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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, 2019.

OR

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

FOR THE TRANSITION PERIOD FROM TO .

Commission File Number: 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** (Address of principal executive offices)	**80112** (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)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, $0.01 par value	DISH	The Nasdaq Stock Market L.L.C.

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

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

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

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

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

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

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

As of July 22, 2019, the registrant's outstanding common stock consisted of 231,528,662 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 certain 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 or those of third parties that we use in our operations, 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 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.

- Satellite anomalies or technological failures could adversely affect the value of a particular satellite or result in a complete loss. Some of the satellites being acquired in the BSS Acquisition have experienced anomalies that may affect their useful lives or prohibit us from operating them to their currently expected capacity, and one or more of the satellites may suffer a technological failure, either of which could have an adverse effect on our business, financial condition and results of operations.

- We generally do not carry commercial in-orbit insurance on any of the satellites that we use and could face significant impairment charges if any of its 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, 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.

- We rely on highly skilled personnel for our wireless business, including without limitation our ability to meet build-out requirements, and if we are unable to hire and retain key personnel or hire qualified personnel then our wireless business may be adversely affected.

- The Prepaid Business Sale may not be completed on the terms or timeline currently contemplated, or at all, as we and the Sellers may be unable to satisfy the conditions or obtain the approvals required to complete the Prepaid Business Sale or such approvals may contain material restrictions or conditions.

- We may fail to realize all of the anticipated benefits of the Prepaid Business Sale.

- The BSS Acquisition may not be completed on the terms or timeline currently contemplated, or at all, as we and EchoStar may be unable to satisfy the conditions or obtain the approvals required to complete the BSS Acquisition or such approvals may contain material restrictions or conditions.

- The integration of the BSS Business may not be as successful as anticipated.

- We may fail to realize all of the anticipated benefits of the BSS Acquisition.

- Despite the acquisition of additional satellites as part of the BSS Acquisition, following closing we will continue to have limited satellite capacity, and failures or reduced capacity could adversely affect our DISH TV services.

- Current DISH Network stockholders will have reduced ownership and voting interest in and will exercise less influence over management of DISH Network following the Transactions.

- While the BSS Acquisition is pending, we are subject to certain interim operating covenants, including a covenant that requires us to maintain our business in the ordinary course, all of which could prohibit us from taking certain actions that might otherwise be beneficial to us and our stockholders.

- If we were to take certain actions that could cause the Distribution to become taxable to EchoStar, we may be required to indemnify EchoStar for any resulting tax liability, and the indemnity amounts could be substantial.

- We may incur significant transaction, merger-related and restructuring costs in connection with the Transactions.

- 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 DISH TV services depend 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, 2019	December 31, 2018
Assets		
Current Assets:		
Cash and cash equivalents	$ 1,901,064	$ 887,346
Marketable investment securities	831,318	1,181,471
Trade accounts receivable, net of allowance for doubtful accounts of $18,075 and $16,966, respectively	584,116	639,855
Inventory	331,138	290,733
Other current assets	270,219	289,800
Total current assets	3,917,855	3,289,205
Noncurrent Assets:		
Restricted cash, cash equivalents and marketable investment securities	68,539	67,597
Property and equipment, net	1,895,338	1,928,180
FCC authorizations	25,236,938	24,736,961
Other investment securities	163,793	118,992
Operating lease assets	679,412	—
Other noncurrent assets, net	322,241	446,077
Total noncurrent assets	28,366,261	27,297,807
Total assets	$ 32,284,116	$ 30,587,012
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities:		
Trade accounts payable	$ 361,048	$ 233,753
Deferred revenue and other	667,190	655,312
Accrued programming	1,465,799	1,474,207
Accrued interest	268,924	268,479
Other accrued expenses	1,016,087	802,388
Current portion of long-term debt and finance lease obligations	2,416,453	1,341,993
Total current liabilities	6,195,501	4,776,132
Long-Term Obligations, Net of Current Portion:		
Long-term debt and finance lease obligations, net of current portion	12,747,010	13,810,784
Deferred tax liabilities	2,589,197	2,474,907
Operating lease liabilities	455,917	—
Long-term deferred revenue and other long-term liabilities	461,284	470,932
Total long-term obligations, net of current portion	16,253,408	16,756,623
Total liabilities	22,448,909	21,532,755
Commitments and Contingencies (Note 10)		
Redeemable noncontrolling interests (Note 2)	504,696	460,068
Stockholders' Equity (Deficit):		
Class A common stock, $.01 par value, 1,600,000,000 shares authorized, 231,526,234 and 229,448,857 shares issued and outstanding, respectively	2,315	2,295
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	3,457,135	3,379,093
Accumulated other comprehensive income (loss)	149	(874)
Accumulated earnings (deficit)	5,869,594	5,212,790
Total DISH Network stockholders' equity (deficit)	9,331,577	8,595,688
Noncontrolling interests	(1,066)	(1,499)
Total stockholders' equity (deficit)	9,330,511	8,594,189
Total liabilities and stockholders' equity (deficit)	$ 32,284,116	$ 30,587,012

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,	
	2019	2018	2019	2018
Revenue:				
Subscriber-related revenue	$ 3,162,572	$ 3,419,760	$ 6,310,342	$ 6,842,464
Equipment sales and other revenue	48,740	41,085	88,114	76,868
Total revenue	3,211,312	3,460,845	6,398,456	6,919,332
Costs and Expenses (exclusive of depreciation shown separately below - Note 7):				
Subscriber-related expenses	2,000,961	2,159,427	4,005,968	4,344,378
Satellite and transmission expenses	138,008	146,052	277,509	299,696
Cost of sales - equipment and other	51,073	36,117	91,457	67,743
Subscriber acquisition costs:				
Cost of sales - subscriber promotion subsidies	3,007	9,108	9,524	25,038
Other subscriber acquisition costs	108,289	68,734	188,764	145,806
Subscriber acquisition advertising	126,782	105,420	233,689	208,429
Total subscriber acquisition costs	238,078	183,262	431,977	379,273
General and administrative expenses	202,758	190,625	401,672	360,402
Depreciation and amortization (Note 7)	149,702	172,702	302,841	365,674
Total costs and expenses	2,780,580	2,888,185	5,511,424	5,817,166
Operating income (loss)	430,732	572,660	887,032	1,102,166
Other Income (Expense):				
Interest income	18,476	10,619	33,643	19,936
Interest expense, net of amounts capitalized	(5,650)	(2,865)	(11,571)	(5,822)
Other, net	2,832	21,432	11,920	(13,376)
Total other income (expense)	15,658	29,186	33,992	738
Income (loss) before income taxes	446,390	601,846	921,024	1,102,904
Income tax (provision) benefit, net	(105,824)	(141,560)	(219,159)	(257,297)
Net income (loss)	340,566	460,286	701,865	845,607
Less: Net income (loss) attributable to noncontrolling interests, net of tax	23,523	21,569	45,061	39,330
Net income (loss) attributable to DISH Network	$ 317,043	$ 438,717	$ 656,804	$ 806,277
Weighted-average common shares outstanding - Class A and B common stock:				
Basic	469,655	467,425	468,809	467,036
Diluted	527,983	525,849	527,107	525,607
Earnings per share - Class A and B common stock:				
Basic net income (loss) per share attributable to DISH Network	$ 0.68	$ 0.94	$ 1.40	$ 1.73
Diluted net income (loss) per share attributable to DISH Network	$ 0.60	$ 0.83	$ 1.25	$ 1.53
Comprehensive Income (Loss):				
Net income (loss)	$ 340,566	$ 460,286	$ 701,865	$ 845,607
Other comprehensive income (loss):				
Foreign currency translation adjustments	138	(657)	185	(257)
Unrealized holding gains (losses) on available-for-sale securities	385	49	1,391	154
Recognition of previously unrealized (gains) losses on available-for-sale securities included in net income (loss)	(296)	(3)	(296)	(5)
Deferred income tax (expense) benefit, net	(21)	(13)	(257)	(39)
Total other comprehensive income (loss), net of tax	206	(624)	1,023	(147)
Comprehensive income (loss)	340,772	459,662	702,888	845,460
Less: Comprehensive income (loss) attributable to noncontrolling interests, net of tax	23,523	21,569	45,061	39,330
Comprehensive income (loss) attributable to DISH Network	$ 317,249	$ 438,093	$ 657,827	$ 806,130

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

DISH NETWORK CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands)
(Unaudited)

	Class A and B Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings (Deficit)	Noncontrolling Interests	Total	Redeemable Noncontrolling Interests
Balance, December 31, 2017	$ 4,664	$ 3,296,488	$ 882	$ 3,635,380	$ 492	$ 6,937,906	$ 383,390
Issuance of Class A common stock:							
Exercise of stock awards	2	3,535	—	—	—	3,537	—
Employee Stock Purchase Plan	2	4,452	—	—	—	4,454	—
Non-cash, stock-based compensation	—	9,060	—	—	—	9,060	—
Change in unrealized holding gains (losses) on available-for-sale securities, net	—	—	103	—	—	103	—
Deferred income tax (expense) benefit attributable to unrealized gains (losses) on available-for-sale securities	—	—	(26)	—	—	(26)	—
Foreign currency translation	—	—	400	—	—	400	—
ASU 2014-09 cumulative catch-up adjustment	—	—	—	2,320	—	2,320	—
Net income (loss) attributable to noncontrolling interests	—	—	—	—	(51)	(51)	17,812
Net income (loss) attributable to DISH Network	—	—	—	367,560	—	367,560	—
Balance, March 31, 2018	$ 4,668	$ 3,313,535	$ 1,359	$ 4,005,260	$ 441	$ 7,325,263	$ 401,202
Issuance of Class A common stock:							
Exercise of stock awards	—	(107)	—	—	—	(107)	—
Employee benefits	6	27,315	—	—	—	27,321	—
Employee Stock Purchase Plan	1	3,845	—	—	—	3,846	—
Non-cash, stock-based compensation	—	9,712	—	—	—	9,712	—
Change in unrealized holding gains (losses) on available-for-sale securities, net	—	—	46	—	—	46	—
Deferred income tax (expense) benefit attributable to unrealized gains (losses) on available-for-sale securities	—	—	(13)	—	—	(13)	—
Foreign currency translation	—	—	(657)	—	—	(657)	—
Net income (loss) attributable to noncontrolling interests	—	—	—	—	2,191	2,191	19,378
Net income (loss) attributable to DISH Network	—	—	—	438,717	—	438,717	—
Other	—	—	—	—	(192)	(192)	—
Balance, June 30, 2018	$ 4,675	$ 3,354,300	$ 735	$ 4,443,977	$ 2,440	$ 7,806,127	$ 420,580
Balance, December 31, 2018	$ 4,679	$ 3,379,093	$ (874)	$ 5,212,790	$ (1,499)	$ 8,594,189	$ 460,068
Issuance of Class A common stock:							
Exercise of stock awards	—	227	—	—	—	227	—
Employee Stock Purchase Plan	2	4,520	—	—	—	4,522	—
Non-cash, stock-based compensation	—	11,537	—	—	—	11,537	—
Change in unrealized holding gains (losses) on available-for-sale securities, net	—	—	1,006	—	—	1,006	—
Deferred income tax (expense) benefit attributable to unrealized gains (losses) on available-for-sale securities	—	—	(236)	—	—	(236)	—
Foreign currency translation	—	—	47	—	—	47	—
Net income (loss) attributable to noncontrolling interests	—	—	—	—	164	164	21,374
Net income (loss) attributable to DISH Network	—	—	—	339,761	—	339,761	—
Balance, March 31, 2019	$ 4,681	$ 3,395,377	$ (57)	$ 5,552,551	$ (1,335)	$ 8,951,217	$ 481,442
Issuance of Class A common stock:							
Exercise of stock awards	6	18,620	—	—	—	18,626	—
Employee benefits	11	26,993	—	—	—	27,004	—
Employee Stock Purchase Plan	1	4,040	—	—	—	4,041	—
Non-cash, stock-based compensation	—	12,105	—	—	—	12,105	—
Change in unrealized holding gains (losses) on available-for-sale securities, net	—	—	89	—	—	89	—
Deferred income tax (expense) benefit attributable to unrealized gains (losses) on available-for-sale securities	—	—	(21)	—	—	(21)	—
Foreign currency translation	—	—	138	—	—	138	—
Net income (loss) attributable to noncontrolling interests	—	—	—	—	269	269	23,254
Net income (loss) attributable to DISH Network	—	—	—	317,043	—	317,043	—
Other	—	—	—	—	—	—	—
Balance, June 30, 2019	$ 4,699	$ 3,457,135	$ 149	$ 5,869,594	$ (1,066)	$ 9,330,511	$ 504,696

