of the Senior Credit Facility and the Intercreditor and Subordination Agreement. All such payments to NSM in respect of the obligations of the License Company and its Subsidiaries under the Interest Purchase Agreement or related guarantees, and all proceeds received by NSM in connection with its exercise of remedies under the NSM Security Agreement or related security agreement supplements, shall be credited against the obligations of the License Company and its Subsidiaries under the Interest Purchase Agreement and related guarantees, and, if necessary to avoid duplication in respect of any payments or distributions by the Company to the NSM Members in respect of their Interests, the amount of all such payments or proceeds, as applicable, shall be deemed to be a distribution to the Company (and by the Company to NSM) constituting a return of the NSM Members' capital contributions to the Company on a *pro rata* basis. NSM shall not amend or waive, nor shall the Company permit the License Company or its Subsidiaries to amend or waive, any term or provision of the Interest Purchase Agreement, the NSM Security Agreement or the NSM Pledge Agreement or the related Subsidiary guarantees or security agreement supplements, without the prior written consent of American II in its sole discretion.

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ARTICLE 4
ALLOCATIONS

Section 4.1. Profits and Losses

(a) After giving effect to the special allocations set forth in Section 4.3 through Section 4.5, Profits with respect to any fiscal year shall be allocated as follows:

(i) Profits shall first be allocated to those Members that have Capital Accounts that are in deficit, in proportion to their deficits, until there are no remaining deficits;

(ii) Any remaining Profits shall be allocated to the Class A Member until the aggregate amount allocated to the Class A Member for all periods pursuant to this Section 4.1(a)(ii) equals the sum of (1) the excess of (x) the sum of (I) the Face Amount (as determined without regard to any Non-Liquidating Distributions under Section 3.2(a)), (II) any Mandatory Quarterly Distributions that have been paid in cash and (III) any accrued but unpaid Mandatory Quarterly Distributions over (y) the Initial Face Amount and (2) the aggregate amount of prior allocations of Losses for all periods pursuant to Section 4.1(b)(iii); and

(iii) Any remaining Profits shall be allocated to the Class B Members in accordance with their Class B Percentages.

(b) After giving effect to the special allocations set forth in Section 4.3 through Section 4.5, Losses with respect to any fiscal year shall be allocated in the following order:

(i) Losses shall first be allocated to the Class B Members in proportion to their Class B Percentages until the aggregate amount allocated under this Section 4.1(b)(i) for all periods equals the aggregate amount allocated pursuant to Section 4.1(a)(iii) for all periods;

(ii) Remaining Losses shall be allocated to the Class B Members in proportion to their Capital Accounts as of the Effective Date (determined after taking into account allocations under Section 4.1(d) of items arising through the Effective Date and any Profit or Losses attributable to the revaluation for Book Value purposes of the Company's assets in connection with the conversion described in Section 2.2(e), but not taking into account any portion of a Capital Account attributable to the contribution associated with the conversion provided for in Section 2.2(e)) until the aggregate amount allocated under this Section 4.1(b)(ii) for all periods equals the excess of (x) the sum of the Members' Capital Accounts as of the Effective Date (determined as described above) over (y) the aggregate amount of any Non-Liquidating Distributions made after the Effective Date to the Class B Members in proportion to their Class B Percentages;

(iii) Remaining Losses shall be allocated to the Class A Members until the aggregate amount allocated under this Section 4.1(b)(iii) for all periods equals the sum of (x) the Face Amount and (y) the aggregate amounts allocated to the Class A Members for all periods under Section 4.1(a)(ii);

(iv) Any remaining Losses shall be allocated to the Class B Members in proportion to their Class B Percentages.

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(c) In the event that there is more than one Class A Member, any allocations to the Class A Members pursuant to this ARTICLE 4 shall be made to the Class A Members in proportion to their Class A Percentages.

(d) Notwithstanding the foregoing, (i) Profits and Losses through the Effective Date shall be allocated under the provisions of the Company's limited liability company agreement as in effect prior to this Agreement and (ii) in no event shall, prior to such time as NSM's Put Right under Section 8.1 has expired unexercised, an amount of Profits be allocated to NSM that would cause NSM's Capital Account to exceed the Put Price described in Section 8.1.

(e) References to a Member in this Section 4.1 shall be treated as including references to a predecessor or successor to such Member as necessary to effectuate the intent of this Section 4.1.

Section 4.2. Losses

(a) Limitation on Losses

Losses allocable to any Member pursuant to Section 4.1 with respect to any fiscal year shall not exceed the maximum amount of Losses that may be so allocated without causing such Member to have an Adjusted Capital Account Deficit at the end of such fiscal year. All Losses in excess of the limitation set forth in this Section 4.2(a) shall be allocated: (i) first, to the Class B Members that will not be subject to this limitation, ratably based on the aggregate of their Class B Percentages, to the extent possible until such Class B Members become subject to this limitation; (ii) second, to the Class A Member to the extent it will not be subject to this limitation, to the extent possible until such Class A Member becomes subject to this limitation, and (iii) any remaining amount, to the Class B Members, ratably based on their Class B Percentages, unless otherwise required by the Code or Treasury Regulations.

Section 4.3. Special Allocations

The following special allocations shall be made for any fiscal year of the Company in the following order of priority:

(a) Minimum Gain Chargeback

Notwithstanding any other provision of this ARTICLE 4, if there is a net decrease in Company Minimum Gain (determined without regard to Member Nonrecourse Debts) during any fiscal year, each Member shall, subject to the exceptions provided in Treasury Regulations Section 1.704-2(f), be specially allocated items of income and gain for such fiscal year (and, if necessary, subsequent fiscal years) equal to such Member's share of the net decrease in Company Minimum Gain (determined without regard to Member Nonrecourse Debts) within the meaning of Treasury Regulations Section 1.704-2(g)(2). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulations Sections 1.704-2(i)(6) and 1.704-2(i)(2). To the extent that this Section 4.3(a) is inconsistent with Treasury Regulations Section 1.704-2(f), the Minimum Gain Chargeback provided for herein shall be applied and interpreted in accordance with such Treasury Regulation.

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(b) Member Minimum Gain Chargeback

If there is a net decrease in Member Minimum Gain attributable to a Member Nonrecourse Debt during any Company fiscal year, each Member that, as of the beginning of such year, has a share of the Member Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(5), shall, subject to the exceptions provided in Treasury Regulations Section 1.704-2(f), be specially allocated items of income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt determined in accordance with Treasury Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulations Sections 1.704-2(i)(4) and 1.704-2(i)(2). To the extent that this Section 4.3(b) is inconsistent with Treasury Regulations Section 1.704-2(i), the Member Minimum Gain chargeback provided for herein shall be applied and interpreted in accordance with such regulation.

(c) Qualified Income Offset

Notwithstanding anything herein to the contrary, but only if required by Treasury Regulations Section 1.704-1(b) in order for the allocations provided for herein to be considered to have substantial economic effect or to be deemed to be in accordance with the Member's Interests, if, for any fiscal year, a Member unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(*d*)(*4*), (*5*) or (*6*), and such adjustment, allocation or distribution causes or increases an Adjusted Capital Account Deficit with respect to such Member, then, before any other allocations are made, such Member shall be allocated items of income and gain (consisting of a *pro rata* portion of each item of Company income, including gross income and gain) in the amount and manner sufficient to eliminate such Adjusted Capital Account Deficit as quickly as possible. This Section 4.3(c) is intended to comply with Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(d) Nonrecourse Deductions

Nonrecourse Deductions shall be allocated to American II; provided, that any allocation of Losses pursuant to the preceding clause that would cause American II's Capital Account to be less than an amount equal to (i) American II's cash contributions to the equity capital of the Company that are credited to American II's Capital Account less (ii) any distributions to American II in excess of American II's cumulative share of Profits, shall instead be made to the Class B Members in proportion to their Class B Percentages.

(e) Member Nonrecourse Deductions

Any Member Nonrecourse Deductions for any fiscal year or other period shall be allocated to the Member that bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i).

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Section 4.4. Curative Allocations

The allocations set forth in Section 4.3(a) through (e) are intended to comply with certain regulatory requirements under Section 704(b) of the Code. The Members intend that, to the extent possible, all allocations made pursuant to such Sections will, over the term of the Company, be offset either with other allocations pursuant to Section 4.3 or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 4.4. Accordingly, the Manager is hereby authorized and directed to make offsetting allocations of Company income, gain, loss or deduction under this Section 4.4 in whatever manner the Manager determines is appropriate so that, after such offsetting special allocations are made, the Capital Accounts of the Members are, to the extent possible, equal to the Capital Accounts each would have if the provisions of Section 4.3 were not contained in this Agreement and all income, gain, loss and deduction of the Company were instead allocated pursuant to Section 4.1 and Section 4.2.

Section 4.5. Special Allocations in the Event of Company Audit Adjustments

Notwithstanding the allocation provisions of Section 4.1 and Section 4.2, and prior to making any of the allocations specified in Section 4.3, the following special allocations shall be made in the following order and in a manner, taking into consideration any tiered partnership structure that the Company may be part of, that reflects the relative economic interests of each Member in the Company:

(a) If for any fiscal year of the Company, the Company or any Affiliate of the Company is deemed to have additional income for tax purposes as a result of a re-determination by a taxing authority of an item of income, gain, loss or deduction that is attributable to a loan transaction, the provision of services, or the grant of a license or sublicense in intangible property by the Company or any Affiliate of the Company, to or involving any Member or Affiliate of any Member, such additional income shall be allocated to the Member involved in such loan transaction or that received such services, license or sublicense (or the Member whose Affiliate was involved in such loan transaction or received such services, license or sublicense) and any related deemed cash distribution shall be treated as having been made to the same Member.

(b) If for any fiscal year of the Company, the Company or any Affiliate of the Company is deemed to have a reduction in income for tax purposes as a result of a re-determination by a taxing authority of an item of income, gain, loss or deduction that is attributable to a loan transaction, the provision of services, or the grant of a license or sublicense in intangible property by the Company or any Affiliate of the Company, to or involving any Member or Affiliate of any Member, such reduction in income shall be allocated to the Member involved in such loan transaction or that received such services, license or sublicense (or the Member whose Affiliate was involved in such loan transaction or received such services, license or sublicense) and any related deemed cash contribution shall be treated as having been made by the same Member.

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(c) If for any taxable period of a Member, such Member or any Affiliate of the Member is deemed to have additional income for tax purposes as a result of a re-determination by a taxing authority of an item of income, gain, loss or deduction attributable to a loan transaction, the provision of services, or the grant of a license or sublicense in intangible property by such Member or any Affiliate of such Member, to or involving the Company or any Affiliate of the Company, any increase in the amount of a Company deduction associated with such re-determination of such Member's or any Affiliate of such Member's income shall be allocated (in the appropriate fiscal year) to the Member involved in such loan transaction or that provided such services, license or sublicense (either directly or through an Affiliate), and any related deemed cash contribution shall be treated as having been made by the same Member.

(d) If for any taxable period of a Member, such Member or any Affiliate of the Member is deemed to have a reduction in income for tax purposes as a result of a re-determination by a taxing authority of an item of income, gain, loss or deduction attributable to a loan transaction, the provision of services, or the grant of a license or sublicense in intangible property by such Member or any Affiliate of such Member, to or involving the Company or any Affiliate of the Company, any reduction in the amount of a Company deduction associated with such re-determination of such Member's or any Affiliate of such Member's income shall be allocated (in the appropriate fiscal year) to the Member involved in such loan transaction or that provided such services, license or sublicense (either directly or through an Affiliate), and any related deemed cash distribution shall be treated as having been made to the same Member.

(e) A re-determination by a taxing authority shall only be given effect for purposes of this Section 4.5 if such re-determination is (i) a decision, judgment, decree or other order by any court of competent jurisdiction, which has become final and is either no longer subject to appeal or for which a determination not to appeal has been made; (ii) a closing agreement made under Section 7121 of the Code or any comparable foreign, state, local or other income tax statute; (iii) a final disposition by a taxing authority of a claim for refund; or (iv) any other written agreement made with respect to a tax re-determination the execution of which is final and prohibits the taxing authority, relevant Member (or any Affiliate of such Members) or the Company (or any Affiliate of the Company) from seeking any further legal or administrative remedies with respect to such tax re-determination.

Section 4.6. Allocation of Credits

All tax credits shall be allocated among the Members in accordance with their respective allocations of Profits and Losses in accordance with this Agreement or in accordance with applicable provisions of the Code or Treasury Regulations to the extent any such provision is inconsistent with such allocation.

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Section 4.7. Tax Allocations

(a) Contributed Property

If any property is contributed to the capital of the Company, income, gain, loss and deduction with respect to such property shall be allocated solely for tax purposes among the Members in accordance with Section 704(c) of the Code and Treasury Regulations Section 1.704-3 so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Book Value. All decisions regarding the choice of allocation method under Treasury Regulations Section 1.704-3 with respect to assets contributed to the Company shall be made by the Manager, subject to the prior written consent of Class B Members holding a majority of the total outstanding Class B Percentages, not to be unreasonably withheld, conditioned or delayed.

(b) Revalued Property

If the Company assets are revalued as set forth in the definition of "Book Value" in Section 1.1, then subsequent allocations of income, gain, loss and deduction with respect to revalued Company assets shall take into account any variation between the adjusted basis of such assets for federal income tax purposes and their adjusted value in the same manner as under Section 704(c) of the Code and in compliance with Treasury Regulations Section 1.704-3. Except as otherwise provided herein, all decisions regarding the choice of allocation method under Treasury Regulations Section 1.704-3 with respect to revalued Company assets shall be made by the Members. The Company shall use the "traditional method" without curative allocations under Treasury Regulations Section 1.704-3(b) for reverse Section 704(c) allocations resulting from the revaluation of the Company's assets for Book Value purposes in connection with initial issuance of Class A Preferred Interests.

(c) Allocations with Respect to Certain Securities

If the Company sells, exchanges or otherwise disposes of any investment security at a loss, to the extent such loss is specifically reimbursed by one or more Members, such reimbursed loss shall be allocated solely for income tax purposes among the Members in accordance with their respective reimbursements to the Company.

Section 4.8. Change in Members' Interests

In the event there is any change in the Members' respective Class A Percentages and/or Class B Percentages during any fiscal year, Profits, Losses, Nonrecourse Deductions and other items shall be allocated among the Members in accordance with their respective Class A Percentages and/or Class B Percentages, as the case may be, from time to time during such fiscal year based on an interim closing of the books as of the close of business on the date of such change.

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ARTICLE 5
ACCOUNTING AND RECORDS

Section 5.1. Fiscal Year

The fiscal year of the Company shall be the year ending December 31.

Section 5.2. Method of Accounting

Unless otherwise provided herein, the Company books of account shall be maintained in accordance with GAAP; provided that for purposes of making allocations with respect to items of Company income, gain, deduction, loss and credit to the Members, such items shall be allocated to the Members' Capital Accounts pursuant to ARTICLE 4 and as required by Section 704 of the Code and the Treasury Regulations promulgated thereunder.

Section 5.3. Books and Records; Inspection

Proper and complete records and books of accounts of the Company business for tax and financial purposes, including all such transactions and other matters as are usually entered into records and books of account maintained by Persons engaged in businesses of like character or as are required by Applicable Law, shall be kept by the Company at the Company's principal office and place of business. The Manager may delegate to a third party the duty to maintain and oversee the preparation and maintenance of such records and books of account. Books and records maintained for financial purposes shall be maintained in accordance with GAAP, and books and records maintained for tax purposes shall be maintained in accordance with the Code and applicable Treasury Regulations. Subject to Section 10.2, all records and documents described in Section 5.3 shall be open to inspection and copying by any of the Members or their representatives or agents at any reasonable time during normal business hours.

Section 5.4. Financial Statements; Internal Controls

(a) Within ninety (90) days after the end of each fiscal year, and thirty (30) days after the end of each fiscal quarter (other than the fourth fiscal quarter), the Manager shall cause to be furnished to each Member financial statements with respect to such fiscal year or fiscal quarter of the Company, consisting of (i) a consolidated balance sheet showing the Company's financial position as of the end of such fiscal year or fiscal quarter; (ii) supporting consolidated profit and loss statements (iii) a consolidated statement of cash flows for such fiscal year or fiscal quarter and (iv) Member's Capital Accounts. Such financial statements shall be prepared on a consolidated basis for the Company and its Subsidiaries in accordance with GAAP and SEC Regulation S-X except, with respect to the quarterly financial statements which need not be separately audited, for the omission of certain footnotes and other presentation items required by GAAP with respect to audited financial statements. The annual financial statements of the Company, except for the annual financial statements of the Company for the fiscal year ended December 31, 2014, shall be audited (which audit shall be conducted in accordance with GAAP and SEC Regulation S-X) and certified by the Company's independent accountants. Each Member shall receive a copy of all material financial reports and notices delivered by the Company to any third party pursuant to any other agreement.

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(b) At all times during the continuance of the Company, the Company and each of its Subsidiaries shall maintain, or cause to be maintained on their behalf, a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. From time to time, upon specific written notice thereof, the Company and its Subsidiaries shall promptly remedy any significant deficiencies or material weaknesses in their internal accounting controls.

(c) At all times during the continuance of the Company, the Company shall furnish, or cause to be furnished on its behalf, to each Member that files public reports with the SEC, upon written request by such Member to the Manager, such financial statements and financial and other information regarding the Company and its Subsidiaries as may be necessary or reasonably required for such Member and its Affiliates to prepare their financial statements and related information in accordance with GAAP and applicable SEC rules and regulations, including without limitation, Regulations S-X and S-K promulgated by the SEC, and to have such information reviewed or audited from time to time, as applicable, by such Member's or its Affiliates' independent auditors (at such Member's sole cost and expense and subject to all applicable confidentiality obligations). All such financial statements and financial and other information shall be furnished in such manner and at such times as may be necessary or reasonably required for such Member or its Affiliates to timely prepare and file any registration statements that they may file under the Securities Act and to timely prepare and file any and all current and periodic reports and proxy statements that they may file under the Exchange Act, in each case in accordance with GAAP and applicable SEC rules and regulations, including, without limitation, Regulations S-X and S-K promulgated by the SEC. The Company and its officers shall execute and deliver such certificates, affidavits, representation letters and similar documents as such Member or its Affiliates or their respective independent auditors may reasonably request in connection therewith.

(d) At all times during the continuance of the Company, the Company and its Subsidiaries shall design, implement and maintain, or cause to be designed, implemented and maintained on their behalf, proper "internal control over financial reporting" (as defined in Rule 13a-15(f) promulgated under the Exchange Act). The Company and its Subsidiaries shall prepare and maintain, or cause to be prepared and maintained, adequate documentation of their internal control over financial reporting consistent with the requirements of the Public Company Accounting Oversight Board, Rule 13a-15 promulgated under the Exchange Act and Item 308 of Regulation S-K promulgated by the SEC, and shall make such documentation available to any such Member and its Affiliates and their independent auditors at such reasonable times as such Persons may reasonably request. Such internal control over financial reporting (and the documentation related thereto) shall be sufficient to permit each Member that files public reports with the SEC to assess and evaluate periodically the effectiveness of the internal control over financial reporting of the Company and its Subsidiaries and to permit each independent auditor of each such Member to evaluate such assessment and to provide any required attestation report with respect thereto. From time to time, upon notice of any such condition, the Company and its Subsidiaries shall promptly remedy any significant deficiencies or material weaknesses in their internal control over financial reporting.

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Section 5.5. Taxation

(a) Status of the Company. The Members acknowledge that this Agreement creates a partnership for federal income tax purposes. Furthermore, the Members hereby agree not to elect to be excluded from the application of Subchapter K of Chapter 1 of Subtitle A of the Code or any similar state statute.

(b) Tax Elections and Reporting

(i) Generally. The Company shall make the following elections and take the following positions under United States income tax laws and Treasury Regulations and any similar state laws and regulations:

(A) adopt the year ending December 31 as the annual accounting period (unless otherwise required by the Code and Treasury Regulations);

(B) adopt the accrual method of accounting;

(C) insofar as permissible, report the Company's tax attributes and results using principles consistent with those assumed in connection with entering into this Agreement; and

(D) have the Company treated as a partnership for federal income tax purposes in a manner consistent with Treasury Regulations Sections 301.7701-2 and -3.

(ii) Code Section 754 Election. The Manager shall, upon the written request of any Member, cause the Company to file an election under Section 754 of the Code and the Treasury Regulations promulgated thereunder to adjust the basis of the Company's assets under Section 734(b) or 743(b) of the Code and a corresponding election under the applicable sections of state and local law.

(c) Company Tax Returns

(i) The Tax Matters Member will prepare or cause to be prepared all required domestic and foreign tax returns and information returns of the Company, drafts of which shall be furnished to the Members within ninety (90) days following the close of each fiscal year. Final returns shall be filed within one hundred eighty (180) days following each year end. The Company shall pay for all reasonable out-of-pocket expenses (including accounting fees, if any) in connection with such preparation (it being understood that the Tax Matters Member shall not receive any compensation from the Company for preparing such returns). Any Member may, at its own expense, engage a third party to review the tax returns and information returns prepared by the Tax Matters Member pursuant to the preceding sentence. The Tax Matters Member shall not file any such return without the approval of any Member that constitutes a "notice partner" (as defined in Section 6231(a)(8) of the Code) (as in effect for tax years beginning prior to January 1, 2018 and determined without regard to whether any informational or procedural steps associated with obtaining such status have been complied with) of the Company, which approval shall not be unreasonably withheld, conditioned or delayed. Such "notice partner" Member shall be deemed to have given such approval if such Member does not indicate its written objection (which may be delivered by facsimile) to the Tax Matters Member within twenty (20) days of the date that such

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Member receives a draft of such return. If a "notice partner" Member does not approve of any proposed filing of a return by the Tax Matters Member, such Member and the Tax Matters Member shall seek, in good faith, to resolve their disagreement. If a "notice partner" Member and the Tax Matters Member cannot resolve their disagreement within ten (10) days of receipt of the "notice partner" Member's written objection by the Tax Matters Member, either of such Member or the Tax Matters Member may request, in writing with a copy sent to the other Member, that the disagreement be resolved by the Company's independent public accountants and the independent public accountants shall be instructed to resolve the dispute in such manner consistent with this Agreement as they believe will properly maximize, in the aggregate, the United States federal, state and local income tax advantages and will properly minimize, in the aggregate, the United States federal, state, and local income tax detriments, available to the Company's Members. The independent public accountants shall provide their written resolution of the disagreement to both the "notice partner" Member and the Tax Matters Member within fifteen (15) days from the date that the independent public accountants were requested to resolve such disagreement. Any and all other tax returns shall be prepared in a manner directed by the Tax Matters Member consistent with the terms of this Agreement. Each Member shall provide such information, if any, as may be reasonably requested by the Company for purposes of preparing such tax and information returns.

(ii) The Tax Matters Member shall furnish a copy of all filed domestic and foreign tax returns and information returns for the Company to each of the Members. In addition, upon reasonable written notice provided to the Company by a Member (and as otherwise required by Applicable Law), the Company shall furnish such Member, on a timely basis, with all information relating to the Company required to be reported in any United States federal, state or local tax return of such Member, including a report indicating such Member's allocable share for United States federal income tax purposes of the Company's income, gain, credits, losses and deductions.

(iii) The Members agree that the Company shall be treated as a partnership for United States federal income tax purposes. The Members agree to (A) approve electing partnership status with respect to the Company with the United States Internal Revenue Service and such other state and local taxing authorities as may be appropriate and to cooperate in providing all consents, signatures, documents and such other information as may be required with respect thereto and (B) report all "partnership items" (as defined in Section 6231(a)(3) of the Code) (as in effect for tax years beginning prior to January 1, 2018) of the Company consistent with such classification of the Company for United States federal, state and local tax purposes and with the returns filed by the Company; provided, however, that if any Member intends to file a notice of inconsistent treatment under Section 6222(b) of the Code, such Member shall, at least thirty (30) days prior to the filing of such notice, notify in writing the other Members of such intent and such Member's intended treatment of the item which is (or may be) inconsistent with the treatment of that item by the Company.

(d) Tax Audits. American II, for so long as it is a Member and, thereafter, the Manager shall be the "tax matters partner" of the Company, as that term is defined in Section 6231(a)(7) of the Code (as in effect for tax years beginning prior to January 1, 2018) (the "Tax Matters Member"), with all of the rights, duties and powers provided for in sections 6221 through 6232, inclusive, of the Code (as in effect for tax years prior to January 1, 2018), provided that the Tax Matters Member shall not pay or agree to pay (or make any agreement that would cause a Member to pay) any audit assessment, or any amount in settlement or compromise of any litigation, in respect of income tax liability of the Members attributable to the Interests in the Company, in excess

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of $500,000 in any one instance or series of related instances, unless approved by each Member whose financial interest in such matter exceeds $100,000 individually or in the aggregate.

The Tax Matters Member, as an authorized representative of the Company, shall direct the defense of any tax claims made by the Internal Revenue Service or any other taxing jurisdiction to the extent that such claims relate to adjustment of Company items at the Company level and, in connection therewith, shall retain and cause the Company to pay the fees and expenses of counsel and other advisors chosen by the Tax Matters Member. The Tax Matters Member shall also be responsible for timely filing all elections made by the Company, subject to any applicable approval requirements set forth in this Agreement. The Tax Matters Member shall deliver to each Member and the Manager a semi-annual report on the status of all tax audits and open tax years relating to the Company, and shall consult with and keep all Members and the Manager advised of all significant developments in such matters coming to the attention of the Tax Matters Member. All reasonable out-of-pocket expenses of the Tax Matters Member and its Affiliates and other reasonable fees and expenses in connection with such defense shall be borne by the Company (it being understood that the Tax Matters Member shall not receive any compensation from the Company for acting in such capacity). Except as provided in ARTICLE 12, neither the Tax Matters Member nor the Company shall be liable for any additional tax, interest or penalties payable by a Member or any costs of separate counsel chosen by such Member to represent the Member with respect to any aspect of such defense. The Tax Matters Member shall take any steps necessary to designate American II and NSM as a “notice partner” (as defined in Section 6231(a)(8) of the Code) (as in effect for tax years beginning prior to January 1, 2018). In addition, nothing in this Agreement is intended to waive any rights, including rights to participate in administrative and judicial proceedings, that a Member may have under Section 6221 through 6233 of the Code (as in effect for tax years beginning prior to January 1, 2018). Notwithstanding any other provisions of this Agreement, the provisions of Section 5.5(c) and Section 5.5(d) shall survive the dissolution of the Company or the termination of any Member's interest in the Company and shall remain binding on all Members for a period of time necessary to resolve with the United States Internal Revenue Service or any applicable state or local taxing authority all matters (including litigation) regarding the United States Federal, state and local income taxation, as the case may be, of the Company or any Member with respect to the Company.

(e) Withholding

(i) The Company shall comply with all withholding requirements under applicable United States federal, state, local and foreign tax laws and shall remit amounts withheld to, and file required forms with, the applicable taxing authorities. To the extent that the Company withholds and pays over any amounts to any taxing authority with respect to distributions or allocations to any Member, the amount withheld shall be charged to the Capital Account of such Member. The Company shall notify each of the Members of any withholding with respect to such Member, designating such Member's allocable share of such withholding tax. The Members hereby agree that they will not claim a credit in excess of the amount in such notice.

(ii) In the event of any claimed over-withholding by the Company, the Member shall have no rights against the Company or any other Member. Anything in the previous sentence to the contrary notwithstanding, if the Company is required to take any action in order to secure a refund or credit for the benefit of a Member in respect of any amount withheld by it, it shall take any such action including applying for such refund on behalf of the Member and paying it over to such Member.

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(iii) Except in the case of withholding pursuant to Section 1446 of the Code, if any amount required to be withheld was not withheld from actual distributions that would have otherwise been made to a Member, the Company shall require the Member to which the withholding was credited to reimburse the Company for such withholding.

(iv) In the event of any under-withholding by the Company, each Member agrees to indemnify and hold harmless the Company and the Tax Matters Member from and against any liability, including interest and penalties, with respect thereto.

(v) Each Member agrees to furnish the Company with any representations and forms as shall reasonably be requested by the Company to assist the Company in determining the extent of, and in fulfilling, the Company's withholding obligations.

(vi) Upon the request of any Member, the Company shall make any filings, applications or elections to obtain any available exemption from, or any available refund of, any withholding or similar taxes imposed by any non-United States (whether sovereign or local) taxing authority with respect to amounts distributable or items of income allocable to such Member hereunder. Such Member shall cooperate with the Company in making any such filings, applications or elections to the extent the Company reasonably determines that such cooperation is necessary or desirable. Notwithstanding the foregoing, if such Member must make any such filings, applications or elections directly, the Company, at the request of such Member, shall provide such information and take such other action as may reasonably be necessary to complete or make such filings, applications or elections.

ARTICLE 6
MANAGEMENT

Section 6.1. Manager

The Manager at all times shall exercise control over the Company in compliance with FCC Rules. The Manager shall, subject to the terms of this Agreement, have the exclusive right and power to manage, operate and control the Company and to make all decisions necessary or appropriate to carry on the business and affairs of the Company, including the authority to appoint, promote, demote and terminate executives who oversee the day-to-day activities of the Company and to select the financial institutions from which the Company may borrow money. In addition to the specific rights and powers herein granted to the Manager, the Manager shall possess and enjoy and may exercise all the rights and powers of a manager within the meaning of Section 18-101(10) of the Act, including the full and exclusive power and authority to act for and to bind the Company, but subject to the limitations of this Agreement. In addition to any other rights and powers that the Manager may possess, the Manager shall have all specific rights and powers required or appropriate for the day-to-day management of the Company's business, which shall be managed by experienced professionals in accordance with the standards of first-rate operators of wireless communications companies. Except as determined by the Manager pursuant to this Agreement, no Member or representative shall have any right or authority to take any action on behalf of the Company with respect to third parties or to bind the Company. For the avoidance of doubt, the Manager shall have the sole right to select the wireless technologies and standards used in, and to determine the nature and type of services offered by, the License Company Systems, the terms upon which the License Company Systems' services are offered, and the prices charged for its services.

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Section 6.2. Removal of Manager

(a) Removal of Manager

Subject to FCC approval, if required, NSM shall be removed as the Manager, and the management of the Company shall be transferred to a successor Manager in accordance with Section 6.2(b) and Section 6.2(c) if NSM (i) is unwilling or unable to serve as the Manager, (ii) would not be considered a Qualified Person if NSM itself were the applicant or licensee, as the case may be, in respect of the licenses held by the License Company or its Subsidiaries at any time prior to the fifth anniversary of the Initial Grant Date and such failure is reasonably likely to materially impair the ability of the License Company or any of its Subsidiaries to realize the Auction Benefits or result in the revocation or non-renewal of any license, or (iii) commits a Significant Breach at any time.

(b) Successor Manager

If NSM is removed as the Manager pursuant to Section 6.2(a), the management of the Company shall be transferred to a successor Manager, which shall (i) be, if then required in order for the License Company and its Subsidiaries to retain the Auction Benefits, a Qualified Person, provided that NSM shall in no way be liable to the Company or to any other Member for the failure of any successor Manager to be a Qualified Person, and (ii) be subject to the prior approval of American II. NSM (or, if it fails to do so, the other Members by affirmative vote of a majority of Class B Percentages not held by NSM) shall designate the successor Manager as soon as reasonably practicable, but in any event no later than thirty (30) days after notice from any other Member that one or more of the events specified in Section 6.2(a) has occurred. NSM shall continue to act as Manager until the successor Manager assumes the management of the Company. NSM shall take whatever steps are commercially reasonable to assist the successor Manager in assuming the management of the Company, including transferring to the successor Manager all historical financial, tax, accounting and other data and records in the possession of NSM, and giving such consents, assigning such permits and executing such instruments as may be necessary to vest in the successor Manager those rights that were necessary for NSM to perform its obligations.

(c) Dispute Resolution

Any dispute over the removal of NSM as the Manager pursuant to Section 6.2(a) shall be resolved by arbitration in accordance with Section 10.3; provided that (i) the arbitrators shall be instructed to render their decision within thirty (30) days after the commencement of any such proceeding and (ii) the losing Member shall pay the reasonable and documented out-of-pocket fees, costs and expenses of the prevailing Member in connection with the proceeding.

Section 6.3. Supermajority Approval Rights

All Significant Matters shall require the prior written approval of American II, in its sole and absolute discretion for any reason or no reason; provided that no such approval shall be required solely with respect to the purchase and sale of Interests pursuant to and in accordance with the terms of the Interest Purchase Agreement or pursuant to the Put Right; provided, further, that transfers of assets of the License Company (other than the membership interests of any Subsidiaries that do not hold licenses) or of any of its Subsidiaries solely for the purpose of generating the funds required to satisfy the obligations of the License Company and its Subsidiaries that are then due and payable under the Interest Purchase Agreement shall cease to require the approval of American II under any clause of the definition of Significant Matter at such time, subject to the provisions of the Senior Credit Facility and the Intercreditor and Subordination Agreement.

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Section 6.4. Separateness Covenants

(a) NSM shall cause the Company and each of its Subsidiaries to, and the Company shall and shall cause each of its Subsidiaries to, (i) to the extent that such entities have one or more deposit accounts, each maintain its own deposit account or accounts, separate from the accounts of American II and its Subsidiaries and joint ventures, with commercial banking institutions, and (ii) not commingle their funds with those of American II or any of its Subsidiaries or joint ventures;

(b) NSM shall cause the Company and each of its Subsidiaries to, and the Company shall and shall cause each of its Subsidiaries to, maintain separate addresses from the addresses of American II and its Subsidiaries and joint ventures, or to the extent the Company or any of its Subsidiaries may have offices in the same location as American II or any of its Subsidiaries or joint ventures, to maintain a fair and appropriate allocation of overhead costs among them, with each such entity bearing its fair share of such expense;

(c) NSM shall cause the Company and each of its Subsidiaries to issue, and the Company and each of its Subsidiaries shall issue, quarterly and annual consolidated financial statements from time to time as required by Section 5.4(a);

(d) NSM shall cause the Company and each of its Subsidiaries to, and the Company shall and shall cause each of its Subsidiaries to, (i) each maintain its separate status as a limited liability company and (ii) each conduct its affairs in accordance with its certificate of formation and limited liability company agreement and observe all necessary, appropriate and customary company formalities, including, but not limited to, holding all regular and special members' and managers' meetings appropriate to authorize company 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, payroll and intercompany transaction accounts, to the extent applicable;

(e) NSM shall not permit the Company or any of its Subsidiaries to, and the Company shall not and shall not permit any of its Subsidiaries to, (i) assume or guarantee any of the liabilities of, or pledge any of its assets as security for the liabilities of, American II or any of its Subsidiaries or joint ventures, or (ii) hold out the credit of American II or any of its Subsidiaries or joint ventures as being able to satisfy the obligations of the Company or any of its Subsidiaries (which shall be deemed not to refer to any disclosure by the Company or any of its Subsidiaries of any capital contributions or loans that American II or any of its Subsidiaries is required to make to the Company or any of its Subsidiaries or of any other obligations that American II or any of its Subsidiaries is required to perform for the benefit of the Company or any of its Subsidiaries), except with respect to any guarantees or assumptions of indebtedness or other liabilities that have been expressly agreed to by American II or any of its Subsidiaries in writing;

(f) NSM shall cause the Company and each of its Subsidiaries not to, and the Company shall not and shall cause each of its Subsidiaries not to, authorize the use of its name or trademarks or service marks by American II or any of its Subsidiaries or joint ventures, except pursuant to a written license agreement;

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(g) NSM shall not permit the Company or any of its Subsidiaries to, and the Company shall not and shall not permit any of its Subsidiaries to conduct its own business with suppliers of goods and services, lenders or purchasers of securities in the name of American II or any of its Subsidiaries or joint ventures. NSM further acknowledges that it shall have no right to conduct any business in the name of American II or on behalf of American II unless specifically authorized herein; and

(h) If NSM or the Company or any of its Subsidiaries obtains actual knowledge that American II or any of its Subsidiaries or joint ventures has represented or indicated to any supplier of goods and services to, lender to or purchaser of securities of the Company or any of its Subsidiaries that the credit of American II or any of its Subsidiaries or joint ventures is available to satisfy the obligations of the Company or any of its Subsidiaries (which shall be deemed not to refer to any disclosure by American II or any of its Subsidiaries or joint ventures of any capital contributions or loans that American II or any of its Subsidiaries is required to make to the Company or any of its Subsidiaries or of any other obligations that American II or any of its Subsidiaries is required to perform for the benefit of the Company or any of its Subsidiaries), other than with respect to any guarantees or assumptions of indebtedness or other liabilities that have been expressly agreed to by American II or any of its Subsidiaries in writing, then NSM shall cause the Company and each of its Subsidiaries to, and the Company shall and shall cause each of its Subsidiaries to, provide written notice to any person to whom such representation or indication was made to make clear that the credit of American II and its Subsidiaries and joint ventures is not available to satisfy the obligations of the Company or any of its Subsidiaries other than with respect to any guarantees or assumptions of indebtedness or other liabilities that have been expressly agreed to by American II or any of its Subsidiaries in writing.