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,	
	2019	**2018**
Cash Flows From Operating Activities:		
Net income (loss)	$ 701,865	$ 845,607
Adjustments to reconcile net income (loss) to net cash flows from operating activities:		
Depreciation and amortization	302,841	365,674
Realized and unrealized losses (gains) on investments	(3,455)	17,425
Non-cash, stock-based compensation	23,642	18,772
Deferred tax expense (benefit)	114,033	196,707
Other, net	(24,602)	(65,625)
Changes in current assets and current liabilities, net	231,995	(53,222)
Net cash flows from operating activities	1,346,319	1,325,338
Cash Flows From Investing Activities:		
Purchases of marketable investment securities	(512,742)	(523,948)
Sales and maturities of marketable investment securities	868,069	461,152
Purchases of property and equipment	(281,722)	(168,119)
Capitalized interest related to FCC authorizations (Note 2)	(445,684)	(472,773)
Other, net	10,509	6,225
Net cash flows from investing activities	(361,570)	(697,463)
Cash Flows From Financing Activities:		
Redemption and repurchases of senior notes	(22,365)	(1,088,392)
Repayment of long-term debt and finance lease obligations	(11,506)	(20,152)
Net proceeds from Class A common stock options exercised and stock issued under the Employee Stock Purchase Plan	27,416	11,730
Other, net	49,501	(2,760)
Net cash flows from financing activities	43,046	(1,099,574)
Net increase (decrease) in cash, cash equivalents, restricted cash and cash equivalents	1,027,795	(471,699)
Cash, cash equivalents, restricted cash and cash equivalents, beginning of period (Note 5)	887,924	1,479,901
Cash, cash equivalents, restricted cash and cash equivalents, end of period (Note 5)	$ 1,915,719	$ 1,008,202

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, 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, Smart Home service and call center operations, and certain other assets utilized in our operations ("DISH TV"). 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 13 for further information. The Sling branded pay-TV services consist of, among other things, multichannel, live-linear streaming OTT Internet-based domestic, international and Latino video programming services ("Sling TV"). As of June 30, 2019, we had 12.032 million Pay-TV subscribers in the United States, including 9.560 million DISH TV subscribers and 2.472 million Sling TV subscribers.

In addition, we 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.

Recent Developments

On May 19, 2019, we and our wholly-owned subsidiary BSS Merger Sub Inc., ("Merger Sub"), entered into a Master Transaction Agreement (the "Master Transaction Agreement") with EchoStar and EchoStar BSS Corporation, a wholly-owned subsidiary of EchoStar ("Newco").

Pursuant to the Master Transaction Agreement, among other things: (i) EchoStar will carry out an internal reorganization in which certain assets and liabilities of the EchoStar Satellite Services segment, the business segment of EchoStar that provides broadcast satellite operations and satellite services, as well as certain related licenses, real estate properties and employees (together, the "BSS Business") will be transferred to Newco (the "Pre-Closing Restructuring"); (ii) EchoStar will distribute all outstanding shares of common stock, par value $0.001 per share, of Newco (such stock, "Newco Common Stock") on a pro rata basis (the "Distribution"), to the holders of record of Class A common stock, par value $.001 per share, of EchoStar and Class B common stock, par value $.001 per share, of EchoStar; and (iii) upon the consummation of the Pre-Closing Restructuring and the Distribution, Merger Sub will merge with and into Newco (the "Merger") such that, upon consummation of the Merger, Merger Sub will cease to exist and Newco will continue as our wholly-owned subsidiary.

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

As consideration for the Merger, shares of Newco Common Stock issued and outstanding will be converted into and exchangeable for newly-issued shares of our Class A common stock. As a result, we will be issuing an additional 22,937,188 shares of our Class A common stock to Newco's stockholders (as of the record date for the Distribution) as consideration for the BSS Business. The transaction is intended to be structured as a tax-free spin-off and merger.

The closing of the Merger is subject to certain conditions, including, among others, receipt of necessary government approvals pertaining to certain assets being transferred, including the Federal Communications Commission and Anatel, as well as the registration and listing of our common stock being issued to Newco stockholders and the receipt of tax opinions from our and EchoStar's respective counsel regarding the tax treatment of the Merger. In addition, we may terminate the Master Transaction Agreement for an incurable breach of the agreement by EchoStar or Newco. Similarly, EchoStar may terminate the Master Transaction Agreement for an incurable breach of the agreement by us or Merger Sub.

In addition, the Master Transaction Agreement contemplates that at closing of the Merger, we, EchoStar and, as relevant, certain of our or their respective subsidiaries, will enter into ancillary agreements involving tax, employment and intellectual property matters, which are anticipated to set forth certain rights and obligations of us and EchoStar and our and their respective subsidiaries related to the Merger with respect to, among other things: (i) the payment of tax liability refunds, and the filing of tax returns related to Newco and the BSS Business; (ii) the allocation of employment-related assets and liabilities between us and EchoStar; (iii) certain employee compensation, equity awards, benefit plans, programs and arrangements relating to employees who are expected to be transferred to us pursuant to the Merger; (iv) a cross-license between us and EchoStar for certain intellectual property either transferred to us as part of the Merger or retained by EchoStar that is also used in the BSS Business; and (v) the provision of certain telemetry, tracking and control services by us and our subsidiaries to EchoStar and its subsidiaries.

The Merger will be accounted for as an asset purchase, as substantially all of the fair value of the gross assets acquired is concentrated in a group of similar identifiable assets. As the Merger is between entities that are under common control, we will record the asset and liabilities received under the Merger at EchoStar's historical cost basis, with the offsetting amount recorded in "Additional paid-in capital" on our Condensed Consolidated Balance Sheets.

The description of the Master Transaction Agreement in this section is qualified in its entirety by reference to the complete text of the Master Transaction Agreement, a copy of which is filed as an exhibit hereto, and is incorporated by reference herein in its entirety.

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, as well as certain renewal requirements. 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"), which is the first phase of our network deployment ("First Phase"). We expect to complete the First Phase by March 2020, with subsequent phases to be completed thereafter. As of June 30, 2019, we had entered into vendor contracts with multiple parties for, among other things, base stations, chipsets, modules, tower leases, the core network, Radio Frequency ("RF") design, and deployment services for the First Phase. Among other things, initial RF design in connection with the First Phase is now complete, we have secured certain tower sites, and we are in the process of identifying and securing additional tower sites. The core network has been installed and commissioned. We installed the first base stations on sites in 2018, and plan to continue deployment until complete. 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 10 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, L.L.C. ("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, as well as certain renewal 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 Northstar Re-Auction Payment and 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 10 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, 2018. 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.

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" 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 Northstar Spectrum attributable to Northstar Manager 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 10 for further information.

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

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 10 for further information.

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, 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).

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

Subsequent to the adoption of ASU 2016-01 *Recognition and Measurement of Financial Assets and Financial Liabilities* ("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 on our 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.

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, 2019 and December 31, 2018, 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 finance 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.

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

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 9 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 Smart Home service operations; broadband services; warranty services; and sales of digital receivers and related equipment to third-party pay-TV providers. See Note 11 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 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 Smart 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.

For our residential video subscribers, we have concluded that the contract term under Accounting Standard Codification Topic 606, *Revenue from Contracts with Customers* ("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 12 for further information, including balance and activity detail about our allowance for doubtful accounts and deferred revenue related to contracts with subscribers.

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

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 months ended June 30, 2019 and 2018, we capitalized $55 million and $49 million, respectively, under these programs. The amortization expense related to these programs was $17 million and $5 million, respectively, for the three months ended June 30, 2019 and 2018, respectively. During the six months ended June 30, 2019 and 2018, we capitalized $92 million and $90 million, respectively, under these programs. The amortization expense related to these programs was $31 million and $8 million, respectively, for the six months ended June 30, 2019 and 2018, respectively. As of June 30, 2019 and December 31, 2018, we had a total of $230 million and $169 million capitalized on our Condensed Consolidated Balance Sheets. These amounts are 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).

Leases

We enter into operating and finance leases for, among other things, satellites, office space, data centers, warehouses and distribution centers, vehicles used for installation and Smart Home Services, wireless towers and other equipment. Our leases have remaining lease terms from one to 12 years, some of which include renewal options, and some of which include options to terminate the leases within one year.

We determine if an arrangement is a lease and classify that lease as either an operating or finance lease at inception. Operating leases are included in "Operating lease assets," "Other accrued expenses" and "Operating lease liabilities" on our Condensed Consolidated Balance Sheets. Finance leases are included in "Property and equipment, net," "Current portion of long-term debt and finance lease obligations" and "Long-term debt and finance lease obligations, net of current portion" on our Condensed Consolidated Balance Sheets. Leases with an initial term of 12 months or less are not recorded on the balance sheet and we recognize lease expense for these leases on a straight-line basis over the lease term on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). See Note 8 for further information on our lease expenses.

Right of use ("ROU") assets represent our right to use an underlying asset for the lease term and lease liabilities represent the present value of our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. When our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes the impact of prepaid or deferred lease payments. The length of our lease term may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

We lease certain assets from EchoStar, including, among other things, satellites, office space and data centers. See Note 13 for further information on our Related Party Transactions with EchoStar. On May 19, 2019, we entered into a Master Transaction Agreement with EchoStar. Upon the closing of the Master Transaction Agreement, certain satellites and real estate assets leased from EchoStar will be transferred to us. See Note 1 for further information on the Master Transaction Agreement.

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
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We have lease agreements with lease and non-lease components, which are generally accounted for separately. Our variable lease payments are immaterial and our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

For equipment leased to new and existing DISH TV subscribers we made an accounting policy election to combine the equipment with our programming services as a single performance obligation in accordance with the revenue recognition guidance as the programming services are the predominant component.

Impact of Adoption of ASU 2016-02

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-02 *Leases* ("ASU 2016-02") and has modified the standard thereafter. We adopted ASU 2016-02, as modified, on January 1, 2019 using the modified retrospective method. Under the modified retrospective method, we applied the new guidance to all leases that commenced before and were existing as of January 1, 2019.

The adoption of ASU 2016-02 had no impact on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) and cash flows from operating, investing and financing activities on our Condensed Consolidated Statements of Cash Flows.