Section 6.5. Business Plans and Budgets

(a) Five-Year Business Plan

On September 12, 2014, the Manager adopted the initial five-year high-level business plan (the "Five-Year Business Plan") of the Company and its Subsidiaries. The Manager shall update the Five-Year Business Plan to address the next five-year period which update shall be distributed to American II not later than thirty (30) days prior to the end of the fifth fiscal year covered by the Five-Year Business Plan. In addition, the Manager may, from time to time, in the exercise of its reasonable discretion, modify the Five-Year Business Plan to reflect any material changes affecting the Company and its Subsidiaries or their Business, including changes in availability of capital (including under the Senior Credit Facility).

(b) Annual Business Plans and Budgets

The Manager shall prepare and adopt a detailed annual Business Plan and detailed annual budget no later than ninety (90) days following the Initial Grant Date. Each such annual Business Plan shall set forth the business and operational parameters and objectives for such year, including appropriate explanations of the Manager's strategy. Each such budget shall include, without limitation, a detailed breakdown of the following, together with the details of the material assumptions used, for the Company and its Subsidiaries: (i) monthly revenue, operating expenses and interest expenses; (ii) quarterly capital expenditures and cash flow; (iii) balance sheet and income statement; and (iv) expected funding requirements and the methods of meeting such requirements. In addition, the Manager may, from time to time, in the exercise of its reasonable discretion, modify the annual Business Plan and budget to reflect any modification made to the Five-Year Business Plan in accordance with Section 6.5(a).

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(c) No Other Business Plans or Budgets

No Business Plans or budgets shall be adopted except in accordance with the provisions of this Section 6.5. All such Business Plans and budgets shall be adopted or modified in accordance with the provisions of this Section 6.5 by the Manager in its sole and unilateral judgment. The Manager shall promptly deliver to American II each annual Business Plan and budget which the Manager may hereafter adopt (including any amendments thereto).

Section 6.6. Management Fees

For so long as NSM continues to serve as the Manager, the Company shall cause the License Company to pay a management fee to NSM, by wire transfer of immediately available funds equal to $700,000 per year (the "Management Fee"), payable in quarterly installments in arrears. For the avoidance of doubt, the Management Fee is meant solely as a payment to the Manager in lieu of a board of managers fee which would typically be payable to a managing member of a board in connection with its oversight and control of the Company, and is not meant to cover the operating, overhead or employee compensation expenses of the Company and its Subsidiaries, all of which will be payable directly by the Company and its Subsidiaries (and not by the Manager itself).

ARTICLE 7
TRANSFER RESTRICTIONS

No Member may Transfer all or any part of its Interests, including interests in any of its Subsidiaries that directly or indirectly own Interests, except in compliance with the following provisions of this ARTICLE 7.

Section 7.1. Restrictions

(a) Transfers by Certain Members

The Members (other than American II) may Transfer Interests (i) at any time after the Initial Grant Date, to one or more Permitted Transferees; (ii) during the five (5) years after the Initial Grant Date with the consent of American II, which may be withheld in its sole and absolute discretion; (iii) to the License Company pursuant to the Interest Purchase Agreement or to the Company pursuant to ARTICLE 8 without the consent of American II but subject to Section 7.1(d); and (iv) following the fifth anniversary of the Initial Grant Date without the consent of American II, but in each case subject to Section 7.3 and the other provisions of this ARTICLE 7. American II may not Transfer all or a majority of its Interests unless the transferee thereof either (x) agrees to assume in a written agreement reasonably acceptable to NSM (such consent not to be unreasonably withheld, conditioned or delayed) American II's obligations under the Senior Credit Facility, the Intercreditor and Subordination Agreement and all related agreements and agrees to be bound by the provisions thereof as if an original party thereto or (y) agrees to provide at least the same level of financing to the Company, the License Company and its Subsidiaries as available to them under the Senior Credit Facility on terms and conditions which are acceptable to NSM; provided that if the terms and conditions, individually and in the aggregate, are, in the reasonable judgment of NSM, no less favorable to NSM, the Company, the License Company and its Subsidiaries as those set forth in the Senior Credit Facility, the Intercreditor and Subordination Agreement and such related agreements (including the priority of Liens set forth therein), then NSM shall not unreasonably withhold, condition or delay such consent. Notwithstanding the foregoing, at any time after the close of the Auction, the Manager may admit as new, non-controlling members of the Manager, one or more Persons to provide additional capital to the Manager, subject to American II's consent, which shall not be unreasonably withheld, conditioned or delayed, and provided that such action does not result in NSM failing to qualify as a "very small business" as required by Section 11.3(a)(iii).

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(b) No Transfer of Right to Manage

The right to manage the Company pursuant to this Agreement shall not be transferable with the Interests of NSM without the prior written consent of American II. Accordingly, subject to Section 7.1(a), if NSM Transfers twenty-five percent (25%) or more of its Interests (other than a Transfer of one hundred percent of NSM's Interests to a Permitted Transferee), then, subject to FCC approval, the right to manage the Company shall be transferred to a successor Manager, which shall (i) be, if then required in order for the License Company and its Subsidiaries to retain the Auction Benefits, a Qualified Person; (ii) not be a competitor or an Affiliate of a competitor of American II (as determined by American II in its sole and absolute discretion) or its Affiliates and (iii) be subject to the prior written approval of American II.

(c) No Transfers to Competitors

So long as American II owns an Interest, the Members other than American II may not Transfer any or all of their Interests to a competitor of American II or its Affiliates, or an Affiliate of any such competitor, without American II's prior written consent, which may be withheld in its sole and absolute discretion.

(d) FCC Compliance

All Transfers of Interests are subject to and must comply with all applicable FCC Rules.

Section 7.2. Exceptions

(a) Transfers by Members of NSM

The provisions of Section 7.1 (other than Section 7.1(d)) shall not apply to (i) the Cash Equity Investors, except with respect to Transfers of their interests in NSM, whether held directly by the Cash Equity Investors or through one or more intermediaries (it being understood that this exception is intended to restrict Transfers of interests in NSM effected by the Cash Equity Investors themselves and their Subsidiaries, rather than Transfers effected by direct and indirect owners of interests in the Cash Equity Investors) and (ii) Transfers (except with respect to Transfers of their interests in NSM) or issuances of the Equity Interests of any other member of NSM, unless such Transfer results in a Change of Control of NSM or would impair the ability of the License Company or any of its Subsidiaries to realize the Auction Benefits.

(b) Transfers by American II Members

Notwithstanding anything herein to the contrary, but subject to the provisions of Section 14.3, the restrictions set forth in Section 7.1 (other than Section 7.1(d)) shall not apply to (i) Transfers of Interests in the Company held by American II (or its Permitted Transferees) to any Affiliate of American II or (ii) Transfers of direct or indirect interests in American II or its Affiliates. In addition, American II (or its Permitted Transferees) may collaterally assign its Interests in the Company to any secured lender of American II or its Affiliates, and American II (or its Permitted Transferees) may Transfer its Interests in the Company held by American II (or its Permitted Transferees) at any time in accordance with Section 14.3.

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(c) Pledges by Certain Members

The members of NSM may pledge their Equity Interests in NSM to secure loans, provided that any such pledge and its terms (A) shall be subject to the prior approval of American II (which shall not be unreasonably withheld or delayed), but solely with respect to compliance of any such pledge and its terms with FCC Rules, including with respect to the matters set forth in clause (B) below, and (B) shall in no event permit the lender to take any action that would impair the eligibility of the License Company or any of its Subsidiaries to hold any of the licenses won in the Auction or that could result in the License Company or any Subsidiary losing any Auction Benefits.

Section 7.3. Assumption of Agreements

At any closing with respect to a sale to a third party, the proposed transferee shall execute a counterpart to this Agreement and any Related Agreements to which the Sellers or their Affiliates are party and shall be bound by the provisions of and assume the obligations of the Sellers under all such Agreements. The Sellers and the proposed transferee shall execute such documents as American II may reasonably request to evidence such assumption. Notwithstanding the foregoing, the Sellers shall not be relieved of any of their obligations under this Agreement or any Related Agreement arising prior to such sale, to the extent such obligations shall not be discharged by the third party.

Section 7.4. Substituted Members

Prior to any Transfer of Interests by a Member, the transferor shall deliver to other Members a notice setting forth the identity of the transferee, and shall provide such other information as the other Members may reasonably request in connection with such Transfer. A transferee of Interests Transferred in accordance with this ARTICLE 7 shall be admitted as a Member upon execution of a counterpart to this Agreement evidencing its agreement to be bound hereby. Upon the admission of any such transferee as a Member, the transferring Member or Members shall be relieved of any obligation arising under this Agreement subsequent to such Transfer with respect to the Interests being transferred (provided that the transferee shall assume all such obligations), and if the transferring Member no longer holds any Interests, the transferring Member shall be relieved of its obligations arising under this Agreement to the extent provided in Section 14.3. Prior to any Transfer of an Interest or any portion thereof (other than pursuant to the Interest Purchase Agreement or ARTICLE 8) and as a condition thereof, and prior to any admission of an assignee as a Member, the Member making such Transfer and the assignee shall furnish the Manager, and a majority in Class B Percentages of the non-transferring Members, with such documents regarding the Transfer as the Manager or such majority of the non-transferring Members may reasonably request (in form and substance satisfactory to the Manager or such majority, as applicable), including a copy of the Transfer instrument, a ratification by the assignee of this Agreement (if the assignee is to be admitted as a Member), a legal opinion that the Transfer will not cause the Company to be characterized for federal and applicable state income tax purposes as other than a partnership, a legal opinion that the Transfer complies with applicable federal and state securities laws and a legal opinion that the Transfer will not violate the FCC Rules (including adversely affecting the qualification of the License Company as a "very small business" under the relevant FCC Rules if, and to the extent, such qualification is then required for the License Company and its Subsidiaries to retain any Auction Benefits) or this Agreement. In connection with any Transfer (other than pursuant to the Interest Purchase Agreement or ARTICLE 8), the Company shall, at the request of the Member

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making such Transfer and at such Member's sole expense, use commercially reasonable efforts to cause to be made any filing required by the FCC.

Section 7.5. Invalid Transfers Void

Any purported Transfer of an Interest or any part thereof not in compliance with the provisions of this ARTICLE 7 shall be void and of no force or effect and the transferring Member shall be liable to the other Members and the Company for all liabilities, obligations, damages, losses, costs and expenses (including reasonable attorneys' fees and court costs) arising out of such non-complying Transfer.

Section 7.6. Acceptance of Prior Acts

Any Permitted Transferee or other Person who becomes a Member of the Company, accepts, ratifies and agrees to be bound by all actions duly taken pursuant to the terms and provisions of this Agreement by the Company prior to the date it became a Member and, without limiting the generality of the foregoing, specifically ratifies and approves all agreements and other instruments as may have been executed and delivered on behalf of the Company prior to such date and which are in force and effect on such date.

ARTICLE 8
PUT RIGHT

Section 8.1. Put

(a) Put Windows

For (i) the ninety (90) day period beginning on the fifth anniversary of the Initial Grant Date (the "First Put Window") and (ii) the ninety (90) day period beginning on the sixth anniversary of the Initial Grant Date (the "Second Put Window"), or, in either case, the ten-day period following the announcement of a Liquidation Event or a Deemed Liquidation Event if such announcement precedes the expiration of the period set forth in clause (i) or (ii), as applicable, above (including, for the avoidance of doubt, if such announcement precedes the fifth or sixth anniversary of the Initial Grant Date), NSM shall have the right (the "Put Right") to require the Company to purchase all (but not less than all) of the collective Interests held by the NSM Members in exchange for payment of the Put Price in the manner specified in this Section 8.1.

(b) Put Price

Should NSM exercise its Put Right pursuant to Section 8.1(a), then the collective Interests held by the NSM Members shall be purchased by the Company at a price (the "Put Price") equal to (i) the sum of all cash contributions made by the NSM Members to the equity capital of the Company pursuant to and in accordance with this Agreement (the "NSM Capital"), plus (ii) an amount equal to a *** per annum return on the contributions described in clause (i) above, from and including the respective dates on which such contributions were made until the date the Put Price is actually paid, calculated on the basis of the actual number of days elapsed from the applicable contribution date to the date the Put Price is actually paid, compounded annually, minus (iii) all distributions (other than tax distributions made pursuant to Section 3.2(b)) previously made or deemed made to the NSM Members by the Company (collectively, the "NSM Return"). Notwithstanding the foregoing, if the Put Right is not exercised pursuant to Section 8.1(a) during the First Put Window, but is exercised during the Second Put Window, then the NSM Return shall be calculated as per above, except that (i) solely for the purposes of

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calculating that portion of the NSM Return generated during the period commencing on the first day after the end of the First Put Window and until the date of exercise of the Put Right, the *** per annum annual compounded return in effect will be reduced for such calculation period to *** per annum, compounded annually, and (ii) solely for the purposes of calculating that portion of the NSM Return generated during the period commencing on the date on which the Put Right is exercised and to the date the Put Price is actually paid, the *** per annum annual compounded return in effect for such calculation period will be reduced for such calculation period to the weighted average per annum return on the NSM Capital as calculated as of the date the Put Right is exercised, compounded annually.

(c) Option to Require Appraisal

(i) If NSM does not exercise its Put Right prior to the expiration of the Second Put Window, then, for a two (2) year period beginning on the seventh anniversary of the Initial Grant Date, NSM shall have the right, but not the obligation, to require a determination of the Fair Market Value of the Company as of the end of the preceding month ("Appraisal Anniversary"). NSM shall exercise this right by providing notice to American II, which notice shall state that it is notice of exercise of NSM's right pursuant to this Section 8.1(c)(i).

(ii) If NSM provides American II with the notice provided for in Section 8.1(c)(i), then the Members shall thereafter proceed to determine the purchase price for the collective Interests held by the NSM Members (and any Permitted Transferees of the NSM Members) as set forth herein. Upon determination of the Fair Market Value of the Company, American II shall have the right, but not the obligation, to purchase all, but not less than all, of the collective Interests held by the NSM Members (and any Permitted Transferees of the NSM Members). Such purchase price for such Interests shall be equal to the product derived by (A) subtracting the value of the Liquidation Preference as of the Appraisal Anniversary from the Fair Market Value of the Company as of the Appraisal Anniversary, determined as set forth in this Section 8.1(c), and (B) multiplying the result by the collective Class B Percentage of the NSM Members (and any Permitted Transferees of the NSM Members), which product shall in no event be less than zero. American II shall pay the purchase price for the Interests by bank check or wire transfer, against execution and delivery by each NSM Member of an instrument of assignment in substantially the form attached hereto as Exhibit A.

(iii) In the notice referred to in Section 8.1(c)(i), NSM shall set forth its good faith estimate of the Fair Market Value. In the event that, no later than sixty (60) days after the Appraisal Anniversary, American II provides notice to NSM of its agreement to NSM's estimate of the Fair Market Value (the "American II FMV Acceptance Notice"), such determination of the Fair Market Value shall be final and binding on NSM and American II (the "Appraisal Option Parties") as the Fair Market Value for the purposes hereof.

(iv) In the event that (A) American II provides notice to NSM no later than sixty (60) days after the Appraisal Anniversary of its rejection of NSM's estimate of the Fair Market Value or (B) American II fails to provide any notice to NSM within sixty (60) days after the Appraisal Anniversary with regard to NSM's estimate of the Fair Market Value, the Appraisal Option Parties shall use commercially reasonable efforts to appoint within seventy-five (75) days after the Appraisal Anniversary a mutually acceptable appraiser (the "Joint Appraiser") for the purpose of determining the Fair Market Value. In the event of such appointment, the Joint Appraiser shall determine the Fair Market Value and submit a written report

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setting forth such Fair Market Value as determined by the Joint Appraiser, the methodologies for valuation employed by the Joint Appraiser, all information pertinent to the determination of such Fair Market Value with regard to each such methodology and the relative weights afforded to each such methodology by the Joint Appraiser (an "FMV Report") to each of the Appraisal Option Parties no later than one hundred twenty (120) days after the Appraisal Anniversary. All costs and expenses of such appraisal shall be borne equally by the Appraisal Option Parties. The Joint Appraiser's determination of the Fair Market Value shall be final and binding on the Appraisal Option Parties as the Fair Market Value for the purposes hereof.

(v) If the Appraisal Option Parties are unable to agree on a Joint Appraiser within seventy-five (75) days after the Appraisal Anniversary, each of the Appraisal Option Parties shall independently appoint, within ninety (90) days after the Appraisal Anniversary, an appraiser (the "Independent Appraisers") for the purpose of determining such Fair Market Value. Each Independent Appraiser shall determine the Fair Market Value and submit an FMV Report to each of the Appraisal Option Parties no later than one hundred twenty (120) days after the Appraisal Anniversary. All costs and expenses for each such appraisal shall be borne by the party on behalf of which the appraisal is being performed. In the event that the Independent Appraisers' determinations of the Fair Market Value are equal, such determination of the Fair Market Value shall be final and binding on the Appraisal Option Parties as the Fair Market Value for the purposes hereof. In the event that the Independent Appraisers' determinations of the Fair Market Value differ such that the greater exceeds the lesser by no more than ten percent (10%) of the lesser, the average of the two determinations shall be final and binding on the Appraisal Option Parties as the Fair Market Value for the purposes hereof. In the event that either of the Independent Appraisers fails to make a determination of the Fair Market Value and to submit an FMV Report no later than one hundred twenty (120) days after the Appraisal Anniversary, the determination of the Fair Market Value by the other of the Independent Appraisers shall be final and binding on the Appraisal Option Parties as the Fair Market Value for the purposes hereof.

(vi) In the event that the Independent Appraisers' determinations of the Fair Market Value differ such that the greater exceeds the lesser by more than ten percent (10%) of the lesser, then the Independent Appraisers shall jointly appoint no later than one hundred thirty (130) days after the Appraisal Anniversary an additional appraiser (the "Additional Appraiser") for the purpose of determining the Fair Market Value. The Additional Appraiser shall determine the Fair Market Value and submit an FMV Report no later than one hundred sixty (160) days after the Appraisal Anniversary. In the event that the Independent Appraisers fail to jointly appoint the Additional Appraiser no later than one hundred thirty (130) days after the Appraisal, either of the Appraisal Option Parties may initiate an arbitration proceeding with JAMS in the District of Columbia for the purpose of appointing a replacement for the Additional Appraiser. The appointment of such replacement for the Additional Appraiser (who, for the purposes of the remainder of this Section 8.1(c), shall also be known as the "Additional Appraiser") and the determination of the Fair Market Value and the submission of an FMV Report to each of the Appraisal Option Parties by such appraiser shall occur as promptly as reasonably practicable. All costs and expenses for the appraisal performed by the Additional Appraiser shall be borne equally by the Appraisal Option Parties. In the event that the Additional Appraiser's determination of the Fair Market Value is no more than ten percent (10%) greater than the higher and no more than ten percent (10%) less than the lower of the Independent Appraisers' determinations of the Fair Market Value, the average of the three (3) determinations shall be final and binding on the Appraisal Option Parties as the Fair Market Value for the purposes hereof. In the event that the Additional Appraiser's determination of the Fair Market Value is no more than ten percent (10%) greater than or no more than ten percent (10%) less than one of the Independent Appraisers'

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determinations of the Fair Market Value and is more than ten percent (10%) greater than or more than ten percent (10%) less than the other of the Independent Appraisers' determinations of the Fair Market Value (the "Non-Conforming Appraisal"), the Non-Conforming Appraisal shall be discarded, and the average of the remaining determinations shall be final and binding on the Appraisal Option Parties as the Fair Market Value for the purposes hereof. In the event that the Additional Appraiser's determination of the Fair Market Value is more than ten percent (10%) greater than the higher or more than ten percent (10%) less than the lower of the Independent Appraisers' determinations of the Fair Market Value, the closer of the Independent Appraisers' determinations of the Fair Market Value to the Additional Appraiser's determination of the Fair Market Value shall be final and binding on the Appraisal Option Parties as the Fair Market Value for the purposes hereof.

(vii) Any appraiser appointed hereunder shall be a member of a nationally recognized business appraisal organization and shall have experience in valuing wireless telecommunications enterprises. In determining the Fair Market Value, any appraiser appointed hereunder shall determine the value of the Company as a whole and shall not apply any valuation premiums or discounts to the value of the Interests (such as for minority interest, control or lack of marketability). At any time prior to final determination of the Fair Market Value as set forth hereunder, each of the Appraisal Option Parties shall be entitled to submit to any appraiser (and, if such right is exercised, shall also submit to the other of the Appraisal Option Parties) any information related to the valuation of the Company that such Appraisal Option Party considers relevant, and such information shall be accorded the weight that such appraiser deems appropriate. Each of the Appraisal Option Parties shall have an opportunity to comment on all information provided to any appraiser by the other of the Appraisal Option Parties.

(viii) The closing of any purchase of Interests pursuant to this Section 8.1(c) shall take place on the twentieth (20th) day after (A) in the event of determination of the Fair Market Value pursuant to Section 8.1(c)(iii), the effective date of American II FMV Acceptance Notice or (B) in the event of determination of the Fair Market Value pursuant to Section 8.1(c)(iv)-(vi), the effective date of the submission of the FMV Report applicable to the final determination of the Fair Market Value; provided, however, that (x) if the transaction is subject to any prior regulatory approval, then the closing shall take place on the tenth (10th) day following the receipt of such regulatory approval, (y) if the date of the closing falls on a weekend or on a federal holiday, the closing shall take place on the next regular Business Day, and (z) if NSM and American II agree to another time for the closing, the closing may take place at such other time as mutually agreed.

Section 8.2. Conditions to Closing

(a) The Company's obligations to consummate the transactions contemplated by the Put Right shall be subject to the satisfaction (or express waiver by the Company) of each of the following conditions:

(i) The parties shall have obtained all required consents, approvals, notices and waivers from governmental or regulatory bodies, including without limitation, any required FCC approval of the transactions contemplated by the Put Right by an effective order, decision, or public notice of the FCC or a duly-authorized bureau or division thereof (or, at the Company's and American II's election, within five (5) Business Days after such order, decision, or public notice shall have become final and no longer subject to further reconsideration, review or appeal);

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(ii) The waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, if applicable, shall have expired or been terminated; and

(iii) At the closing of the transactions contemplated by the Put Right, all of the collective Interests held by the NSM Members shall be transferred to the Company free and clear of all Liens, and the NSM Members shall have furnished to the Company documentation reasonably satisfactory to American II providing for the release of all then-existing Liens on such Interests.

(b) NSM's obligations to consummate the transactions contemplated by the Put Right shall be subject to the satisfaction (or express waiver by NSM) of each of the following conditions:

(i) The parties shall have obtained all required consents, approvals, notices and waivers from governmental or regulatory bodies, including without limitation, FCC approval of the transactions contemplated by the Put Right by an effective order, decision, or public notice of the FCC or a duly-authorized bureau or division thereof; and

(ii) The applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, shall have expired or been terminated.

(c) Each of the parties hereto agrees to use all commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties hereto in doing, all the things reasonably necessary, proper or advisable, in the most expeditious manner practicable, to satisfy the conditions set forth in this Section 8.2 and to consummate and make effective the transactions contemplated by the Put Right and this ARTICLE 8.

Section 8.3. Closing

(a) At the closing of the transactions contemplated by the Put Right, the Company shall pay or cause to be paid the Put Price, by wire transfer of immediately available funds to an account of NSM (which shall be designated by NSM at least three (3) Business Days prior to the date of payment), against execution and delivery by each NSM Member of an instrument of assignment in substantially the form attached hereto as Exhibit A, on a date not later than five (5) Business Days following the satisfaction (or express waiver by American II) of each of the conditions set forth in Section 8.2(a) and the satisfaction (or express waiver by NSM) of each of the conditions set forth in Section 8.2(b), or at such other time and place as the parties may agree. Upon closing of the transactions contemplated by the Put Right, the Members other than American II shall automatically cease to be (i) Members of the Company and (ii) parties to this Agreement, in each case without any further action required of the parties hereto; provided that no such transfer shall relieve any such NSM Member from liability for any prior breach of this Agreement.

(b) The Put Price shall not be subject to any set-off or offset of whatsoever nature.

Section 8.4. Terminated Auction Purchase

If (a) the Auction is cancelled by the FCC, or the results of the Auction are dismissed in full by the FCC, because of a failure to meet both of the FCC's aggregate reserve prices applicable to the Auction; (b) the License Company fails to timely submit all of the applications for all licenses for which it was the Winning Bidder (*i.e.*, long-form applications) as a result of any action or inaction of American II or any of its Affiliates; (c) all of the

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License Company's applications for the licenses for which it was the Winning Bidder (*i.e.*, long-form applications) are dismissed by final action of the FCC; (d) all licenses for which the License Company was the Winning Bidder and that were granted to, and are still held by, the License Company or any of its Subsidiaries are cancelled by the FCC; or (e) the License Company does not bid in the Auction (including as a result of a termination pursuant to Section 13.1(b)) or is not the Winning Bidder for any license, then, in each instance, the License Company shall apply as promptly as practicable and permitted under the FCC Rules to obtain a refund from the FCC of all of the Auction funds previously paid by the License Company to the FCC for the Auction, and, to the extent that any upfront payments, down payments or final payments for such licenses are refunded by the FCC, (i) the License Company shall, on behalf of the Company, first pay to the NSM Members an amount equal to (A) the NSM Members' capital contributions plus (B) a *** per annum return on the aggregate amount of capital contributions provided by the NSM Members from the date of their capital contributions through the date that such return is paid to the NSM Members (or, if earlier with respect to some or all of such equity capital contributions, the date of the return of all or part of any such equity capital contributions excluding any tax distributions made pursuant to Section 3.2(b)), compounded annually, and taking into account all distributions (including any returns of equity capital contributions but excluding any tax distributions made pursuant to Section 3.2(b)) previously made to the NSM Members by the Company plus (C) an amount equal to NSM's reasonable, documented out-of-pocket expenses (including without limitation legal fees and expenses) incurred in connection with the transactions contemplated hereby and not otherwise previously paid or reimbursed pursuant to Section 14.11 (in the event the License Company does not have adequate capital to pay any portion of the foregoing (A), (B) or (C), then American II shall pay to the NSM Members the amount of such shortfall); (ii) the License Company shall then, to the extent any funds remain after making the payments under the foregoing (i), repay amounts due to American II under the Senior Credit Facility; and (iii) the License Company shall then, to the extent any funds remain after making the payments under the foregoing (i) and (ii), on behalf of the Company, return to the Members (other than the NSM Members) their respective amounts of equity capital previously provided by them to the Company; provided that if the License Company's applications for all licenses for which it was the Winning Bidder (*i.e.*, long-form applications) are dismissed by the FCC or the authorizations for which the License Company was the Winning Bidder and that were granted to, and are still held by, the License Company or any of its Subsidiaries are cancelled by the FCC as the result of a breach by NSM of its representations or covenants in Section 11.3(a), then the NSM Members shall not be entitled to any payment under clause (i)(B) of this Section 8.4. For the avoidance of doubt, if this Section 8.4 applies, then the rest of this ARTICLE 8 shall not apply.

ARTICLE 9
REGISTRATION RIGHT

Section 9.1. Registration Right

At any time after the seventh (7th) anniversary of the Initial Grant Date, the NSM Members may elect to cause the Company (a) to convert to a corporation ("Newco") and (b) subject to the following provisions of this ARTICLE 9, to register for sale in an underwritten public offering (the "Offering") shares of capital stock of Newco issued to such Members upon conversion, so long as the anticipated gross proceeds to the NSM Members from the Offering are greater than $1,000,000 in the aggregate. If the NSM Members make such election, the Members and the Company shall promptly take such steps as may be necessary or desirable to effectuate the provisions of this ARTICLE 9.

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Section 9.2. Right to Purchase—Preliminary Range

The underwriters of the Offering (who shall be selected by the NSM Members and shall be reasonably acceptable to American II) will, within thirty (30) days after delivery of such election, in good faith establish a preliminary range for the price to the public in the Offering. American II may elect to purchase all, but not less than all, of the Interests of the Company (*i.e.*, prior to the conversion into Newco) then held by the Members other than American II, at a price equal to the midpoint of the preliminary range. If American II fails to make such election, the Offering will proceed.

Section 9.3. Right to Purchase—IPO Price

If the final price per share at which shares of capital stock of Newco are to be offered to the public (the "IPO Price") is lower than the midpoint of the preliminary range by three percent or more of the midpoint price, American II may elect, within twenty-four (24) hours after the determination of the IPO Price (during which time the registration statement shall not become effective), to purchase all, but not less than all, of the Interests of the Company (*i.e.*, prior to the conversion into Newco) then held by the Members other than American II at a price equal to the IPO Price. If American II fails to make such election, the Members other than American II shall (subject to Section 9.4) have ninety (90) days to complete the Offering.

Section 9.4. Right to Defer the Offering

If American II determines that a registration pursuant to this ARTICLE 9 would interfere with any pending or contemplated material acquisition, disposition, financing or other material transaction involving the Company or American II or any of its Affiliates or would require the Company to disclose material information that would otherwise not be disclosed at such time (and such disclosure would be prejudicial to the Company or American II), the Company will defer such registration at the request of American II; provided that the aggregate of all such deferrals shall not exceed one hundred eighty (180) days in any three hundred sixty-day period.

Section 9.5. Registration Expenses

Except as hereinafter provided, all expenses incident to the Company's performance of or compliance with this ARTICLE 9 shall be borne by the Company. In addition, the Company shall pay or reimburse the Members participating in the Offering (the "Participating Members") for the reasonable fees and expenses of one attorney to the Participating Members selected by NSM incurred in connection with a registration pursuant to this ARTICLE 9. Except as provided in the immediately preceding sentence, each Participating Member shall bear the costs and expenses of any underwriters' discounts and commissions or other fees, brokerage fees or transfer taxes relating to the Interests in the Company or shares of capital stock of Newco sold by such Member and the fees and expenses of any other attorneys, accountants or other representatives retained by such Member.

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Section 9.6. Registration Procedures

If Newco is required to effect the Offering, Newco shall, as promptly as reasonably practicable:

(a) prepare and file with the SEC a registration statement on an appropriate form, and thereafter use its reasonable best efforts to cause such registration statement to become effective and to remain effective and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until the lesser of (i) such time as all of such securities have been disposed of in accordance with the intended methods of disposition by the Participating Members set forth in such registration statement and (ii) ninety (90) days; provided that Newco shall, at least ten (10) Business Days prior to filing a registration statement or prospectus or any amendment or supplement thereto, furnish to each Participating Member and American II copies of such registration statement or prospectus (or amendment or supplement) as proposed to be filed (including, upon the request of any Participating Member or American II, documents to be incorporated by reference therein) which documents shall be subject to the reasonable review and comments of such Participating Member (and its attorneys) and American II during such ten-Business Day period and Newco shall not file any registration statement, any prospectus or any amendment or supplement thereto (or any such documents incorporated by reference) containing any statements with respect to such Participating Member to which such Participating Member shall reasonably object in writing or any statements with respect to the Company, the License Company or Newco to which American II shall reasonably object in writing;

(b) furnish to American II and each Participating Member and to any underwriter such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), the prospectus contained in such registration statement (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 or Rule 430A under the Securities Act, in conformity with the requirements of the Securities Act, documents incorporated by reference in such registration statement, amendment, supplement or prospectus and such other documents (in each case including all exhibits) as American II or a Participating Member or underwriter may reasonably request;

(c) after the filing of the registration statement, promptly notify American II and each Participating Member of the effectiveness thereof and of any stop order issued or threatened by the SEC and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered and promptly notify American II and such Participating Member of such lifting or withdrawal of such order;

(d) use its reasonable best efforts to register or qualify all shares held by the Participating Members and other securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as the Participating Members holding a majority of the shares to be included in such registration or the underwriter shall reasonably request, to keep such registration or qualification in effect for so long as such registration statement remains in effect, and take any other action which may be reasonably necessary or advisable to enable the Participating Members to consummate the disposition in such jurisdictions of the securities owned by such Participating Members, except that Newco shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it would not but for the requirements of this Section 9.6(d) be obligated to be so qualified, to subject itself to taxation in any such jurisdiction or to consent to general service of process in any such jurisdiction;

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(e) use its reasonable best efforts to cause all shares covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the Participating Members to consummate the disposition of such shares;

(f) furnish to each Participating Member and to each underwriter, if any, a signed counterpart of (i) an opinion of counsel for Newco addressed to such Participating Member and such underwriter on which opinion both such Participating Member and such underwriter are entitled to rely and (ii) a "comfort" letter signed by the independent public accountants who have certified Newco's financial statements included in such registration statement, each in customary form and covering such matters of the type customarily covered by opinions or comfort letters, as the case may be, as the managing underwriter therefor reasonably requests. Newco shall use its commercially reasonable efforts to have such comfort letters addressed to each Participating Member;

(g) immediately notify American II and each Participating Member at any time when a prospectus relating thereto is required to be delivered under the Securities Act, upon discovery that, or upon the happening of any event as a result of which, the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, and as promptly as practicable under the circumstances prepare and furnish to American II and each such Participating Member a reasonable number of copies of any supplement to or amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made;

(h) make available for inspection by any Participating Member, any underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other professional retained by any such Participating Member or underwriter (collectively, the "Inspectors"), all financial and other records, pertinent corporate documents and properties of Newco (collectively, the "Records") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and shall cause Newco's officers, directors and employees to supply all information reasonably requested by any Inspectors in connection with such registration statement. Each such Participating Member agrees that information obtained by it as a result of such inspections shall be deemed confidential and shall not be disclosed or used by it as the basis for any market transactions in the securities of Newco or its Affiliates unless and until such information is made generally available to the public. Each such Participating Member further agrees that it shall, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to Newco and allow Newco, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential;

(i) use its reasonable best efforts to list all shares covered by such registration statement on any securities exchange or quotation system on which any of Newco's shares are then listed or traded; and

(j) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable, an earnings statement or such other document that shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder.