The adoption of ASU 2016-02 impacted our June 30, 2019 Condensed Consolidated Balance Sheets, including the reclassification of our deferred rent liabilities to an operating lease asset, as follows:

Condensed Consolidated Balance Sheets	DISH Network (as would have been reported under previous standards)	Impact of adopting ASU 2016-02	DISH Network (as currently reported)
		(In thousands)	
As of June 30, 2019			
Operating lease assets	$ —	$ 679,412	$ 679,412
Total assets	$ 31,604,704	$ 679,412	$ 32,284,116
Other accrued expenses	$ 792,106	$ 223,981	$ 1,016,087
Operating lease liabilities	$ —	$ 455,917	$ 455,917
Long-term deferred revenue and other long-term liabilities	$ 461,770	$ (486)	$ 461,284
Total liabilities	$ 21,769,497	$ 679,412	$ 22,448,909
Total stockholders' equity (deficit)	$ 9,330,511	$ —	$ 9,330,511
Total liabilities and stockholders' equity (deficit)	$ 31,604,704	$ 679,412	$ 32,284,116

Research and Development

Research and development costs are expensed as incurred. Research and development costs totaled $6 million and $6 million for the three months ended June 30, 2019 and 2018, respectively. Research and development costs totaled $11 million and $12 million for the six months ended June 30, 2019 and 2018, respectively.

New Accounting Pronouncements

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.

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

Fair Value Measurement. On August 28, 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement* ("ASU 2018-13"), which modifies the disclosure requirements on fair value measurements by adding, modifying or removing certain disclosures. This standard will be effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted. Certain disclosures in ASU 2018-13 are required to be applied on a retrospective basis and others on a prospective basis. We are evaluating the impact the adoption of ASU 2018-13 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 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).

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,	
	2019	2018	2019	2018
	(In thousands, except per share amounts)			
Net income (loss)	$ 340,566	$ 460,286	$ 701,865	$ 845,607
Less: Net income (loss) attributable to noncontrolling interests, net of tax	23,523	21,569	45,061	39,330
Net income (loss) attributable to DISH Network - Basic	317,043	438,717	656,804	806,277
Interest on dilutive Convertible Notes, net of tax (1)	—	—	—	—
Net income (loss) attributable to DISH Network - Diluted	$ 317,043	$ 438,717	$ 656,804	$ 806,277
Weighted-average common shares outstanding - Class A and B common stock:				
Basic	469,655	467,425	468,809	467,036
Dilutive impact of Convertible Notes	58,192	58,192	58,192	58,192
Dilutive impact of stock awards outstanding	136	232	106	379
Diluted	527,983	525,849	527,107	525,607
Earnings per share - Class A and B common stock:				
Basic net income (loss) per share attributable to DISH Network	$ 0.68	$ 0.94	$ 1.40	$ 1.73
Diluted net income (loss) per share attributable to DISH Network	$ 0.60	$ 0.83	$ 1.25	$ 1.53

(1) For both the three and six months ended June 30, 2019 and 2018, materially all of our interest expense was capitalized. See Note 2 for further information.

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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. 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,	
	2019	**2018**
	(In thousands)	
Anti-dilutive stock awards	5,115	4,084
Performance based options (1)	8,582	4,921
Restricted Performance Units/Awards	1,589	1,926
Common stock warrants	46,029	46,029
Total	61,315	56,960

(1) The increase in performance based options as of June 30, 2019 primarily resulted from the issuance of stock option awards as of October 1, 2018 under a long-term, performance-based stock incentive plan adopted on August 17, 2018 (the "2019 LTIP").

4. Supplemental Data - Statements of Cash Flows

The following table presents certain supplemental cash flow and other non-cash data. See Note 8 for supplemental cash flow and non-cash data related to leases.

	For the Six Months Ended June 30,	
	2019	**2018**
	(In thousands)	
Cash paid for interest (including capitalized interest)	$ 445,713	$ 471,737
Cash received for interest	12,962	6,203
Cash paid for income taxes	18,350	18,217
Capitalized interest (1)	500,222	512,161
Employee benefits paid in Class A common stock	27,004	27,321
Reclassification of a receivable from noncurrent to current	140,810	—

(1) See Note 2 for further information.

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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, 2019	December 31, 2018
	(In thousands)	
Marketable investment securities:		
Current marketable investment securities:		
Strategic - available-for-sale	$ 185	$ 193
Strategic - trading/equity (Note 2)	5	2,370
Other	831,128	1,178,908
Total current marketable investment securities	831,318	1,181,471
Restricted marketable investment securities (1)	53,884	67,019
Total marketable investment securities	885,202	1,248,490
Restricted cash and cash equivalents (1)	14,655	578
Other investment securities:		
Other investment securities	163,793	118,992
Total other investment securities	163,793	118,992
Total marketable investment securities, restricted cash and cash equivalents, and other investment securities	$ 1,063,650	$ 1,368,060

(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.

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, 2019, 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.

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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, 2019 and December 31, 2018, 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.

TerreStar Solutions, Inc. In March 2019, we closed a transaction with TerreStar Solutions, Inc. ("TSI") to acquire additional equity securities of TSI, an entity that holds certain 2 GHz wireless spectrum licenses in Canada, in exchange for certain Canadian assets, including, among other things, a portion of the satellite capacity on our T1 satellite, which we had acquired from TerreStar Networks, Inc. in 2012.

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, 2019 and December 31, 2018, we had accumulated net unrealized gains of less than $1 million and accumulated net unrealized losses of $1 million, respectively. These amounts, net of related tax effect, were accumulated net unrealized gains of less than $1 million and accumulated net unrealized losses of $1 million, respectively. 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, 2019				As of December 31, 2018			
	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	$ 272,247	$ 181	$ —	$ 181	$ 66,823	$ 40	$ (19)	$ 21
Commercial paper	429,404	—	—	—	367,488	—	—	—
Corporate securities	177,221	133	—	133	805,259	91	(899)	(808)
Other	6,325	55	(7)	48	6,550	56	(2)	54
Total	$ 885,197	$ 369	$ (7)	$ 362	$ 1,246,120	$ 187	$ (920)	$ (733)

As of June 30, 2019, restricted and non-restricted marketable investment securities included debt securities of $885 million with contractual maturities within one year. Actual maturities may differ from contractual maturities as a result of our ability to sell these securities prior to maturity.

Fair Value Measurements

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

	As of							
	June 30, 2019				December 31, 2018			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
	(In thousands)							
Cash equivalents (including restricted)	$ 1,869,195	$ 156,544	$ 1,712,651	$ —	$ 859,220	$ 30,858	$ 828,362	$ —
Debt securities (including restricted):								
U.S. Treasury and agency securities	$ 272,247	$ 272,247	$ —	$ —	$ 66,823	$ 66,823	$ —	$ —
Commercial paper	429,404	—	429,404	—	367,488	—	367,488	—
Corporate securities	177,221	—	177,221	—	805,259	—	805,259	—
Other	6,325	—	6,140	185	6,550	—	6,357	193
Equity securities	5	5	—	—	2,370	2,370	—	—
Total	$ 885,202	$ 272,252	$ 612,765	$ 185	$ 1,248,490	$ 69,193	$ 1,179,104	$ 193

During the six months ended June 30, 2019, we had no transfers in or out of Level 1 and Level 2 fair value measurements.

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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:	**2019**	**2018**	**2019**	**2018**
	(In thousands)			
Marketable investment securities - realized and unrealized gains (losses)	$ 838	$ 21,834	$ 3,894	$ (14,709)
Costs related to early redemption of debt	—	(2,537)	(439)	(2,716)
Equity in earnings of affiliates	2,056	759	991	2,205
Other	(62)	1,376	7,474	1,844
Total	$ 2,832	$ 21,432	$ 11,920	$ (13,376)

6. Inventory

Inventory consisted of the following:

	As of	
	June 30, 2019	**December 31, 2018**
	(In thousands)	
Finished goods	$ 270,807	$ 215,186
Work-in-process and service repairs	44,960	56,871
Raw materials	15,371	18,676
Total inventory	$ 331,138	$ 290,733

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7. Property and Equipment

Property and equipment consisted of the following:

	Depreciable Life (In Years)			As of June 30, 2019	As of December 31, 2018
				(In thousands)	
Equipment leased to customers	2	-	5	$ 1,912,655	$ 2,016,965
EchoStar XV		15		277,658	277,658
EchoStar XVIII		15		411,255	411,255
D1		N/A		55,000	55,000
T1 (1)		14		66,071	100,000
Satellites acquired under finance lease agreements (2)	10	-	15	223,423	499,819
Furniture, fixtures, equipment and other	2	-	10	1,939,067	1,923,585
Buildings and improvements	4	-	40	287,194	290,650
Land		—		13,186	13,186
Construction in progress		—		187,112	100,560
Total property and equipment				5,372,621	5,688,678
Accumulated depreciation				(3,477,283)	(3,760,498)
Property and equipment, net				$ 1,895,338	$ 1,928,180

(1) See Note 5 for further information on the transaction with TSI.
(2) The Ciel II satellite was previously classified as a finance lease, however, as a result of an amendment, which was effective during the first quarter 2019, Ciel II is now accounted for as an operating lease.

Construction in progress consisted of the following:

	As of June 30, 2019	As of December 31, 2018
	(In thousands)	
Software	$ 36,907	$ 34,533
Wireless	130,710	53,466
Other	19,495	12,561
Total construction in progress	$ 187,112	$ 100,560

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Depreciation and amortization expense consisted of the following:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
	(In thousands)			
Equipment leased to customers	$ 86,865	$ 111,877	$ 196,019	$ 222,398
Satellites	17,156	25,086	37,635	50,172
Buildings, furniture, fixtures, equipment and other	45,681	35,739	69,187	93,104
Total depreciation and amortization	$ 149,702	$ 172,702	$ 302,841	$ 365,674

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.

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, Ciel II which is now accounted for as an operating lease and Anik F3 which is accounted for as a financing lease and is depreciated over its economic life.

As of June 30, 2019, 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 IX	August 2003	121	Month to month
EchoStar X (2)(4)	February 2006	110	February 2021
EchoStar XI (2)(4)	July 2008	110	September 2021
EchoStar XIV (2)(4)	March 2010	119	February 2023
EchoStar XVI (3)(4)	November 2012	61.5	January 2023
Nimiq 5 (4)	September 2009	72.7	September 2019
QuetzSat-1 (4)	September 2011	77	November 2021
Leased from Other Third Party:			
Anik F3	April 2007	118.7	April 2022
Ciel II	December 2008	129	January 2020

(1) See Note 13 for further information on our Related Party Transactions with EchoStar.
(2) 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.
(3) We have the option to renew this lease for an additional five-year period.
(4) On May 19, 2019, we entered into a Master Transaction Agreement with EchoStar. Upon the closing of the Master Transaction Agreement, these satellites and satellite service agreements leased from EchoStar will be transferred to us. See Note 1 for further information on the Master Transaction Agreement.

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8. Leases

We enter into operating and finance leases for, among other things, satellites, office space, data centers, warehouses and distribution centers, vehicles used for installation and Smart Home Services, wireless towers and other equipment. Our leases have remaining lease terms from one to 12 years, some of which include renewal options, and some of which include options to terminate the leases within one year.

Our Anik F3 satellite is accounted for as a financing lease. Substantially all of our remaining leases are accounted for as operating leases, including the remainder of our satellite fleet.

The components of lease expense were as follows:

	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2019
	(In thousands)	
Operating lease cost	$ 83,914	$ 164,984
Short-term lease cost (1)	3,742	6,226
Finance lease cost:		
Amortization of right-of-use assets	3,805	9,913
Interest on lease liabilities	1,099	2,280
Total finance lease cost	4,904	12,193
Total lease costs	$ 92,560	$ 183,403

(1) Leases that have terms of 12 month or less.

Supplemental cash flow information related to leases was as follows:

	For the Six Months Ended June 30, 2019
	(In thousands)
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 168,668
Operating cash flows from finance leases	$ 2,295
Financing cash flows from finance leases	$ 10,454
Right-of-use assets obtained in exchange for lease obligations:	
Operating leases	$ 89,554
Finance leases	$ —
Right-of-use assets and liabilities recognized at January 1, 2019 upon adoption of ASC 842	$ 733,584

Supplemental balance sheet information related to leases was as follows:

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	As of June 30, 2019
	(In thousands)
Operating Leases:	
Operating lease right-of-use assets (1)	$ 679,412
Other current liabilities (1)	$ 223,981
Operating lease liabilities (1)	455,917
Total operating lease liabilities	$ 679,898
Finance Leases:	
Property and equipment, gross	$ 224,454
Accumulated depreciation	(182,653)
Property and equipment, net	$ 41,801
Other current liabilities	$ 18,466
Other long-term liabilities	37,657
Total finance lease liabilities	$ 56,123
Weighted Average Remaining Lease Term:	
Operating leases	3.6 years
Finance leases	2.8 years
Weighted Average Discount Rate:	
Operating leases	9.1%
Finance leases	7.5%

(1) Approximately $530 million of our operating lease right-of-use assets and the related liabilities relates to satellites and real estate assets that will be transferred to us by EchoStar upon the closing of the Master Transaction Agreement. See Note 1 for further information. Upon the closing of the Master Transaction Agreement, these satellite and real estate assets will no longer be included in “Operating lease right-of-use assets,” “Other current liabilities” and “Operating lease liabilities,” but rather in “Property and equipment, net” on our Condensed Consolidated Balance Sheets. The assets will be initially recorded at EchoStar’s costs basis as the Master Transaction Agreement is between entities under common control.

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Maturities of lease liabilities as of June 30, 2019 were as follows:

	Maturities of Lease Liabilities		
For the Years Ending December 31,	**Operating Leases**	**Finance Leases**	**Total**
	(In thousands)		
2019 (remaining six months)	$ 147,224	$ 11,012	$ 158,236
2020	243,264	22,024	265,288
2021	201,925	22,026	223,951
2022	129,071	7,363	136,434
2023	25,152	—	25,152
Thereafter	51,796	—	51,796
Total lease payments	798,432	62,425	860,857
Less: Imputed interest	(118,534)	(6,302)	(124,836)
Total	679,898	56,123	736,021
Less: Current portion	(223,981)	(18,466)	(242,447)
Long-term portion of lease obligations	$ 455,917	$ 37,657	$ 493,574

9. Long-Term Debt and Finance 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, 2019 and December 31, 2018:

	As of			
	June 30, 2019		**December 31, 2018**	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
	(In thousands)			
7 7/8% Senior Notes due 2019 (1)	$ 1,295,007	$ 1,306,714	$ 1,317,372	$ 1,343,298
5 1/8% Senior Notes due 2020 (2)	1,100,000	1,111,737	1,100,000	1,089,957
6 3/4% Senior Notes due 2021	2,000,000	2,098,840	2,000,000	1,974,940
5 7/8% Senior Notes due 2022	2,000,000	2,035,920	2,000,000	1,833,140
5% Senior Notes due 2023	1,500,000	1,448,760	1,500,000	1,247,445
5 7/8% Senior Notes due 2024	2,000,000	1,896,180	2,000,000	1,611,960
2 3/8% Convertible Notes due 2024	1,000,000	926,250	1,000,000	801,200
7 3/4% Senior Notes due 2026	2,000,000	1,954,720	2,000,000	1,653,720
3 3/8% Convertible Notes due 2026	3,000,000	2,912,610	3,000,000	2,436,690
Other notes payable	30,986	30,986	39,715	39,715
Subtotal	15,925,993	$ 15,722,717	15,957,087	$ 14,032,065
Unamortized debt discount on the Convertible Notes	(785,718)		(833,906)	
Unamortized deferred financing costs and other debt discounts, net	(32,935)		(37,388)	
Finance lease obligations (3)	56,123		66,984	
Total long-term debt and finance lease obligations (including current portion)	$ 15,163,463		$ 15,152,777	

(1) During the year ended December 31, 2018 and the six months ended June 30, 2019, we repurchased $83 million and $22 million, respectively, of our 7 7/8% Senior Notes due 2019 in open market trades. The remaining balance of $1.295 billion matures on September 1, 2019.

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(2) Our 5 1/8% Senior Notes due 2020 mature on May 1, 2020 and have been reclassified to "Current portion of long-term debt and finance lease obligations" on our Condensed Consolidated Balance Sheets as of June 30, 2019.
(3) Disclosure regarding fair value of finance 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).

10. 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.

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.

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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 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 the third quarter 2019 to provide "substantial service" on our MVDDS licenses. On July 22, 2019, we filed certifications with the FCC for all 82 MVDDS licenses demonstrating that we are providing "substantial service" with respect to each such license. The FCC will review our certifications and could, among other things, accept them, deny them, or seek additional information about our buildout. We cannot be certain about the timing for such FCC action. Our MVDDS licenses may be terminated if the FCC finds we did not meet the substantial service build out requirement. 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.

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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 were 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 have been renewed by the FCC through September 2028. There can be no assurances that the FCC will renew these wireless spectrum licenses.

28 GHz and 24 GHz Licenses. The auction for the Upper Microwave Flexible Use Service licenses in the 27.5–28.35 GHz bands ("Auction 101") and 24.25–24.45 and 24.75–25.25 GHz bands ("Auction 102" and collectively with Auction 101, "Auctions 101 & 102") began on November 14, 2018 and March 14, 2019, respectively, and concluded January 24, 2019 and April 17, 2019, respectively. On June 3, 2019, the FCC announced that Crestone Wireless L.L.C., a wholly-owned subsidiary of DISH Network, was the winning bidder of 49 wireless spectrum licenses in the 28 GHz band and 22 wireless spectrum licenses in the 24 GHz band, with Crestone's aggregate winning bids totaling approximately $15 million.

Commercialization of Our Wireless Spectrum Licenses and Related Assets. In March 2017, we notified the FCC that we plan to deploy a next-generation 5G-capable network, focused on supporting narrowband IoT. We expect to complete the First Phase by March 2020, with subsequent phases to be completed thereafter. As of June 30, 2019, we had entered into vendor contracts with multiple parties for, among other things, base stations, chipsets, modules, tower leases, the core network, RF design, and deployment services for the First Phase. Among other things, initial RF design in connection with the First Phase is now complete, we have secured certain tower sites, and we are in the process of identifying and securing additional tower sites. The core network has been installed and commissioned. We installed the first base stations on sites in 2018, and plan to continue deployment until complete. We currently expect expenditures for our wireless projects to be between $500 million and $1.0 billion through 2020. We expect the Second Phase to follow once the 3GPP Release 16 is standardized and as our plans for our other spectrum holdings develop, we plan to upgrade and expand our network to full 5G to support new use cases. We currently expect expenditures for the Second Phase 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.

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. On September 21, 2018, we filed a response letter with the FCC regarding our progress toward meeting certain build-out milestones. We will continue to update the FCC about our progress on the First Phase. There is no assurance that the FCC will find our build-out, including the First Phase, sufficient to meet the build-out requirements to which our wireless spectrum licenses are subject. In the event that we close the Prepaid Business Sale, certain of the build-out requirements to which our wireless spectrum licenses are subject will be modified. See Note 14 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 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 CORPORATION
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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 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. See below for further information.

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 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. See below for further information.

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).

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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 as an expense during the fourth quarter 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.

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.

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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 as an expense during the fourth quarter 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.

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.

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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 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). On October 22, 2018, Northstar Wireless and SNR Wireless filed a response to the third-party comments.

Northstar Wireless and SNR Wireless have submitted eleven 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.

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.

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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.

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 ten 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.

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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.

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.

DISH NETWORK CORPORATION
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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 ten 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 Northstar Re-Auction Payment and 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, 2019, the remaining obligation of our guarantee was $21 million.

As of June 30, 2019, we have not recorded a liability on the balance sheet for this guarantee.

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 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 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.

DISH NETWORK CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
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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.

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”; and 8,538,011B2 (the “011 patent”), entitled “Systems, methods and devices for trusted transactions.” On September 5, 2018, pursuant to a joint motion of the parties, the Court ordered the case transferred to the United States District Court for the District of Delaware. In a First Amended Complaint filed on October 12, 2018, Blue Spike dropped its claims for infringement of the 222 patent, the 307 patent, the 275 patent, the 705 patent, and the 746 patent. On November 11, 2018, Blue Spike dismissed its complaint.

On January 28, 2019, Blue Spike, along with Blue Spike International, Ltd. and Wistaria Trading Ltd., filed a new action 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 District of Delaware. The complaint alleges infringement of the 246 patent, the 295 patent, the 408 patent, the 116 patent, the 011 patent, the 602 patent and the 842 patent, all of which were asserted in the prior action. On March 29, 2019, the plaintiffs filed a First Amended Complaint, which dropped their claims arising from the 116 patent and the 011 patent.

On July 5 and July 8, 2019, respectively, we and DISH Network L.L.C. and Dish Network Service L.L.C. filed petitions with the United States Patent and Trademark Office challenging the validity of the asserted claims of the 295 and the 408 patents.

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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. Each of the plaintiffs is an entity that seeks to license a patent portfolio without itself practicing any of the claims recited therein.

City of Hallandale Beach Police Officers' and Firefighters' Personnel Retirement Trust

On July 2, 2019, a putative class action lawsuit was filed by a purported EchoStar stockholder in the District Court of Clark County, Nevada under the caption *City of Hallandale Beach Police Officers' and Firefighters' Personnel Retirement Trust v. Ergen, et al.*, Case No. A-19-797799-B. The lawsuit names as defendants Mr. Ergen, the other members of the EchoStar Board, as well as EchoStar, certain of its officers, DISH Network and certain of DISH Network's and EchoStar's affiliates. Plaintiff alleges, among other things, breach of fiduciary duties in approving the transactions contemplated under the Master Transaction Agreement for inadequate consideration and pursuant to an unfair and conflicted process, and that EchoStar, DISH Network and certain other defendants aided and abetted such breaches. See Note 1 for further information on the Master Transaction Agreement. Plaintiff seeks equitable relief, including the issuance of additional DISH Network Class A Common Stock, monetary relief and other costs and disbursements, including attorneys' fees.

We intend to vigorously defend this case, but cannot predict with any degree of certainty the outcome of this 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.

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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.

In a First Amended Complaint filed on August 6, 2018, Contemporary added our wholly-owned subsidiary DISH Network L.L.C. as a defendant. In a Second Amended Complaint filed on October 9, 2018, Contemporary named only our wholly-owned subsidiary DISH Network L.L.C. as a defendant and dropped certain indirect infringement allegations. On June 10, 2019, DISH Network L.L.C. filed petitions with the United States Patent and Trademark Office challenging the validity of the asserted claims of the 842 patent, the 903 patent, the 643 patent and the 997 patent. On July 11, 2019, the Court entered an order staying the case pending resolution of the petitions.

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. Customedia is an entity that seeks to license a patent portfolio without itself practicing any of the claims recited therein.

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. 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.

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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. Customedia has filed notices of appeal from all of the final written decisions adverse to it, and DISH Network L.L.C. cross-appealed to the extent that its petitions were not successful. On February 6, 2019, the Court of Appeals granted DISH Network L.L.C.'s motion to dismiss its cross-appeals related to the 090 patent and, on February 26, 2019, granted DISH Network L.L.C.'s motion to dismiss its cross-appeals related to the 437 patent. The appeals are fully briefed, and the parties are awaiting a date for oral argument from the Court of Appeals.

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.