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Newco may require each Participating Member to promptly furnish to Newco, as a condition precedent to including such Participating Member's shares in the Offering, such written information regarding such Participating Member and the distribution of such securities as Newco may from time to time reasonably request in writing.

Each Participating Member agrees that upon receipt of any notice from Newco of the happening of any event of the kind described in Section 9.6(g), such Participating Member shall forthwith discontinue such Participating Member's disposition of shares pursuant to the registration statement relating to such shares until such Participating Member's receipt of the copies of the supplemented or amended prospectus contemplated by Section 9.6(g) and, if so directed by Newco, shall deliver to Newco (at Newco's expense) all copies, other than permanent file copies, then in such Participating Member's possession, of the prospectus and any amendments or supplements thereto relating to such shares current at the time of receipt of such notice. In the event Newco shall give such notice, Newco shall extend the period during which the effectiveness of such registration statement shall be maintained by the number of days during the period from and including the date of the giving of notice pursuant to Section 9.6(g) to the date when Newco shall make available to the Participating Members a prospectus supplemented or amended to conform with the requirements of Section 9.6(g).

ARTICLE 10
OTHER AGREEMENTS

Section 10.1. Exclusivity

(a) American II

American II's and its Affiliates' participation in the Auction shall not be limited in any way by American II's participation in the Auction through the License Company. Nothing herein shall be construed or interpreted to limit American II or its Affiliates from participating or not participating in the Auction without an investment in a Designated Entity.

(b) NSM

None of Doyon, Limited, NSM or any Affiliates that any of the foregoing control shall participate directly or indirectly in the Auction (including by providing debt or equity financing or other assistance to a bidder) except as a Member of the Company and through the License Company, or the ownership of up to one percent (1%) of any public company.

Section 10.2. Confidentiality

(a) Non-Disclosure

Each party hereto agrees that it shall, and shall cause each of its Affiliates, and each of its and their respective partners, members, managers, shareholders, directors, officers, employees and agents (collectively, "Agents") to maintain the confidentiality of all non-public information disclosed to it by the other party or the definitive agreements contemplated herein or through its interest in the Company or the operation of its business or the use or ownership of its assets, by limiting internal disclosure of any such information to those who have an actual need to know such information in connection with the Auction or the transactions contemplated hereby (which shall include disclosure to a party's attorneys, accountants, potential lenders, lenders, potential investors,

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investors, financial advisors and consultants), and shall not, without the prior written consent of the disclosing party, use such information other than in connection with the transactions contemplated herein; provided, however, that the confidentiality obligations in this Section 10.2(a) do not apply to information that (i) was or becomes available to the public through no action by the receiving party or (ii) was or becomes available to such receiving party on a non-confidential basis.

(b) Exceptions

Notwithstanding Section 10.2(a), any party hereto may disclose the existence and terms of this Agreement and the transactions contemplated hereby (i) to federal and state regulatory agencies in connection with applications for approval of such transactions (or, in the case of any regulated Affiliate of a Member, in connection with audits by the applicable regulatory authorities), including to the FCC as part of any application to participate in the Auction and/or any application for a license or licenses won in the Auction, it being understood and agreed that the contents of such applications are generally available to the public, (ii) to financial institutions in connection with financings of the transactions contemplated hereby and (iii) if counsel for any party advises that a press release or public disclosure is required by Applicable Law or the applicable rules of any stock exchange, then the parties shall use their commercially reasonable efforts to cause a mutually acceptable press release to be issued, and in all events the party required to make such disclosure shall be free to do so; provided that in each case (other than clause (iii) above and to the extent submitted to the FCC as part of the contents of an application to participate in the Auction or a post-Auction application for licenses on which the License Company is the Winning Bidder) commercially reasonable efforts are used to seek confidential treatment from any such person to whom such information is disclosed and the other parties hereto are notified contemporaneously of such disclosure; provided, further, that the parties acknowledge that the Bidding Protocol constitutes valuable trade secrets of the Company and is extremely sensitive and confidential, and shall not be disclosed by the parties hereto unless disclosure is compelled by regulatory or other legal process and then only upon adequate prior notice to the other party, which party shall have an opportunity to seek an appropriate protective order, and such disclosure shall be made only to the extent necessary to comply with the requirements of the regulatory or legal process under which it is so compelled.

Section 10.3. Arbitration

(a) Arbitration

Except as set forth in Section 5.5(c) and in Section 8.1(c)(vi), any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Within fifteen (15) days after the commencement of arbitration, each party shall select one person to act as arbitrator and the two selected shall select a third arbitrator within ten (10) days of their appointment. If the arbitrators selected by the parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be selected by the American Arbitration Association. The place of arbitration shall be Chicago, Illinois or such other place as the parties may agree. The arbitrators shall be knowledgeable in the wireless broadband industry and public auctions of FCC licenses. Notwithstanding the foregoing, if the arbitration is consolidated with a then pending arbitration proceeding pursuant to Section 10.3(d), then the arbitrators and the place of arbitration for such then pending proceeding shall be the arbitrators and place of arbitration hereunder.

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(b) Interim Relief

Either party may apply to the arbitrators seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy under this agreement, seek from any court having jurisdiction any interim or provisional relief that is necessary to protect the rights or property of that party, pending the establishment of the arbitral tribunal (or pending the arbitral tribunal's determination of the merits of the controversy).

(c) Award

The award shall be made within ninety (90) days of the filing of the notice of intention to arbitrate, and the arbitrators shall agree to comply with this schedule before accepting appointment. However, this time limit may be extended by agreement of the parties and the arbitrators if necessary.

(d) Consent to Consolidation of Arbitrations

Each party hereto irrevocably consents to consolidating before the same arbitrators any arbitration proceeding under this Agreement with any other arbitration proceedings involving any party hereto that may be then pending or that are brought under the Senior Credit Facility or any other Related Agreement.

(e) Venue

Each party hereto irrevocably and unconditionally consents to the exclusive jurisdiction of the courts of the State of Delaware and of the United States District Courts located in the State of Delaware for entering of any judgment on the award rendered by the arbitrators; provided that if such courts do not have jurisdiction to enforce such judgment, then the parties may enter such judgment in any other court having jurisdiction thereof.

ARTICLE 11
REPRESENTATIONS AND COVENANTS

Section 11.1. Representations of the Members

Each of the Members represents and warrants to the Company and to each other Member as follows:

(a) It is a corporation or limited liability company, as the case may be, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and has the requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted and as proposed to be conducted.

(b) It has the requisite power and authority to execute, deliver and perform this Agreement and the Related Agreements to which it is a party and each other instrument, document, certificate and agreement required or contemplated to be executed, delivered and performed by it hereunder.

(c) This Agreement and the Related Agreements to which it is a party have each been duly executed and delivered by it and constitute its valid and binding obligations, enforceable against it in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally and by general principles of equity.

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(d) Neither its execution, delivery and performance of this Agreement, nor its consummation of the transactions contemplated hereunder or under the Related Agreements to which it is a party, shall (i) conflict with, or result in a breach or violation of, any provision of its constituent documents; (ii) constitute, with or without the giving of notice or passage of time or both, a material breach, violation or default, create a material Lien, or give rise to any right of termination, modification, cancellation, prepayment or acceleration, under (A) any Applicable Law or license except as may be provided under the FCC Rules or (B) any material note, bond, mortgage, indenture, lease, agreement or other instrument, in each case which is applicable to or binding upon it or any of its assets or (iii) require any consent which has not already been obtained except as may be required under the FCC Rules.

(e) Other than as has been disclosed to the Company and such other Members it has no knowledge of any (i) action, claim, proceeding, investigation or controversy pending or, to its knowledge, threatened against it or any of its properties or assets or (ii) judgment, order, award or consent decree outstanding against or affecting it, in either event that could have a material adverse effect on its ability to consummate the transactions contemplated under this Agreement or to fulfill its obligations hereunder.

(f) It shall have on each date it is required to make a capital contribution under this Agreement cash available to it in an amount sufficient to fully fund such capital contribution.

Section 11.2. Covenants of the Members

Each Member shall (a) timely furnish, and shall cause its Affiliates to timely furnish, such information as may be required to be provided under FCC Rules in, or in connection with, the License Company's short-form application to participate in the Auction and post-Auction long-form application and associated filings; (b) subject to Section 10.1, not participate, and shall cause Affiliates that it controls to refrain from participating, directly or indirectly, in the Auction or in connection with any other actual or potential bidder in the Auction, to the extent such action would disqualify, restrict or limit the License Company from participating fully in the Auction or otherwise would violate any applicable FCC Rule and (c) shall take measures to comply with the FCC's anti-collusion rule at Section 1.2105 of the FCC Rules and the FCC's anonymous bidding procedures applicable to the Auction.

Section 11.3. Representations and Covenants of NSM

(a) NSM hereby represents and covenants that:

(i) it shall cause the License Company to take all actions necessary and proper under FCC Rules for the License Company to timely file the post-Auction long-form application and any other filings required to be filed under FCC Rules in connection therewith or with the License Company's short-form application to participate in the Auction; provided that the parties acknowledge and agree that NSM's ability to comply with this Section 11.3(a)(i) depends upon American II's compliance with its obligations under this Agreement, the Senior Credit Facility and the other Related Agreements, including Section 2.2 and Section 11.2 of this Agreement and the funding obligations under the Senior Credit Facility, and, if American II breaches its obligations (including under Section 2.2 or Section 11.2 or its funding obligations under the Senior Credit Facility) and such breach results in NSM's failure to comply with this Section 11.3(a)(i), then NSM shall not be in breach of this Section 11.3(a)(i);

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(ii) other than as set forth on Schedule 11.3(a)(ii), neither it, its Affiliates, its controlling interests, nor Affiliates of its controlling interests (A) is now, or has ever been, in default on any FCC license and (B) is now, or has ever been, delinquent on any non-tax debt owed to any federal agency; and

(iii) on the Initial Application Date and for so long thereafter as NSM is the Manager and to the extent as may be required under FCC Rules in order for the License Company and its Subsidiaries to retain the Auction Benefits, NSM shall qualify as, and will not knowingly take any action without American II's consent to cause it to lose the status of, a Qualified Person, as if NSM itself was the applicant (or licensee).

(b) NSM shall not permit the amendment, modification or waiver of any provision of its certificate of formation or limited liability company agreement (as amended and restated on October 3, 2014 and as further amended on October 10, 2014 and on February 12, 2015), nor shall NSM enter into any agreement, arrangement or understanding with any Person that could reasonably be expected to result in a material breach or default of any representation or covenant of NSM contained in this Agreement.

Section 11.4. Failure to Qualify as a Qualified Person

If NSM fails to qualify and remain qualified as a Qualified Person as required under Section 11.3(a)(iii), whether or not as a result of a change in applicable FCC rules, then the parties shall promptly take reasonable steps to enable NSM to so qualify; provided that the relative economic and other rights and benefits expected to be derived by the parties hereunder are preserved. Should such failure to so qualify have resulted from a Significant Violation, the NSM Members shall be obligated to pay to American II *** (as liquidated damages and not as a penalty).

ARTICLE 12
EXCULPATION AND INDEMNIFICATION

Section 12.1. No Personal Liability

(a) Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Indemnified Person (as defined in Section 12.1(b)) shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being an Indemnified Person.

(b) No Member or its Affiliates, or any of their respective shareholders, directors, officers, employees, agents, members, managers or partners (each, an "Indemnified Person") shall be liable, responsible or accountable in damages or otherwise to the Company or to any other Indemnified Person for any act or omission performed or omitted by an Indemnified Person in connection with the transactions contemplated hereby, whether for mistake of judgment or negligence or other action or inaction, unless such action or omission constitutes willful misconduct, gross negligence or bad faith. Each Indemnified Person may consult with counsel, accountants and other experts in respect of the affairs of the Company and such Indemnified Person shall be fully protected and justified in any action or inaction which is taken in good faith in accordance with the advice or opinion of such counsel, accountants or other experts, provided that they shall have been selected with reasonable care.

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Section 12.2. Indemnification by Company

To the maximum extent permitted by Applicable Law, the Company shall protect, indemnify, defend and hold harmless each Indemnified Person for any acts or omissions performed or omitted by an Indemnified Person (in its capacity as such) unless such action or omission constituted willful misconduct, gross negligence or bad faith. The indemnification authorized under this Section 12.2 shall include payment on demand (with appropriate evidence of the amounts claimed) of reasonable attorneys' fees and other expenses incurred in connection with, or in settlement of, any legal proceedings between the Indemnified Person and a third party and the removal of any Liens affecting any property of the Indemnified Person. Such indemnification rights shall be in addition to any and all rights, remedies and recourse to which any Indemnified Person shall be entitled, whether or not pursuant to the provisions of this Agreement, at law or in equity. The indemnities provided for in this Section 12.2 shall be recoverable only from the assets of the Company, and there shall be no recourse to any Member or other Person for the payment of such indemnities.

Section 12.3. Notice and Defense of Claims

(a) Notice of Claim. If any action, claim or proceeding (each, a "Claim") shall be brought or asserted against any Indemnified Person in respect of which indemnity may be sought from the Company under Section 12.2, the Indemnified Person shall give prompt written notice of such Claim to the Company, which may assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Person and the payment of all of such counsel's fees and expenses; provided that any delay or failure to so notify the Company shall relieve the Company of its obligations hereunder only to the extent, if at all, that it is prejudiced by reason of such delay or failure. Any such notice shall refer to Section 12.2 and describe in reasonable detail the facts and circumstances of the Claim being asserted.

(b) Defense by the Company. If the Company undertakes the defense of the Claim, the Company shall keep the Indemnified Person advised as to all material developments in connection with any Claim, including by promptly furnishing the Indemnified Person with copies of all material documents filed or served in connection therewith. The Indemnified Person shall have the right to employ one separate firm per jurisdiction with respect to any of the foregoing Claims and to participate in the defense thereof, but the fees and expenses of such firm shall be at the expense of the Indemnified Person unless both the Indemnified Person and the Company are named as parties and representation by the same counsel is inappropriate due to actual differing interests between them; provided that under no circumstances shall the Company be liable for the fees and expenses of more than one law firm per jurisdiction in any of the foregoing Claims for the Indemnified Persons, taken collectively and not separately. The Company may, without the Indemnified Person's consent, settle or compromise any Claim or consent to the entry of any judgment if such settlement, compromise or judgment involves only the payment of money damages by the Company (which payment is made or adequately provided for at the time of such settlement, compromise or judgment) or provides for the unconditional release by the claimant or plaintiff of the Indemnified Person and its Affiliates from all liability in respect of such Claim and does not impose injunctive relief against any of them. The Indemnified Person shall provide reasonable assistance to the Company in the defense of the Claim. As between the Company, on the one hand, and the Indemnified Persons, on the other hand, any matter that is not agreed to unanimously by the Indemnified Persons shall be determined by the Indemnified Person that is a party to this Agreement.

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(c) Defense by the Indemnified Person. If the Company, within twenty (20) Business Days after receiving written notice of any such Claim, fails to assume the defense thereof, the Indemnified Person shall have the right, subject to the right of the Company at any time thereafter to assume such defense pursuant to the provisions of this ARTICLE 12, to undertake the defense, compromise or settlement of such Claim for the account of the Company.

(d) Advancement of Expenses. Unless the indemnifying party shall have assumed the defense of any Claim pursuant to Section 12.3(b), the Company shall advance to the Indemnified Person any of its reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any such Claim. Each Indemnified Person shall agree in writing prior to any such advancement, that if it receives any such advance, such Indemnified Person shall reimburse the Company for such fees, costs, and expenses to the extent that it shall be determined that it was not entitled to indemnification under this ARTICLE 12.

(e) Contribution. Notwithstanding any of the foregoing to the contrary, the provisions of this ARTICLE 12 shall not be construed so as to provide for the indemnification of any Indemnified Person for any liability to the extent (but only to the extent) that such indemnification would be in violation of Applicable Law or to the extent such liability may not be waived, modified or limited under Applicable Law, but shall be construed so as to effectuate the provisions of this ARTICLE 12 to the fullest extent permitted by Applicable Law; provided that, if and to the extent that the Company's indemnification obligation under this ARTICLE 12 is unenforceable for any reason, then the Company hereby agrees to make the maximum contribution permissible under Applicable Law to the payment and satisfaction of the losses of the Indemnified Person, except to the extent such losses are found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from the Indemnified Person's gross negligence or willful misconduct or bad faith.

ARTICLE 13
DISSOLUTION AND TERMINATION

Section 13.1. No Withdrawal

(a) Except as expressly provided in this Agreement or as otherwise provided by Applicable Law, (i) no Member shall have the right, and each Member hereby agrees not, to dissolve, terminate or liquidate the Company, or to resign or withdraw as a Member and (ii) NSM shall have no right, and NSM hereby agrees not to, resign or withdraw as the Manager.

(b) If (i) there is any generally applicable change in FCC Rules that is effective prior to the date on which the first round of bidding in the Auction commences and that has the effect of eliminating or substantially reducing the Auction Benefits to be derived by the License Company in the Auction or (ii) the first round of bidding in the Auction has not commenced on or before March 31, 2015, then either Member may at any time prior to the date that is two (2) Business Days prior to the date on which the first round of bidding in the Auction commences, give written notice to the other Member that American II shall withdraw as a Member. Upon the delivery of such notice, (A) this Agreement and all Related Agreements shall terminate, (B) any amounts outstanding under the Senior Credit Facility shall be repaid in full, (C) American II's Interests shall be redeemed for an aggregate amount equal to the sum of (1) $850 and (2) the capital contributed to the Company by American II on or prior to such date pursuant to Section 2.2(b), without any action required by American II and American II shall cease to be a Member upon such redemption; provided that such termination and redemption shall not cause a dissolution of the Company, (D) NSM, the Company, and the License Company shall be free (subject to

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the provisions of Section 10.2 and such other provisions that survive the termination of this Agreement) to participate in the Auction without further obligation to American II, it being understood that the rights under Section 4 of the Bidding Protocol shall continue in force and effect in accordance with its terms and (E) American II and its Affiliates shall be free (subject to the provisions of Section 10.2 and such other provisions that survive the termination of this Agreement) to participate in the Auction without further obligation to NSM, the Company or the License Company, it being understood that the rights under Section 4 of the Bidding Protocol shall continue in force and effect in accordance with its terms; provided, further, that if the License Company has made the upfront payment to the FCC, and if the License Company applies as promptly as practicable and permitted under the FCC Rules to obtain a refund from the FCC of all of the Auction funds previously paid by the License Company to the FCC for the Auction, then the amounts due to American II under (C) above shall not be due until the License Company receives such refund; provided, further, that such payments to American II and the other provisions set forth in this subsection shall be subject to Section 8.4 (if there is any conflict between this subsection and Section 8.4, Section 8.4 shall control).

Section 13.2. Dissolution

The Company shall be dissolved upon the written determination of the Manager to dissolve the Company, if approved by American II if required pursuant to Section 6.3, but only on the effective date of dissolution specified by the Manager in such determination.

Section 13.3. Procedures Upon Dissolution

(a) General. If the Company dissolves, it shall commence winding up pursuant to the appropriate provisions of the Act and the procedures set forth in this Section 13.3. Notwithstanding the dissolution of the Company, until the winding up of the Company's affairs is completed, the business of the Company and the affairs of the Members, as such, shall continue to be governed by this Agreement.

(b) Control of Winding Up. The winding up of the Company shall be conducted under the direction of the Manager or such other Person as may be designated by a court of competent jurisdiction (herein sometimes referred to as the "Liquidator"); provided that any Member whose breach of this Agreement shall have caused the dissolution of the Company (and the representatives appointed by such Member) shall not participate in the control of the winding up of the Company; and provided, further, that if the dissolution is caused by entry of a decree of judicial dissolution, the winding up shall be carried out in accordance with such decree.

(c) Manner of Winding Up. The Company shall engage in no further business following dissolution other than that necessary for the orderly winding up of business and distribution of assets. The Company's maintenance of offices shall not be deemed a continuation of business for purposes of this Section 13.3. Upon dissolution of the Company, the Liquidator shall, subject to Section 13.3(a), first attempt to distribute assets in kind if it can obtain the consent of each of the Members and, to the extent necessary, the creditors of the Company. If such consent is not obtained, the Liquidator shall sell the Company or all the Company's property in such manner and on such terms as it deems fit, consistent with its fiduciary responsibility and having due regard to the activity and condition of the relevant market and general financial and economic conditions. Each Member shall share Profits, Losses and other items after the dissolution of the Company and during the period of winding up in the same manner as described in ARTICLE 4.

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(d) Application of Assets. Upon dissolution of the Company, the Company's assets (which shall, after the sale or sales referenced in Section 13.3(c), consist of the proceeds thereof) shall be applied as follows:

(i) Put Right. To NSM, to the extent the Put Right has been exercised pursuant to the terms of this Agreement and has not yet been satisfied. In order to provide NSM with sufficient time to exercise its Put Right in accordance with Section 8.1, under no circumstances shall the Company be dissolved within the ten-day period following the announcement of a Liquidation Event or a Deemed Liquidation Event.

(ii) Creditors. To creditors for borrowed money and interest accrued thereon, including Members who are creditors, to the extent otherwise permitted by Applicable Law, in satisfaction of liabilities of the Company (whether by payment or the reasonable provision for the payment thereof). Any reserves set up by the Liquidator may be paid over by the Liquidator to an escrow agent or trustee, to be held in escrow or trust for the purpose of paying any such contingent or unforeseen liabilities or obligations, and, at the expiration of such period as the Liquidator may deem advisable, such reserves shall be distributed to the Members or their assigns in the manner set forth in this Section 13.3(d).

(iii) Class A Members. To the Class A Members, *first* in respect of any unpaid distributions on the Class A Preferred Interests as of the Liquidation Event or Deemed Liquidation Event and *second*, in accordance with the Liquidation Preference of the Class A Preferred Interests.

(iv) Class B Members. To the extent there are remaining funds available for distribution, to the Class B Members, in proportion to the positive balances in their respective Capital Accounts, as determined after taking into account all Capital Account adjustments for the taxable year during which the Liquidation Event or Deemed Liquidation Event occurs (other than those made pursuant to this Section 13.3(d)(iv)).

(v) Incorporation. In the event the Company is incorporated in connection with an IPO or otherwise, each Member shall receive shares in the resulting corporation based on the amount it would receive in liquidation of the Company pursuant to Section 13.3(d)(iii) and Section 13.3(d)(iv).

(e) Deemed Liquidation Event. The Company shall not voluntarily effect a Deemed Liquidation Event unless the agreement or plan of merger or consolidation or other agreement for such transaction provides that the consideration payable to the Members shall be allocated among the Members in accordance with Section 13.3(d), and as if the consideration payable to the Members were all assets of the Company available for distribution to the Members.

(f) Amount Deemed Paid or Distributed. The amount of consideration paid by the Company upon a Liquidation Event or Deemed Liquidation Event shall be deemed to be the amount of the cash or the value of the property, rights or securities paid or distributed to the Members by the Company or the acquiring person, firm or other entity, with the value of such property, rights or securities determined in good faith by the Manager.

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Section 13.4. Deficit Capital Accounts

If the Company is "liquidated" within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g), distributions shall be made pursuant to this ARTICLE 13 to the Members who have positive Capital Accounts in compliance with Treasury Regulations Section 1.704-1(b)(2)(ii)(b)(2). No Member shall have an obligation to restore a negative Capital Account.

Section 13.5. Termination

Upon completion of the winding up of the Company and the distribution of all Company assets, the Company's affairs shall terminate and the Members shall cause to be executed and filed any and all documents required by the Act to effect the termination of the Company.

ARTICLE 14
MISCELLANEOUS

Section 14.1. Entire Agreement

This Agreement and the Related Agreements, together with any schedules and exhibits hereto and thereto, constitute the entire agreement and understanding of the Members and any of their affiliated entities with respect to the subject matter hereof and supersedes all prior and all contemporaneous oral or written negotiations, proposals, offers, agreements, commitments and understandings relating to such subject matters. Notwithstanding the foregoing, that certain Appeal Contingency Agreement dated as of October 1, 2015 by and among the parties hereto shall continue to apply, provided, however, that (i) any references therein to the "Credit Agreement" shall instead be references to the Senior Credit Facility effective as of the Effective Date, (ii) any references therein to the LLC Agreement shall instead be references to this Agreement; and (iii) any references therein to the Interest Purchase Agreement shall instead be references to the Second Amended and Restated Interest Purchase Agreement effective as of June 7, 2018.

Section 14.2. Amendment; Waiver

Neither this Agreement nor any provision hereof may be amended, modified, or waived except in a writing signed by NSM and American II. No failure or delay of any Member in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce any such right or power, preclude any other further exercise thereof or the exercise of any other right or power. No waiver by any Member of any departure by any other Member from any provision of this Agreement shall be effective unless the same shall be in a writing signed by the Member against which enforcement of such waiver or consent is sought, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice or similar communication by any Member to another shall entitle such other Member to any other or further notice or similar communication in similar or other circumstances, except as specifically provided herein.

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Section 14.3. Successors and Assigns

This Agreement may not be assigned without the prior written consent of all the parties hereto, which consent may be withheld in its sole and absolute discretion, and any assignment without such prior written consent shall be null and void and without force or effect; provided that, subject to ARTICLE 7, American II may assign its Interests and this Agreement in whole or in part (provided that American II shall not be relieved of its obligations under this Agreement, except as otherwise expressly set forth below) to (a) any Affiliate of American II and (b) secured lenders of American II or its Affiliates (as a collateral assignment). Any such assignment shall be subject to compliance with the requirements of all applicable FCC Rules. This Agreement shall be binding upon and shall inure to the benefit of the Members hereto and their respective heirs or successors in interest.

Section 14.4. No Third-Party Beneficiaries

This Agreement is entered into solely for the benefit of the Members, and no Person, other than the Members, their respective successors and permitted assigns, their Affiliates to the extent expressly provided herein, and (to the extent provided in ARTICLE 12) the Persons entitled to indemnification pursuant to ARTICLE 12, may exercise any right or enforce any obligation hereunder, and nothing herein expressed or implied will create or be construed to create any other third-party beneficiary rights hereunder.

Section 14.5. Disposition of Interests

Upon the sale or other disposition by a Person of all its Interests in the Company, following which such Person and Affiliate thereof is no longer a Member of the Company, this Agreement shall terminate as to such Member and its Affiliates, except as provided in Section 14.3 or Section 14.6.

Section 14.6. Survival of Rights and Duties

Termination of this Agreement for any reason, and any Member ceasing to be a Member or a party to this Agreement for any reason, shall not relieve any Member of any liability which at the time of termination or cessation has already accrued to such Member or which thereafter may accrue in respect of any act or omission prior to such termination or cessation, nor shall any such termination or cessation affect in any way the Related Agreements or the survival of any right, duty or obligation of any Member which is expressly stated elsewhere in this Agreement to survive termination or cessation hereof. The provisions of ARTICLE 8, Section 10.2, Section 10.3, Section 11.4, ARTICLE 12, ARTICLE 13 and ARTICLE 14 shall survive any termination of this Agreement and any Member ceasing to be a Member or a party to this Agreement for any reason.

Section 14.7. Governing Law

This Agreement shall be construed in accordance with and governed by the internal laws of the State of Delaware applicable to agreements made and to be performed wholly within such jurisdiction, without regard to principles of conflicts of law provisions of that or of any other state, all rights and remedies being governed by said laws.

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Section 14.8. Specific Performance

The Members acknowledge that money damages may not be an adequate remedy for violations of this Agreement and that any Member may, in its sole discretion, in an arbitration or a court of competent jurisdiction, to the extent permitted hereunder, apply for specific performance or injunctive or other relief as such arbitration or court may deem just and proper in order to enforce this Agreement or to prevent violation hereof. Each Member hereby irrevocably waives any defense based on the adequacy of a remedy at law and any other defense which might be asserted to bar the remedy of specific performance in any action which may be brought by a Member, as the case may be.

Section 14.9. Remedies Cumulative

All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity, unless otherwise specifically provided herein, shall not be mutually exclusive and shall be cumulative and not alternative, and the exercise or beginning of the exercise of any one or more right, power or remedy thereof by a Member shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such Member hereunder or under Applicable Law or the principles of equity.

Section 14.10. Further Assurances

Each Member shall execute and deliver any such further documents and shall take such further actions as any other Member may at any time or times reasonably request, at the expense of the requesting Member, consistent with the provisions hereof in order to carry out and effect the intent and purposes of this Agreement.

Section 14.11. Expenses

Unless otherwise specifically agreed to in writing and except as set forth in this Section 14.11, the parties will bear their own costs and expenses (including all legal, accounting and investment expenses) incurred prior to the execution and delivery of the Original Agreement. Notwithstanding the foregoing, whether or not the Company acquires any licenses, (a) upon the filing with the FCC of the short-form application to participate in the Auction, American II shall pay or reimburse NSM for all of NSM's reasonable out-of-pocket expenses (including legal fees and expenses) incurred in connection with the transactions contemplated hereby (including any such expenses incurred prior to the date of the Original Agreement) and NSM's proposed participation in the Auction incurred up to such date, up to a maximum aggregate reimbursement of $175,000 and (b) after such payment or reimbursement, American II shall reimburse NSM, from time to time within thirty (30) days of American II's receipt of a reasonably detailed invoice from NSM, for all of NSM's reasonable, documented out-of-pocket expenses (including legal fees and expenses) incurred in connection with the transactions contemplated hereby and NSM's proposed participation in the Auction incurred from and after the date on which such short-form application is filed with the FCC. In addition, the Company shall (or shall cause the License Company to) pay directly, or shall (or shall cause the License Company to) reimburse the Members for, the costs and expenses the Members incur (or have incurred) for the benefit of the Company or the License Company in connection with the License Company's participation in the Auction (*e.g.*, the cost of bidding facilities and related computer hardware and software); provided that the other Members receive documentation of such expenses in a form reasonably acceptable to such Members, and provided that NSM shall be solely responsible for the investment banking fees and expenses paid or payable to RBC Capital Markets, if any, pursuant to any arrangement entered into by NSM with RBC Capital Markets (it being understood that NSM has not entered into any such arrangement.

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Section 14.12. Notices

All notices or requests that are required or permitted to be given pursuant to this Agreement shall be given in writing and shall be sent by facsimile transmission, or by first-class certified mail, postage prepaid, or by overnight courier service, charges prepaid, to the party to be notified, addressed to such party at the address(es) set forth below, or sent by facsimile to the fax number(s) set forth below, or such other address(es) or fax number(s) as such party may have substituted by written notice (given in accordance with this Section 14.12) to the other party. The sending of such notice with confirmation of receipt of the complete transmission (in the case of facsimile transmission) or receipt of such notice (in the case of delivery by first-class certified mail or by overnight courier service) shall constitute the giving thereof.

If to be given to NSM or the Company:
c/o Doyon, Limited
Attn: Allen M. Todd, General Counsel

If by overnight courier service:
Doyon, Limited
1 Doyon Place, Suite 300
Fairbanks, AK 99701-2941

If by first-class certified mail:
Doyon, Limited
1 Doyon Place, Suite 300
Fairbanks, AK 99701-2941

If by facsimile:
Fax #: (907) 459-2075

cc: Lowenstein Sandler LLP
1251 Avenue of the Americas
New York, NY 10020
Attention: Michael A. Brosse
Fax: (973) 422-6841

If to be given to American II:
American AWS-3 Wireless II L.L.C.
Attn: EVP, Corporate Development

If by overnight courier service:
9601 South Meridian Blvd.
Englewood, Colorado 80112

If by first-class certified mail:
P.O. Box 6655
Englewood, Colorado 80155

If by facsimile:
Fax #: (303) 723-2020

cc: Office of the General Counsel
American AWS-3 Wireless II L.L.C.

If by overnight courier service:
Same address as noted above for American II overnight courier delivery

If by first-class certified mail:
Same address as noted above for American II first- class certified mail delivery

If by facsimile:
Fax #: (303) 723-2050

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Section 14.13. Severability

Subject to Section 14.14, each provision of this Agreement shall be construed as separable and divisible from every other provision and the enforceability of any one provision shall not limit the enforceability, in whole or in part, of any other provision. In the event that a court or administrative body of competent jurisdiction holds any provision of this Agreement to be invalid, illegal, void or less than fully enforceable as to time, scope or otherwise, the parties agree that such provision shall be construed by limiting and reducing it so that such provision is valid, legal, and fully enforceable while preserving to the greatest extent permissible the original intent of the parties; the remaining terms and conditions of this Agreement shall not be affected by such alteration, and shall remain in full force and effect.

Section 14.14. Reformation

(a) If the FCC should (i) change any FCC Rule in a manner that would adversely affect the enforceability of this Agreement; (ii) directly or indirectly reject or take action to challenge the enforceability of this Agreement or (iii) take any other steps whatsoever, on its own initiative or by petition from another Person, to challenge or deny the transactions contemplated hereby, or the eligibility of the License Company to hold any of the licenses won in the Auction or the ability of the License Company to realize the Auction Benefits (each, an "Adverse FCC Action"), then the Members shall promptly consult with each other and negotiate in good faith to reform and amend this Agreement so as to eliminate or amend to make unobjectionable any portion that is the subject of any Adverse FCC Action (each, an "Adverse FCC Action Reformation"). Furthermore, subject to consent in writing by American II, in the event of an Adverse FCC Action, the Members other than American II (the "Non-American II Members") shall use their best efforts with respect to all aspects of the Adverse FCC Action to agree upon an Adverse FCC Action Reformation with American II; provided, however, that in the event that an element of any such Adverse FCC Action materially adversely impacts the material economic benefits of the Non-American II Members (each, an "Economic Element"), then the Non-American II Members may use commercially reasonable efforts solely with respect to the Economic Element of the Adverse FCC Action to agree upon an Adverse FCC Action Reformation with American II. None of the Members hereto shall take any action that is reasonably likely to contribute to such Adverse FCC Action.

(b) If the FCC should determine that a portion of this Agreement, after having been reformed pursuant to paragraph (a) above, continues to violate FCC Rules, then such provisions shall be null and void and the remainder of this Agreement shall continue in full force and effect, provided that the relative economic and other rights and benefits expected to be derived by the parties hereunder are preserved.