Multimedia Content Management LLC

On July 25, 2018, Multimedia Content Management LLC ("Multimedia") filed a complaint against us in the United States District Court for the Western District of Texas. Multimedia 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 is an entity that seeks to license a patent portfolio without itself practicing any of the claims recited therein. On April 23, 2019, we filed petitions with the United States Patent and Trademark Office challenging the validity of the asserted claims of each of the asserted patents.

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, L.L.C. ("HNS"); and Arris Group, Inc. Realtime's initial complaint in the Original Texas Action, filed on February 14, 2017, had named only EchoStar and HNS as defendants.

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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 DISH 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 DISH 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 DISH Technologies L.L.C., as well as Arris Group, Inc., as defendants.

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.

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. On January 31, 2019, the United States Patent and Trademark Office agreed to institute proceedings on our petitions challenging all asserted claims of each of the asserted patents. On February 26, 2019, the district court agreed to stay the Colorado Action pending resolution of the petitions.

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

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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.

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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").

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 heard oral argument on September 17, 2018.

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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, 2019 and December 31, 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, which had a negative impact on our effective tax rate for the year ended December 31, 2017. 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. DISH Network L.L.C. appealed and on May 30, 2019, the United States Court of Appeals for the Fourth Circuit affirmed. 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, 2019 and December 31, 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; and Gary S. Howard (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 was filed on November 27, 2018, and recommended that the Company not pursue the claims asserted by the derivative plaintiffs. On December 20, 2018, the Special Litigation Committee filed a motion for summary judgment seeking deferral to its determination that the claims should be dismissed, which, following a discovery period and further briefing, will be heard on November 4, 2019.

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.

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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 final written decisions adverse to it. On May 9, 2019, the United States Court of Appeals for the Federal Circuit affirmed the invalidity of the 430 patent and the 412 patent. On July 10, 2019, the United States Court of Appeals for the Federal Circuit affirmed the invalidity of the asserted claims of the 404 patent. On July 15, 2019, the United States Court of Appeals for the Federal Circuit affirmed the invalidity of the asserted claims of the 268 patent. On May 7, 2019, the United States Court of Appeals for the Federal Circuit heard oral argument on the 243 patent and the 158 patent, but has not yet ruled.

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 and other networks. Turner claims damages of $183 million. 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.

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Uniloc

On January 31, 2019, Uniloc 2017 LLC ("Uniloc") filed a complaint against our wholly-owned subsidiary Sling TV L.L.C. in the United States District Court for the District of Colorado. The Complaint alleges infringement of United States Patent No. 6,519,005 (the "005 patent"), which is entitled "Method of Concurrent Multiple-Mode Motion Estimation for Digital Video"; United States Patent No. 6,895,118 (the "118 patent"), which is entitled "Method of Coding Digital Image Based on Error Concealment"; United States Patent No. 9,721,273 (the "273 patent"), which is entitled "System and Method for Aggregating and Providing Audio and Visual Presentations Via a Computer Network"); and United States Patent No. 8,407,609 (the "609 patent"), which is entitled "System and Method for Providing and Tracking the Provision of Audio and Visual Presentations Via a Computer Network." Uniloc is an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein.

On June 25, 2019, Sling TV L.L.C. filed a petition with the United States Patent and Trademark Office challenging the validity of all of the asserted claims of the 005 patent. On July 19, 2019 and July 22, 2019, Sling TV L.L.C. filed petitions with the United States Patent and Trademark Office challenging the validity of all asserted claims of the 273 patent and the 609 patent, respectively.

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.

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 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. 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. Thereafter, the Court maintained the stay until it was lifted on October 26, 2018. On February 11, 2019, the Court granted Vermont National's unopposed motion for leave to file an amended complaint. On March 28, 2019, the defendants filed a motion to dismiss Vermont National's amended complaint, which has been fully briefed since June 3, 2019.

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.

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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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11. 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, 2019	December 31, 2018
	(In thousands)	
Total assets:		
Pay-TV	$ 30,523,134	$ 28,981,608
Wireless	25,068,990	24,433,458
Eliminations	(23,308,008)	(22,828,054)
Total assets	$ 32,284,116	$ 30,587,012

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
	(In thousands)			
Revenue:				
Pay-TV	$ 3,211,836	$ 3,460,845	$ 6,400,005	$ 6,919,332
Wireless	120	—	123	—
Eliminations	(644)	—	(1,672)	—
Total revenue	$ 3,211,312	$ 3,460,845	$ 6,398,456	$ 6,919,332
Operating income (loss):				
Pay-TV	$ 457,114	$ 581,323	$ 914,483	$ 1,120,625
Wireless	(26,382)	(8,663)	(27,451)	(18,459)
Eliminations	—	—	—	—
Total operating income (loss)	$ 430,732	$ 572,660	$ 887,032	$ 1,102,166

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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.

The following table summarizes revenue by geographic region:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
Revenue:	**2019**	**2018**	**2019**	**2018**
	(In thousands)			
United States	$ 3,200,541	$ 3,450,809	$ 6,376,794	$ 6,899,825
Canada and Mexico	10,771	10,036	21,662	19,507
Total revenue	$ 3,211,312	$ 3,460,845	$ 6,398,456	$ 6,919,332

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:	**2019**	**2018**	**2019**	**2018**
	(In thousands)			
Pay-TV video and related revenue	$ 3,117,065	$ 3,352,354	$ 6,215,001	$ 6,699,951
Broadband revenue	45,507	67,406	95,341	142,513
Equipment sales and other revenue	48,740	41,085	88,114	76,868
Total	$ 3,211,312	$ 3,460,845	$ 6,398,456	$ 6,919,332

All revenues during the three and six months ended June 30, 2019 were derived from our Pay-TV segment.

12. Contract Balances

Our valuation and qualifying accounts as of June 30, 2019 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, 2019	$ 16,966	$ 35,359	$ (34,250)	$ 18,075

Deferred revenue related to contracts with our customers 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 our customers were as follows:

	Contract Liabilities
	(In thousands)
Balance as of December 31, 2018	$ 635,018
Recognition of unearned revenue	(4,128,853)
Deferral of revenue	4,136,323
Balance as of June 30, 2019	$ 642,488

DISH NETWORK CORPORATION
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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.

13. 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. 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. 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. In addition, certain agreements that we had with EchoStar have terminated, and we entered into certain new agreements with EchoStar. 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 both June 30, 2019 and December 31, 2018, trade accounts receivable from EchoStar was $4 million. These amounts are recorded in "Trade accounts receivable" on our Condensed Consolidated Balance Sheets.

"Trade accounts payable"

As of June 30, 2019 and December 31, 2018, trade accounts payable to EchoStar was $19 million and $14 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, 2019 and 2018, we received $1 million for services provided to EchoStar. During the six months ended June 30, 2019 and 2018, we received $3 million and $5 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.

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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:

- *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. In August 2018, EchoStar exercised its option to renew this lease for a one-year period ending in February 2020. EchoStar has the option to renew this lease for twelve 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. In August 2018, EchoStar exercised its option to renew this lease for a one-year period ending in February 2020. EchoStar has the option to renew this lease for twelve 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, 2019 and 2018, we incurred $7 million and $11 million, respectively, of subscriber-related expenses for services provided to us by EchoStar. During the six months ended June 30, 2019 and 2018, we incurred $14 million and $24 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.

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(Unaudited)

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, 2019 and 2018, we incurred expenses of $73 million and $84 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, 2019 and 2018, we incurred expenses of $146 million and $169 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. On May 19, 2019, we entered into a Master Transaction Agreement with EchoStar. Upon the closing of the Master Transaction Agreement, these satellites leased from EchoStar will be transferred to us. See Note 1 for further information on the Master Transaction Agreement.
- *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.

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- *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. 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. During 2018, we and EchoStar further amended the agreement to, among other things, allow us to place and use certain satellites at the 61.5 degree orbital location. On May 19, 2019, we entered into a Master Transaction Agreement with EchoStar. Upon the closing of the Master Transaction Agreement, this satellite which we lease from EchoStar will be transferred to us. See Note 1 for further information on the Master Transaction Agreement.

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 10. On May 19, 2019, we entered into a Master Transaction Agreement with EchoStar. Upon the closing of the Master Transaction Agreement the Telesat Transponder Agreement will be transferred to us. See Note 1 for further information on the Master Transaction Agreement.

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. On May 19, 2019, we entered into a Master Transaction Agreement with EchoStar. Upon the closing of the Master Transaction Agreement, the QuetzSat-1 Transponder Agreement will be transferred to us. See Note 1 for further information on the Master Transaction Agreement.

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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.

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. On May 19, 2019, we entered into a Master Transaction Agreement with EchoStar. Upon the closing of the Master Transaction Agreement, the assets and employees that provide these services we receive from EchoStar will be transferred to us. See Note 1 for further information on the Master Transaction Agreement.

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.

Hughes Equipment and Services Agreement. In February 2019, we and HNS entered into an agreement pursuant to which HNS will provide us with HughesNet Service and HughesNet equipment for the transmission of certain data related to our next-generation 5G-capable network, focused on supporting narrowband IoT. This agreement has an initial term of five years with automatic renewal for successive one-year terms unless terminated by DISH Network with at least 180 days' written notice to us or by us with at least 365 days' written notice to DISH Network.

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"General and administrative expenses"

During the three months ended June 30, 2019 and 2018, we incurred $6 million and $6 million for general and administrative expenses, respectively, for services provided to us by EchoStar. During each of the six months ended June 30, 2019 and 2018, we incurred $11 million for 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 was for a period ending on December 31, 2018. In December 2018, we and EchoStar amended this lease to, among other things, extend the term thereof for one additional year until December 31, 2019.

- *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, 2018. In December 2018, we and EchoStar amended this lease to, among other things, extend the term thereof for one additional year until December 31, 2019. On May 19, 2019, we entered into a Master Transaction Agreement with EchoStar. Upon the closing of the Master Transaction Agreement, this real estate will be transferred to us. See Note 1 for further information on the Master Transaction Agreement.

- *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. On May 19, 2019, we entered into a Master Transaction Agreement with EchoStar. Upon the closing of the Master Transaction Agreement, this real estate will be transferred to us. See Note 1 for further information on the Master Transaction Agreement.

- *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.

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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 (the "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.

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In light of the Tax Sharing Agreement, among other things, and in connection with our consolidated federal income tax returns for certain tax years prior to and for the year of the Spin-off, during the third quarter 2013, we and EchoStar agreed upon a supplemental allocation of the tax benefits arising from certain tax items resolved in the course of the IRS' examination of these consolidated tax returns. As a result, we agreed to pay EchoStar $84 million of the tax benefit we received or will receive. This resulted in a reduction of our recorded unrecognized tax benefits and this amount was reclassified to a long-term payable to EchoStar within "Long-term deferred revenue and other long-term liabilities" on our Condensed Consolidated Balance Sheets during the third quarter 2013. Any payment to EchoStar, including accrued interest, will be made at such time as EchoStar would have otherwise been able to realize such tax benefit. In addition, during the third quarter 2013, we and EchoStar agreed upon a tax sharing arrangement for filing certain combined state income tax returns and a method of allocating the respective tax liabilities between us and EchoStar for such combined returns, through the taxable period ending on December 31, 2017 (the "State Tax Arrangement"). During the third quarter 2018, we and EchoStar amended the Tax Sharing Agreement and the 2013 agreements (the "Amendment").