Section 14.15. Relationship of Parties

Each Member shall perform services hereunder as an independent contractor and nothing herein shall be construed as creating any other relationship between the Members, except as expressly set forth herein. Except as specifically provided in this Agreement, nothing in this Agreement will constitute a Member as a legal representative or agent of the other Member, nor will a Member have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name of or on behalf of the other Member or hold itself out as agent for the other Member, unless otherwise expressly permitted by such other Member.

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Section 14.16. No Right to Partition

No Member shall have the right to bring an action for partition against the Company. Each of the Members hereby irrevocably waives any and all rights which it may have to maintain an action to partition Company property or to compel any sale or transfer thereof.

Section 14.17. Construction

(a) The singular includes the plural and the plural includes the singular.

(b) A reference to Applicable Law includes any amendment or modification to such Applicable Law, and all regulations, rulings and other Applicable Law promulgated under such Applicable Law.

(c) A reference to a Person includes its permitted successors and permitted assigns.

(d) Accounting terms have the meanings assigned to them by GAAP, as applied by the accounting entity to which they refer.

(e) The words "include," "includes" and "including" are not limiting.

(f) Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

(g) A reference in a document to an Article, Section, Exhibit, Schedule, Annex or Appendix is to the Article, Section, Exhibit, Schedule, Annex or Appendix of such document unless otherwise indicated. Exhibits, Schedules, Annexes or Appendices to any document shall be deemed incorporated by reference in such document. In the event of any conflict between the provisions of this Agreement (exclusive of the Exhibits, Schedules, Annexes and Appendices thereto) and any Exhibit, Schedule, Annex or Appendix thereto, the provisions of this Agreement shall control.

(h) References to any document, instrument or agreement (i) shall include all exhibits, schedules and other attachments thereto; (ii) shall include all documents, instruments or agreements issued or executed in replacement thereof and (iii) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, amended and restated, supplemented or otherwise modified from time to time and in effect at any given time.

(i) The words "hereof," "herein" and "hereunder" and words of similar import when used in any document shall refer to such document as a whole and not to any particular provision of such document.

(j) References to "days" shall mean calendar days, unless the term "Business Days" shall be used. References to a time of day shall mean such time in New York, New York, unless otherwise specified.

(k) The word "will" shall be construed to have the same meaning and effect as the word "shall."

(l) Each of the parties hereto acknowledges that it has reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments hereto.

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(m) All section and descriptive headings and the recitals herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement, and no construction or reference shall be derived therefrom.

Section 14.18. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument.

[END OF PAGE]
[SIGNATURE PAGE FOLLOWS]

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SIGNATURE PAGE TO THIRD AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF NORTHSTAR SPECTRUM, LLC

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

MEMBERS:

AMERICAN AWS-3 WIRELESS II L.L.C.

By: _____
Name:
Title:

NORTHSTAR MANAGER, LLC

By: Doyon, Limited, its Manager

By: _____
Name:
Title:

COMPANY:

NORTHSTAR SPECTRUM, LLC

By: Northstar Manager, LLC, its Manager
By: Doyon, Limited, its Manager

By: _____
Name:
Title:

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SCHEDULE 11.3(a)(ii)

1. As documented in Letter from Mark F. Dever, Drinker Biddle & Reath, LLP, Counsel for Northstar Wireless, LLC, to Jean L. Kiddoo, Deputy Bureau Chief, Office of the Bureau Chief, Wireless Telecommunications Bureau, Federal Communications Commission, FCC ULS File No. 0006670613 (filed Oct. 1, 2015); Letter to Mark F. Dever, Counsel for Northstar Wireless, LLC, from Roger C. Sherman, Chief, Wireless Telecommunications Bureau, Federal Communications Commission, 30 FCC Rcd 10700 (WTB rel. Oct. 1, 2015).

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EXHIBIT A

INSTRUMENT OF ASSIGNMENT

INSTRUMENT OF ASSIGNMENT, dated as of _____, 20__, by and between NORTHSTAR SPECTRUM, LLC, a Delaware limited liability company ("Assignee"), and NORTHSTAR MANAGER, LLC, a Delaware limited liability company ("Assignor").

This Instrument of Assignment is being executed and delivered pursuant to Section 8.3 of the Third Amended and Restated Limited Liability Company Agreement of Assignee, dated as of June 7, 2018, by and between American AWS-3 Wireless II L.L.C. and Assignor (as such Agreement may have been or may be hereafter amended, modified, supplemented or amended and restated from time to time in accordance with its terms, the "LLC Agreement").

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth in the LLC Agreement, including the payment of the Put Price as of the date hereof, and other valuable consideration to Assignor, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows (capitalized terms used herein without definition herein having the meanings ascribed to them in the LLC Agreement):

1. Assignment. Assignor does hereby assign, convey, transfer and deliver (such assignment, conveyance, transfer and delivery being referred to herein as "Delivery") to Assignee, its successors and assigns all of its right, title and interest in and to, free and clear of Liens (other than restrictions imposed pursuant to the LLC Agreement or under any applicable securities laws and other than Liens under or pursuant to the Senior Credit Facility and the other Loan Documents (as defined therein)), its entire Interest in the Company.

2. Representations and Warranties. Assignor hereby represents and warrants to Assignee that, subject to the FCC Rules, Assignor (a) is the sole beneficial and record owner of the Interests being delivered by it hereby and has good and marketable title thereto, free and clear of all Liens (other than restrictions imposed pursuant to the LLC Agreement or under any applicable securities laws and other than Liens under or pursuant to the Senior Credit Facility and the other Loan Documents (as defined therein)) and (b) has full power and authority to deliver such Interests without conflict with the terms of any Applicable Law, order or material agreement or instrument binding upon it or its assets.

3. Further Assurances. Each of the parties agrees that at any time and from time to time upon the request of another party hereto, it shall execute and deliver such further documents and shall take such further actions as such other party may at any time or times reasonably request, at the expense of such requesting party, consistent with the provisions hereof in order to carry out and effect the intent and purposes of this Instrument of Assignment, and to vest in Assignee, and put Assignee in possession of, all the Interests and any portion thereof to be delivered hereunder.

4. Successors. This Instrument of Assignment is executed by, and shall be binding upon, Assignee and Assignor, and their respective successors and assigns.

*** Certain confidential portions of this exhibit were omitted by means of redacting a portion of the text. Copies of the exhibit containing the redacted portions have been filed separately with the Securities and Exchange Commission subject to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act.

5. Counterparts. This Instrument of Assignment may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument.

6. Governing Law. This Instrument of Assignment shall be construed in accordance with and governed by the internal laws of the State of Delaware applicable to agreements made and to be performed wholly within such jurisdiction, without regard to principles of conflicts of law provisions of that or of any other state, all rights and remedies being governed by said laws.

IN WITNESS WHEREOF, the undersigned have caused this Instrument of Assignment to be executed as of the day and year first above written.

NORTHSTAR MANAGER, LLC

By: Doyon, Limited, its Manager

By: _____
Name:
Title:

NORTHSTAR SPECTRUM, LLC

By: Northstar Manager, LLC, its Manager
By: Doyon, Limited, its Manager

By: _____
Name:
Title:

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Exhibit 10.4

THIRD AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

of

SNR WIRELESS HOLDCO, LLC

by and between

SNR WIRELESS MANAGEMENT, LLC,

JOHN MULETA

and

AMERICAN AWS-3 WIRELESS III L.L.C.

Dated as of June 7, 2018

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS LIMITED LIABILITY COMPANY AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS. SUCH INTERESTS MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE DISPOSED OF AT ANY TIME WITHOUT EFFECTIVE REGISTRATION UNDER SUCH ACT AND LAWS OR EXEMPTION THEREFROM AND COMPLIANCE WITH THE OTHER SUBSTANTIAL RESTRICTIONS ON TRANSFERABILITY SET FORTH HEREIN.

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS LIMITED LIABILITY COMPANY AGREEMENT ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER SET FORTH IN THIS LIMITED LIABILITY COMPANY AGREEMENT.

*** Certain confidential portions of this exhibit were omitted by means of redacting a portion of the text. Copies of the exhibit containing the redacted portions have been filed separately with the Securities and Exchange Commission subject to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act.

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THIRD AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT

THIRD AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT of SNR WIRELESS HOLDCO, LLC, a Delaware limited liability company (the "Company"), effective as of June 7, 2018 (the "Effective Date"), by and between AMERICAN AWS-3 WIRELESS III L.L.C., a Colorado limited liability company ("American III"), SNR WIRELESS MANAGEMENT, LLC, a Delaware limited liability company ("SNR") and John Muleta, a U.S. citizen.

WHEREAS, the FCC has announced that it will auction licenses to use spectrum in the 1695-1710 MHz and 1755-1780/2155-2180 MHz bands in an auction designated by the FCC as Auction Number 97 (the "Auction") and that is currently scheduled by the FCC to begin on November 13, 2014, as the same may be rescheduled or modified by the FCC;

WHEREAS, Congress has directed the FCC to promote economic opportunity and competition by disseminating licenses among a wide variety of applicants, including small businesses and businesses owned by members of minority groups, and to ensure that small businesses and businesses owned by members of minority groups are given the opportunity to participate in the provision of spectrum-based services;

WHEREAS, SNR desires to participate in the provision of spectrum-based services to secure economic opportunity for its shareholders, to develop telecommunications industry expertise for and on behalf of its shareholders and to provide innovative new wireless service offerings;

WHEREAS, in pursuit of these goals, SNR desires to participate in the Auction together with American III;

WHEREAS, License Company, American III and the Company were party to the Original Credit Agreement (as defined below), pursuant to which License Company borrowed **$5,565,414,940** from American III and the Company guaranteed License Company's obligations thereunder;

WHEREAS, American III exchanged **five billion sixty-five million four hundred fourteen thousand nine hundred and forty Dollars ($5,065,414,940)** of outstanding indebtedness owed to it by License Company under the Original Credit Agreement for 5,065,415 Class A Preferred Interests (as defined below) effective as of March 31, 2018;

WHEREAS, the FCC issued an order, *Northstar Wireless, LLC, SNR Wireless LicenseCo, LLC, Applications for New Licenses in the 1695-1710 MHz, 1755-1780 MHz and 2155-2180 MHz Bands*, Memorandum Opinion and Order, 30 FCC Rcd 8887 (2015), resulting in the denial of bidding credits to License Company;

WHEREAS, the United States Court of Appeals for the District of Columbia Circuit in *SNR Wireless LicenseCo, LLC, et al. v. Federal Communications Commission*, 868 F.3d 1021 (D.C. Cir. 2017) affirmed the FCC's decision, in part, and remanded the matter to the FCC to give SNR an opportunity to seek to negotiate a cure of the issues identified by the FCC in its order;

WHEREAS, the FCC has not responded to substantive inquiries and meeting requests by SNR regarding how to cure the issues identified by the FCC in its order referenced above;

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WHEREAS, as of September 12, 2014, American III and SNR entered into a Limited Liability Company Agreement of SNR Wireless HoldCo, LLC relating to the matters set forth herein ("Original Agreement"), which was amended and restated in the First Amended and Restated Limited Liability Company Agreement dated as of October 13, 2014 (the "First Amended Agreement"), and further amended and restated in the Second Amended and Restated Limited Liability Company Agreement dated as of March 31, 2018 (the "Second Amended Agreement");

WHEREAS, the FCC has stated that *Baker Creek Communications, LLC*, Memorandum Opinion and Order, 13 FCC Rcd 18709 (1998), sets forth an illustrative list of typical passive investor protections, which the Company and American III adopted in the Second Amended Agreement;

WHEREAS, the Wireless Telecommunications Bureau ("WTB") of the FCC determined that contractual rights specified in the agreements supporting the application of Advantage Spectrum, L.P. (ULS File No. 0006668843, granted July 5, 2016) did not preclude the grant of bidding credits to that Auction applicant; and the Company and American III adopted materially similar contractual rights in the Second Amended Agreement;

WHEREAS, in light of the concerns WTB expressed with certain provisions related to the sale of SNR's Interest, sales of licenses, rights of first refusals, tag-along rights, and the Put Right, American III and SNR seek to amend this Agreement in response to those concerns; and

WHEREAS, pursuant to Section 14.2 of the Second Amended Agreement, American III and SNR wish to amend and restate the Second Amended Agreement to read as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, it is hereby agreed as follows:

ARTICLE 1
DEFINITIONS AND ORGANIZATION

Section 1.1 Definitions

Capitalized terms used in this Agreement without other definition shall, unless expressly stated otherwise, have the meanings specified in this Section 1.1.

"Act" means the Delaware Limited Liability Company Act, as amended from time to time.

"Additional Appraiser" is defined in Section 8.1(c)(vi).

"Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments:

(i) such Capital Account shall be deemed to be increased by any amounts which such Member is obligated to restore to the Company (pursuant to this Agreement or otherwise) or is deemed to be obligated to restore pursuant to the second to last sentence of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5) (relating to allocations attributable to nonrecourse debt); and

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(ii) such Capital Account shall be deemed to be decreased by the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted and applied consistently therewith.

"Adverse FCC Action" is defined in Section 14.14(a).

"Adverse FCC Action Reformation" is defined in Section 14.14(a).

"Affiliate" means, with respect to a Person, any other Person that either directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with such Person at any time during the period for which the determination of affiliation is being made; provided, that the Members shall be deemed not to be Affiliates of the Company for purposes of this Agreement; provided, further, however, that for purposes of this Agreement, EchoStar Corporation and EchoStar Corporation's direct and indirect subsidiaries will not be considered or deemed to be Affiliates of American III. For the avoidance of doubt, for purposes of this Agreement, American III is not an Affiliate of the Company or Non-American III Members.

"Agents" is defined in Section 10.2(a).

"Agreement" means this Third Amended and Restated Limited Liability Company Agreement, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its terms.

"American III" is defined in the preamble.

"American III FMV Acceptance Notice" is defined in Section 8.1(c)(iii).

"American III Members" means American III and its transferees.

"Applicable Law" means with respect to any Person, any federal, state, local or foreign law, statute, ordinance, rule, regulation, Judgment, order, injunction or decree or any interpretation or administration of any of the foregoing by any Governmental Authority, whether in effect as of the date of execution of this Agreement or thereafter, and in each case as amended, applicable to such Person or its Affiliates or their respective assets, including the FCC Rules.

"Appraisal Anniversary" is defined in Section 8.1(c)(i).

"Appraisal Option Parties" is defined in Section 8.1(c)(iii).

"Auction" is defined in the preamble.

"Auction Benefits" means the eligibility of the License Company and its Subsidiaries to hold any of the licenses for which the License Company is the Winning Bidder in the Auction and the ability of the License Company and each of its Subsidiaries to realize the twenty five percent (25%) Bidding Credits and other financial benefits that it derives from its status as a Qualified Person without the payment of unjust enrichment penalties with respect to such Bidding Credits.

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"Auction Purchase Price" is defined in Section 2.2(c)(i).

"Bankruptcy" means, with respect to any Person:

(i) the filing by such Person of a voluntary petition seeking liquidation, dissolution, reorganization, rearrangement, readjustment or similar relief, in any form, of its debts under Title 11 of the United States Code (or corresponding provisions of future laws) or any other bankruptcy or insolvency law, or such Person's filing an answer consenting to, or acquiescing in any such petition, or the adjudication of such Person as a bankrupt or insolvent;

(ii) the making by such Person of any assignment for the benefit of its creditors or any similar action for the benefit of creditors, or the admission by such Person in writing of its inability to pay its debts as they mature;

(iii) the expiration of sixty (60) days after the filing of an involuntary petition under Title 11 of the United States Code (or corresponding provisions of future laws), an application for the appointment of a receiver for the assets of such Person, or an involuntary petition seeking liquidation, dissolution, reorganization, rearrangement or readjustment of its debts or similar relief under any bankruptcy or insolvency law, provided that the same shall not have been vacated, set aside or stayed within such sixty (60) day period;

(iv) the giving of notice by such Person to any Governmental Authority of insolvency or pending insolvency or suspension or pending suspension of operations;

(v) the appointment (or such Person's seeking or acquiescing to such appointment) of any trustee, receiver, conservator or liquidator of such Person of all or any substantial part of its properties; or

(vi) the entry of an order for relief against such Person under Title 11 of the United States Code (or corresponding provisions of future laws) or any other bankruptcy or insolvency law.

The foregoing is intended to supersede and replace the events listed in Section 18-304(a) of the Act.

"Bidding Credit" means, with respect to any license for which the License Company was the Winning Bidder, an amount equal to the excess of the gross winning bid placed in the Auction by the License Company for such license over the net winning bid placed in the Auction by the License Company for such license.

"Bidding Protocol" means the Bidding Protocol and Joint Bidding Arrangement, dated as of September 12, 2014 (as the same may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its terms), by and among SNR, American

III, the Company, the License Company and, for purposes of Sections 4 and 5 thereof only, American AWS-3 Wireless I L.L.C.

"Book Value" means, with respect to any asset of the Company, the asset's adjusted basis as of the relevant date for federal income tax purposes, except as follows:

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(i) the initial Book Value of any asset contributed by a Member to the Company shall be the Fair Market Value of such asset, as determined by the contributing Member and the Company with the concurrence of the Members other than the contributing Member;

(ii) the Book Values of all Company assets (including intangible assets, such as goodwill) shall be adjusted to equal their respective Fair Market Values (as adjusted by Section 7701(g) of the Code) as of the following times:

(A) the acquisition of an additional Interest by any new or existing Member in exchange for more than a *de minimis* capital contribution or for services;

(B) the distribution by the Company to a Member of more than a *de minimis* amount of money or other Company property as consideration for an interest in the Company;

(C) the termination of the Company for federal income tax purposes pursuant to Section 708(b) of the Code; and

(D) immediately prior to incorporation of the Company (however effected, in connection with an initial public offering);

(iii) the Book Value of any Company asset distributed to any Member shall be the Fair Market Value of such asset (as adjusted by Section 7701(g) of the Code) on the date of distribution;

(iv) if the Book Value of an asset has been determined or adjusted pursuant to clause (i) or clause (ii) above, such Book Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses, and other items allocated pursuant to ARTICLE 4; and

(v) the Book Value of Company assets shall be increased or decreased, as appropriate, to reflect any adjustments to the adjusted tax bases of such assets pursuant to Sections 734(b) or 743(b) of the Code, but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m) and clause (v) of the definition of "Profits" and "Losses" set forth below; provided, however, that Book Values shall not be adjusted pursuant to this clause (v) to the extent that an adjustment pursuant to clause (ii) or (iii) hereof is required in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (v).

The foregoing definition of Book Value is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(iv) and shall be interpreted and applied consistently therewith.

"Business" means the business (conducted through the License Company and its Subsidiaries) of (i) acquiring licenses in the Auction; (ii) the deployment of such licenses in a manner consistent with Applicable Law, including the FCC Rules, whether by (A) owning, constructing and operating systems to provide wireless broadband services, (B) entering into one or more joint venture, lease, wholesale or other agreements or (C) any other means; (iii) marketing and offering the services and features described in clause (ii), including advertising such services and features using broadcast and other media; and (iv) any other activities which the Manager reasonably determines to be in the best interests of the Company.

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"Business Day" means any day other than Saturday, Sunday, or other day on which commercial banks in New York, New York are authorized or required to close under the laws of the State of New York.

"Business Plan" means the Five-Year Business Plan and each annual business plan adopted in accordance with Section 6.5.

"Business Purpose" is defined in Section 1.7.

"Capital Account" is defined in Section 2.1(a).

"Change of Control of SNR" means (i) any circumstance, event or transaction following which any Person or group (as such term is used in Sections 13(d) and 14(d) of the Exchange Act and the rules and regulations promulgated thereunder), other than the members of SNR as of the date of this Agreement and such members' Affiliates, is the "beneficial owner" (as such term is used in Rules 13d-3, 13d-5 or 16a-1 under the Exchange Act) of at least 50.1% of the Voting Securities of SNR or otherwise has the power to control SNR; (ii) the sale or other disposition of all or substantially all of SNR's membership interests, business or assets (including through a merger or otherwise); (iii) a change of the sole managing member of SNR; or (iv) any amendment or modification of the limited liability company agreement of SNR which would have the effect of vesting control or management of SNR in any entity other than the sole managing member of SNR.

"Claim" is defined in Section 12.3(a).

"Class A Member" means, initially, American III as long as it has not ceased to be a Class A Member, and any Person who, at the time of the reference thereto, has been admitted to the Company as a Class A Member in accordance with the terms of this Agreement and has not ceased to be a Class A Member.

"Class A Percentage" means, as to a Class A Member, such Class A Member's percentage ownership of the Class A Preferred Interests as set forth herein. The current Class A Percentage of American III is one hundred percent (100%).

"Class A Preferred Interest" is defined in Section 2.2(f).

"Class B Common Interest" means the Interest of a Class B Member in its capacity as such.

"Class B Member" means, initially, American III and SNR as long as they have not ceased to be Class B Members, and any Person who, at the time of the reference thereto, has been admitted to the Company as a Class B Member in accordance with the terms of this Agreement and has not ceased to be a Class B Member.

"Class B Percentage" means, as to a Class B Member, such Class B Member's percentage ownership of the Class B Common Interests as set forth herein. The current Class B Percentage of American III is eighty-five percent (85%), and the current Class B Percentage of SNR is fifteen percent (15%).

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Company" is defined in the preamble.

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"Company Minimum Gain" means the aggregate of the amounts of gain, if any, determined for each nonrecourse liability of the Company, that would be realized by the Company for federal income tax purposes if it disposed of the Company property subject to such liability in a taxable transaction in full satisfaction thereof and for no other consideration. To the extent the foregoing is inconsistent with Treasury Regulations Section 1.704-2(d) or incomplete with respect to such regulation, Company Minimum Gain shall be computed in accordance with such regulation.

"control," "controlled" and "controlling" as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of Voting Securities, by contract or otherwise.

"Credit Agreement" means that Third Amended and Restated Credit Agreement among License Company, American III and the Company effective as of June 7, 2018.

"Deemed Liquidation Event" means: (i) a merger, consolidation or similar transaction in which the Company is a constituent party (except any such merger, consolidation, or similar transaction in which the Company's Members prior to such transaction own a majority of the equity securities of the surviving, resulting or acquiring entity in approximately the same relative percentages after such transaction as before such transaction); or (ii) the sale, license or lease of all or substantially all of the Company's assets in a single transaction or series of related transactions.

"Depreciation" means, for each fiscal year or part thereof, an amount equal to the depreciation, amortization or other cost recovery deduction allowable for federal income tax purposes with respect to an asset for such year or other period, except that if the Book Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year, Depreciation shall be an amount which bears the same ratio to such Book Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year bears to such adjusted tax basis; provided that if the federal income tax depreciation, amortization or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such Book Value using any reasonable method selected by the Manager.

"Economic Element" is defined in Section 14.14(a).

"Effective Date" is defined in the preamble.

"Equity Interests" means capital stock, partnership interests, limited liability company interests or other ownership or beneficial interests of any Person.

"Excess Cash" means all cash and cash equivalents held by the Company at the time of determination in excess of such amount required for the Company and its Subsidiaries to retain to satisfy the then current liabilities of the Company and its Subsidiaries and to provide a reasonable reserve for the future liabilities and then current and future operating expenses and capital expenditures of the Company and its Subsidiaries.

"Exchange" is defined in Section 2.2(f).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

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"Face Amount" means the Initial Face Amount *plus* the value of any and all amounts added to the Initial Face Amount pursuant to Section 3.0 *minus* all Non-Liquidating Distributions paid pursuant to Section 3.1(a) to the Class A Members in accordance with their Liquidation Preference.

"Fair Market Value" means, with respect to any asset, as of the date of determination, the cash price at which a willing seller would sell and a willing buyer would buy such asset in a transaction negotiated at arm's length, each being apprised of and considering all relevant facts, circumstances and factors, and neither acting under compulsion, with the parties being unaffiliated third parties acting without time constraints.

"FCC" means the Federal Communications Commission or any successor agency or entity performing substantially the same functions.

"FCC Rules" means the Communications Act of 1934, as amended by, *inter alia*, the Telecommunications Act of 1996, codified at 47 U.S.C. § 151 *et seq.*, as it may be amended in the future, including the rules and regulations established by the FCC and codified in Title 47 of the Code of Federal Regulations, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time hereafter, and effective orders, rulings, and public notices of the FCC.

"First Amended Agreement" is defined in the preamble.

"First Put Window" is defined in Section 8.1(a).

"Five-Year Business Plan" is defined in Section 6.5(a), as the same may be updated from time to time in accordance with the terms hereof.

"FMV Report" is defined in Section 8.1(c)(iv).

"GAAP" means generally accepted accounting principles as used in the United States by the Financial Accounting Standards Board and/or the American Institute of Certified Public Accountants, as in effect from time to time.

"Governmental Authority" means any government or political subdivision thereof, whether domestic or foreign, including any national, state, regional, provincial, county, city, municipal, local or other governmental department, ministry, commission, board, bureau, agency, regulatory body or authority, instrumentality, judicial or administrative body, having jurisdiction over the matter or matters in question, including the FCC.

"Impermissible Deficit" is defined in Section 4.3(f).

"Indemnified Person" is defined in Section 12.1(b).

"Independent Appraisers" is defined in Section 8.1(c)(v).

"Initial Application Date" means September 12, 2014.

"Initial Face Amount" is defined in Section 2.2(f).

"Initial Grant Date" means October 27, 2015.

"Inspectors" is defined in Section 9.6(h).

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"Instrument of Assignment" is defined in Section 8.3(a).

"Intercreditor and Subordination Agreement" means the Second Amended and Restated Intercreditor and Subordination Agreement effective as of June 7, 2018 and entered into by American III and SNR (as the same may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its terms).

"Interest" means the interest of a Member (or a Permitted Transferee of a Member pursuant to ARTICLE 7 which has not been admitted as a Member of the Company) in the aggregate distributions by the Company, and the aggregate allocations by the Company of Profits, Losses, income, gain, loss, deduction or credit or any similar item, and all other rights and interests of a Member of the Company.

"Interest Purchase Agreement" is defined in Section 3.3.

"IPO Price" is defined in Section 9.3.

"Joint Appraiser" is defined in Section 8.1(c)(iv).

"Judgment" means any judgment, writ, order, injunction, award or decree of any court, judge, justice or magistrate, including any bankruptcy court, or arbiter, and any order of or by any other Governmental Authority.

"license" means a license issued by the FCC authorizing the licensee to construct and operate radio transmitting facilities. Unless otherwise indicated, references to licenses in this Agreement shall refer to licenses to use spectrum in the 1695-1710 MHz and/or 1755-1780/2155-2180 MHz bands.

"License Company" means SNR Wireless LicenseCo, LLC, a Delaware limited liability company and wholly-owned Subsidiary of the Company.

"License Company System(s)" means the fixed or mobile wireless system(s) licensed to, constructed and operated by, or to be constructed and operated by, the License Company and/or any License Company Subsidiaries for the purpose of providing service authorized under a license or licenses in each of the Markets.

"License Payment Date" is defined in Section 2.2(c).

"Lien" means, with respect to any asset, any lien (including, without limitation, judgment liens and liens arising by operation of Applicable Law), mortgage, pledge, assignment, security interest, charge, right of first refusal or rights of others therein, or encumbrance of any nature whatsoever (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) in respect of such asset.

"Liquidation Event" means a liquidation, dissolution or cessation of the business of the Company.

"Liquidation Preference" means the sum of the then-current Face Amount of the Class A Preferred Interests and all accrued but unpaid distributions pursuant to Section 3.0 on such Class A Preferred Interests not already included in the definition of Face Amount.

"Liquidator" is defined in Section 13.3(b).

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"Management Fee" is defined in Section 6.6.

"Manager" means SNR for so long as it serves as the "manager" of the Company (within the meaning of the Act) in accordance with the provisions of this Agreement and, thereafter, any manager of the Company duly appointed in accordance with the terms hereof.

"Mandatory Quarterly Distributions" is defined in Section 3.0.

"Market" means the geographic area(s) in which a Person is authorized to provide fixed or mobile wireless service under a license issued by the FCC.

"Member" means each Person who has been admitted to the Company as a Class A Member and/or Class B Member in accordance with the terms of this Agreement and has not ceased to be a Member, in such Person's capacity as a member (within the meaning of the Act) of the Company.

"Member Minimum Gain" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a nonrecourse liability, determined in accordance with Treasury Regulations Section 1.704-2(i).

"Member Nonrecourse Debt" has the meaning ascribed to the term "partner nonrecourse debt" in Treasury Regulations Section 1.704-2(b)(4), and generally means any nonrecourse debt of the Company for which any Member bears the economic risk of loss (such as a nonrecourse loan to the Company by a Member or certain Affiliates of a Member).

"Member Nonrecourse Deduction" has the meaning ascribed to the term "partner nonrecourse deduction" in Treasury Regulations Section 1.704-2(i)(2). The amount of the Member Nonrecourse Deductions with respect to a Member Nonrecourse Debt for a Company fiscal year equals the net increase, if any, in the amount of Member Minimum Gain attributable to such Member Nonrecourse Debt during that fiscal year, reduced (but not below zero) by the aggregate amount of any distributions during that fiscal year to the Member that bears the economic risk of loss for such Member Nonrecourse Debt to the extent such distributions are from the proceeds of such Member Nonrecourse Debt and are allocable to an increase in Member Minimum Gain attributable to such Member Nonrecourse Debt.

"Newco" is defined in Section 9.1.

"Non-American III Members" is defined in Section 14.14(a).

"Non-Conforming Appraisal" is defined in Section 8.1(c)(vi).

"Non-Liquidating Distribution Record Date" means, with respect to any Non-Liquidating Distribution declared and paid pursuant to Section 3.1(a), the date that such Non-Liquidating Distribution is declared by the Company.

"Non-Liquidating Distributions" is defined in Section 3.1(a).

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"Nonrecourse Deductions" has the meaning set forth in Treasury Regulations Section 1.704-2(c). The amount of Nonrecourse Deductions for a fiscal year equals the net increase, if any, in the amount of Company Minimum Gain during that fiscal year, reduced (but not below zero) by any Nonrecourse Distributions during such year.

"Nonrecourse Distributions" means the aggregate amount, as determined in accordance with Treasury Regulations Section 1.704-2(c), of any distributions during the fiscal year of proceeds of a nonrecourse liability, as defined in Treasury Regulations Section 1.704-2(b)(3), that are allocable to an increase in Company Minimum Gain.

"Offered Interests" means all or any part of SNR's Interests.

"Offering" is defined in Section 9.1.

"Original Agreement" is defined in the preamble.

"Original Credit Agreement" is defined in Section 2.2(f).

"Participating Members" is defined in Section 9.5.

"Permitted Transferee" means, with respect to a Member, an Affiliate, a direct or indirect wholly-owned Subsidiary of such Member, and a direct or indirect wholly-owned Subsidiary of a Person of which such Member is a direct or indirect wholly-owned Subsidiary.

"Person" means any individual, corporation, partnership, firm, joint venture, limited liability company, limited liability partnership, association, joint stock company, trust, estate, incorporated or unincorporated organization, Governmental Authority or other entity.

"Private Equity Investors" means each member of SNR other than John Muleta, and such member's successors and Permitted Transferees.

"Profits" and "Losses" means, for each fiscal year or part thereof, the Company's taxable income or loss for such year determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss and deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss) with the following adjustments:

(i) any income of the Company that is exempt from federal income tax shall be added to such taxable income or loss;

(ii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as such pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i) shall be subtracted from such taxable income or loss;

(iii) in lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, Depreciation for such fiscal year shall be taken into account;

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(iv) if the Book Value of any Company asset is adjusted pursuant to clause (ii) or clause (iii) of the definition of Book Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(v) gain or loss resulting from the disposition of any Company asset with respect to which gain or loss is recognized for federal income tax purposes shall be computed with reference to the Book Value of the asset disposed of, notwithstanding that the adjusted basis of such asset differs from the Book Value of such asset;

(vi) to the extent an adjustment to the adjusted tax basis of any Company asset under Section 734(b) of the Code is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the adjusted tax basis of the asset) or an item of loss (if the adjustment decreases the adjusted tax basis of the asset) from the disposition of such asset and shall be taken into account for purposes of computing Profits and Losses; and

(vii) such taxable income or loss shall not be deemed to include items of income, gain, loss, or deduction allocated pursuant to Section 2.1(c)(iii) (to comply with Treasury Regulations under Section 704(b) of the Code), Section 4.3, Section 4.4 or Section 4.5.

"Put Price" is defined in Section 8.1(b).

"Put Right" is defined in Section 8.1(a).

"Qualified Person" means a Person that qualifies as a "very small business" under the terms of FCC Rules applicable to the Auction in effect on the Initial Application Date, including but not limited to Sections 1.2110(b)(1) and 27.1106(a)(2) of the FCC Rules in effect on the Initial Application Date.

"Quarterly Distribution Payment Date" means January 15, April 15, July 15 and October 15 of each year commencing April 15, 2018 (for the period from March 31, 2018 to, but excluding, April 15, 2018); provided, however, if any Quarterly Distribution Payment Date would fall on a date that is not a Business Day, that Quarterly Distribution Payment Date will be postponed to the next succeeding Business Day.

"Quarterly Distribution Period" means the period from, and including, a Quarterly Distribution Payment Date to, but excluding, the next Quarterly Distribution Payment Date, except that the initial Quarterly Distribution Period shall commence on, and include, March 31, 2018 and shall end on, and exclude, the first Quarterly Distribution Payment Date occurring after March 31, 2018.

"Quarterly Distribution Record Date" means, with respect to any Quarterly Distribution Payment Date, the first day of the month in which that Quarterly Distribution Payment Date occurs. These Quarterly Distribution Record Dates shall apply regardless of whether a particular Quarterly Distribution Record Date is a Business Day.

"Records" is defined in Section 9.6(h).

"Related Agreements" means the Bidding Protocol.

"Required Tax Amount" is defined in Section 3.1(b).

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"SEC" means the Securities and Exchange Commission or any successor commission or agency having similar powers.

"Second Amended Agreement" is defined in the preamble.

"Second Put Window" is defined in Section 8.1(a).

"Securities Act" means the Securities Act of 1933, as amended.

"Sellers" means SNR and, to the extent applicable, any other owners of the Offered Interests.

"Senior Credit Facility" means the secured credit facility created by that certain Third Amended and Restated Credit Agreement, dated concurrently herewith, by and among the Company, the License Company and American III, including all schedules, attachments and exhibits thereto and the note, the pledge agreements, the security agreement and the other agreements ancillary thereto, as any of the same may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with their terms.