Under the Amendment, among other things, we are entitled to apply the benefit of EchoStar's 2009 net operating losses to our federal tax return for the year ended December 31, 2008, in exchange for paying EchoStar over time the value of the net annual federal income taxes paid by EchoStar that would have been otherwise offset by their 2009 net operating loss. In addition, the Amendment extends the term of the State Tax Arrangement for filing certain combined state income tax returns to the earlier to occur of (1) termination of the Tax Sharing Agreement, (2) a change in control of either us or EchoStar or, (3) for any particular state, if we and EchoStar no longer file a combined tax return for such state.

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 for the year ended December 31, 2018 in "Additional paid-in capital" on our Condensed Consolidated Balance Sheets 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.

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.

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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.

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, 2019 and 2018, we purchased broadband equipment from HNS of $3 million and $7 million, under the MSA, respectively. For the six months ended June 30, 2019 and 2018, we purchased broadband equipment from HNS of $8 million and $17 million, under the MSA, respectively

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.

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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.

The table below summarizes our transactions with NagraStar:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
	(In thousands)			
Purchases (including fees):				
Purchases from NagraStar	$ 14,355	$ 25,782	$ 28,714	$ 42,625

	As of	
	June 30, 2019	December 31, 2018
	(In thousands)	
Amounts Payable and Commitments:		
Amounts payable to NagraStar	$ 14,994	$ 9,871
Commitments to NagraStar	$ 2,902	$ 3,888

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).

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The table below summarizes our transactions with Dish Mexico:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
	(In thousands)			
Sales:				
Digital receivers and related components	$ —	$ 176	$ —	$ 456
Uplink services	$ 1,412	$ 1,164	$ 2,816	$ 2,198

	As of	
	June 30, 2019	December 31, 2018
	(In thousands)	
Amounts Receivable:		
Amounts receivable from Dish Mexico	$ 1,060	$ 1,370

14. Subsequent Events

Sprint Asset Acquisition

Asset Purchase Agreement

On July 26, 2019, we entered into an Asset Purchase Agreement (the "APA") with T-Mobile US, Inc. ("TMUS") and Sprint Corporation ("Sprint" and together with TMUS, the "Sellers" and after the consummation of the Sprint-TMUS merger, sometimes referred to as "NTM")).

Pursuant to the APA, after the consummation of the Sprint-TMUS merger and at the closing of the transaction, NTM will sell to us and we will acquire from NTM certain assets and liabilities associated with Sprint's Boost Mobile, Virgin Mobile and Sprint-branded prepaid mobile services businesses (the "Prepaid Business") for an aggregate purchase price of $1.4 billion as adjusted for specific categories of net working capital on the Closing Date (the "Prepaid Business Sale"). Under the Proposed Final Judgment (as defined below), TMUS is required to divest the Prepaid Business to us no later than the latest of (i) 15 days after TMUS has enabled us to provision any new or existing customers of the Prepaid Business holding a compatible handset device onto the NTM network, (ii) the first business day of the month following the later of the consummation of the Sprint-TMUS merger or the receipt of approvals for the Prepaid Business Sale, and (iii) five days after the entry of the Final Judgment (as defined below) by the District Court (as defined below). We expect to fund the purchase price with cash on hand or other available sources of liquidity. At the closing of the Prepaid Business Sale, we and NTM will enter into a transition services agreement under which we will receive certain transitional services (the "TSA"), a master network services agreement for the provision of network services by NTM to us (the "MNSA"), an option agreement entitling us to acquire certain decommissioned cell sites and retail stores of NTM (the "Option Agreement") and an agreement under which we would purchase all of Sprint's 800 MHz spectrum licenses, totaling approximately 13.5 MHz of nationwide wireless spectrum for an additional approximately $3.59 billion (the "Spectrum Purchase Agreement" and together with the APA, the TSA, the MNSA and the Option Agreement, the "Transaction Agreements").

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The assets to be sold to us are generally those exclusively related to the Prepaid Business and generally include Boost Mobile, Sprint-branded prepaid and Virgin Mobile customer accounts, selected inventory, records, contracts, purchase orders, permits, intellectual property (excluding the Sprint brand and subject to certain licensing arrangements) and personnel records. In addition, approximately 480 Prepaid Business employees are currently expected to transfer to us in connection with the Prepaid Business Sale. We will also generally assume the obligations of the Prepaid Business arising subsequent to the closing, with NTM generally retaining pre-closing liabilities (other than certain categories of liabilities that are included or excluded from the sale which may include those arising from actions taken prior to or after closing). We will generally not assume, among other liabilities, certain liabilities associated with rejected inventory.
The APA also contains representations, warranties and covenants of the Sellers regarding the Prepaid Business (including a covenant to operate the Prepaid Business in the ordinary course), as well as representations, warranties and covenants of both us and the Sellers relating to the transaction. The closing of the Prepaid Business Sale is subject to certain conditions, including, among others, completion of the Sprint-TMUS merger, receipt of necessary government approvals, including the FCC, the United States Department of Justice (the "DOJ") and the public utility commissions of any required states and certification from TMUS that we are able to provision any new or existing customer holding a compatible handset device on the NTM network pursuant to the MNSA.

The Prepaid Business Sale is expected to be consummated during the month immediately following the satisfaction or waiver of all of the closing conditions to the transaction (other than conditions that by their nature are to be satisfied at the closing, but subject to the satisfaction or waiver of those conditions at such time), or, if any regulatory approval requires an earlier closing, the last business day of the period required by such regulatory approval (the "Closing Date"). The APA provides for certain termination rights for us and the Sellers, including (i) the right for us to terminate the APA if the Prepaid Business Sale has not closed within 12 months of signing or 90 days after the closing of the Sprint-TMUS merger, whichever is earlier, (ii) the right of the Sellers to terminate the APA if the Prepaid Business Sale has not closed within 90 days after the closing of the Sprint-TMUS merger, provided that if TMUS has not completed the process of enabling us to provision customers on the NTM network, such termination right will not be available to the Sellers, or (iii) upon any of the mutual conditions to closing becoming incapable of being satisfied. The Sellers may also generally terminate the APA if any governmental authority requests any modifications to the Final Judgment or any of the Transaction Agreements that are not acceptable to the Sellers in their sole discretion.

Pursuant to the APA, the Sellers will indemnify us against losses suffered as a result of (i) a breach of their representations and warranties, (ii) a breach or non-performance of any covenant that is to be performed by the Sellers under the APA, (iii) any failure to collect in full any amount of accounts receivable included in the final calculation of the net working capital as of the Closing Date and (iv) the excluded liabilities. We will similarly indemnify the Sellers against losses suffered as a result of (i) a breach of our representations and warranties, (ii) a breach or non-performance of any covenant that is to be performed by us under the APA and (iii) the assumed liabilities. The indemnification provisions are subject to certain *de minimis*, deductible and cap limitations and time limitations with respect to recovery for losses.

Transition Services Agreement

TMUS and DISH Network will enter into a TSA upon the closing of the Prepaid Business Sale, pursuant to which TMUS will provide certain transition services to us for the Prepaid Business for a period of two years from the closing of the Prepaid Business Sale. Additionally, under the Proposed Final Judgment, we may apply to the DOJ for one or more extensions of the term of the TSA, which the DOJ can approve or deny in its sole discretion, and the TSA contemplates the option to renew the TSA for a third or additional years. The transition services will be provided at cost, which shall not exceed a specific amount in the first year, plus certain pass-through costs and out-of-pocket expenses, during the first two years. If any transition services are renewed for a third year, the transition services will be provided at cost plus a certain mark-up, plus certain additional costs.

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

Master Network Services Agreement

TMUS and DISH Network will enter into an MNSA upon the closing of the Prepaid Business Sale, pursuant to which we will also receive network services from NTM for a period of seven years. As set forth in the MNSA, NTM will provide to us, among other things, (i) legacy network services for certain Boost Mobile, Virgin Mobile and Sprint prepaid end users on the Sprint network, (ii) NTM network services for certain end users that have been migrated to the NTM network or provisioned on the NTM network by or on behalf of us and (iii) infrastructure mobile network operator services to assist in the access and integration of our network.

Pursuant to the terms of the MNSA, we will face certain restrictions on making offerings that may combine the access to services provided under the MNSA with access to the facilities or services provided by certain third parties, subject to certain exceptions and carve-outs. We will have the right to offer differentiated pricing, products and features to our end users under our brands in conjunction with the services provided under the MNSA, subject to certain qualifications and restrictions. We have certain restrictions on our ability to wholesale, sub-distribute or resell the services provided under the MNSA to third parties. During and after the term of the MNSA, NTM has agreed to certain restrictions with respect to the use of certain information in the targeting of customers.

In the event of a “change of control” of DISH Network, the MNSA will terminate upon the earlier of two years following the consummation of the change of control or the date on which the MNSA would have otherwise terminated or expired in accordance with its terms. However, we would remain able to provision new users for six months after the change of control and also retain access to roaming services on the NTM network for both new and existing users for the remainder of the original term of the MNSA. Generally, a change of control would occur in the first 36 months of the term of the MNSA if (A) certain “permitted owners” no longer own 50% or more of our voting power or a person or group of persons who are not permitted owners beneficially owns more than 50% of our aggregate economic value or (B) we sell more than 50% of our wireless communications business assets (excluding our wireless terrestrial spectrum licenses and entities that own our wireless terrestrial spectrum licenses). A permitted owner generally includes Charles W. Ergen (including his family and certain related trusts and entities) and certain financial investors. Following the first 36 months of the term of the MNSA (or earlier in certain circumstances), a change of control would generally occur if any restricted persons own (1) more than 50% of our voting power or economic value or (2) a majority of our wireless communications business assets (excluding our wireless terrestrial spectrum licenses and entities that own our wireless terrestrial spectrum licenses). A “restricted person” generally includes certain U.S. wireless providers and U.S. cable companies (with certain exceptions), as well as any other entities that do not enter into a network usage agreement with NTM restricting such person from generally engaging in certain activities that are detrimental to the NTM network.

Spectrum Purchase Agreement

Pursuant to the Spectrum Purchase Agreement to be entered into upon the closing of the Prepaid Business Sale, we are expected to purchase all of Sprint’s 800 MHz spectrum (approximately 13.5 MHz of nationwide spectrum). The covered spectrum must be divested within the later of three years after the closing of the Prepaid Business Sale and five days after receipt of FCC approval for the transfer, following an application for FCC approval to be filed three years following the closing of the Sprint-TMUS merger. The DOJ may in its sole discretion agree to extend the deadline for the spectrum divestiture for up to 60 days pursuant to the Final Judgment (defined below). NTM may exercise an option to lease back 4 MHz (2 MHz downlink + 2 MHz uplink) of the spectrum for two years following the closing of the 800 MHz spectrum sale at the same per-Pop rate used to calculate the purchase price paid by us to NTM – a rate of approximately $68 million per year.

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

We and NTM will both make customary representations, warranties and covenants pursuant to the Spectrum Purchase Agreement, including representations by NTM regarding the validity of the licenses for the purchased spectrum. Pursuant to the Spectrum Purchase Agreement, we and NTM will each indemnify the other against losses suffered as a result of breaches of the other's representations and warranties or covenants. The indemnification provisions are subject to certain deductible and cap limitations and time limitations with respect to recovery for losses.

If we breach the Spectrum Purchase Agreement prior to the closing or fail to deliver the purchase price following the satisfaction or waiver of all closing conditions, our sole liability to NTM will be to pay NTM a fee of approximately $72 million. If NTM fails to sell the spectrum to us following the satisfaction or waiver of all closing conditions, our sole recourse will be to seek specific performance, and if (and only if) specific performance is unavailable, to seek damages of up to approximately $72 million.