"Significant Breach" means (i) fraud, embezzlement or any other conduct by the Manager related to the Company or any of its Subsidiaries constituting a criminal or other material violation of Applicable Law; (ii) gross negligence, any knowingly dishonest act, or knowing bad faith or willful misconduct (in each case, which has a material negative impact on the Company and its Subsidiaries taken together as a whole), (A) by the Manager in the performance of its obligations under this Agreement, or (B) by the Company or any of its Subsidiaries in the performance of their respective obligations under any material agreement to which the Company or any such Subsidiary is a party or by which it is bound; (iii) voluntary or involuntary insolvency or Bankruptcy of the Manager; (iv) any action or omission by the Manager or the Company or any of its Subsidiaries (including any violation of or failure to comply with FCC Rules) that is reasonably likely to materially impair the ability of the License Company or any of its Subsidiaries to realize the Auction Benefits or result in the revocation or non-renewal of any FCC license; or (v) any material breach by the Manager of its obligations under this Agreement, unless such breach is cured within thirty (30) days following notice thereof by American III or other Members holding at least fifteen percent (15%) of the Class B Percentages, which notice shall specify in reasonable detail such alleged breach; provided that if such breach cannot be cured within thirty (30) days, then ninety (90) days as long as the Manager is diligently acting in good faith to cure such deviation or failure as soon as reasonably practicable; provided, further, that in the case of (ii)(B), (iv) and (v), such (x) gross negligence, knowingly dishonest act, or knowing bad faith or willful misconduct, (y) action or omission or (z) material breach was not caused (directly or indirectly, and whether as the lender under the Senior Credit Facility or otherwise) or expressly approved or authorized in writing by American III.

"Significant Matter" means each of the following matters, in each case to the extent consistent with the FCC's decision in *Baker Creek Communications, LLC*, Memorandum Opinion and Order, 13 FCC Rcd 18709 (1998) and the Wireless Telecommunications Bureau's determination that the contractual rights specified in the application of Advantage Spectrum, L.P. (ULS File No. 0006668843, granted July 5, 2016) did not preclude the grant of bidding credits to the Auction applicant:

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(i) the reclassification of Interests and the issuance of Interests in the Company directly from the Company to any Person and the admission of any such Person to the Company as a Member; provided, however, that this provision shall not restrict any issuance of additional Class A Preferred Interests in connection with any distributions made to Class A Members in respect of their Class A Preferred Interests pursuant to the terms of this Agreement as determined by the Manager in its sole discretion, or transfers of existing Interests in the Company, which shall be governed by Article 7;

(ii) [Intentionally omitted.]

(iii) the incurrence of any significant indebtedness in the name of the Company; the modification, extension, renewal, refinancing or restructuring of any significant debt; the pledge, assignment or otherwise use of any assets of the Company as security for any significant indebtedness or the action to obligate the Company as a surety, guarantor or accommodation party to any obligation or to any other Person;

(iv) the liquidation or dissolution of the Company, the filing of a petition for bankruptcy, the consolidation or merger of the Company into or with any other Person or acquisition of any interest in any other Person or any significant portion of the assets of any other Person or agree to enter into any partnership or joint venture, except in the ordinary course of business;

(v) [Intentionally omitted.]

(vi) the sale, transfer, exchange, lease, mortgage, pledge or assignment or entry into any agreement for the sale, transfer, exchange, lease, mortgage, pledge or assignment of any major asset (where assets include, but are not limited to, licenses), or of all or substantially all of the Company's assets (including assets held by the Company's subsidiaries);

(vii) [Intentionally omitted.]

(viii) [Intentionally omitted.]

(ix) [Intentionally omitted.]

(x) [Intentionally omitted.]

(xi) [Intentionally omitted.]

(xii) setting compensation for senior management (provided that this shall not include compensation that is market-based);

(xiii) [Intentionally omitted.]

(xiv) [Intentionally omitted.]

(xv) the making of any expenditure, or the agreement to make any expenditure, which would significantly affect the Company's market capitalization;

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(xvi) [Intentionally omitted.]

(xvii) [Intentionally omitted.]

(xviii) [Intentionally omitted.]

(xix) [Intentionally omitted.]

"Significant Violation" means (i) fraud, embezzlement or any other conduct by the Manager related to the Company or any of its Subsidiaries constituting a criminal or other material violation of Applicable Law, (ii) gross negligence, any knowingly dishonest act, or knowing bad faith or willful misconduct, (a) by the Manager in the performance of its obligations under this Agreement, or (b) by the Company or any of its Subsidiaries in the performance of their respective obligations under any material agreement to which the Company or any such Subsidiary is a party or by which it is bound, (iii) voluntary or involuntary insolvency or Bankruptcy of the Manager, (iv) any action or omission by the Manager or the Company or any of its Subsidiaries (including any violation of or failure to comply with FCC Rules) that is reasonably likely to materially impair the ability of the License Company or any of its Subsidiaries to realize the Auction Benefits or result in the revocation or non-renewal of any FCC license owned by the Company or any of its Subsidiaries, or (v) any material breach by the Manager of its obligations under this Agreement, unless such breach is cured within thirty (30) days following notice thereof by American III or other Members holding at least twenty percent (20%) of the Class B Percentages, which notice shall specify in reasonable detail such alleged breach; provided that if such breach is capable of being cured but cannot be cured within thirty (30) days, then ninety (90) days as long as the Manager is diligently acting in good faith to cure such deviation or failure as soon as reasonably practicable; provided, further, that in the case of any of the foregoing in (i) through (v), such event has a material negative impact on the Company and its Subsidiaries taken together as a whole and was not caused (directly or indirectly, and whether as the lender under the Senior Credit Facility or otherwise) or expressly approved or authorized in writing by American III or any of its Affiliates.

"SNR" is defined in the preamble.

"SNR Capital" is defined in Section 8.1(b).

"SNR Members" means SNR and its Permitted Transferees.

"SNR Pledge Agreement" is defined in Section 3.3.

"SNR Return" is defined in Section 8.1(b).

"SNR Security Agreement" is defined in Section 3.3.

"Subsidiary" of any Person means any other Person with respect to which either (i) more than fifty percent (50%) of the interests having ordinary voting power to elect a majority of the directors or individuals having similar functions of such other Person (irrespective of whether at the time interests of any other class or classes of such Person shall or might have voting power upon the occurrence of any contingency) or (ii) more than fifty percent (50%) of the Equity Interests of such other Person is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

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"Tax Matters Member" is defined in Section 5.5(d).

"Tax Shortfall Amount" is defined in Section 3.1(b).

"Transfer" means any direct or indirect transfer, sale, assignment, pledge, encumbrance or other disposition.

"Treasury Regulations" means regulations issued by the United States Department of the Treasury pursuant to the Code.

"Voting Securities" means Equity Interests of a Person having the right to vote generally in the election of the directors (or persons performing equivalent functions) of such Person.

"Winning Bidder" shall mean a Person who is the winning bidder in the Auction for a license offered by the FCC therein (i) as set forth in the FCC's post-Auction public notice identifying Auction winning bidders or (ii) by virtue of having accepted the FCC's offer of a license for the amount of its final Auction net bid therefor following the default of the winning bidder for that license described in clause (i) of this definition, provided, that, for purposes of this Agreement, the License Company shall be deemed to not have been the winning bidder for the licenses in respect of which the License Company did not pay the gross winning bid amounts (as more fully described in that letter dated October 1, 2015 from Ari Q. Fitzgerald (of Hogan Lovells US LLP) to Jean L. Kiddoo, Deputy Bureau Chief, Office of the Bureau Chief, Wireless Telecommunications Bureau of the FCC, and set forth on Attachment 2 to such letter).

"WTB" is defined in the preamble.

Section 1.2 Formation

The Company was formed as a Delaware limited liability company by filing a certificate of formation under the Act on August 29, 2014. The certificate of formation is in all respects approved and the Members hereby agree to continue the Company.

Section 1.3 Name

The name of the Company shall be SNR Wireless HoldCo, LLC.

Section 1.4 Principal Place of Business

The Company's principal office and place of business shall be located at c/o John Muleta, 200 Little Falls Street, Suite 102, Falls Church, VA 22046.

Section 1.5 Registered Office; Registered Agent

The address of the registered office of the Company in the State of Delaware shall be c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808 or such other address as the Manager may determine. The name and address of the registered agent for service of process on the Company in the State of Delaware shall be Corporation Service Company, 2711 Centerville Road, Wilmington, New Castle County, Delaware 19808.

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Section 1.6 Term

The term of the Company commenced on August 29, 2014 and, unless terminated in accordance with this Agreement, shall be perpetual.

Section 1.7 Purpose and Powers

The purposes of the Company are to establish and conduct the Business and to do any and all things reasonably necessary or advisable in connection therewith (the "Business Purpose"). The Company shall have the power and authority to take any and all actions necessary or advisable to or for the furtherance of said purposes.

Section 1.8 Filings

The Manager shall cause to be executed, filed and published all such certificates, notices, statements or other instruments, and amendments thereto under the laws of the State of Delaware and other applicable jurisdictions as the Manager may deem necessary or advisable for the operation of the Company and to enable the Company to conduct business in each applicable jurisdiction.

Section 1.9 Sole Agreement

The Members intend that their obligations to each other with respect to the Company and the scope of the Company's activities, including any activities of its Subsidiaries, be as set forth in this Agreement, and that no further authority to bind the other or the Company or any liabilities to each other or any third party be inferred from the relationships described herein.

ARTICLE 2
CAPITALIZATION

Section 2.1 Capital Accounts

(a) Establishment A separate capital account ("Capital Account") was established for each Member as of the date of the Original Agreement.

(b) General Rules for Adjustment of Capital Accounts

The Capital Account of each Member shall be:

(i) increased by:

(A) the aggregate amount of such Member's cash contributions to the Company;

(B) the initial Book Value of property contributed by such Member to the Company;

(C) such Member's allocable share of Profits and items of income and gain allocated to such Member pursuant to Section 2.1(c)(iii) or ARTICLE 4 (other than Section 4.6 and Section 4.7(a));

(D) any positive adjustment to such Capital Account by reason of an adjustment to the Book Value of the Company assets; and

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(E) the amount of Company liabilities assumed by such Member or which are secured by any property distributed to such Member; and

(ii) decreased by:

(A) cash distributions to such Member from the Company;

(B) the Book Value of property distributed in kind to such Member;

(C) such Member's allocable share of Losses and items of loss or deduction allocated to such Member pursuant to Section 2.1(c)(iii) or ARTICLE 4 (other than Section 4.7(a));

(D) any negative adjustment to such Capital Account by reason of an adjustment to the Book Value of Company assets;

(E) any amount charged to the Capital Account of such Member pursuant to Section 5.5(e); and

(F) the amount of any liabilities of such Member assumed by the Company or which are secured by property contributed by such Member to the Company.

(c) Special Rules

(i) Time of Adjustment for Capital Contributions. For purposes of computing the balance in a Member's Capital Account, no credit shall be given for any capital contribution which such Member is obligated to make until such contribution is actually made.

(ii) Capital Account for Transferred Interest. If any Interest in the Company or part thereof is Transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the Transferred Interest.

(iii) Intent to Comply with Treasury Regulations. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such regulation. To the extent the provisions of this Agreement are inconsistent with such regulation or are incomplete with respect thereto, the Capital Accounts of the Members shall be maintained in accordance with such regulation except to the extent that doing so would materially distort the timing or amount of an allocation or distribution to a Member.

Section 2.2 Capital Contributions

(a) Initial Contribution

On September 12, 2014, SNR contributed one hundred fifty dollars ($150) and American III contributed eight hundred fifty dollars ($850) to the equity capital of the Company.

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(b) Upfront Payment

On or prior to October 15, 2014, SNR contributed Nine Million Two Hundred Seventy Thousand and No Dollars ($9,270,000.00) in cash to the equity capital of the Company, and American III contributed Fifty Two Million Five Hundred Thirty Thousand and No Dollars ($52,530,000.00) in cash to the equity capital of the Company. The Company shall, in turn, immediately contribute such amounts to the equity capital of the License Company, which shall use such proceeds to make the upfront payment necessary to permit the License Company to bid on licenses in the Auction in accordance with the Bidding Protocol, it being understood that the balance of the capital needs of the License Company to fund such upfront payment will be funded through the Senior Credit Facility (or from the proceeds of other debt financing available to the Company from senior and/or subordinated debt lenders other than American III).

(c) Auction Purchase Price Payment

At least two (2) Business Days prior to the FCC's deadline by which the post-Auction down payment on any license for which the License Company was the Winning Bidder must be made (the "License Payment Date"):

(i) SNR contributed cash to the equity capital of the Company in an amount equal to 2.25% of the aggregate net purchase price (*i.e.*, taking into account applicable Bidding Credits) of all licenses for which the License Company was the Winning Bidder (such aggregate net amount, the "Auction Purchase Price"), less (B) the amounts contributed by SNR pursuant to Section 2.2(a) and Section 2.2(b), which amount, together with the prior equity capital contributions by SNR, shall represent approximately fifteen percent (15%) of the equity capitalization of the Company at such time. Immediately following such contribution, the Company shall contribute such cash to the equity capital of the License Company.

(ii) American III contributed cash to the equity capital of the Company in an amount equal to 12.75% of the Auction Purchase Price, less (B) the amounts contributed by American III pursuant to Section 2.2(a) and Section 2.2(b), which amount, together with the prior equity capital contributions by American III, shall represent approximately eighty five percent (85%) of the equity capitalization of the Company at such time. Immediately following such contribution, the Company shall contribute such cash to the equity capital of the License Company. Notwithstanding the foregoing, American III shall have no obligation to make the contribution set forth in this Section 2.2(c)(ii) if SNR, either directly or through the Company (but not the Bidding Manager (as defined in the Bidding Protocol) acting on its own volition or in accordance with the Bidding Protocol), causes the License Company to bid on a license that was not a Target License (as defined in the Bidding Protocol) as set forth in the Bidding Protocol or causes the License Company to purchase a Target License by bidding materially in excess of the established bid limits for such license, in each case, without the prior written consent of American III, which consent may be delivered by email, facsimile or otherwise and which consent shall be deemed given if the member of the Auction Committee (as defined in the Bidding Protocol) appointed by American III has approved thereof.

(iii) The Company shall cause the License Company to use the amounts set forth in Section 2.2(a), Section 2.2(b), Section 2.2(c)(i) and Section 2.2(c)(ii), together with other funds borrowed by the License Company under the Senior Credit Facility or other senior and/or subordinated debt from lenders other than American III, as may be necessary to timely pay to the FCC all amounts owed in respect of the Auction Purchase Price.

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(d) No Additional Commitments

Neither SNR nor American III shall be required to contribute any additional capital to the Company after the Effective Date.

(e) Additional Agreements Regarding Capital Contributions

Notwithstanding Section 2.2(c)(i) and Section 2.2(c)(ii) of this Agreement, SNR and American III have agreed to contribute cash to the equity capital of the Company as follows:

(i) On or prior to February 13, 2015, SNR contributed $62,801,609.25 in cash to the equity capital of the Company, and American III shall contribute $355,875,785.75 in cash to the equity capital of the Company, which contributions may be made via direct payment to the FCC on behalf of SNR LicenseCo, and shall constitute capital contributions under Section 2.2(c) of this Agreement. For purposes of Section 8.1 of this Agreement, SNR's $62,801,609.25 capital contribution shall be deemed to have been deposited on February 11, 2015.

(ii) On or prior to March 2, 2015, SNR contributed $20,443,288.31 in cash to the equity capital of the Company, and American III shall contribute $115,845,300.44 in cash to the equity capital of the Company, which contributions may be made via direct payment to the FCC on behalf of SNR LicenseCo, and shall constitute capital contributions under Section 2.2(c) of this Agreement. For purposes of Section 8.1 of this Agreement, SNR's $20,443,288.31 capital contribution shall be deemed to have been deposited on February 11, 2015.

(iii) SNR and American III hereby ratify the $9,270,000.00 capital contribution made by SNR on October 14, 2014 and the $52,530,000.00 capital contribution made by American III on October 15, 2014, both via direct payment to the FCC on behalf of the License Company, as capital contributions under Section 2.2(b) of this Agreement.

(f) Exchange of Indebtedness for Preferred Equity

As of March 31, 2018, American III exchanged Five Billion Sixty-Five Million Four Hundred Fourteen Thousand Nine Hundred and Forty Dollars ($5,065,414,940) (the "Initial Face Amount") of the amounts outstanding and owed to it under the First Amended and Restated Credit Agreement among License Company, American III and the Company dated as of October 13, 2014 (as amended through March 31, 2018, the "Original Credit Agreement") for 5,065,415 par value $1,000, Class A Preferred Interests (the "Class A Preferred Interests") with the rights and preferences described in this Agreement (the "Exchange"). The parties hereto agree and acknowledge that the Initial Face Amount of indebtedness under the Original Credit Agreement was exchanged for the Class A Preferred Interests and was extinguished and discharged as of March 31, 2018. American III released the Company and License Company from all obligations with respect to the Initial Face Amount of indebtedness exchanged for the Class A Preferred Interests. The Class A Preferred Interests shall be non-voting and non-participating. The Class A Preferred Interests shall not have any preemptive rights or co-sale rights, though American III shall retain its consent rights over Significant Matters pursuant to Section 6.3 hereof.

Section 2.3 No Withdrawals

Except as expressly set forth herein, no Member shall be entitled to withdraw any portion of its capital contribution or Capital Account balance.

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Section 2.4 No Interest

Except as expressly set forth herein, no Member shall be entitled to receive any interest or similar return on its capital contributions or Capital Account balance.

Section 2.5 Interests are Securities

Each Interest shall constitute a "security" within the meaning of and shall be governed by (a) Article 8 of the Uniform Commercial Code (including Section 8-102(a)(15) thereof) as in effect from time to time in the State of Delaware and (b) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995.

Section 2.6 Certification of Interests

Interests shall be issued in non-certificated form; provided that at the request of any Member, the Manager shall cause the Company to issue certificates to the Members representing the Interests held by the Members. If any Interest certificate is issued, then such certificate shall bear a legend substantially in the following form:

> This certificate evidences a membership interest representing an interest in SNR Wireless HoldCo, LLC and shall constitute a "security" within the meaning of and shall be governed by (i) Article 8 of the Uniform Commercial Code (including Section 8-102(a)(15) thereof) as in effect from time to time in the State of Delaware, and (ii) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995.
>
> The membership interest in SNR Wireless HoldCo, LLC represented by this certificate is subject to restrictions on transfer set forth in that certain Third Amended and Restated Limited Liability Company Agreement of SNR Wireless HoldCo, LLC, dated as of June 7, 2018, by and among the members from time to time party thereto, as the same may be amended from time to time.
>
> The membership interest in SNR Wireless HoldCo, LLC represented by this certificate has not been registered under the United States Securities Act of 1933, as amended, or under any other applicable securities laws. Such membership interest may not be sold, assigned, pledged or otherwise disposed of at any time without effective registration under such Act and laws or, in each case, exemption therefrom.

Section 2.7 Failure to Fund

American III acknowledges that if the License Company is the Winning Bidder for one or more licenses and (a) it is determined in any arbitration proceeding (whether under this Agreement or under the Senior Credit Facility or any Related Agreement) or (b) if American III admits in writing, in either case (a) or (b) that American III failed to fund any amounts required to be funded by it under this Agreement or the Senior Credit Facility and that such failure to fund caused the License Company to be or become in default under the FCC Rules (including, without limitation, the provisions of 47 C.F.R. Section 1.2109), then SNR, the Company and its Subsidiaries will

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have all remedies available to them in law and in equity (including specific performance), and notwithstanding Section 8.4 of the Credit Agreement or any similar provisions in any other Loan Documents (as defined in the Credit Agreement), the Company and its Subsidiaries shall be entitled to recover from American III any and all damages incurred by the Company or any of its Subsidiaries resulting from such failure to fund, including all license default penalty payments due to the FCC as a result of such default.

ARTICLE 3
DISTRIBUTIONS

Section 3.0 Mandatory Quarterly Distribution

The Class A Preferred Interests will accrue distributions during each Quarterly Distribution Period at the rate of twelve percent (12%) per annum until the Effective Date. The Class A Preferred Interests will accrue distributions during each Quarterly Distribution Period at the rate of eight percent (8%) per annum from and after the Effective Date, calculated based on actual days elapsed in a year of 365 or 366 days, as applicable, on the then-current Face Amount of the Class A Preferred Interests. Distributions on the Class A Preferred Interests will be made on a mandatory basis each quarter. Each Class A Member on the applicable Quarterly Distribution Record Date shall be entitled to receive (regardless of whether such Class A Member remains a Class A Member of record on the applicable Quarterly Distribution Payment Date), distributions accrued to but excluding the applicable Quarterly Distribution Payment Date ("Mandatory Quarterly Distributions"), by 5:00 p.m., New York City time, on such Quarterly Distribution Payment Date in respect of the Quarterly Distribution Period then ended. Any and all such Mandatory Quarterly Distributions may be paid either (i) in cash, (ii) by adding such amounts to the then-current Face Amount or (iii) in a combination of cash and additional Face Amount, and the method of payment will be in the sole and absolute discretion of the Manager. In the event that the Manager elects to pay all or part of any Mandatory Quarterly Distribution in cash, the Company shall request wire transfer instructions from each Class A Member as of the relevant Quarterly Distribution Record Date at least five Business Days prior to the relevant Quarterly Distribution Payment Date. All such Mandatory Quarterly Distributions paid in cash shall be paid by wire transfer of funds legally available for the payment of distributions under Delaware law to the accounts designated by the Class A Members entitled to payment.

Section 3.1 Non-Liquidating Distributions

(a) The Company may at any time, other than in connection with a Liquidation Event or Deemed Liquidation Event, and separately from and in addition to the Mandatory Quarterly Distributions and the distributions provided for in Section 3.1(b), declare and pay cash distributions to the Members out of funds legally available for the payment of distributions under Delaware law ("Non-Liquidating Distributions") in the manner set forth hereinafter. The Company shall request wire transfer instructions from each Class A Member as of the relevant Non-Liquidating Distribution Record Date at least five Business Days prior to the date that the Company sets for the payment of such Non-Liquidating Distributions. Non-Liquidating Distributions shall be made *first*, to the Class A Members as of the Non-Liquidating Distribution Record Date in accordance with their Liquidation Preference until the Liquidation Preference has been paid in full and *second*, to the Class B Members as of the Non-Liquidating Distribution Record Date in proportion to their Class B Percentages. The Manager shall have the sole and absolute discretion to declare and pay any Non-Liquidating Distributions. For the avoidance of doubt, Mandatory Quarterly Distributions paid pursuant to Section 3.0 shall be mandatory and not subject to the Company's discretion, except that the Manager shall have sole discretion on the method of payment.

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(b) Notwithstanding the provisions of Section 3.1(a), within thirty days after the end of each fiscal quarter other than the fiscal quarter in which the proceeds from a liquidation are distributed in accordance with Section 3.2, the Company shall make distributions to each Member in amounts that are at least sufficient to allow each Member to pay income tax obligations arising from its respective interests in the Company (the "Required Tax Amount"), which shall be calculated based on the Assumed Tax Rate. "Assumed Tax Rate" means the highest effective marginal combined U.S. federal, state and local income tax rate for a fiscal year prescribed for an individual or corporate resident in New York, New York and earning income through a Subchapter S corporation that is fully taxable in New York, New York (and thus such rate shall include the New York City corporate-level tax rate on the income of such Subchapter S corporation) (taking into account (a) the nondeductibility of expenses subject to the limitation described in Section 67(a) and Section 68 of the Code and (b) the character (e.g., long-term or short- term capital gain or ordinary or exempt income) of the applicable income, but not taking into account the deductibility of state and local income taxes for U.S. federal income tax purposes). For the avoidance of doubt, (i) the Assumed Tax Rate will be the same for all Members and (ii) items of loss or deduction previously allocated to a Member (or to a predecessor of a Member) and not taken into account in a manner that reduced tax distributions to such Member (or to a predecessor of such Member) shall be taken into account in determining a Member's income tax obligations arising from its Interest for purposes of this Section 3.1(b) such that a Member's taxable income for the current year for purposes of determining its right to a distribution under this Section 3.1(b) shall be reduced by the amount of any cumulative losses or deductions previously allocated to such Member (or to a predecessor of such Member) which have not been offset by subsequent allocations of income. The total amount of such tax distributions shall not exceed the amount of Excess Cash then held by the Company (except that the Manager may, in its discretion, cause the License Company to borrow amounts available for such purpose under the Senior Credit Facility and cause the License Company to distribute such borrowed amounts to the Company, to enable the Company to make tax distributions hereunder); provided, further, that, in the event that the amount otherwise required to be distributed to the Members pursuant to this Section 3.1(b) for such fiscal quarter, as estimated by the Manager, exceeds the amount of Excess Cash then held by the Company, such that the aggregate distributions made pursuant to this Section 3.1(b) with respect to such fiscal quarter are less than such amount otherwise required to be distributed to the Members pursuant to this Section 3.1(b) for such fiscal quarter (such shortfall, the "Tax Shortfall Amount"), then the Company shall make one or more distributions in an aggregate amount equal to the Tax Shortfall Amount to the Class B Members at such time as the Company holds sufficient Excess Cash to fund, in whole or in part, such remaining Tax Shortfall Amount (or portion thereof).

Section 3.2 Liquidating Distributions

Subject to Section 6.3, distributions to the Members of cash or property in connection with a Liquidation Event or Deemed Liquidation Event shall be made in accordance with Section 13.3.

Section 3.3 Interest Purchase Agreement, Security Agreement and Pledge Agreement

The parties hereto acknowledge that, effective as of June 7, 2018, the License Company executed and delivered in favor of SNR a Second Amended and Restated Interest Purchase Agreement (the "Interest Purchase Agreement"), and on September 12, 2014 executed and delivered in favor of SNR a Security Agreement (the "SNR Security Agreement") and a Pledge Agreement (the "SNR Pledge Agreement"). Within one (1) Business Day of the date upon which any Subsidiary of the License Company is formed, the Company shall cause the License Company to cause such Subsidiary to execute and deliver to SNR (a) a guarantee of the License Company's obligations under the Interest Purchase Agreement in the form attached as an exhibit to the Interest Purchase Agreement and (b) a security agreement supplement in the form attached as an exhibit to the SNR

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Security Agreement. In addition, within one (1) Business Day of the date upon which any Subsidiary of the License Company holding licenses is formed, the Company shall cause the License Company to take the actions required under the SNR Pledge Agreement to perfect SNR's first priority Lien in the outstanding equity interests of such Subsidiary. The parties hereto also acknowledge and agree that, notwithstanding the provisions of Section 3.1, the Company may make payments to SNR in exchange for membership interests in the Company pursuant to the Put Right and the License Company and its Subsidiaries may make payments to SNR in exchange for membership interests in the Company pursuant to the provisions of the Interest Purchase Agreement, the SNR Security Agreement and the SNR Pledge Agreement and such related Subsidiary guarantees and security agreement supplements when due, subject to the provisions of the Senior Credit Facility and the Intercreditor and Subordination Agreement. All such payments to SNR in respect of the obligations of the License Company and its Subsidiaries under the Interest Purchase Agreement or related guarantees, and all proceeds received by SNR in connection with its exercise of remedies under the SNR Security Agreement or related security agreement supplements, shall be credited against the obligations of the License Company and its Subsidiaries under the Interest Purchase Agreement and related guarantees, and, if necessary to avoid duplication in respect of any payments or distributions by the Company to the SNR Members in respect of their Interests, the amount of all such payments or proceeds, as applicable, shall be deemed to be a distribution to the Company (and by the Company to SNR) constituting a return of the SNR Members' capital contributions to the Company on a *pro rata* basis. SNR shall not amend or waive, nor shall the Company permit the License Company or its Subsidiaries to amend or waive, any term or provision of the Interest Purchase Agreement, the SNR Security Agreement or the SNR Pledge Agreement or the related Subsidiary guarantees or security agreement supplements, without the prior written consent of American III in its sole discretion.

ARTICLE 4
ALLOCATIONS

Section 4.1 Profits and Losses

(a) After giving effect to the special allocations set forth in Section 4.3 through Section 4.5, Profits and Losses with respect to any fiscal year shall be allocated as follows:

(i) Profits shall first be allocated to reverse prior allocations of Losses to the Class B Members to the extent such Losses had not reversed prior allocations of Profits to such Class B Members;

(ii) Any remaining Profits shall then be allocated to reverse prior allocations of Losses to the Class A Member to the extent such Losses had not reversed prior allocations of Profits to the Class A Member;

(iii) Any remaining Profits shall then be allocated to the Class A Member until the aggregate allocations to the Class A Member equals the sum of (1) total Mandatory Quarterly Distributions (whether or not paid in cash) accrued as of the end of such period and (2) without duplication, in respect of any amounts added to the Initial Face Amount in a Mandatory Quarterly Distribution pursuant to Section 3.0 as of the end of such period with respect to the Class A Member, an amount equal to 12% per annum accrued for periods prior to the Effective Date or 8% per annum accrued for periods from and after the Effective Date;

(iv) Any remaining Profits shall then be allocated to the Class B Members in proportion to their Class B Percentages;

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(v) Losses shall be allocated first to the Class B Members in proportion to their Class B Percentages until the aggregate amount allocated under this Section 4.1(a)(v) equals the aggregate amount allocated pursuant to Section 4.1(a)(iv) above;

(vi) Remaining Losses shall be allocated to the Class A Members until the aggregate amount allocated under this Section 4.1(a)(vi) equals the aggregate amount allocated pursuant to Section 4.1(a)(iii) above;

(vii) Remaining Losses shall be allocated to the Class B Members in accordance with their respective Class B Percentages until each Class B Member has a Capital Account of zero; and

(viii) Any remaining Losses shall then be allocated to the Class A Members in proportion to their Class A Percentages.

(b) In the year in which the Put Right is exercised, the foregoing allocations shall be adjusted such that, to the maximum extent possible, Profits allocable in such year are allocated to the SNR Members such as to cause the Capital Accounts of the SNR Members to collectively equal the total Put Price paid by the Company upon exercise of the Put Right.

(c) In the event that there is more than one Class A Member, any allocations to the Class A Members pursuant to this Article 4 shall be made to the Class A Members in proportion to their Class A Percentages.

Section 4.2 Losses

(a) Limitation on Losses

Losses allocable to any Member pursuant to Section 4.1 with respect to any fiscal year shall not exceed the maximum amount of Losses that may be so allocated without causing such Member to have an Adjusted Capital Account Deficit at the end of such fiscal year. All Losses in excess of the limitation set forth in this Section 4.2(a) shall be allocated: (i) first, to the Class B Members that will not be subject to this limitation, ratably based on the aggregate of their Class B Percentages, to the extent possible until such Class B Members become subject to this limitation; (ii) second, to the Class A Member to the extent it will not be subject to this limitation, to the extent possible until such Class A Member becomes subject to this limitation, and (iii) any remaining amount, to the Class B Members, ratably based on their Class B Percentages, unless otherwise required by the Code or Treasury Regulations.

Section 4.3 Special Allocations

The following special allocations shall be made for any fiscal year of the Company in the following order of priority:

(a) Minimum Gain Chargeback

Notwithstanding any other provision of this ARTICLE 4, if there is a net decrease in Company Minimum Gain (determined without regard to Member Nonrecourse Debts) during any fiscal year, each Member shall, subject to the exceptions provided in Treasury Regulations Section 1.704-2(f), be specially allocated items of income and gain for such fiscal year (and, if necessary, subsequent fiscal years) equal to such Member's share of the net decrease in Company Minimum Gain (determined without regard to Member Nonrecourse Debts) within

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the meaning of Treasury Regulations Section 1.704-2(g)(2). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulations Sections 1.704-2(i)(6) and 1.704-2(i)(2). To the extent that this Section 4.3(a) is inconsistent with Treasury Regulations Section 1.704-2(f), the Minimum Gain Chargeback provided for herein shall be applied and interpreted in accordance with such Treasury Regulation.

(b) Member Minimum Gain Chargeback

If there is a net decrease in Member Minimum Gain attributable to a Member Nonrecourse Debt during any Company fiscal year, each Member that, as of the beginning of such year, has a share of the Member Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(5), shall, subject to the exceptions provided in Treasury Regulations Section 1.704-2(f), be specially allocated items of income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt determined in accordance with Treasury Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulations Sections 1.704-2(i)(4) and 1.704-2(i)(2). To the extent that this Section 4.3(b) is inconsistent with Treasury Regulations Section 1.704-2(i), the Member Minimum Gain chargeback provided for herein shall be applied and interpreted in accordance with such regulation.

(c) Qualified Income Offset

Notwithstanding anything herein to the contrary, but only if required by Treasury Regulations Section 1.704-1(b) in order for the allocations provided for herein to be considered to have substantial economic effect or to be deemed to be in accordance with the Member's Interests, if, for any fiscal year, a Member unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(*d*)(*4*), (*5*) or (*6*), and such adjustment, allocation or distribution causes or increases an Adjusted Capital Account Deficit with respect to such Member, then, before any other allocations are made, such Member shall be allocated items of income and gain (consisting of a *pro rata* portion of each item of Company income, including gross income and gain) in the amount and manner sufficient to eliminate such Adjusted Capital Account Deficit as quickly as possible. This Section 4.3(c) is intended to comply with Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(d) Nonrecourse Deductions

Deductions shall be allocated to American III; provided, that any allocation of Losses pursuant to the preceding clause that would cause American III's Capital Account to be less than an amount equal to (i) American III's cash contributions to the equity capital of the Company that are credited to American III's Capital Account less (ii) any distributions to American III in excess of American III's cumulative share of Profits, shall instead be made to the Class B Members in proportion to their Class B Percentages.

(e) Member Nonrecourse Deductions

Any Member Nonrecourse Deductions for any fiscal year or other period shall be allocated to the Member that bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i).

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(f) Gross Income Allocation

In the event that any Member has a deficit Capital Account at the end of any fiscal year in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this Agreement and (ii) the amount such Member is deemed obligated to restore pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) and the penultimate sentences in Regulations Section 1.704-2(g)(l) and 1.704-2(i)(5)) (an "Impermissible Deficit"), each such Member shall be specially allocated items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income and gain for the fiscal year) in an amount and manner sufficient to eliminate, to the extent required by the Regulations, its Impermissible Deficit; provided, that an allocation pursuant to this Section 4.3(f) shall be made only if and to the extent that such Member would have an Impermissible Deficit after all other allocations provided for in this Section 4.3 have been tentatively made as if Section 4.3(c) ("Qualified Income Offset") and this Section 4.3(f) were not in this Agreement.

Section 4.4 Curative Allocations

The allocations set forth in Section 4.3(a) through (f) are intended to comply with certain regulatory requirements under Section 704(b) of the Code. The Members intend that, to the extent possible, all allocations made pursuant to such Sections will, over the term of the Company, be offset either with other allocations pursuant to Section 4.3 or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 4.4. Accordingly, the Manager is hereby authorized and directed to make offsetting allocations of Company income, gain, loss or deduction under this Section 4.4 in whatever manner the Manager determines is appropriate so that, after such offsetting special allocations are made, the Capital Accounts of the Members are, to the extent possible, equal to the Capital Accounts each would have if the provisions of Section 4.3 were not contained in this Agreement and all income, gain, loss and deduction of the Company were instead allocated pursuant to Section 4.1 and Section 4.2.

Section 4.5 Special Allocations in the Event of Company Audit Adjustments

Notwithstanding the allocation provisions of Section 4.1 and Section 4.2, and prior to making any of the allocations specified in Section 4.3, the following special allocations shall be made in the following order and in a manner, taking into consideration any tiered partnership structure that the Company may be part of, that reflects the relative economic interests of each Member in the Company:

(a) If for any fiscal year of the Company, the Company or any Affiliate of the Company is deemed to have additional income for tax purposes as a result of a re-determination by a taxing authority of an item of income, gain, loss or deduction that is attributable to a loan transaction, the provision of services, or the grant of a license or sublicense in intangible property by the Company or any Affiliate of the Company, to or involving any Member or Affiliate of any Member, such additional income shall be allocated to the Member involved in such loan transaction or that received such services, license or sublicense (or the Member whose Affiliate was involved in such loan transaction or received such services, license or sublicense) and any related deemed cash distribution shall be treated as having been made to the same Member.

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(b) If for any fiscal year of the Company, the Company or any Affiliate of the Company is deemed to have a reduction in income for tax purposes as a result of a re-determination by a taxing authority of an item of income, gain, loss or deduction that is attributable to a loan transaction, the provision of services, or the grant of a license or sublicense in intangible property by the Company or any Affiliate of the Company, to or involving any Member or Affiliate of any Member, such reduction in income shall be allocated to the Member involved in such loan transaction or that received such services, license or sublicense (or the Member whose Affiliate was involved in such loan transaction or received such services, license or sublicense) and any related deemed cash contribution shall be treated as having been made by the same Member.

(c) If for any taxable period of a Member, such Member or any Affiliate of the Member is deemed to have additional income for tax purposes as a result of a re-determination by a taxing authority of an item of income, gain, loss or deduction attributable to a loan transaction, the provision of services, or the grant of a license or sublicense in intangible property by such Member or any Affiliate of such Member, to or involving the Company or any Affiliate of the Company, any increase in the amount of a Company deduction associated with such re-determination of such Member's or any Affiliate of such Member's income shall be allocated (in the appropriate fiscal year) to the Member involved in such loan transaction or that provided such services, license or sublicense (either directly or through an Affiliate), and any related deemed cash contribution shall be treated as having been made by the same Member.

(d) If for any taxable period of a Member, such Member or any Affiliate of the Member is deemed to have a reduction in income for tax purposes as a result of a re-determination by a taxing authority of an item of income, gain, loss or deduction attributable to a loan transaction, the provision of services, or the grant of a license or sublicense in intangible property by such Member or any Affiliate of such Member, to or involving the Company or any Affiliate of the Company, any reduction in the amount of a Company deduction associated with such re-determination of such Member's or any Affiliate of such Member's income shall be allocated (in the appropriate fiscal year) to the Member involved in such loan transaction or that provided such services, license or sublicense (either directly or through an Affiliate), and any related deemed cash distribution shall be treated as having been made to the same Member.

(e) A re-determination by a taxing authority shall only be given effect for purposes of this Section 4.5 if such re-determination is (i) a decision, judgment, decree or other order by any court of competent jurisdiction, which has become final and is either no longer subject to appeal or for which a determination not to appeal has been made; (ii) a closing agreement made under Section 7121 of the Code or any comparable foreign, state, local or other income tax statute; (iii) a final disposition by a taxing authority of a claim for refund; or (iv) any other written agreement made with respect to a tax re-determination the execution of which is final and prohibits the taxing authority, relevant Member (or any Affiliate of such Members) or the Company (or any Affiliate of the Company) from seeking any further legal or administrative remedies with respect to such tax re-determination.

Section 4.6 Allocation of Credits

All tax credits shall be allocated among the Members in accordance with their respective allocations of Profits and Losses in accordance with this Agreement or in accordance with applicable provisions of the Code or Treasury Regulations to the extent any such provision is inconsistent with such allocation.

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Section 4.7 Tax Allocations

(a) Contributed Property

If any property is contributed to the capital of the Company, income, gain, loss and deduction with respect to such property shall be allocated solely for tax purposes among the Members in accordance with Section 704(c) of the Code and Treasury Regulations Section 1.704-3 so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Book Value. All decisions regarding the choice of allocation method under Treasury Regulations Section 1.704-3 with respect to assets contributed to the Company shall be made by the Manager, subject to the prior written consent of Class B Members holding a majority of the total outstanding Class B Percentages, not to be unreasonably withheld, conditioned or delayed.

(b) Revalued Property

If the Company assets are revalued as set forth in the definition of "Book Value" in Section 1.1, then subsequent allocations of income, gain, loss and deduction with respect to revalued Company assets shall take into account any variation between the adjusted basis of such assets for federal income tax purposes and their adjusted value in the same manner as under Section 704(c) of the Code and in compliance with Treasury Regulations Section 1.704-3. All decisions regarding the choice of allocation method under Treasury Regulations Section 1.704-3 with respect to revalued Company assets shall be made by the Members.

(c) Allocations with Respect to Certain Securities

If the Company sells, exchanges or otherwise disposes of any investment security at a loss, to the extent such loss is specifically reimbursed by one or more Members, such reimbursed loss shall be allocated solely for income tax purposes among the Members in accordance with their respective reimbursements to the Company.

Section 4.8 Change in Members' Interests

In the event there is any change in the Members' respective Class A Percentages and/or Class B Percentages during any fiscal year, Profits, Losses, Nonrecourse Deductions and other items shall be allocated among the Members in accordance with their respective Class A Percentages and/or Class B Percentages, as the case may be, from time to time during such fiscal year based on an interim closing of the books as of the close of business on the date of such change.

ARTICLE 5
ACCOUNTING AND RECORDS

Section 5.1 Fiscal Year

The fiscal year of the Company shall be the year ending December 31.

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Section 5.2 Method of Accounting

Unless otherwise provided herein, the Company books of account shall be maintained in accordance with GAAP; provided that for purposes of making allocations with respect to items of Company income, gain, deduction, loss and credit to the Members, such items shall be allocated to the Members' Capital Accounts pursuant to ARTICLE 4 and as required by Section 704 of the Code and the Treasury Regulations promulgated thereunder.

Section 5.3 Books and Records; Inspection

Proper and complete records and books of accounts of the Company business for tax and financial purposes, including all such transactions and other matters as are usually entered into records and books of account maintained by Persons engaged in businesses of like character or as are required by Applicable Law, shall be kept by the Company at the Company's principal office and place of business. The Manager may delegate to a third party the duty to maintain and oversee the preparation and maintenance of such records and books of account. Books and records maintained for financial purposes shall be maintained in accordance with GAAP, and books and records maintained for tax purposes shall be maintained in accordance with the Code and applicable Treasury Regulations. Subject to Section 10.2, all records and documents described in Section 5.3 shall be open to inspection and copying by any of the Members or their representatives or agents at any reasonable time during normal business hours.

Section 5.4 Financial Statements; Internal Controls

(a) Within ninety (90) days after the end of each fiscal year, and thirty (30) days after the end of each fiscal quarter (other than the fourth fiscal quarter), the Manager shall cause to be furnished to each Member financial statements with respect to such fiscal year or fiscal quarter of the Company, consisting of (i) a consolidated balance sheet showing the Company's financial position as of the end of such fiscal year or fiscal quarter; (ii) supporting consolidated profit and loss statements; (iii) a consolidated statement of cash flows for such fiscal year or fiscal quarter; and (iv) Member's Capital Accounts. Such financial statements shall be prepared on a consolidated basis for the Company and its Subsidiaries in accordance with GAAP and SEC Regulation S-X except, with respect to the quarterly financial statements which need not be separately audited, for the omission of certain footnotes and other presentation items required by GAAP with respect to audited financial statements. The annual financial statements of the Company, except for the annual financial statements of the Company for the fiscal year ended December 31, 2014, shall be audited (which audit shall be conducted in accordance with GAAP and SEC Regulation S-X) and certified by the Company's independent accountants. Each Member shall receive a copy of all material financial reports and notices delivered by the Company to any third party pursuant to any other agreement.

(b) At all times during the continuance of the Company, the Company and each of its Subsidiaries shall maintain, or cause to be maintained on their behalf, a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. From time to time, upon specific written notice thereof, the Company and its Subsidiaries shall promptly remedy any significant deficiencies or material weaknesses in their internal accounting controls.

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(c) At all times during the continuance of the Company, the Company shall furnish, or cause to be furnished on its behalf, to each Member that files public reports with the SEC, upon written request by such Member to the Manager, such financial statements and financial and other information regarding the Company and its Subsidiaries as may be necessary or reasonably required for such Member and its Affiliates to prepare their financial statements and related information in accordance with GAAP and applicable SEC rules and regulations, including without limitation, Regulations S-X and S-K promulgated by the SEC, and to have such information reviewed or audited from time to time, as applicable, by such Member's or its Affiliates' independent auditors (at such Member's sole cost and expense and subject to all applicable confidentiality obligations). All such financial statements and financial and other information shall be furnished in such manner and at such times as may be necessary or reasonably required for such Member or its Affiliates to timely prepare and file any registration statements that they may file under the Securities Act and to timely prepare and file any and all current and periodic reports and proxy statements that they may file under the Exchange Act, in each case in accordance with GAAP and applicable SEC rules and regulations, including, without limitation, Regulations S-X and S-K promulgated by the SEC. The Company and its officers shall execute and deliver such certificates, affidavits, representation letters and similar documents as such Member or its Affiliates or their respective independent auditors may reasonably request in connection therewith.

(d) At all times during the continuance of the Company, the Company and its Subsidiaries shall design, implement and maintain, or cause to be designed, implemented and maintained on their behalf, proper "internal control over financial reporting" (as defined in Rule 13a-15(f) promulgated under the Exchange Act). The Company and its Subsidiaries shall prepare and maintain, or cause to be prepared and maintained, adequate documentation of their internal control over financial reporting consistent with the requirements of the Public Company Accounting Oversight Board, Rule 13a-15 promulgated under the Exchange Act and Item 308 of Regulation S-K promulgated by the SEC, and shall make such documentation available to any such Member and its Affiliates and their independent auditors at such reasonable times as such Persons may reasonably request. Such internal control over financial reporting (and the documentation related thereto) shall be sufficient to permit each Member that files public reports with the SEC to assess and evaluate periodically the effectiveness of the internal control over financial reporting of the Company and its Subsidiaries and to permit each independent auditor of each such Member to evaluate such assessment and to provide any required attestation report with respect thereto. From time to time, upon notice of any such condition, the Company and its Subsidiaries shall promptly remedy any significant deficiencies or material weaknesses in their internal control over financial reporting.

Section 5.5 Taxation

(a) Status of the Company. The Members acknowledge that this Agreement creates a partnership for federal income tax purposes. Furthermore, the Members hereby agree not to elect to be excluded from the application of Subchapter K of Chapter 1 of Subtitle A of the Code or any similar state statute.

(b) Tax Elections and Reporting

(i) Generally. The Company shall make the following elections and take the following positions under United States income tax laws and Treasury Regulations and any similar state laws and regulations:

(A) adopt the year ending December 31 as the annual accounting period (unless otherwise required by the Code and Treasury Regulations);

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(B) adopt the accrual method of accounting;

(C) insofar as permissible, report the Company's tax attributes and results using principles consistent with those assumed in connection with entering into this Agreement; and

(D) have the Company treated as a partnership for federal income tax purposes in a manner consistent with Treasury Regulations Section 1-7701.

(ii) Code Section 754 Election. The Manager shall, upon the written request of any Member, cause the Company to file an election under Section 754 of the Code and the Treasury Regulations promulgated thereunder to adjust the basis of the Company's assets under Section 734(b) or 743(b) of the Code and a corresponding election under the applicable sections of state and local law.

(c) Company Tax Returns

(i) The Tax Matters Member will prepare or cause to be prepared all required domestic and foreign tax returns and information returns of the Company, drafts of which shall be furnished to the Members within ninety (90) days following the close of each fiscal year. Final returns shall be filed within one hundred eighty (180) days following each year end. The Company shall pay for all reasonable out-of-pocket expenses (including accounting fees, if any) in connection with such preparation (it being understood that the Tax Matters Member shall not receive any compensation from the Company for preparing such returns). Any Member may, at its own expense, engage a third party to review the tax returns and information returns prepared by the Tax Matters Member pursuant to the preceding sentence. The Tax Matters Member shall not file any such return without the approval of any Member that constitutes a "notice partner" (as defined in Section 6231(a)(8) of the Code) of the Company, which approval shall not be unreasonably withheld, conditioned or delayed. Such "notice partner" Member shall be deemed to have given such approval if such Member does not indicate its written objection (which may be delivered by facsimile) to the Tax Matters Member within twenty (20) days of the date that such Member receives a draft of such return. If a "notice partner" Member does not approve of any proposed filing of a return by the Tax Matters Member, such Member and the Tax Matters Member shall seek, in good faith, to resolve their disagreement. If a "notice partner" Member and the Tax Matters Member cannot resolve their disagreement within ten (10) days of receipt of the "notice partner" Member's written objection by the Tax Matters Member, either of such Member or the Tax Matters Member may request, in writing with a copy sent to the other Member, that the disagreement be resolved by the Company's independent public accountants and the independent public accountants shall be instructed to resolve the dispute in such manner as they believe will properly maximize, in the aggregate, the United States federal, state and local income tax advantages and will properly minimize, in the aggregate, the United States federal, state, and local income tax detriments, available to the Company's Members. The independent public accountants shall provide their written resolution of the disagreement to both the "notice partner" Member and the Tax Matters Member within fifteen (15) days from the date that the independent public accountants were requested to resolve such disagreement. Any and all other tax returns shall be prepared in a manner directed by the Tax Matters Member consistent with the terms of this Agreement. Each Member shall provide such information, if any, as may be reasonably requested by the Company for purposes of preparing such tax and information returns.

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(ii) The Tax Matters Member shall furnish a copy of all filed domestic and foreign tax returns and information returns for the Company to each of the Members. In addition, (A) within seventy five (75) days following the end of each fiscal year (and as otherwise required by Applicable Law), the Company shall furnish each Member with all information relating to the Company required to be reported in any United States federal, state or local tax return of such Member, including a report indicating such Member's allocable share for United States federal income tax purposes of the Company's income, gain, credits, losses and deductions, and including a Schedule K-1, and (B) within thirty (30) days following the end of each fiscal quarter, the Company shall furnish each Member with a report of such Member's allocable share of the Company's estimated quarterly income for purposes of making estimated tax payments.

(iii) The Members agree that the Company shall be treated as a partnership for United States federal income tax purposes. The Members agree to (A) approve electing partnership status with respect to the Company with the United States Internal Revenue Service and such other state and local taxing authorities as may be appropriate and to cooperate in providing all consents, signatures, documents and such other information as may be required with respect thereto and (B) report all "partnership items" (as defined in Section 6231(a)(3) of the Code) of the Company consistent with such classification of the Company for United States federal, state and local tax purposes and with the returns filed by the Company; provided, however, that if any Member intends to file a notice of inconsistent treatment under Section 6222(b) of the Code, such Member shall, at least thirty (30) days prior to the filing of such notice, notify in writing the other Members of such intent and such Member's intended treatment of the item which is (or may be) inconsistent with the treatment of that item by the Company.

(d) Tax Audits. American III, for so long as it is a Member and, thereafter, the Manager shall be the "tax matters partner" of the Company, as that term is defined in Section 6231(a)(7) of the Code (the "Tax Matters Member"), with all of the rights, duties and powers provided for in sections 6221 through 6232, inclusive, of the Code, provided that the Tax Matters Member shall not pay or agree to pay (or make any agreement that would cause a Member to pay) any audit assessment, or any amount in settlement or compromise of any litigation, in respect of income tax liability of the Members attributable to the Interests in the Company, in excess of $500,000 in any one instance or series of related instances, unless approved by each Member whose financial interest in such matter exceeds $100,000 individually or in the aggregate. The Tax Matters Member, as an authorized representative of the Company, shall direct the defense of any tax claims made by the Internal Revenue Service or any other taxing jurisdiction to the extent that such claims relate to adjustment of Company items at the Company level and, in connection therewith, shall retain and cause the Company to pay the fees and expenses of counsel and other advisors chosen by the Tax Matters Member. The Tax Matters Member shall also be responsible for timely filing all elections made by the Company, subject to any applicable approval requirements set forth in this Agreement. The Tax Matters Member shall deliver to each Member and the Manager a semi-annual report on the status of all tax audits and open tax years relating to the Company, and shall consult with and keep all Members and the Manager advised of all significant developments in such matters coming to the attention of the Tax Matters Member. All reasonable out-of-pocket expenses of the Tax Matters Member and its Affiliates and other reasonable fees and expenses in connection with such defense shall be borne by the Company (it being understood that the Tax Matters Member shall not receive any compensation from the Company for acting in such capacity). Except as provided in ARTICLE 12, neither the Tax Matters Member nor the Company shall be liable for any additional tax, interest or penalties payable by a Member or any costs of separate counsel chosen by such Member to represent the Member with respect to any aspect of such defense. The Tax Matters

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Member shall take any steps necessary pursuant to Section 6223(a) to designate American III and SNR as a "notice partner" (as defined in Section 6231(a)(8) of the Code). In addition, nothing in this Agreement is intended to waive any rights, including rights to participate in administrative and judicial proceedings, that a Member may have under Section 6221 through 6233 of the Code. Notwithstanding any other provisions of this Agreement, the provisions of Section 5.5(c) and Section 5.5(d) shall survive the dissolution of the Company or the termination of any Member's interest in the Company and shall remain binding on all Members for a period of time necessary to resolve with the United States Internal Revenue Service or any applicable state or local taxing authority all matters (including litigation) regarding the United States Federal, state and local income taxation, as the case may be, of the Company or any Member with respect to the Company.

(e) Withholding

(i) The Company shall comply with all withholding requirements under applicable United States federal, state, local and foreign tax laws and shall remit amounts withheld to, and file required forms with, the applicable taxing authorities. To the extent that the Company withholds and pays over any amounts to any taxing authority with respect to distributions or allocations to any Member, the amount withheld shall be charged to the Capital Account of such Member. The Company shall notify each of the Members of any withholding with respect to such Member, designating such Member's allocable share of such withholding tax. The Members hereby agree that they will not claim a credit in excess of the amount in such notice.

(ii) In the event of any claimed over-withholding by the Company, the Member shall have no rights against the Company or any other Member. Anything in the previous sentence to the contrary notwithstanding, if the Company is required to take any action in order to secure a refund or credit for the benefit of a Member in respect of any amount withheld by it, it shall take any such action including applying for such refund on behalf of the Member and paying it over to such Member.

(iii) Except in the case of withholding pursuant to Section 1446 of the Code, if any amount required to be withheld was not withheld from actual distributions that would have otherwise been made to a Member, the Company shall require the Member to which the withholding was credited to reimburse the Company for such withholding; provided that in the case of withholding pursuant to Section 1446 of the Code, no such reimbursement shall be necessary as long as the other Members are subject to withholding in amounts proportionate to their Capital Accounts or otherwise receive a distribution of an equivalent amount.

(iv) In the event of any under-withholding by the Company, each Member agrees to indemnify and hold harmless the Company and the Tax Matters Member from and against any liability, including interest and penalties, with respect thereto.

(v) Each Member agrees to furnish the Company with any representations and forms as shall reasonably be requested by the Company to assist the Company in determining the extent of, and in fulfilling, the Company's withholding obligations.

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(vi) Upon the request of any Member, the Company shall make any filings, applications or elections to obtain any available exemption from, or any available refund of, any withholding or similar taxes imposed by any non-United States (whether sovereign or local) taxing authority with respect to amounts distributable or items of income allocable to such Member hereunder. Such Member shall cooperate with the Company in making any such filings, applications or elections to the extent the Company reasonably determines that such cooperation is necessary or desirable. Notwithstanding the foregoing, if such Member must make any such filings, applications or elections directly, the Company, at the request of such Member, shall provide such information and take such other action as may reasonably be necessary to complete or make such filings, applications or elections.

ARTICLE 6
MANAGEMENT

Section 6.1 Manager

The Manager at all times shall exercise control over the Company in compliance with FCC Rules. The Manager shall, subject to the terms of this Agreement, have the exclusive right and power to manage, operate and control the Company and to make all decisions necessary or appropriate to carry on the business and affairs of the Company, including the authority to appoint, promote, demote and terminate executives who oversee the day-to-day activities of the Company and to select the financial institutions from which the Company may borrow money. In addition to the specific rights and powers herein granted to the Manager, the Manager shall possess and enjoy and may exercise all the rights and powers of a manager within the meaning of Section 18-101(10) of the Act, including the full and exclusive power and authority to act for and to bind the Company, but subject to the limitations of this Agreement. In addition to any other rights and powers that the Manager may possess, the Manager shall have all specific rights and powers required or appropriate for the day-to-day management of the Company's business, which shall be managed by experienced professionals in accordance with the standards of first-rate operators of wireless communications companies. Except as determined by the Manager pursuant to this Agreement, no Member or representative shall have any right or authority to take any action on behalf of the Company with respect to third parties or to bind the Company.

Section 6.2 Removal of Manager

(a) Removal of Manager

Subject to FCC approval, if required, SNR shall be removed as the Manager, and the management of the Company shall be transferred to a successor Manager in accordance with Section 6.2(b) and Section 6.2(c) if SNR (i) is unwilling or unable to serve as the Manager, (ii) would not be considered a Qualified Person if SNR itself were the applicant or licensee, as the case may be, in respect of the licenses held by the License Company or its Subsidiaries at any time prior to the fifth anniversary of the last Initial Grant Date and such failure is reasonably likely to materially impair the ability of the License Company or any of its Subsidiaries to realize the Auction Benefits or result in the revocation or non-renewal of any license, or (iii) commits a Significant Breach at any time.

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(b) Successor Manager

If SNR is removed as the Manager pursuant to Section 6.2(a), the management of the Company shall be transferred to a successor Manager, which shall (i) be, if then required in order for the License Company and its Subsidiaries to retain the Auction Benefits, a Qualified Person, provided that SNR shall in no way be liable to the Company or to any other Member for the failure of any successor Manager to be a Qualified Person, and (ii) be subject to the prior approval of American III. SNR (or, if it fails to do so, the other Members by affirmative vote of a majority of Class B Percentages not held by SNR) shall designate the successor Manager as soon as reasonably practicable, but in any event no later than thirty (30) days after notice from any other Member that one or more of the events specified in Section 6.2(a) has occurred. SNR shall continue to act as Manager until the successor Manager assumes the management of the Company. SNR shall take whatever steps are commercially reasonable to assist the successor Manager in assuming the management of the Company, including transferring to the successor Manager all historical financial, tax, accounting and other data and records in the possession of SNR, and giving such consents, assigning such permits and executing such instruments as may be necessary to vest in the successor Manager those rights that were necessary for SNR to perform its obligations.

(c) Dispute Resolution

Any dispute over the removal of SNR as the Manager pursuant to Section 6.2(a) shall be resolved by arbitration in accordance with Section 10.3; provided that (i) the arbitrators shall be instructed to render their decision within thirty (30) days after the commencement of any such proceeding and (ii) the losing Member shall pay the reasonable and documented out-of-pocket fees, costs and expenses of the prevailing Member in connection with the proceeding.

Section 6.3 Supermajority Approval Rights

In addition to the approval of the Manager, Significant Matters shall require the prior written approval of American III, in its sole and absolute discretion for any reason or no reason; provided that no such approval shall be required solely with respect to the purchase and sale of Interests pursuant to and in accordance with the terms of the Interest Purchase Agreement or pursuant to the Put Right; provided, further, that transfers of assets of the License Company (other than the membership interests of any Subsidiaries that do not hold licenses) or of any of its Subsidiaries solely for the purpose of generating the funds required to satisfy the obligations of the Company under the Put Right or of the License Company and its Subsidiaries that are then due and payable under the Interest Purchase Agreement shall cease to require the approval of American III under any clause of the definition of Significant Matter at such time, subject to the provisions of the Senior Credit Facility and the Intercreditor and Subordination Agreement.

Section 6.4 Separateness Covenants

(a) SNR shall cause the Company and each of its Subsidiaries to, and the Company shall and shall cause each of its Subsidiaries to, (i) to the extent that such entities have one or more deposit accounts, each maintain its own deposit account or accounts, separate from the accounts of American III and its Subsidiaries and joint ventures, with commercial banking institutions, and (ii) not commingle their funds with those of American III or any of its Subsidiaries or joint ventures;

(b) SNR shall cause the Company and each of its Subsidiaries to, and the Company shall and shall cause each of its Subsidiaries to, maintain separate addresses from the addresses of American III and its Subsidiaries and joint ventures, or to the extent the Company or any of its Subsidiaries may have offices in the

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same location as American III or any of its Subsidiaries or joint ventures, to maintain a fair and appropriate allocation of overhead costs among them, with each such entity bearing its fair share of such expense;

(c) SNR shall cause the Company and each of its Subsidiaries to issue, and the Company and each of its Subsidiaries shall issue, quarterly and annual consolidated financial statements from time to time as required by Section 5.4(a);

(d) SNR shall cause the Company and each of its Subsidiaries to, and the Company shall and shall cause each of its Subsidiaries to, (i) each maintain its separate status as a limited liability company and (ii) each conduct its affairs in accordance with its certificate of formation and limited liability company agreement and observe all necessary, appropriate and customary company formalities, including, but not limited to, holding all regular and special members' and managers' meetings appropriate to authorize company 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, payroll and intercompany transaction accounts, to the extent applicable;

(e) SNR shall not permit the Company or any of its Subsidiaries to, and the Company shall not and shall not permit any of its Subsidiaries to, (i) assume or guarantee any of the liabilities of, or pledge any of its assets as security for the liabilities of, American III or any of its Subsidiaries or joint ventures, or (ii) hold out the credit of American III or any of its Subsidiaries or joint ventures as being able to satisfy the obligations of the Company or any of its Subsidiaries (which shall be deemed not to refer to any disclosure by the Company or any of its Subsidiaries of any capital contributions or loans that American III or any of its Subsidiaries is required to make to the Company or any of its Subsidiaries or of any other obligations that American III or any of its Subsidiaries is required to perform for the benefit of the Company or any of its Subsidiaries), except with respect to any guarantees or assumptions of indebtedness or other liabilities that have been expressly agreed to by American III or any of its Subsidiaries in writing;

(f) SNR shall cause the Company and each of its Subsidiaries not to, and the Company shall not and shall cause each of its Subsidiaries not to, authorize the use of its name or trademarks or service marks by American III or any of its Subsidiaries or joint ventures, except pursuant to a written license agreement;

(g) SNR shall not permit the Company or any of its Subsidiaries to, and the Company shall not and shall not permit any of its Subsidiaries to conduct its own business with suppliers of goods and services, lenders or purchasers of securities in the name of American III or any of its Subsidiaries or joint ventures. SNR further acknowledges that it shall have no right to conduct any business in the name of American III or on behalf of American III unless specifically authorized herein; and

(h) If SNR or the Company or any of its Subsidiaries obtains actual knowledge that American III or any of its Subsidiaries or joint ventures has represented or indicated to any supplier of goods and services to, lender to or purchaser of securities of the Company or any of its Subsidiaries that the credit of American III or any of its Subsidiaries or joint ventures is available to satisfy the obligations of the Company or any of its Subsidiaries (which shall be deemed not to refer to any disclosure by American III or any of its Subsidiaries or joint ventures of any capital contributions or loans that American III or any of its Subsidiaries is required to make to the Company or any of its Subsidiaries or of any other obligations that American III or any of its Subsidiaries is required to perform for the benefit of the Company or any of its Subsidiaries), other than with respect to any guarantees or assumptions of indebtedness or other liabilities that have been expressly agreed to by American III or any of its Subsidiaries in writing, then SNR shall cause the Company and each of its Subsidiaries to, and the

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Company shall and shall cause each of its Subsidiaries to, provide written notice to any person to whom such representation or indication was made to make clear that the credit of American III and its Subsidiaries and joint ventures is not available to satisfy the obligations of the Company or any of its Subsidiaries other than with respect to any guarantees or assumptions of indebtedness or other liabilities that have been expressly agreed to by American III or any of its Subsidiaries in writing.

Section 6.5 Business Plans and Budgets

(a) Five-Year Business Plan

On September 12, 2014, the Manager adopted the initial five-year high-level business plan (the "Five-Year Business Plan") of the Company and its Subsidiaries, which Five-Year Business Plan includes business forecasts, appropriate explanations of the Manager's strategy, with details of assumptions used, and the general goals and parameters for the Business and operations of the Company and its Subsidiaries consistent with good business practice in the wireless broadband or communications industry. The Manager shall update the Five-Year Business Plan to address the next five-year period which update shall be distributed to American III not later than thirty (30) days prior to the end of the fifth fiscal year covered by the Five-Year Business Plan. In addition, the Manager may, from time to time, in the exercise of its reasonable discretion, modify the Five-Year Business Plan to reflect any material changes affecting the Company and its Subsidiaries or their Business, including changes in availability of capital (including under the Senior Credit Facility).

(b) Annual Business Plans and Budgets

The Manager shall prepare and adopt a detailed annual Business Plan and detailed annual budget no later than ninety (90) days following the Initial Grant Date. Each such annual Business Plan shall set forth the business and operational parameters and objectives for such year, including appropriate explanations of the Manager's strategy. Each such budget shall include, without limitation, a detailed breakdown of the following, together with the details of the material assumptions used, for the Company and its Subsidiaries: (i) monthly revenue, operating expenses and interest expenses; (ii) quarterly capital expenditures and cash flow; (iii) balance sheet and income statement; and (iv) expected funding requirements and the methods of meeting such requirements. In addition, the Manager may, from time to time, in the exercise of its reasonable discretion, modify the annual Business Plan and budget to reflect any modification made to the Five-Year Business Plan in accordance with Section 6.5(a).

(c) No Other Business Plans or Budgets

No Business Plans or budgets shall be adopted except in accordance with the provisions of this Section 6.5.

Section 6.6 Management Fees

If the License Company acquires one or more licenses in the Auction (and American III has not been relieved of its obligation to make its capital contribution pursuant to the last sentence of Section 2.2(c)(ii)), for so long as SNR continues to serve as the Manager, the Company shall cause the License Company to pay a management fee to SNR, by wire transfer of immediately available funds, equal to $500,000 per year (the "Management Fee"), payable in quarterly installments in arrears. It is and has always been the understanding of the parties hereto that the Management Fee is payable solely for the Manager's management of the License Company's assets, and not for salaries. To the extent that the Manager and/or the Company need to hire

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employees or consultants in order to perform services which are Manager's responsibility pursuant to Section 6.1, the cost of such employees or consultants are not payable out of the Management Fee.

ARTICLE 7
TRANSFER RESTRICTIONS

No Member may Transfer all or any part of its Interests, including interests in any of its Subsidiaries that directly or indirectly own Interests, except in compliance with the following provisions of this ARTICLE 7.

Section 7.1 Restrictions

(a) Transfers by Certain Members

The Members (other than American III) may Transfer Interests (i) at any time after the Initial Grant Date, to one or more Permitted Transferees; (ii) during the five (5) years after the Initial Grant Date with the consent of American III, which may be withheld in its sole and absolute discretion; (iii) to the License Company pursuant to the Interest Purchase Agreement or to the Company pursuant to ARTICLE 8 without the consent of American III but subject to Section 7.1(d); and (iv) following the fifth anniversary of the Initial Grant Date without the consent of American III, but in each case subject to Section 7.3(e) and the other provisions of this ARTICLE 7. American III may not Transfer all or a majority of its Interests until after the Initial Grant Date, and thereafter may Transfer all or a majority of its Interests to a creditworthy transferee, but only if the transferee thereof either (x) agrees to assume in a written agreement reasonably acceptable to SNR (such consent not to be unreasonably withheld, conditioned or delayed) American III's obligations under the Senior Credit Facility, the Intercreditor and Subordination Agreement and all related agreements and agrees to be bound by the provisions thereof as if an original party thereto or (y) agrees to provide at least the same level of financing to the Company, the License Company and its Subsidiaries as available to them under the Senior Credit Facility on terms and conditions which are acceptable to SNR; provided that if the terms and conditions, individually and in the aggregate, are, in the reasonable judgment of SNR, no less favorable to SNR, the Company, the License Company and its Subsidiaries as those set forth in the Senior Credit Facility, the Intercreditor and Subordination Agreement and such related agreements (including the priority of Liens set forth therein), then SNR shall not unreasonably withhold, condition or delay such consent. Notwithstanding the foregoing, at any time after the close of the Auction, the Manager may admit as new, non-controlling members of the Manager, one or more Persons to provide additional capital to the Manager, subject to American III's consent, which shall not be unreasonably withheld, conditioned or delayed, and provided that such action does not result in SNR failing to qualify as a "very small business" as required by Section 11.3(a)(iii) of this Agreement.

(b) No Transfer of Right to Manage

The right to manage the Company pursuant to this Agreement shall not be transferable with the Interests of SNR without the prior written consent of American III. Accordingly, subject to Section 7.1(a), if SNR Transfers twenty-five percent (25%) or more of its Interests (other than a Transfer of one hundred percent of SNR's Interests to a Permitted Transferee), then, subject to FCC approval, the right to manage the Company shall be transferred to a successor Manager, which shall (i) be, if then required in order for the License Company and its Subsidiaries to retain the Auction Benefits, a Qualified Person; (ii) not be a competitor or an Affiliate of a competitor of American III (as determined by American III in its sole and absolute discretion) or its Affiliates and (iii) be subject to the prior written approval of American III.

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(c) No Transfers to Competitors

So long as American III owns an Interest, the Members other than American III may not Transfer any or all of their Interests to a competitor of American III or its Affiliates, or an Affiliate of any such competitor, without American III's prior written consent, which may be withheld in its sole and absolute discretion.

(d) FCC Compliance

All Transfers of Interests are subject to and must comply with all applicable FCC Rules.

Section 7.2 Exceptions

(a) Transfers by Members of SNR

The provisions of Section 7.1 (other than Section 7.1(d)) shall not apply to (i) the Private Equity Investors, except with respect to Transfers of their interests in SNR, whether held directly by the Private Equity Investors or through one or more intermediaries (it being understood that this exception is intended to restrict Transfers of interests in SNR effected by the Private Equity Investors themselves and their Subsidiaries, rather than Transfers effected by direct and indirect owners of interests in the Private Equity Investors) and (ii) Transfers (except with respect to Transfers of their interests in SNR) or issuances of the Equity Interests of any other member of SNR, unless such Transfer results in a Change of Control of SNR or would impair the ability of the License Company or any of its Subsidiaries to realize the Auction Benefits.

(b) Transfers by American III Members

Notwithstanding anything herein to the contrary, but subject to the provisions of Section 14.3, the restrictions set forth in Section 7.1 (other than Section 7.1(d)) shall not apply to (i) Transfers of Interests in the Company held by American III (or its Permitted Transferees) to any Affiliate of American III or (ii) Transfers of direct or indirect interests in American III or its Affiliates. In addition, American III (or its Permitted Transferees) may collaterally assign its Interests in the Company to any secured lender of American III or its Affiliates, and American III (or its Permitted Transferees) may Transfer its Interests in the Company held by American III (or its Permitted Transferees) at any time in accordance with Section 14.3.