Option Agreement

The Option Agreement, which will be entered into upon the closing of the Prepaid Business Sale, provides us an exclusive option to assume certain assets and liabilities under certain circumstances for any of the cell sites and retail stores that NTM decommissions during the term of the Option Agreement. NTM must make a minimum of 20,000 cell sites and 400 retail stores available to us pursuant to the Final Judgment. With respect to each decommissioned site, we may choose to acquire: (a) only the lease for such site, (b) the lease and a predetermined list of equipment at the site or (c) the lease and all of the equipment at the site. Under the Proposed Final Judgment, NTM must provide a detailed schedule which identifies each cell site that is scheduled to be decommissioned within five years of the closing of the Prepaid Business Sale. The Option Agreement will remain in place for five years following the closing of the Prepaid Business Sale.

Agreement with the DOJ: The Stipulation and Order and the Proposed Final Judgment

In connection with the Prepaid Business Sale and the consummation of the Sprint-TMUS merger, we, TMUS, Sprint, Deutsche Telekom AG and SoftBank Group Corporation agreed with the DOJ on certain key terms relating to the Transaction Agreements and our wireless service business and spectrum. On July 26, 2019, we, TMUS, Sprint, Deutsche Telekom AG and SoftBank Group Corp. (collectively, the "Defendants") entered into a Stipulation and Order (the "Stipulation and Order") with the DOJ binding the Defendants to a Proposed Final Judgment (the "Proposed Final Judgment") which memorialized the agreement between the DOJ and the Defendants. The Stipulation and Order and the Proposed Final Judgment were filed in the United States District Court for the District of Columbia (the "District Court") on July 26, 2019. Certain of the provisions of the Stipulation and Order and the Proposed Final Judgment are also reflected in the terms of the Transaction Agreements. In addition to the terms reflected in the Transaction Agreements, the Stipulation and Order and the Proposed Final Judgment provide for other rights and obligations of the Sellers and us, including the following:

- For a period of one year after the closing of the Prepaid Business Sale, if we determine that certain assets not included in the divestiture were previously used by the Prepaid Business and are reasonably necessary for the continued competitiveness of the Prepaid Business, subject to certain carve-outs, we may request that such assets be transferred to us, which the DOJ can approve or deny in its sole discretion.
- Within one year of the closing of the Prepaid Business Sale, we will be required to offer nationwide postpaid retail mobile wireless service.
- NTM must take all actions required to enable us to provision any new or existing customer with a compatible handset onto the NTM network within 90 days of the entry of the Final Judgment.

- If we elect not to purchase the 800 MHz licenses pursuant to the Spectrum Purchase Agreement, we must pay $360 million (equal to 10% of the Spectrum Purchase Agreement purchase price) to the United States. However, we will not be required to make such payment if we have deployed a core network and offered 5G service to at least 20% of the U.S. population within three years of the closing of the Prepaid Business Sale.
- If we buy the 800 MHz spectrum pursuant to the Spectrum Purchase Agreement but fail to deploy all of the 800 MHz spectrum licenses for use in the provision of retail mobile wireless services by the expiration of the Final Judgment (as described below), the DOJ may require us to forfeit to the FCC any of the 800 MHz licenses for spectrum that are not being used to provide retail mobile wireless services, unless we are already providing nationwide retail wireless service.
- We and NTM must negotiate in good faith to reach an agreement for NTM to lease some or all of our 600 MHz spectrum licenses for deployment to retail consumers by NTM. We and NTM must report on the status of the negotiations within 90 days after the filing of the Final Judgment. If no agreement has been reached by 180 days following the filing of the Final Judgement, the DOJ may resolve any dispute in its sole discretion, provided that such resolution must be on commercially reasonable terms to both parties.
- We and NTM must agree to support eSIM technology on smartphones.
- The Sellers must introduce the suppliers and distributors of the Prepaid Business to us and the Sellers may not interfere in our negotiations with such suppliers and distributors.
- On the first day of the fiscal quarter following the entry of the Final Judgment and of each 180-day period thereafter, we will be obligated to provide the DOJ with a description of our deployment efforts over the prior quarter including: (i) the number of towers and small cells deployed, (ii) the spectrum bands on which we have deployed equipment, (iii) progress in obtaining devices that operate on our spectrum frequencies, (iv) POPs coverage of our network, (v) the number of our mobile wireless subscriptions, (vi) the amount of traffic transmitted to our subscribers using our network and using NTM's network, and (vii) whether there are or have been any efforts by NTM to interfere with our efforts to deploy and operate our network.
- We cannot sell, lease or otherwise provide the right to use any of the divested assets to any national facilities-based mobile wireless provider and may not sell any of the divested assets or similar assets back to TMUS during the term of the Final Judgment (as described below), except that we may lease back to NTM up to 4 MHz of the 800 MHz spectrum we will acquire (as discussed above).
- We must comply with the 2023 AWS-4, Lower 700 MHz E Block, AWS H Block, and nationwide 5G broadband network build-out commitments made to the FCC, subject to verification by the FCC (as described below). If we fail to comply with such build-out commitments, we could face civil contempt in addition to the substantial voluntary contributions and license forfeitures described below if we fail to meet the June 14, 2023 commitments (as described below).

Upon the signing of the Stipulation and Order and the Proposed Final Judgment by the District Court, the Sellers will be permitted by the DOJ to consummate the Sprint-TMUS merger (subject to any additional closing conditions related thereto). The Proposed Final Judgment is subject to the procedures of the Antitrust Procedures and Penalties Act, pursuant to which, following a 60-day public comment period and other related procedures, the Proposed Final Judgment will be entered with the District Court (the Proposed Final Judgment as so entered with the District Court, the "Final Judgment"). The term of the Final Judgment will be seven years from the date of its entry with the District Court or five years if the DOJ gives notice that the divestitures, build-outs and other requirements have been completed to its satisfaction. A monitoring trustee will be appointed by the District Court that will have the power and authority to monitor the Defendants' compliance with the Final Judgment and settle disputes among the Defendants regarding compliance with the provisions of the Final Judgment and may recommend action to the DOJ in the event a party fails to comply with the Final Judgment.

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

FCC Build-Out Commitments

In a letter filed with the FCC on July 26, 2019, we voluntarily committed to deploy a nationwide 5G broadband network and meet revised timelines relating to the build-out of our AWS-4, Lower 700 MHz E Block, AWS H Block and 600 MHz spectrum assets, subject to certain penalties. These commitments would become effective if ordered by the FCC (the "FCC Order"). We are requesting multi-year extensions to deploy our AWS-4, Lower 700 MHz E Block, and AWS H Block spectrum, and we have committed to build out our 600 MHz licenses on an accelerated schedule to better align with our 5G deployment. We have also committed to offer 5G broadband service to certain population coverage targets, along with minimum core network, tower and spectrum use targets, and has waived our right to deploy any technology of our choice under the FCC's "flexible use" rules with respect to these spectrum bands. Failure to meet the various commitments would require us to pay voluntary contributions totaling up to $2.2 billion to the FCC and would subject certain licenses regarding the AWS-4, Lower 700 MHz E Block, and AWS H Block spectrum to forfeiture. We have also agreed not to sell our AWS-4 and 600 MHz spectrum for six years without prior DOJ and FCC approval (unless such sale is part of a change of control of DISH Network). Additionally, we have agreed not to lease a certain percentage of network capacity on our AWS-4 and 600 MHz spectrum for six years to the three largest U.S. wireless carriers (i.e., AT&T, Verizon and NTM), without prior FCC approval.

Upon the effective date of an FCC Order, and while the approval of the Sprint-TMUS merger is pending, the March 7, 2020 build-out deadline that is currently in force for both the AWS-4 and Lower 700 MHz E Block spectrum bands would be tolled; however, if the Sprint-TMUS merger is not consummated, the original deadline would be reinstated with extensions equivalent to the length of time the deadline was tolled. Except for tolling of the March 2020 deadline, we may not receive the requested buildout extensions unless and until the Prepaid Business Sale closes.

Our 5G deployment commitments for each of the four spectrum bands are generally as follows:

- With respect to the 600 MHz licenses, we committed to offer 5G broadband service to at least 70% of the U.S. population and to have deployed a core network no later than June 14, 2023, and to offer 5G broadband service to at least 75% of the population in each Partial Economic Area (which are service areas established by the FCC) no later than June 14, 2025. Note that these commitments are earlier than the current 600 MHz Final Build-Out Requirement date of June 2029. See Note 10 for further information.
- With respect to the AWS-4 licenses, we committed to offer 5G broadband service to at least 20% of the U.S. population and to have deployed a core network no later than June 14, 2022, and to offer 5G broadband service to at least 70% of the U.S. population no later than June 14, 2023.
- With respect to the Lower 700 MHz E Block licenses, we committed to offer 5G broadband service to at least 20% of the U.S. population who are covered by such licenses and to have deployed a core network no later than June 14, 2022, and to offer 5G broadband service to at least 70% of the U.S. population who are covered by such licenses no later than June 14, 2023.
- With respect to the AWS H Block licenses, we committed to offer 5G broadband service to at least 20% of the U.S. population and to have deployed a core network no later than June 14, 2022, and to offer 5G broadband service to at least 70% of the U.S. population no later than June 14, 2023.

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, 2018 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 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 Smart 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.

Financial Highlights

2019 Second Quarter Consolidated Results of Operations and Key Operating Metrics

- Revenue of $3.211 billion
- Net income attributable to DISH Network of $317 million and basic and diluted earnings per share of common stock of $0.68 and $0.60, respectively
- Loss of approximately 31,000 net Pay-TV subscribers
- Loss of approximately 79,000 net DISH TV subscribers
- Addition of approximately 48,000 net Sling TV subscribers
- Pay-TV ARPU of $86.34
- Gross new DISH TV subscriber activations of approximately 348,000
- DISH TV churn rate of 1.48%
- DISH TV SAC of $786

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

Consolidated Financial Condition as of June 30, 2019

- Cash, cash equivalents and current marketable investment securities of $2.732 billion
- Total assets of $32.284 billion
- Total long-term debt and finance lease obligations of $15.163 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, Smart Home service and call center operations, and certain other assets utilized in our operations ("DISH TV"). 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. The Sling branded pay-TV services consist of, among other things, multichannel, live, linear streaming over-the-top ("OTT"), Internet-based domestic, international and Latino video programming services ("Sling TV"). As of June 30, 2019, we had 12.032 million Pay-TV subscribers in the United States, including 9.560 million DISH TV subscribers and 2.472 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, tablets, phones and computers. The Hopper 3, among other things, 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 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, Disney, Verizon, DirecTV, Sony, YouTube, Fubo, Philo and Pluto 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.

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

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.

In addition, we 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.

Recent Developments

On May 19, 2019, we and our wholly-owned subsidiary BSS Merger Sub Inc., ("Merger Sub"), entered into a Master Transaction Agreement (the "Master Transaction Agreement") with EchoStar and EchoStar BSS Corporation, a wholly-owned subsidiary of EchoStar ("Newco").

Pursuant to the Master Transaction Agreement, among other things: (i) EchoStar will carry out an internal reorganization in which certain assets and liabilities of the EchoStar Satellite Services segment, the business segment of EchoStar that provides broadcast satellite operations and satellite services, as well as certain related licenses, real estate properties and employees (together, the "BSS Business") will be transferred to Newco (the "Pre-Closing Restructuring"); (ii) EchoStar will distribute all outstanding shares of common stock, par value $0.001 per share, of Newco (such stock, "Newco Common Stock") on a pro rata basis (the "Distribution"), to the holders of record of Class A common stock, par value $.001 per share, of EchoStar and Class B common stock, par value $.001 per share, of EchoStar; and (iii) upon the consummation of the Pre-Closing Restructuring and the Distribution, Merger Sub will merge with and into Newco (the "Merger") such that, upon consummation of the Merger, Merger Sub will cease to exist and Newco will continue as our wholly-owned subsidiary.