(c) Pledges by Certain Members

The members of SNR may pledge their Equity Interests in SNR to secure loans, provided that any such pledge and its terms (A) shall be subject to the prior approval of American III (which shall not be unreasonably withheld or delayed), but solely with respect to compliance of any such pledge and its terms with FCC Rules, including with respect to the matters set forth in clause (B) below, and (B) shall in no event permit the lender to take any action that would impair the eligibility of the License Company or any of its Subsidiaries to hold any of the licenses won in the Auction or that could result in the License Company or any Subsidiary losing any Auction Benefits.

Section 7.3 [Intentionally omitted.]

(a) [Intentionally omitted.]

(b) [Intentionally omitted.]

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(c) [Intentionally omitted.]

(d) [Intentionally omitted.]

(e) Assumption of Agreements

At any closing with respect to a sale to a third party, the proposed transferee shall execute a counterpart to this Agreement and any Related Agreements to which the Sellers or their Affiliates are party and shall be bound by the provisions of and assume the obligations of the Sellers under all such Agreements. The Sellers and the proposed transferee shall execute such documents as American III may reasonably request to evidence such assumption. Notwithstanding the foregoing, the Sellers shall not be relieved of any of their obligations under this Agreement or any Related Agreement arising prior to such sale, to the extent such obligations shall not be discharged by the third party.

Section 7.4 [Intentionally omitted.]

(a) [Intentionally omitted.]

(b) [Intentionally omitted.]

Section 7.5 Substituted Members

Prior to any Transfer of Interests by a Member, the transferor shall deliver to other Members a notice setting forth the identity of the transferee, and shall provide such other information as the other Members may reasonably request in connection with such Transfer. A transferee of Interests Transferred in accordance with this ARTICLE 7 shall be admitted as a Member upon execution of a counterpart to this Agreement evidencing its agreement to be bound hereby. Upon the admission of any such transferee as a Member, the transferring Member or Members shall be relieved of any obligation arising under this Agreement subsequent to such Transfer with respect to the Interests being transferred (provided that the transferee shall assume all such obligations), and if the transferring Member no longer holds any Interests, the transferring Member shall be relieved of its obligations arising under this Agreement to the extent provided in Section 14.3. Prior to any Transfer of an Interest or any portion thereof (other than pursuant to the Interest Purchase Agreement or ARTICLE 8) and as a condition thereof, and prior to any admission of an assignee as a Member, the Member making such Transfer and the assignee shall furnish the Manager, and a majority in Class B Percentages of the non-transferring Members, with such documents regarding the Transfer as the Manager or such majority of the non-transferring Members may reasonably request (in form and substance satisfactory to the Manager or such majority, as applicable), including a copy of the Transfer instrument, a ratification by the assignee of this Agreement (if the assignee is to be admitted as a Member), reasonably satisfactory evidence that the Transfer will not cause the Company to be characterized for federal and applicable state income tax purposes as other than a partnership, reasonably satisfactory evidence that the Transfer complies with applicable federal and state securities laws and reasonably satisfactory evidence that the Transfer will not violate the FCC Rules (including adversely affecting the qualification of the License Company as a "very small business" under the relevant FCC Rules if, and to the extent, such qualification is then required for the License Company and its Subsidiaries to retain any Auction Benefits) or this Agreement. In connection with any Transfer (other than pursuant to the Interest Purchase Agreement or ARTICLE 8), the Company shall, at the request of the Member making such Transfer and at such Member's sole expense, use commercially reasonable efforts to cause to be made any filing required by the FCC.

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Section 7.6 Invalid Transfers Void

Any purported Transfer of an Interest or any part thereof not in compliance with the provisions of this ARTICLE 7 shall be void and of no force or effect and the transferring Member shall be liable to the other Members and the Company for all liabilities, obligations, damages, losses, costs and expenses (including reasonable attorneys' fees and court costs) arising out of such non-complying Transfer.

Section 7.7 [Intentionally omitted.]

Section 7.8 Acceptance of Prior Acts

Any Permitted Transferee or other Person who becomes a Member of the Company, accepts, ratifies and agrees to be bound by all actions duly taken pursuant to the terms and provisions of this Agreement by the Company prior to the date it became a Member and, without limiting the generality of the foregoing, specifically ratifies and approves all agreements and other instruments as may have been executed and delivered on behalf of the Company prior to such date and which are in force and effect on such date.

ARTICLE 8
PUT RIGHT

Section 8.1 Put

(a) Put Windows

For the ninety (90) day period beginning on the fifth anniversary of the Initial Grant Date (the "First Put Window") and for the ninety (90) day period beginning on the sixth anniversary of the Initial Grant Date (the "Second Put Window"), SNR shall have the right (the "Put Right") to require the Company to purchase all (but not less than all) of the collective Interests held by the SNR Members in exchange for the payment of the Put Price in the manner specified in this Section 8.1. In addition, in the event of a Liquidation Event or Deemed Liquidation Event before the expiration of the Second Put Window, the Company shall be required to provide written notice of such event to SNR and SNR shall have the right to exercise its Put Right during the ten (10) days following its receipt of the written notice of the Liquidation Event or Deemed Liquidation Event.

(b) Put Price

Should SNR exercise its Put Right pursuant to Section 8.1(a), the collective Interests held by the SNR Members shall be purchased by the Company at a price (the "Put Price") equal to (i) the sum of all cash contributions made by the SNR Members to the equity capital of the Company pursuant to and in accordance with this Agreement (the "SNR Capital"), plus (ii) an amount equal to *** per annum return on the contributions described in clause (i) above, from and including the respective dates on which such contributions were made until the date the Put Price is actually paid, calculated on the basis of the actual number of days elapsed from the applicable contribution date to the date the Put Price is actually paid, compounded annually, minus (iii) all distributions (other than tax distributions made pursuant to Section 3.1(b)) previously made or deemed made to the SNR Members by the Company (collectively, the "SNR Return"). Notwithstanding the foregoing, in the event that the Put Right is not exercised pursuant to Section 8.1(a) during the First Put Window, but is exercised during the Second Put Window, then the SNR Return shall be calculated as per above, except that (i) solely for the purposes of calculating that portion of the SNR Return generated during the period commencing on the first day after the end of the First Put Window and until the date of exercise of the Put Right, the *** per annum annual

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compounded return in effect will be reduced for such calculation period to *** per annum, compounded annually, and (ii) solely for the purposes of calculating that portion of the SNR Return generated during the period commencing on the date on which the Put Right is exercised and to the date the Put Price is actually paid, the *** per annum annual compound return in effect for such calculation period will be reduced for such calculation period to the weighted average per annum return on the SNR Capital as calculated as of the date the Put Right is exercised, compounded annually.

(c) Option to Require Appraisal

(i) In the event that SNR does not exercise its Put Right prior to the expiration of the Second Put Window, then, for a two (2) year period beginning on the seventh anniversary of the Initial Grant Date, SNR shall have the right, but not the obligation, to require a determination of the Fair Market Value of the Company as of the end of the preceding month ("Appraisal Anniversary"). SNR shall exercise this right by providing notice to American III, which notice shall state that it is notice of exercise of SNR's right pursuant to this Section 8.1(c)(i).

(ii) In the event that SNR provides American III with the notice provided for in Section 8.1(c)(i), the Members shall thereafter proceed to determine the purchase price for the collective Interests held by the SNR Members. Upon determination of the Fair Market Value of the Company, American III shall have the right, but not the obligation, to purchase all, but not less than all, of the collective Interests held by the SNR Members. Such purchase price for the Interests shall be equal to the product derived by (A) subtracting the value of the Liquidation Preference as of the Appraisal Anniversary from the Fair Market Value of the Company as of the Appraisal Anniversary, determined as set forth in Section 8.1(c)(i), and (B) multiplying the result by the Class B Percentage, which product shall in no event be less than zero. In payment for the collective Interests held by the SNR Members, American III shall deliver to the SNR Members cash payable by bank check or wire transfer.

(iii) In the notice referred to in Section 8.1(c)(i), SNR shall set forth its good faith estimate of the Fair Market Value. In the event that, no later than sixty (60) days after the Appraisal Anniversary, American III provides notice to SNR of its agreement to SNR's estimate of the Fair Market Value (the "American III FMV Acceptance Notice"), such determination of the Fair Market Value shall be final and binding on SNR and American III (the "Appraisal Option Parties") as the Fair Market Value for the purposes hereof.

(iv) In the event that (A) American III provides notice to SNR no later than sixty (60) days after the Appraisal Anniversary of its rejection of SNR's estimate of the Fair Market Value or (B) American III fails to provide any notice to SNR within sixty (60) days after the Appraisal Anniversary with regard to SNR's estimate of the Fair Market Value, the Appraisal Option Parties shall use commercially reasonable efforts to appoint within seventy-five (75) days after the Appraisal Anniversary a mutually acceptable appraiser (the "Joint Appraiser") for the purpose of determining the Fair Market Value. In the event of such appointment, the Joint Appraiser shall determine the Fair Market Value and submit a written report setting forth such Fair Market Value as determined by the Joint Appraiser, the methodologies for valuation employed by the Joint Appraiser, all information pertinent to the determination of such Fair Market Value with regard to each such methodology and the relative weights afforded to each such methodology by the Joint Appraiser (an "FMV Report") to each of the Appraisal Option Parties no later than one hundred twenty (120) days after the Appraisal Anniversary. All costs and expenses of such appraisal shall be borne

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equally by the Appraisal Option Parties. The Joint Appraiser's determination of the Fair Market Value shall be final and binding on the Appraisal Option Parties as the Fair Market Value for the purposes hereof.

(v) If the Appraisal Option Parties are unable to agree on a Joint Appraiser within seventy-five (75) days after the Appraisal Anniversary, each of the Appraisal Option Parties shall independently appoint, within ninety (90) days after the Appraisal Anniversary, an appraiser (the "Independent Appraisers") for the purpose of determining such Fair Market Value. Each Independent Appraiser shall determine the Fair Market Value and submit an FMV Report to each of the Appraisal Option Parties no later than one hundred twenty (120) days after the Appraisal Anniversary. All costs and expenses for each such appraisal shall be borne by the party on behalf of which the appraisal is being performed. In the event that the Independent Appraisers' determinations of the Fair Market Value are equal, such determination of the Fair Market Value shall be final and binding on the Appraisal Option Parties as the Fair Market Value for the purposes hereof. In the event that the Independent Appraisers' determinations of the Fair Market Value differ such that the greater exceeds the lesser by no more than ten percent (10%) of the lesser, the average of the two determinations shall be final and binding on the Appraisal Option Parties as the Fair Market Value for the purposes hereof. In the event that either of the Independent Appraisers fails to make a determination of the Fair Market Value and to submit an FMV Report no later than one hundred twenty (120) days after the Appraisal Anniversary, the determination of the Fair Market Value by the other of the Independent Appraisers shall be final and binding on the Appraisal Option Parties as the Fair Market Value for the purposes hereof.

(vi) In the event that the Independent Appraisers' determinations of the Fair Market Value differ such that the greater exceeds the lesser by more than ten percent (10%) of the lesser, then the Independent Appraisers shall jointly appoint no later than one hundred thirty (130) days after the Appraisal Anniversary an additional appraiser (the "Additional Appraiser") for the purpose of determining the Fair Market Value. The Additional Appraiser shall determine the Fair Market Value and submit an FMV Report no later than one hundred sixty (160) days after the Appraisal Anniversary. In the event that the Independent Appraisers fail to jointly appoint the Additional Appraiser no later than one hundred thirty (130) days after the Appraisal, either of the Appraisal Option Parties may initiate an arbitration proceeding with JAMS in the District of Columbia for the purpose of appointing a replacement for the Additional Appraiser. The appointment of such replacement for the Additional Appraiser (who, for the purposes of the remainder of this Section 8.1(c), shall also be known as the "Additional Appraiser") and the determination of the Fair Market Value and the submission of an FMV Report to each of the Appraisal Option Parties by such appraiser shall occur as promptly as reasonably practicable. All costs and expenses for the appraisal performed by the Additional Appraiser shall be borne equally by the Appraisal Option Parties. In the event that the Additional Appraiser's determination of the Fair Market Value is no more than ten percent (10%) greater than the higher and no more than ten percent (10%) less than the lower of the Independent Appraisers' determinations of the Fair Market Value, the average of the three (3) determinations shall be final and binding on the Appraisal Option Parties as the Fair Market Value for the purposes hereof. In the event that the Additional Appraiser's determination of the Fair Market Value is no more than ten percent (10%) greater than or no more than ten percent (10%) less than one of the Independent Appraisers' determinations of the Fair Market Value and is more than ten percent (10%) greater than or more than ten percent (10%) less than the other of the Independent Appraisers' determinations of the Fair Market Value (the "Non-Conforming Appraisal"), the Non-Conforming Appraisal shall be discarded, and the average of the remaining determinations shall be final and binding on the Appraisal Option Parties as the Fair Market Value for the purposes hereof. In the event that the Additional Appraiser's determination of the Fair Market Value is more than ten percent (10%) greater than the higher or more than ten percent (10%)

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less than the lower of the Independent Appraisers' determinations of the Fair Market Value, the closer of the Independent Appraisers' determinations of the Fair Market Value to the Additional Appraiser's determination of the Fair Market Value shall be final and binding on the Appraisal Option Parties as the Fair Market Value for the purposes hereof.

(vii) Any appraiser appointed hereunder shall be a member of a nationally recognized business appraisal organization and shall have experience in valuing wireless telecommunications enterprises. In determining the Fair Market Value, any appraiser appointed hereunder shall determine the value of the Company as a whole and shall not apply any valuation premiums or discounts to the value of the Interests (such as for minority interest, control or lack of marketability). At any time prior to final determination of the Fair Market Value as set forth hereunder, each of the Appraisal Option Parties shall be entitled to submit to any appraiser (and, if such right is exercised, shall also submit to the other of the Appraisal Option Parties) any information related to the valuation of the Company that such Appraisal Option Party considers relevant, and such information shall be accorded the weight that such appraiser deems appropriate. Each of the Appraisal Option Parties shall have an opportunity to comment on all information provided to any appraiser by the other of the Appraisal Option Parties.

The closing of any purchase of Interests pursuant to this Section 8.1(c) shall take place on the twentieth (20th) day after (i) in the event of determination of the Fair Market Value pursuant to Section 8.1(c)(iii), the effective date of American III FMV Acceptance Notice or (ii) in the event of determination of the Fair Market Value pursuant to Sections 8.1(c)(iv)-(vi), the effective date of the submission of the FMV Report applicable to the final determination of the Fair Market Value; provided, however, that (i) if the transaction is subject to any prior regulatory approval, then the closing shall take place on the tenth (10th) day following the receipt of such regulatory approval, (ii) if the date of the closing falls on a weekend or on a federal holiday, the closing shall take place on the next regular Business Day, and (iii) if SNR and American III agree to another time for the closing, the closing may take place at such other time as mutually agreed.

Section 8.2 Conditions to Closing

(a) The Company's obligations to consummate the transactions contemplated by the Put Right shall be subject to the satisfaction (or express waiver by the Company) of each of the following conditions:

(i) The parties shall have obtained all required consents, approvals, notices and waivers from governmental or regulatory bodies, including without limitation, any required FCC approval of the transactions contemplated by the Put Right by an effective order, decision, or public notice of the FCC or a duly-authorized bureau or division thereof (or, at the Company's and American III's election, within five (5) Business Days after such order, decision, or public notice shall have become final and no longer subject to further reconsideration, review or appeal);

(ii) The waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, if applicable, shall have expired or been terminated; and

(iii) At the closing of the transactions contemplated by the Put Right, all of the collective Interests held by the SNR Members shall be transferred to the Company free and clear of all Liens, and the SNR Members shall have furnished to the Company documentation reasonably satisfactory to American III providing for the release of all then-existing Liens on such Interests.

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(b) SNR's obligations to consummate the transactions contemplated by the Put Right shall be subject to the satisfaction (or express waiver by SNR) of each of the following conditions:

(i) The parties shall have obtained all required consents, approvals, notices and waivers from governmental or regulatory bodies, including without limitation, FCC approval of the transactions contemplated by the Put Right by an effective order, decision, or public notice of the FCC or a duly-authorized bureau or division thereof; and

(ii) The applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, shall have expired or been terminated.

(c) Each of the parties hereto agrees to use all commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties hereto in doing, all the things reasonably necessary, proper or advisable, in the most expeditious manner practicable, to satisfy the conditions set forth in this Section 8.2 and to consummate and make effective the transactions contemplated by the Put Right and this ARTICLE 8.

Section 8.3 Closing

(a) At the closing of the transactions contemplated by the Put Right, the Company shall pay or cause to be paid the Put Price, by wire transfer of immediately available funds to an account of SNR (which shall be designated by SNR at least three (3) Business Days prior to the date of payment), against execution and delivery by each SNR Member of an instrument of assignment ("Instrument of Assignment") in substantially the form attached hereto as Exhibit A, on a date not later than five (5) Business Days following the satisfaction (or express waiver by American III) of each of the conditions set forth in Section 8.2(a) and the satisfaction (or express waiver by SNR) of each of the conditions set forth in Section 8.2(b), or at such other time and place as the parties may agree. Upon closing of the transactions contemplated by the Put Right, the Members other than American III shall automatically cease to be (i) Members of the Company and (ii) parties to this Agreement, in each case without any further action required of the parties hereto; provided that no such transfer shall relieve any such SNR Member from liability for any prior breach of this Agreement.

(b) The Put Price shall not be subject to any set-off or offset of whatsoever nature.

(c) American III may fund the Put Price through a capital contribution immediately prior to the Closing of a Put transaction.

Section 8.4 Terminated Auction Purchase

If (a) the Auction is cancelled by the FCC, or the results of the Auction are dismissed in full by the FCC, because of a failure to meet both of the FCC's aggregate reserve prices applicable to the Auction; (b) the License Company fails to timely submit all of the applications for all licenses for which it was the Winning Bidder (*i.e.*, long-form applications) as a result of any action or inaction of American III or any of its Affiliates; (c) all of the License Company's applications for the licenses for which it was the Winning Bidder (*i.e.*, long-form applications) are dismissed by final action of the FCC; (d) all licenses for which the License Company was the Winning Bidder and that were granted to, and are still held by, the License Company or any of its Subsidiaries are cancelled by the FCC; or (e) the License Company does not bid in the Auction (including as a result of a termination pursuant to Section 13.1(b)) or is not the Winning Bidder for any license, then, in each instance, the License Company shall apply as promptly as practicable and permitted under the FCC Rules to obtain a refund

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from the FCC of all of the Auction funds previously paid by the License Company to the FCC for the Auction, and, to the extent that any upfront payments, down payments or final payments for such licenses are refunded by the FCC, (i) the License Company shall, on behalf of the Company, first pay to the SNR Members an amount equal to (A) the SNR Members' capital contributions plus (B) a *** per annum return on the aggregate amount of capital contributions provided by the SNR Members from the date of their capital contributions through the date that such return is paid to the SNR Members (or, if earlier with respect to some or all of such equity capital contributions, the date of the return of all or part of any such equity capital contributions excluding any tax distributions made pursuant to Section 3.1(b)), compounded annually, and taking into account all distributions (including any returns of equity capital contributions but excluding any tax distributions made pursuant to Section 3.1(b)) previously made to the SNR Members by the Company plus (C) an amount equal to SNR's reasonable, documented out-of-pocket expenses (including without limitation legal fees and expenses) incurred in connection with the transactions contemplated hereby and not otherwise previously paid or reimbursed pursuant to Section 14.11 (in the event the License Company does not have adequate capital to pay any portion of the foregoing (A), (B) or (C), then American III shall pay to the SNR Members the amount of such shortfall); (ii) the License Company shall then, to the extent any funds remain after making the payments under the foregoing (i), repay amounts due to American III under the Senior Credit Facility; and (iii) the License Company shall then, to the extent any funds remain after making the payments under the foregoing (i) and (ii), on behalf of the Company, return to the Members (other than the SNR Members) their respective amounts of equity capital previously provided by them to the Company; provided that if the License Company's applications for all licenses for which it was the Winning Bidder (*i.e.*, long-form applications) are dismissed by the FCC or the authorizations for which the License Company was the Winning Bidder and that were granted to, and are still held by, the License Company or any of its Subsidiaries are cancelled by the FCC as the result of a breach by SNR of its representations or covenants in Section 11.3(a), then the SNR Members shall not be entitled to any payment under clause (i)(B) of this Section 8.4. For the avoidance of doubt, if this Section 8.4 applies, then the rest of this ARTICLE 8 shall not apply.

ARTICLE 9
REGISTRATION RIGHT

Section 9.1 Registration Right

At any time after the seventh (7th) anniversary of the Initial Grant Date, the SNR Members may elect to cause the Company (a) to convert to a corporation ("Newco") and (b) subject to the following provisions of this ARTICLE 9, to register for sale in an underwritten public offering (the "Offering") shares of capital stock of Newco issued to such Members upon conversion, so long as the anticipated gross proceeds to the SNR Members from the Offering are greater than $1,000,000 in the aggregate. If the SNR Members make such election, the Members and the Company shall promptly take such steps as may be necessary or desirable to effectuate the provisions of this ARTICLE 9.

Section 9.2 Right to Purchase—Preliminary Range

The underwriters of the Offering (who shall be selected by the SNR Members and shall be reasonably acceptable to American III) will, within thirty (30) days after delivery of such election, in good faith establish a preliminary range for the price to the public in the Offering. American III may elect to purchase all, but not less than all, of the Interests of the Company (*i.e.*, prior to the conversion into Newco) then held by the Members other than American III, at a price equal to the midpoint of the preliminary range. If American III fails to make such election, the Offering will proceed.

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Section 9.3 Right to Purchase—IPO Price

If the final price per share at which shares of capital stock of Newco are to be offered to the public (the "IPO Price") is lower than the midpoint of the preliminary range by three percent or more of the midpoint price, American III may elect, within twenty-four (24) hours after the determination of the IPO Price (during which time the registration statement shall not become effective), to purchase all, but not less than all, of the Interests of the Company (*i.e.*, prior to the conversion into Newco) then held by the Members other than American III at a price equal to the IPO Price. If American III fails to make such election, the Members other than American III shall (subject to Section 9.4) have ninety (90) days to complete the Offering.

Section 9.4 Right to Defer the Offering

If American III determines that a registration pursuant to this ARTICLE 9 would interfere with any pending or contemplated material acquisition, disposition, financing or other material transaction involving the Company or American III or any of its Affiliates or would require the Company to disclose material information that would otherwise not be disclosed at such time (and such disclosure would be prejudicial to the Company or American III), the Company will defer such registration at the request of American III; provided that the aggregate of all such deferrals shall not exceed one hundred eighty (180) days in any three hundred sixty-day period.

Section 9.5 Registration Expenses

Except as hereinafter provided, all expenses incident to the Company's performance of or compliance with this ARTICLE 9 shall be borne by the Company. In addition, the Company shall pay or reimburse the Members participating in the Offering (the "Participating Members") for the reasonable fees and expenses of one attorney to the Participating Members selected by SNR incurred in connection with a registration pursuant to this ARTICLE 9. Except as provided in the immediately preceding sentence, each Participating Member shall bear the costs and expenses of any underwriters' discounts and commissions or other fees, brokerage fees or transfer taxes relating to the Interests in the Company or shares of capital stock of Newco sold by such Member and the fees and expenses of any other attorneys, accountants or other representatives retained by such Member.

Section 9.6 Registration Procedures

If Newco is required to effect the Offering, Newco shall, as promptly as reasonably practicable:

(a) prepare and file with the SEC a registration statement on an appropriate form, and thereafter use its reasonable best efforts to cause such registration statement to become effective and to remain effective and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until the lesser of (i) such time as all of such securities have been disposed of in accordance with the intended methods of disposition by the Participating Members set forth in such registration statement and (ii) ninety (90) days; provided that Newco shall, at least ten (10) Business Days prior to filing a registration statement or prospectus or any amendment or supplement thereto, furnish to each Participating Member and American III copies of such registration statement or prospectus (or amendment or supplement) as proposed to be filed (including, upon the request of any Participating Member or American III, documents to be incorporated by reference therein) which documents shall be subject to the reasonable review and comments of such Participating Member (and its attorneys) and American III during such ten-Business Day period and Newco shall not file any registration statement, any prospectus or any amendment or supplement thereto (or any such documents

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incorporated by reference) containing any statements with respect to such Participating Member to which such Participating Member shall reasonably object in writing or any statements with respect to the Company, the License Company or Newco to which American III shall reasonably object in writing;

(b) furnish to American III and each Participating Member and to any underwriter such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), the prospectus contained in such registration statement (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 or Rule 430A under the Securities Act, in conformity with the requirements of the Securities Act, documents incorporated by reference in such registration statement, amendment, supplement or prospectus and such other documents (in each case including all exhibits) as American III or a Participating Member or underwriter may reasonably request;

(c) after the filing of the registration statement, promptly notify American III and each Participating Member of the effectiveness thereof and of any stop order issued or threatened by the SEC and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered and promptly notify American III and such Participating Member of such lifting or withdrawal of such order;

(d) use its reasonable best efforts to register or qualify all shares held by the Participating Members and other securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as the Participating Members holding a majority of the shares to be included in such registration or the underwriter shall reasonably request, to keep such registration or qualification in effect for so long as such registration statement remains in effect, and take any other action which may be reasonably necessary or advisable to enable the Participating Members to consummate the disposition in such jurisdictions of the securities owned by such Participating Members, except that Newco shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it would not but for the requirements of this Section 9.6(d) be obligated to be so qualified, to subject itself to taxation in any such jurisdiction or to consent to general service of process in any such jurisdiction;

(e) use its reasonable best efforts to cause all shares covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the Participating Members to consummate the disposition of such shares;

(f) furnish to each Participating Member and to each underwriter, if any, a signed counterpart of (i) an opinion of counsel for Newco addressed to such Participating Member and such underwriter on which opinion both such Participating Member and such underwriter are entitled to rely and (ii) a "comfort" letter signed by the independent public accountants who have certified Newco's financial statements included in such registration statement, each in customary form and covering such matters of the type customarily covered by opinions or comfort letters, as the case may be, as the managing underwriter therefor reasonably requests. Newco shall use its commercially reasonable efforts to have such comfort letters addressed to each Participating Member;

(g) immediately notify American III and each Participating Member at any time when a prospectus relating thereto is required to be delivered under the Securities Act, upon discovery that, or upon the happening of any event as a result of which, the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, and as promptly as practicable under the circumstances prepare and furnish to American III and each such Participating Member a reasonable number of copies of any supplement to or amendment of such prospectus as

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may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made;

(h) make available for inspection by any Participating Member, any underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other professional retained by any such Participating Member or underwriter (collectively, the "Inspectors"), all financial and other records, pertinent corporate documents and properties of Newco (collectively, the "Records") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and shall cause Newco's officers, directors and employees to supply all information reasonably requested by any Inspectors in connection with such registration statement. Each such Participating Member agrees that information obtained by it as a result of such inspections shall be deemed confidential and shall not be disclosed or used by it as the basis for any market transactions in the securities of Newco or its Affiliates unless and until such information is made generally available to the public. Each such Participating Member further agrees that it shall, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to Newco and allow Newco, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential;

(i) use its reasonable best efforts to list all shares covered by such registration statement on any securities exchange or quotation system on which any of Newco's shares are then listed or traded; and

(j) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable, an earnings statement or such other document that shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder.

Newco may require each Participating Member to promptly furnish to Newco, as a condition precedent to including such Participating Member's shares in the Offering, such written information regarding such Participating Member and the distribution of such securities as Newco may from time to time reasonably request in writing.

Each Participating Member agrees that upon receipt of any notice from Newco of the happening of any event of the kind described in Section 9.6(g), such Participating Member shall forthwith discontinue such Participating Member's disposition of shares pursuant to the registration statement relating to such shares until such Participating Member's receipt of the copies of the supplemented or amended prospectus contemplated by Section 9.6(g) and, if so directed by Newco, shall deliver to Newco (at Newco's expense) all copies, other than permanent file copies, then in such Participating Member's possession, of the prospectus and any amendments or supplements thereto relating to such shares current at the time of receipt of such notice. In the event Newco shall give such notice, Newco shall extend the period during which the effectiveness of such registration statement shall be maintained by the number of days during the period from and including the date of the giving of notice pursuant to Section 9.6(g) to the date when Newco shall make available to the Participating Members a prospectus supplemented or amended to conform with the requirements of Section 9.6(g).

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ARTICLE 10
OTHER AGREEMENTS

Section 10.1 Exclusivity

(a) American III

American III's and its Affiliates' participation in the Auction shall not be limited in any way by American III's participation in the Auction through the License Company. Nothing herein shall be construed or interpreted to limit American III or its Affiliates from participating or not participating in the Auction without an investment in a Designated Entity.

(b) SNR

None of John Muleta, SNR, or any Affiliates that any of the foregoing control shall participate directly or indirectly in the Auction (including by providing debt or equity financing or other assistance to a bidder) except as a Member of the Company and through the License Company, or the ownership of up to one percent (1%) of any public company.

Section 10.2 Confidentiality

(a) Non-Disclosure

Each party hereto agrees that it shall, and shall cause each of its Affiliates, and each of its and their respective partners, members, managers, shareholders, directors, officers, employees and agents (collectively, "Agents") to maintain the confidentiality of all non-public information disclosed to it by the other party or the definitive agreements contemplated herein or through its interest in the Company or the operation of its business or the use or ownership of its assets, by limiting internal disclosure of any such information to those who have an actual need to know such information in connection with the Auction or the transactions contemplated hereby (which shall include disclosure to a party's attorneys, accountants, potential lenders, lenders, potential investors, investors, financial advisors and consultants), and shall not, without the prior written consent of the disclosing party, use such information other than in connection with the transactions contemplated herein; provided, however, that the confidentiality obligations in this Section 10.2(a) do not apply to information that (i) was or becomes available to the public through no action by the receiving party or (ii) was or becomes available to such receiving party on a non-confidential basis.

(b) Exceptions

Notwithstanding Section 10.2(a), any party hereto may disclose the existence and terms of this Agreement and the transactions contemplated hereby (i) to federal and state regulatory agencies in connection with applications for approval of such transactions (or, in the case of any regulated Affiliate of a Member, in connection with audits by the applicable regulatory authorities), including to the FCC as part of any application to participate in the Auction and/or any application for a license or licenses won in the Auction, it being understood and agreed that the contents of such applications are generally available to the public, (ii) to financial institutions in connection with financings of the transactions contemplated hereby and (iii) if counsel for any party advises that a press release or public disclosure is required by Applicable Law or the applicable rules of any stock exchange, then the parties shall use their commercially reasonable efforts to cause a mutually acceptable press release to be issued, and in all events the party required to make such disclosure shall be free to do so; provided that in each

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case (other than clause (iii) above and to the extent submitted to the FCC as part of the contents of an application to participate in the Auction or a post-Auction application for licenses on which the License Company is the Winning Bidder) commercially reasonable efforts are used to seek confidential treatment from any such person to whom such information is disclosed and the other parties hereto are notified contemporaneously of such disclosure; provided, further, that the parties acknowledge that the Bidding Protocol constitutes valuable trade secrets of the Company and is extremely sensitive and confidential, and shall not be disclosed by the parties hereto unless disclosure is compelled by regulatory or other legal process and then only upon adequate prior notice to the other party, which party shall have an opportunity to seek an appropriate protective order, and such disclosure shall be made only to the extent necessary to comply with the requirements of the regulatory or legal process under which it is so compelled.

Section 10.3 Arbitration

(a) Arbitration

Except as set forth in Section 5.5(c) and in Section 8.1(c)(vi), any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Within fifteen (15) days after the commencement of arbitration, each party shall select one person to act as arbitrator and the two selected shall select a third arbitrator within ten (10) days of their appointment. If the arbitrators selected by the parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be selected by the American Arbitration Association. The place of arbitration shall be Chicago, Illinois or such other place as the parties may agree. The arbitrators shall be knowledgeable in the wireless broadband industry and public auctions of FCC licenses. Notwithstanding the foregoing, if the arbitration is consolidated with a then pending arbitration proceeding pursuant to Section 10.3(d), then the arbitrators and the place of arbitration for such then pending proceeding shall be the arbitrators and place of arbitration hereunder.

(b) Interim Relief

Either party may apply to the arbitrators seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy under this agreement, seek from any court having jurisdiction any interim or provisional relief that is necessary to protect the rights or property of that party, pending the establishment of the arbitral tribunal (or pending the arbitral tribunal's determination of the merits of the controversy).

(c) Award

The award shall be made within ninety (90) days of the filing of the notice of intention to arbitrate, and the arbitrators shall agree to comply with this schedule before accepting appointment. However, this time limit may be extended by agreement of the parties and the arbitrators if necessary.

(d) Consent to Consolidation of Arbitrations

Each party hereto irrevocably consents to consolidating before the same arbitrators any arbitration proceeding under this Agreement with any other arbitration proceedings involving any party hereto that may be then pending or that are brought under the Senior Credit Facility or any other Related Agreement.

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(e) Venue

Each party hereto irrevocably and unconditionally consents to the exclusive jurisdiction of the courts of the State of Delaware and of the United States District Courts located in the State of Delaware for entering of any judgment on the award rendered by the arbitrators; provided that if such courts do not have jurisdiction to enforce such judgment, then the parties may enter such judgment in any other court having jurisdiction thereof.

Section 10.4 [Intentionally omitted.]

(a) [Intentionally omitted.]

(b) [Intentionally omitted.]

(c) [Intentionally omitted.]

(d) [Intentionally omitted.]

ARTICLE 11
REPRESENTATIONS AND COVENANTS

Section 11.1 Representations of the Members

Each of the Members represents and warrants to the Company and to each other Member as follows:

(a) It is a corporation or limited liability company, as the case may be, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and has the requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted and as proposed to be conducted.

(b) It has the requisite power and authority to execute, deliver and perform this Agreement and the Related Agreements to which it is a party and each other instrument, document, certificate and agreement required or contemplated to be executed, delivered and performed by it hereunder.

(c) This Agreement and the Related Agreements to which it is a party have each been duly executed and delivered by it and constitute its valid and binding obligations, enforceable against it in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally and by general principles of equity.

(d) Neither its execution, delivery and performance of this Agreement, nor its consummation of the transactions contemplated hereunder or under the Related Agreements to which it is a party, shall (i) conflict with, or result in a breach or violation of, any provision of its constituent documents; (ii) constitute, with or without the giving of notice or passage of time or both, a material breach, violation or default, create a material Lien, or give rise to any right of termination, modification, cancellation, prepayment or acceleration, under (A) any Applicable Law or license except as may be provided under the FCC Rules or (B) any material note, bond, mortgage, indenture, lease, agreement or other instrument, in each case which is applicable to or binding upon it or any of its assets or (iii) require any consent which has not already been obtained except as may be required under the FCC Rules.

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(e) Other than as has been disclosed to the Company and such other Members it has no knowledge of any (i) action, claim, proceeding, investigation or controversy pending or, to its knowledge, threatened against it or any of its properties or assets or (ii) judgment, order, award or consent decree outstanding against or affecting it, in either event that could have a material adverse effect on its ability to consummate the transactions contemplated under this Agreement or to fulfill its obligations hereunder.

(f) It shall have on each date it is required to make a capital contribution under this Agreement cash available to it in an amount sufficient to fully fund such capital contribution.

Section 11.2 Covenants of the Members

Each Member shall (a) timely furnish, and shall cause its Affiliates to timely furnish, such information as may be required to be provided under FCC Rules in, or in connection with, the License Company's short-form application to participate in the Auction and post-Auction long-form application and associated filings; (b) subject to Section 10.1, not participate, and shall cause Affiliates that it controls to refrain from participating, directly or indirectly, in the Auction or in connection with any other actual or potential bidder in the Auction, to the extent such action would disqualify, restrict or limit the License Company from participating fully in the Auction or otherwise would violate any applicable FCC Rule and (c) shall take measures to comply with the FCC's anti-collusion rule at Section 1.2105 of the FCC Rules and the FCC's anonymous bidding procedures applicable to the Auction.

Section 11.3 Representations and Covenants of SNR and American III

(a) SNR hereby represents and covenants that:

(i) it shall cause the License Company to take all actions necessary and proper under FCC Rules for the License Company to timely file the post-Auction long-form application and any other filings required to be filed under FCC Rules in connection therewith or with the License Company's short-form application to participate in the Auction; provided that the parties acknowledge and agree that SNR's ability to comply with this Section 11.3(a)(i) depends upon American III's compliance with its obligations under this Agreement, the Senior Credit Facility and the other Related Agreements, including Section 2.2 and Section 11.2 of this Agreement and the funding obligations under the Senior Credit Facility, and, if American III breaches its obligations (including under Section 2.2 or Section 11.2 or its funding obligations under the Senior Credit Facility) and such breach results in SNR's failure to comply with this Section 11.3(a)(i), then SNR shall not be in breach of this Section 11.3(a)(i);

(ii) other than as set forth on Schedule 11.3(a)(ii), neither it, its Affiliates, its controlling interests, nor Affiliates of its controlling interests (A) is now, or has ever been, in default on any FCC license and (B) is now, or has ever been, delinquent on any non-tax debt owed to any federal agency; and

(iii) on the Initial Application Date and for so long thereafter as SNR is the Manager and to the extent as may be required under FCC Rules in order for the License Company and its Subsidiaries to retain the Auction Benefits, SNR shall qualify as, and will not knowingly take any action without American III's consent to cause it to lose the status of, a Qualified Person, as if SNR itself was the applicant (or licensee).

(b) SNR shall not permit the amendment, modification or waiver of any provision of its certificate of formation or limited liability company agreement, nor shall SNR enter into any agreement, arrangement or understanding with any Person that could reasonably be expected to result in a material breach or default of any representation or covenant of SNR contained in this Agreement.

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(c) American III hereby represents and covenants that, solely for the purposes of computing a deemed liquidation of the Company as of the date of the Exchange, the aggregate fair market value of the assets of the Company is at least *** as of the date of the Exchange.

Section 11.4 Failure to Qualify as a Qualified Person

(a) [Intentionally omitted.]

(i) [Intentionally omitted.]

(ii) [Intentionally omitted.]

(b) If SNR fails to qualify and remain qualified as a Qualified Person as required under Section 11.3(a)(iii), whether or not as a result of a change in applicable FCC rules, then the parties shall promptly take reasonable steps to enable SNR to so qualify; provided that the relative economic and other rights and benefits expected to be derived by the parties hereunder are preserved. Should such failure to so qualify have resulted from a Significant Violation, the SNR Members shall be obligated to pay to American III *** (as liquidated damages and not as a penalty).

ARTICLE 12
EXCULPATION AND INDEMNIFICATION

Section 12.1 No Personal Liability

(a) Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Indemnified Person (as defined in Section 12.1(b)) shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being an Indemnified Person.

(b) No Member or its Affiliates, or any of their respective shareholders, directors, officers, employees, agents, members, managers or partners (each an "Indemnified Person") shall be liable, responsible or accountable in damages or otherwise to the Company or to any other Indemnified Person for any act or omission performed or omitted by an Indemnified Person in connection with the transactions contemplated hereby, whether for mistake of judgment or negligence or other action or inaction, unless such action or omission constitutes willful misconduct, gross negligence or bad faith. Each Indemnified Person may consult with counsel, accountants and other experts in respect of the affairs of the Company and such Indemnified Person shall be fully protected and justified in any action or inaction which is taken in good faith in accordance with the advice or opinion of such counsel, accountants or other experts, provided that they shall have been selected with reasonable care.

Section 12.2 Indemnification by Company

To the maximum extent permitted by Applicable Law, the Company shall protect, indemnify, defend and hold harmless each Indemnified Person for any acts or omissions performed or omitted by an Indemnified Person (in its capacity as such) unless such action or omission constituted willful misconduct, gross negligence or bad faith. The indemnification authorized under this Section 12.2 shall include payment on demand (with appropriate evidence of the amounts claimed) of reasonable attorneys' fees and other expenses incurred in connection with, or in settlement of, any legal proceedings between the Indemnified Person and a third party and the removal of any Liens affecting any property of the Indemnified Person. Such indemnification rights shall be in addition to

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any and all rights, remedies and recourse to which any Indemnified Person shall be entitled, whether or not pursuant to the provisions of this Agreement, at law or in equity. The indemnities provided for in this Section 12.2 shall be recoverable only from the assets of the Company, and there shall be no recourse to any Member or other Person for the payment of such indemnities.

Section 12.3 Notice and Defense of Claims

(a) Notice of Claim. If any action, claim or proceeding (each, a "Claim") shall be brought or asserted against any Indemnified Person in respect of which indemnity may be sought from the Company under Section 12.2, the Indemnified Person shall give prompt written notice of such Claim to the Company, which may assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Person and the payment of all of such counsel's fees and expenses; provided that any delay or failure to so notify the Company shall relieve the Company of its obligations hereunder only to the extent, if at all, that it is prejudiced by reason of such delay or failure. Any such notice shall refer to Section 12.2 and describe in reasonable detail the facts and circumstances of the Claim being asserted.

(b) Defense by the Company. If the Company undertakes the defense of the Claim, the Company shall keep the Indemnified Person advised as to all material developments in connection with any Claim, including by promptly furnishing the Indemnified Person with copies of all material documents filed or served in connection therewith. The Indemnified Person shall have the right to employ one separate firm per jurisdiction with respect to any of the foregoing Claims and to participate in the defense thereof, but the fees and expenses of such firm shall be at the expense of the Indemnified Person unless both the Indemnified Person and the Company are named as parties and representation by the same counsel is inappropriate due to actual differing interests between them; provided that under no circumstances shall the Company be liable for the fees and expenses of more than one law firm per jurisdiction in any of the foregoing Claims for the Indemnified Persons, taken collectively and not separately. The Company may, without the Indemnified Person's consent, settle or compromise any Claim or consent to the entry of any judgment if such settlement, compromise or judgment involves only the payment of money damages by the Company (which payment is made or adequately provided for at the time of such settlement, compromise or judgment) or provides for the unconditional release by the claimant or plaintiff of the Indemnified Person and its Affiliates from all liability in respect of such Claim, does not impose injunctive relief against any of them and does not involve any admissions of wrongdoing by or on behalf of the Indemnified Person or any of his or its Affiliates. The Indemnified Person shall provide reasonable assistance to the Company in the defense of the Claim. As between the Company, on the one hand, and the Indemnified Persons, on the other hand, any matter that is not agreed to unanimously by the Indemnified Persons shall be determined by the Indemnified Person that is a party to this Agreement.

(c) Defense by the Indemnified Person. If the Company, within twenty (20) Business Days after receiving written notice of any such Claim, fails to assume the defense thereof, the Indemnified Person shall have the right, subject to the right of the Company at any time thereafter to assume such defense pursuant to the provisions of this ARTICLE 12, to undertake the defense, compromise or settlement of such Claim for the account of the Company.

(d) Advancement of Expenses. Unless the indemnifying party shall have assumed the defense of any Claim pursuant to Section 12.3(b), the Company shall advance to the Indemnified Person any of its reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any such Claim. Each Indemnified Person shall agree in writing prior to any such advancement, that if it receives any such advance, such Indemnified Person shall reimburse the Company for such fees, costs, and expenses to the extent that it shall be determined that it was not entitled to indemnification under this ARTICLE 12.

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(e) Contribution. Notwithstanding any of the foregoing to the contrary, the provisions of this ARTICLE 12 shall not be construed so as to provide for the indemnification of any Indemnified Person for any liability to the extent (but only to the extent) that such indemnification would be in violation of Applicable Law or to the extent such liability may not be waived, modified or limited under Applicable Law, but shall be construed so as to effectuate the provisions of this ARTICLE 12 to the fullest extent permitted by Applicable Law; provided that, if and to the extent that the Company's indemnification obligation under this ARTICLE 12 is unenforceable for any reason, then the Company hereby agrees to make the maximum contribution permissible under Applicable Law to the payment and satisfaction of the losses of the Indemnified Person, except to the extent such losses are found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from the Indemnified Person's gross negligence or willful misconduct or bad faith.

ARTICLE 13
DISSOLUTION AND TERMINATION

Section 13.1 No Withdrawal

(a) Except as expressly provided in this Agreement or as otherwise provided by Applicable Law, (i) no Member shall have the right, and each Member hereby agrees not, to dissolve, terminate or liquidate the Company, or to resign or withdraw as a Member and (ii) SNR shall have no right, and SNR hereby agrees not to, resign or withdraw as the Manager.

(b) If (i) there is any generally applicable change in FCC Rules that is effective prior to the date on which the first round of bidding in the Auction commences and that has the effect of eliminating or substantially reducing the Auction Benefits to be derived by the License Company in the Auction or (ii) the first round of bidding in the Auction has not commenced on or before March 31, 2015, then either Member may at any time prior to the date that is two (2) Business Days prior to the date on which the first round of bidding in the Auction commences, give written notice to the other Member that American III shall withdraw as a Member. Upon the delivery of such notice, (A) this Agreement and all Related Agreements shall terminate, (B) the provisions of Section 8.4 shall apply, and (C) American III and its Affiliates shall be free (subject to the provisions of Section 10.2 and such other provisions that survive the termination of this Agreement) to participate in the Auction without further obligation to SNR, the Company or the License Company, it being understood that the rights under Section 4 of the Bidding Protocol shall continue in force and effect in accordance with its terms; provided, further, that if the License Company has made the upfront payment to the FCC, and if the License Company applies as promptly as practicable and permitted under the FCC Rules to obtain a refund from the FCC of all of the Auction funds previously paid by the License Company to the FCC for the Auction, then the amounts due to the SNR Members and American III under (B) above shall not be due until the License Company receives such refund.

Section 13.2 Dissolution

The Company shall be dissolved upon the written determination of the Manager to dissolve the Company, if approved by American III if required pursuant to Section 6.3, but only on the effective date of dissolution specified by the Manager in such determination.

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Section 13.3 Procedures Upon Dissolution

(a) General. If the Company dissolves, it shall commence winding up pursuant to the appropriate provisions of the Act and the procedures set forth in this Section 13.3. Notwithstanding the dissolution of the Company, until the winding up of the Company's affairs is completed, the business of the Company and the affairs of the Members, as such, shall continue to be governed by this Agreement.

(b) Control of Winding Up. The winding up of the Company shall be conducted under the direction of the Manager or such other Person as may be designated by a court of competent jurisdiction (herein sometimes referred to as the "Liquidator"); provided that any Member whose breach of this Agreement shall have caused the dissolution of the Company (and the representatives appointed by such Member) shall not participate in the control of the winding up of the Company; and provided, further, that if the dissolution is caused by entry of a decree of judicial dissolution, the winding up shall be carried out in accordance with such decree.

(c) Manner of Winding Up. The Company shall engage in no further business following dissolution other than that necessary for the orderly winding up of business and distribution of assets. The Company's maintenance of offices shall not be deemed a continuation of business for purposes of this Section 13.3. Upon dissolution of the Company, the Liquidator shall, subject to Section 13.3(a), first attempt to distribute assets in kind if it can obtain the consent of each of the Members and, to the extent necessary, the creditors of the Company. If such consent is not obtained, the Liquidator shall sell the Company or all the Company's property in such manner and on such terms as it deems fit, consistent with its fiduciary responsibility and having due regard to the activity and condition of the relevant market and general financial and economic conditions. Each Member shall share Profits, Losses and other items after the dissolution of the Company and during the period of winding up in the same manner as described in ARTICLE 4.

(d) Application of Assets. Upon dissolution of the Company or in the event of a Liquidation Event or Deemed Liquidation Event, the Company's assets (which shall, after the sale or sales referenced in Section 13.3(c), consist of the proceeds thereof) shall be applied as follows in the following order of priority:

(i) Trade Creditors. To trade creditors, including Members who are trade creditors, to the extent otherwise permitted by Applicable Law, in satisfaction of amounts due and owing in respect of the Company's ordinary course trade payables. Any reserves set up by the Liquidator may be paid over by the Liquidator to an escrow agent or trustee, to be held in escrow or trust for the purpose of paying any such contingent or unforeseen liabilities or obligations, and, at the expiration of such period as the Liquidator may deem advisable, such reserves shall be distributed to the Members or their assigns in the manner set forth in this Section 13.3(d).

(ii) Put Right. To SNR in an amount equal to the Put Price, in the event that the Put Right has been exercised pursuant to the terms of this Agreement and has not then been consummated and the Put Price paid to SNR. In order to provide SNR with sufficient time to exercise its Put Right in accordance with Section 8.1, under no circumstances shall the application of assets pursuant to Section 13.3(d) occur, nor shall any allocation pursuant to Section 13.3(e) occur, in each case until the expiration of the ten (10) day period following the notice of a Liquidation Event or a Deemed Liquidation Event given pursuant to Section 8.1(a).

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(iii) Creditors. To creditors for borrowed money and interest accrued thereon, including Members who are creditors, to the extent otherwise permitted by Applicable Law, in satisfaction of liabilities of the Company (whether by payment or the reasonable provision for the payment thereof). Any reserves set up by the Liquidator may be paid over by the Liquidator to an escrow agent or trustee, to be held in escrow or trust for the purpose of paying any such contingent or unforeseen liabilities or obligations, and, at the expiration of such period as the Liquidator may deem advisable, such reserves shall be distributed to the Members or their assigns in the manner set forth in this Section 13.3(d).

(iv) Class A Members. To the Class A Members in accordance with the Liquidation Preference of the Class A Preferred Interests.

(v) Class B Members. Immediately following the payment of the Liquidation Preference to the Class A Preferred Members, to the extent there are remaining funds available for distribution, to the Class B Members, in proportion to the positive balances in their respective Capital Accounts, as determined after taking into account all Capital Account adjustments for the taxable year during which the Liquidation or Deemed Liquidation event occurs (other than those made pursuant to this Section 13.3(d)(v)).

(vi) Incorporation. In the event the Company is incorporated in connection with an IPO or otherwise, each Member shall receive shares in the resulting corporation based on the amount it would receive in liquidation of the Company pursuant to Section 13.3(d)(iv) and Section 13.3(d)(v).

(e) Deemed Liquidation Event. The Company shall not voluntarily effect a Deemed Liquidation Event unless the agreement or plan of merger or consolidation or other agreement for such transaction provides that the consideration payable to the Members shall be allocated among the Members in accordance with Section 13.3(d), and as if the consideration payable to the Members were all assets of the Company available for distribution to the Members.

(f) Amount Deemed Paid or Distributed. The amount of consideration paid by the Company upon a Liquidation Event or Deemed Liquidation Event shall be deemed to be the amount of the cash or the value of the property, rights or securities paid or distributed to the Members by the Company or the acquiring person, firm or other entity, with the value of such property, rights or securities determined in good faith by the Manager.

Section 13.4 Deficit Capital Accounts

If the Company is "liquidated" within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g), distributions shall be made pursuant to this ARTICLE 13 to the Members who have positive Capital Accounts in compliance with Treasury Regulations Section 1.704-1(b)(2)(ii)(b)(2). No Member shall have an obligation to restore a negative Capital Account.

Section 13.5 Termination

Upon completion of the winding up of the Company and the distribution of all Company assets, the Company's affairs shall terminate and the Members shall cause to be executed and filed any and all documents required by the Act to effect the termination of the Company.

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ARTICLE 14
MISCELLANEOUS

Section 14.1 Entire Agreement

This Agreement and the Related Agreements, together with any schedules and exhibits hereto and thereto, constitute the entire agreement and understanding of the Members and any of their affiliated entities with respect to the subject matter hereof and supersede all prior and all contemporaneous oral or written negotiations, proposals, offers, agreements, commitments and understandings relating to such subject matter. Notwithstanding the foregoing, that certain Appeal Contingency Agreement dated as of October 1, 2015 by and among the parties hereto shall continue to apply, provided, however, that (i) any references therein to the Credit Agreement shall instead be references to the Senior Credit Facility effective as of the Effective Date, (ii) any references therein to the LLC Agreement shall instead be references to this Agreement; and (iii) any references therein to the Interest Purchase Agreement shall instead be references to the Second Amended and Restated Interest Purchase Agreement effective as of June 7, 2018.

Section 14.2 Amendment; Waiver

Neither this Agreement nor any provision hereof may be amended, modified, or waived except in a writing signed by SNR and American III. No failure or delay of any Member in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce any such right or power, preclude any other further exercise thereof or the exercise of any other right or power. No waiver by any Member of any departure by any other Member from any provision of this Agreement shall be effective unless the same shall be in a writing signed by the Member against which enforcement of such waiver or consent is sought, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice or similar communication by any Member to another shall entitle such other Member to any other or further notice or similar communication in similar or other circumstances, except as specifically provided herein.

Section 14.3 Successors and Assigns

This Agreement may not be assigned without the prior written consent of all the parties hereto and any assignment without such prior written consent shall be null and void and without force or effect; provided that, subject to ARTICLE 7, American III may assign its Interests and this Agreement in whole or in part (provided that American III shall not be relieved of its obligations under this Agreement) to (a) any Affiliate of American III and (b) secured lenders of American III or its Affiliates (as a collateral assignment). Any such assignment shall be subject to compliance with the requirements of all applicable FCC Rules.

Section 14.4 No Third Party Beneficiaries

This Agreement is entered into solely for the benefit of the Members and no Person other than the Members, their respective successors and permitted assigns, their Affiliates to the extent expressly provided herein, and (to the extent provided in ARTICLE 12) the Persons entitled to indemnification pursuant to ARTICLE 12, may exercise any right or enforce any obligation hereunder, and nothing herein expressed or implied will create or be construed to create any other third-party beneficiary rights hereunder.

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Section 14.5 Disposition of Interests

Upon the sale or other disposition by a Person of all its Interests in the Company, following which such Person and Affiliate thereof is no longer a Member of the Company, this Agreement shall terminate as to such Member and its Affiliates, except as provided in Section 14.3 or Section 14.6.

Section 14.6 Survival of Rights and Duties

Termination of this Agreement for any reason, and any Member ceasing to be a Member or a party to this Agreement for any reason, shall not relieve any Member of any liability which at the time of termination or cessation has already accrued to such Member or which thereafter may accrue in respect of any act or omission prior to such termination or cessation, nor shall any such termination or cessation affect in any way the Related Agreements or the survival of any right, duty or obligation of any Member which is expressly stated elsewhere in this Agreement to survive termination or cessation hereof. The provisions of ARTICLE 8, Section 10.2, Section 10.3, Section 11.4, ARTICLE 12, ARTICLE 13 and ARTICLE 14 shall survive any termination of this Agreement and any Member ceasing to be a Member or a party to this Agreement for any reason.

Section 14.7 Governing Law

This Agreement shall be construed in accordance with and governed by the internal laws of the State of Delaware applicable to agreements made and to be performed wholly within such jurisdiction, without regard to principles of conflicts of law provisions of that or of any other state, all rights and remedies being governed by said laws.

Section 14.8 Specific Performance

The Members acknowledge that money damages may not be an adequate remedy for violations of this Agreement and that any Member may, in its sole discretion, in an arbitration or a court of competent jurisdiction, to the extent permitted hereunder, apply for specific performance or injunctive or other relief as such arbitration or court may deem just and proper in order to enforce this Agreement or to prevent violation hereof. Each Member hereby irrevocably waives any defense based on the adequacy of a remedy at law and any other defense which might be asserted to bar the remedy of specific performance in any action which may be brought by a Member, as the case may be.

Section 14.9 Remedies Cumulative

All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity, unless otherwise specifically provided herein, shall not be mutually exclusive and shall be cumulative and not alternative, and the exercise or beginning of the exercise of any one or more right, power or remedy thereof by a Member shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such Member hereunder or under Applicable Law or the principles of equity.

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Section 14.10 Further Assurances

Each Member shall execute and deliver any such further documents and shall take such further actions as any other Member may at any time or times reasonably request, at the expense of the requesting Member, consistent with the provisions hereof in order to carry out and effect the intent and purposes of this Agreement.

Section 14.11 Expenses

Unless otherwise specifically agreed to in writing and except as set forth in this Section 14.11, the parties will bear their own costs and expenses (including all legal, accounting and investment expenses) incurred prior to the execution and delivery of the Original Agreement. Notwithstanding the foregoing, whether or not the Company acquires any licenses, (a) upon the filing with the FCC of the short-form application to participate in the Auction, American III shall pay or reimburse SNR for all of SNR's, John Muleta's, and the Private Equity Investor's reasonable out-of-pocket expenses (including legal fees and expenses) incurred in connection with the transactions contemplated hereby (including any such expenses incurred prior to the date of the Original Agreement) and SNR's proposed participation in the Auction incurred up to such date, up to a maximum aggregate reimbursement of $200,000 and (b) after such payment or reimbursement, American III shall reimburse SNR, from time to time within thirty (30) days of American III's receipt of a reasonably detailed invoice from SNR, for all of SNR's reasonable, documented out-of-pocket expenses (including legal fees and expenses) incurred in connection with the transactions contemplated hereby and SNR's proposed participation in the Auction incurred from and after the date on which such short-form application is filed with the FCC. In addition, the Company shall (or shall cause the License Company to) pay directly, or shall (or shall cause the License Company to) reimburse the Members for, the costs and expenses the Members incur (or have incurred) for the benefit of the Company or the License Company in connection with the License Company's participation in the Auction (*e.g.*, the cost of bidding facilities and related computer hardware and software); provided that such costs and expenses are consistent with the DISH Network Corporation travel policy; provided further that the other Members receive documentation of such expenses in a form reasonably acceptable to such Members. SNR shall be solely responsible for any investment banking fees and expenses paid or payable to any investment bank hired by SNR.

Section 14.12 Notices

All notices or requests that are required or permitted to be given pursuant to this Agreement shall be given in writing and shall be sent by facsimile transmission, or by first-class certified mail, postage prepaid, or by overnight courier service, charges prepaid, to the party to be notified, addressed to such party at the address(es) set forth below, or sent by facsimile to the fax number(s) set forth below, or such other address(es) or fax number(s) as such party may have substituted by written notice (given in accordance with this Section 14.12) to the other party. The sending of such notice with confirmation of receipt of the complete transmission (in the case of facsimile transmission) or receipt of such notice (in the case of delivery by first-class certified mail or by overnight courier service) shall constitute the giving thereof.

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If to be given to SNR or the Company:
SNR Wireless Management, LLC SNR Wireless HoldCo, LLC
John Muleta
Attn: John Muleta

If by overnight courier service:
200 Little Falls Street, Suite 102 Falls Church, VA 22046

If by first-class certified mail:
200 Little Falls Street, Suite 102
Falls Church, VA 22046

If by facsimile:
Fax #: (888) 804-0321

cc: Venable LLP
101 California Street
Suite 3800
San Francisco, CA 94111
Attention: Arthur E. Cirulnick
Fax #: (415) 653-3755

If to be given to American III:
American AWS-3 Wireless III L.L.C.
Attn: EVP, Corporate Development

If by overnight courier service:

9601 South Meridian Blvd. Englewood, Colorado 80112

If by first-class certified mail:
P.O. Box 6655
Englewood, Colorado 80155

If by facsimile:
Fax #: (303) 723-2020

cc: Office of the General Counsel
American AWS-3 Wireless III L.L.C.

If by overnight courier service:

Same address as noted above for American III overnight courier delivery

If by first-class certified mail:
Same address as noted above for American III first- class certified mail delivery

If by facsimile:
Fax #: (303) 723-2050

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Section 14.13 Severability

Subject to Section 14.14, each provision of this Agreement shall be construed as separable and divisible from every other provision and the enforceability of any one provision shall not limit the enforceability, in whole or in part, of any other provision. In the event that a court or administrative body of competent jurisdiction holds any provision of this Agreement to be invalid, illegal, void or less than fully enforceable as to time, scope or otherwise, the parties agree that such provision shall be construed by limiting and reducing it so that such provision is valid, legal, and fully enforceable while preserving to the greatest extent permissible the original intent of the parties; the remaining terms and conditions of this Agreement shall not be affected by such alteration, and shall remain in full force and effect.

Section 14.14 Reformation

(a) If the FCC should (i) change any FCC Rule in a manner that would adversely affect the enforceability of this Agreement; (ii) directly or indirectly reject or take action to challenge the enforceability of this Agreement or (iii) take any other steps whatsoever, on its own initiative or by petition from another Person, to challenge or deny the transactions contemplated hereby, or the eligibility of the License Company to hold any of the licenses won in the Auction or the ability of the License Company to realize the Auction Benefits (each, an "Adverse FCC Action"), then the Members shall promptly consult with each other and negotiate in good faith to reform and amend this Agreement so as to eliminate or amend to make unobjectionable any portion that is the subject of any Adverse FCC Action (each, an "Adverse FCC Action Reformation"). Furthermore, subject to consent in writing by American III, in the event of an Adverse FCC Action, the Members other than American III (the "Non-American III Members") shall use their best efforts with respect to all aspects of the Adverse FCC Action to agree upon an Adverse FCC Action Reformation with American III; provided, however, that in the event that an element of any such Adverse FCC Action materially adversely impacts the material economic benefits of the Non-American III Members (each, an "Economic Element"), then the Non-American III Members may use commercially reasonable efforts solely with respect to the Economic Element of the Adverse FCC Action to agree upon an Adverse FCC Action Reformation with American III. None of the parties hereto shall take any action that is reasonably likely to contribute to such Adverse FCC Action.

(b) If the FCC should determine that a portion of this Agreement, after having been reformed pursuant to paragraph (a) above, continues to violate FCC Rules, then such provisions shall be null and void and the remainder of this Agreement shall continue in full force and effect, provided that the relative economic and other rights and benefits expected to be derived by the parties hereunder are preserved.

Section 14.15 Relationship of Parties

Each Member shall perform services hereunder as an independent contractor and nothing herein shall be construed as creating any other relationship between the Members, except as expressly set forth herein. Except as specifically provided in this Agreement, nothing in this Agreement will constitute a Member as a legal representative or agent of the other Member, nor will a Member have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name of or on behalf of the other Member or hold itself out as agent for the other Member, unless otherwise expressly permitted by such other Member.

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Section 14.16 No Right to Partition

No Member shall have the right to bring an action for partition against the Company. Each of the Members hereby irrevocably waives any and all rights which it may have to maintain an action to partition Company property or to compel any sale or transfer thereof.

Section 14.17 Construction

(a) The singular includes the plural and the plural includes the singular.

(b) A reference to Applicable Law includes any amendment or modification to such Applicable Law, and all regulations, rulings and other Applicable Law promulgated under such Applicable Law.

(c) A reference to a Person includes its permitted successors and permitted assigns.

(d) Accounting terms have the meanings assigned to them by GAAP, as applied by the accounting entity to which they refer.

(e) The words "include," "includes" and "including" are not limiting.

(f) Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

(g) A reference in a document to an Article, Section, Exhibit, Schedule, Annex or Appendix is to the Article, Section, Exhibit, Schedule, Annex or Appendix of such document unless otherwise indicated. Exhibits, Schedules, Annexes or Appendices to any document shall be deemed incorporated by reference in such document. In the event of any conflict between the provisions of this Agreement (exclusive of the Exhibits, Schedules, Annexes and Appendices thereto) and any Exhibit, Schedule, Annex or Appendix thereto, the provisions of this Agreement shall control.

(h) References to any document, instrument or agreement (i) shall include all exhibits, schedules and other attachments thereto; (ii) shall include all documents, instruments or agreements issued or executed in replacement thereof and (iii) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, amended and restated, supplemented or otherwise modified from time to time and in effect at any given time.

(i) The words "hereof," "herein" and "hereunder" and words of similar import when used in any document shall refer to such document as a whole and not to any particular provision of such document.

(j) References to "days" shall mean calendar days, unless the term "Business Days" shall be used. References to a time of day shall mean such time in New York, New York, unless otherwise specified.

(k) The word "will" shall be construed to have the same meaning and effect as the word "shall."

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(l) Each of the parties hereto acknowledges that it has reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments hereto.

(m) All section and descriptive headings and the recitals herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement, and no construction or reference shall be derived therefrom.

Section 14.18 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument.

[END OF PAGE]
[SIGNATURE PAGE FOLLOWS]

*** Certain confidential portions of this exhibit were omitted by means of redacting a portion of the text. Copies of the exhibit containing the redacted portions have been filed separately with the Securities and Exchange Commission subject to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act.

SIGNATURE PAGE TO THIRD AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF SNR WIRELESS HOLDCO, LLC

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

MEMBERS:

AMERICAN AWS-3 WIRELESS III LLC

By:

By: _____
Name:
Title:

SNR WIRELESS MANAGEMENT, LLC

By: Atelum LLC, Its Manager

By: _____
Name: John Muleta
Title: Managing Member

NON-MEMBER PARTIES:

JOHN MULETA

By: _____

COMPANY:

SNR WIRELESS HOLDCO, LLC

By: SNR Wireless Management, LLC, Its Manager

By: Atelum LLC, Its Manager

By: _____
Name: John Muleta
Title: Managing Member

*** Certain confidential portions of this exhibit were omitted by means of redacting a portion of the text. Copies of the exhibit containing the redacted portions have been filed separately with the Securities and Exchange Commission subject to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act.

SCHEDULE 11.3(a)(ii)

1. As documented in Letter from Ari Q. Fitzgerald, Counsel for SNR Wireless LicenseCo, LLC, to Jean L. Kiddoo, Deputy Bureau Chief, Wireless Telecommunications Bureau, Federal Communications Commission, FCC ULS File No. 0006670667 (filed Oct. 1, 2015); Letter to Ari Q. Fitzgerald, Counsel for SNR Wireless LicenseCo, LLC, from Roger C. Sherman, Chief, Wireless Telecommunications Bureau, Federal Communications Commission, 30 FCC Rcd 10704 (WTB rel. Oct. 1, 2015).

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EXHIBIT A

INSTRUMENT OF ASSIGNMENT

INSTRUMENT OF ASSIGNMENT, dated as of_____, 20__, by and between SNR WIRELESS HOLDCO, LLC, a Delaware limited liability company ("Assignee"), and SNR WIRELESS MANAGEMENT, LLC, a Delaware limited liability company ("Assignor").

This Instrument of Assignment is being executed and delivered pursuant to Section 8.3 of the Third Amended and Restated Limited Liability Company Agreement of Assignee, dated as of June 7, 2018, by and between American AWS-3 Wireless III L.L.C. and Assignor (as such Agreement may have been or may be hereafter amended, modified, supplemented or amended and restated from time to time in accordance with its terms, the "LLC Agreement").

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth in the LLC Agreement, including the payment of the Put Price as of the date hereof, and other valuable consideration to Assignor, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows (capitalized terms used herein without definition herein having the meanings ascribed to them in the LLC Agreement):

1. Assignment. Assignor does hereby assign, convey, transfer and deliver (such assignment, conveyance, transfer and delivery being referred to herein as "Delivery") to Assignee, its successors and assigns all of its right, title and interest in and to, free and clear of Liens (other than restrictions imposed pursuant to the LLC Agreement or under any applicable securities laws and other than Liens under or pursuant to the Senior Credit Facility and the other Loan Documents (as defined therein)), its entire Interest in the Company.

2. Representations and Warranties. Assignor hereby represents and warrants to Assignee that, subject to the FCC Rules, Assignor (a) is the sole beneficial and record owner of the Interests being delivered by it hereby and has good and marketable title thereto, free and clear of all Liens (other than restrictions imposed pursuant to the LLC Agreement or under any applicable securities laws and other than Liens under or pursuant to the Senior Credit Facility and the other Loan Documents (as defined therein)) and (b) has full power and authority to deliver such Interests without conflict with the terms of any Applicable Law, order or material agreement or instrument binding upon it or its assets.

3. Further Assurances. Each of the parties agrees that at any time and from time to time upon the request of another party hereto, it shall execute and deliver such further documents and shall take such further actions as such other party may at any time or times reasonably request, at the expense of such requesting party, consistent with the provisions hereof in order to carry out and effect the intent and purposes of this Instrument of Assignment, and to vest in Assignee, and put Assignee in possession of, all the Interests and any portion thereof to be delivered hereunder.

4. Successors. This Instrument of Assignment is executed by, and shall be binding upon, Assignee and Assignor, and their respective successors and assigns.

*** Certain confidential portions of this exhibit were omitted by means of redacting a portion of the text. Copies of the exhibit containing the redacted portions have been filed separately with the Securities and Exchange Commission subject to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act.

5. Counterparts. This Instrument of Assignment may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument.

6. Governing Law. This Instrument of Assignment shall be construed in accordance with and governed by the internal laws of the State of Delaware applicable to agreements made and to be performed wholly within such jurisdiction, without regard to principles of conflicts of law provisions of that or of any other state, all rights and remedies being governed by said laws.

IN WITNESS WHEREOF, the undersigned have caused this Instrument of Assignment to be executed as of the day and year first above written.

SNR WIRELESS MANAGEMENT, LLC

By: Atelum LLC, Its Manager

By: _____
Name: John Muleta
Title: Managing Member

SNR WIRELESS HOLDCO, LLC

By: SNR Wireless Management, LLC, Its Manager

By: Atelum LLC, Its Manager

By: _____
Name: John Muleta
Title: Managing Member

*** Certain confidential portions of this exhibit were omitted by means of redacting a portion of the text. Copies of the exhibit containing the redacted portions have been filed separately with the Securities and Exchange Commission subject to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act.

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Section 302 Certification

I, W. Erik Carlson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of DISH Network Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2018

/s/ W. Erik Carlson
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Section 302 Certification

I, Steven E. Swain, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of DISH Network Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2018

/s/ Steven E. Swain
Senior Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Section 906 Certification

Pursuant to 18 U.S.C. § 1350, the undersigned officer of DISH Network Corporation (the "Company") hereby certifies that to the best of his knowledge the Company's Quarterly Report on Form 10-Q for the three months ended June 30, 2018 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 3, 2018

Name: */s/ W. Erik Carlson*

Title: President and Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Section 906 Certification

Pursuant to 18 U.S.C. § 1350, the undersigned officer of DISH Network Corporation (the "Company") hereby certifies that to the best of his knowledge the Company's Quarterly Report on Form 10-Q for the three months ended June 30, 2018 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 3, 2018

Name: */s/ Steven E. Swain*

Title: Senior Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.