As consideration for the Merger, shares of Newco Common Stock issued and outstanding will be converted into and exchangeable for newly-issued shares of our Class A common stock. As a result, we will be issuing an additional 22,937,188 shares of our Class A common stock to Newco's stockholders (as of the record date for the Distribution) as consideration for the BSS Business. The transaction is intended to be structured as a tax-free spin-off and merger.

The closing of the Merger is subject to certain conditions, including, among others, receipt of necessary government approvals pertaining to certain assets being transferred, including the Federal Communications Commission and Anatel, as well as the registration and listing of our common stock being issued to Newco stockholders and the receipt of tax opinions from our and EchoStar's respective counsel regarding the tax treatment of the Merger. In addition, we may terminate the Master Transaction Agreement for an incurable breach of the agreement by EchoStar or Newco. Similarly, EchoStar may terminate the Master Transaction Agreement for an incurable breach of the agreement by us or Merger Sub.

In addition, the Master Transaction Agreement contemplates that at closing of the Merger, we, EchoStar and, as relevant, certain of our or their respective subsidiaries, will enter into ancillary agreements involving tax, employment and intellectual property matters, which are anticipated to set forth certain rights and obligations of us and EchoStar and our and their respective subsidiaries related to the Merger with respect to, among other things: (i) the payment of tax liability refunds, and the filing of tax returns related to Newco and the BSS Business; (ii) the allocation of employment-related assets and liabilities between us and EchoStar; (iii) certain employee compensation, equity awards, benefit plans, programs and arrangements relating to employees who are expected to be transferred to us pursuant to the Merger; (iv) a cross-license between us and EchoStar for certain intellectual property either transferred to us as part of the Merger or retained by EchoStar that is also used in the BSS Business; and (v) the provision of certain telemetry, tracking and control services by us and our subsidiaries to EchoStar and its subsidiaries.

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

The Merger will be accounted for as an asset purchase, as substantially all of the fair value of the gross assets acquired is concentrated in a group of similar identifiable assets. As the Merger is between entities that are under common control, we will record the asset and liabilities received under the Merger at EchoStar's historical cost basis, with the offsetting amount recorded in "Additional paid-in capital" on our Condensed Consolidated Balance Sheets.

The description of the Master Transaction Agreement in this section is qualified in its entirety by reference to the complete text of the Master Transaction Agreement, a copy of which is filed as an exhibit hereto, and is incorporated by reference herein in its entirety.

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, as well as certain renewal requirements. 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"), which is the first phase of our network deployment ("First Phase"). We expect to complete the First Phase by March 2020, with subsequent phases to be completed thereafter. As of June 30, 2019, we had entered into vendor contracts with multiple parties for, among other things, base stations, chipsets, modules, tower leases, the core network, Radio Frequency ("RF") design, and deployment services for the First Phase. Among other things, initial RF design in connection with the First Phase is now complete, we have secured certain tower sites, and we are in the process of identifying and securing additional tower sites. The core network has been installed and commissioned. We installed the first base stations on sites in 2018, and plan to continue deployment until complete. We currently expect expenditures for our wireless projects to be between $500 million and $1.0 billion through 2020. We expect the Second Phase to follow once the 3GPP Release 16 is standardized and as our plans for our other spectrum holdings develop, we plan to upgrade and expand our network to full 5G to support new use cases. We currently expect expenditures for the Second Phase 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 10 "*Commitments and Contingencies – DISH Network Spectrum*" 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 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, L.L.C. ("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.

The AWS-3 Licenses are subject to certain interim and final build-out requirements, as well as certain renewal 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 Northstar Re-Auction Payment and 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 10 "*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 10 "*Commitments and Contingencies*" in the Notes to our Condensed Consolidated Financial Statements for further information.

Business Developments

Mergers and acquisitions, joint ventures and alliances among cable television providers, telecommunications companies, programming providers 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. In October 2016, AT&T announced its acquisition of Time Warner, which was completed in June 2018. In December 2017, Walt Disney Company announced its acquisition of certain assets of Twenty-First Century Fox, Inc., which was completed in March 2019. 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. For example, in connection with AT&T's acquisition of Time Warner, Turner sent all of its distributors written, irrevocable offers to submit disputes over the price and other terms of Turner programming to binding arbitration and to guarantee continued access to that programming while any arbitration is pending. However, in October 2018, AT&T removed its HBO and Cinemax channels, which are not part of Turner, from our DISH TV and Sling TV programming lineup, as we and AT&T have been unable to negotiate the terms and conditions of a new programming carriage contract.

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

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.

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.

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 ten 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 during 2019 we launched the "Tuned In To You 2.0" campaign which further amplifies our commitment to customer satisfaction. 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.

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

For our Sling TV services, we offer a personalized TV experience with a customized channel line-up and two of the lowest priced multichannel 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 this 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.

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 due to contractual price increases and the renewal of long-term programming contracts on less favorable pricing terms and certain programming costs are rising at a much faster rate than wages or inflation. In particular, 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. 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. For example, in June 2018 and November 2018, Univision Communications Inc. ("Univision") removed certain of its channels from our DISH TV and Sling TV programming lineup. On March 26, 2019, we and Univision signed a new programming carriage contract which restored certain of these Univision channels to our DISH TV programming lineup. In October 2018, AT&T removed its HBO and Cinemax channels from our DISH TV and Sling TV programming lineup, as we and AT&T have been unable to negotiate the terms and conditions of a new programming carriage contract. AT&T offers its programming, including its HBO and Cinemax channels, directly to consumers over the Internet and provides HBO for free to its subscribers under certain offers. We experienced a higher DISH TV churn rate, higher net Pay-TV subscriber losses and lower gross new DISH TV subscriber activations during the third and fourth quarter 2018 and continuing into the first quarter 2019, when Univision and AT&T removed certain of their channels from our DISH TV and Sling TV programming lineup. During July 2019, Meredith Corporation ("Meredith") removed certain of its channels from our DISH TV programming lineup and Fox Regional Sports Networks also removed certain of its channels from our DISH TV and Sling TV programming lineup. There can be no assurance that channel removals, such as the removal of the channels discussed above or others, will not have a material adverse effect on our business, results of operations and financial condition or otherwise disrupt our business.

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 churn rate resulting from additional 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.

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.

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 Smart 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.

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

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 Smart 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, Smart 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 finance 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.

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.

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

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 is calculated as "Subscriber acquisition costs," excluding "Subscriber acquisition costs" associated with our 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 finance 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.

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 $34.99, 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.

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

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 is 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, 2019 Compared to the Three Months Ended June 30, 2018.

Statements of Operations Data	For the Three Months Ended June 30, 2019	2018	Variance Amount	%
		(In thousands)		
Revenue:				
Subscriber-related revenue	$ 3,162,572	$ 3,419,760	$ (257,188)	(7.5)
Equipment sales and other revenue	48,740	41,085	7,655	18.6
Total revenue	3,211,312	3,460,845	(249,533)	(7.2)
Costs and Expenses:				
Subscriber-related expenses	2,000,961	2,159,427	(158,466)	(7.3)
% of Subscriber-related revenue	**63.3 %**	**63.1 %**		
Satellite and transmission expenses	138,008	146,052	(8,044)	(5.5)
% of Subscriber-related revenue	**4.4 %**	**4.3 %**		
Cost of sales - equipment and other	51,073	36,117	14,956	41.4
Subscriber acquisition costs	238,078	183,262	54,816	29.9
General and administrative expenses	202,758	190,625	12,133	6.4
% of Total revenue	**6.3 %**	**5.5 %**		
Depreciation and amortization	149,702	172,702	(23,000)	(13.3)
Total costs and expenses	2,780,580	2,888,185	(107,605)	(3.7)
Operating income (loss)	430,732	572,660	(141,928)	(24.8)
Other Income (Expense):				
Interest income	18,476	10,619	7,857	74.0
Interest expense, net of amounts capitalized	(5,650)	(2,865)	(2,785)	(97.2)
Other, net	2,832	21,432	(18,600)	(86.8)
Total other income (expense)	15,658	29,186	(13,528)	(46.4)
Income (loss) before income taxes	446,390	601,846	(155,456)	(25.8)
Income tax (provision) benefit, net	(105,824)	(141,560)	35,736	25.2
Effective tax rate	**23.7 %**	**23.5 %**		
Net income (loss)	340,566	460,286	(119,720)	(26.0)
Less: Net income (loss) attributable to noncontrolling interests, net of tax	23,523	21,569	1,954	9.1
Net income (loss) attributable to DISH Network	$ 317,043	$ 438,717	$ (121,674)	(27.7)
Other Data:				
Pay-TV subscribers, as of period end (in millions)	12.032	12.997	(0.965)	(7.4)
DISH TV subscribers, as of period end (in millions)	9.560	10.653	(1.093)	(10.3)
Sling TV subscribers, as of period end (in millions)	2.472	2.344	0.128	5.5
Pay-TV subscriber additions (losses), net (in millions)	(0.031)	(0.151)	0.120	79.5
DISH TV subscriber additions (losses), net (in millions)	(0.079)	(0.192)	0.113	58.9
Sling TV subscriber additions (losses), net (in millions)	0.048	0.041	0.007	17.1
Pay-TV ARPU	$ 86.34	$ 85.54	$ 0.80	0.9
DISH TV subscriber additions, gross (in millions)	0.348	0.278	0.070	25.2
DISH TV churn rate	1.48 %	1.46 %	0.02 %	1.4
DISH TV SAC	$ 786	$ 763	$ 23	3.0
EBITDA	$ 559,743	$ 745,225	$ (185,482)	(24.9)

* 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 31,000 net Pay-TV subscribers during the three months ended June 30, 2019 compared to the loss of approximately 151,000 net Pay-TV subscribers during the same period in 2018. The decrease in net Pay-TV subscriber losses during the three months ended June 30, 2019 resulted from fewer net DISH TV subscriber losses and higher net Sling TV subscriber additions. We lost approximately 79,000 net DISH TV subscribers during the three months ended June 30, 2019 compared to the loss of approximately 192,000 net DISH TV subscribers during the same period in 2018. This decrease in net DISH TV subscriber losses primarily resulted from higher gross new DISH TV subscriber activations and lower disconnects. The lower disconnects resulted from a similar DISH TV churn rate on a lower DISH TV subscriber base. We added approximately 48,000 net Sling TV subscribers during the three months ended June 30, 2019 compared to the addition of approximately 41,000 net Sling TV subscribers during the same period in 2018. This increase in net Sling TV subscriber additions was primarily related to higher Sling TV subscriber activations, partially offset by increased competition, including competition from other OTT service providers.

During the three months ended June 30, 2019, we activated approximately 348,000 gross new DISH TV subscribers compared to approximately 278,000 gross new DISH TV subscribers during the same period in 2018, an increase of 25.2%. The increase in gross new DISH TV subscribers resulted from the effectiveness of our promotions and product offers. Although our gross new DISH TV subscriber activations increased, our gross new DISH TV subscriber activations continue to be negatively impacted by stricter customer acquisition policies for our DISH TV subscribers, including an emphasis on acquiring higher quality subscribers, and by increased competitive pressures, including aggressive short term introductory pricing and bundled offers combining broadband, video and/or wireless services and other discounted promotional offers.

Our DISH TV churn rate for the three months ended June 30, 2019 was 1.48% compared to 1.46% for the same period in 2018. Our DISH TV churn rate continues to be adversely 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. Our DISH TV churn rate has been positively impacted by our emphasis on acquiring and retaining higher quality subscribers.

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 $3.163 billion for the three months ended June 30, 2019, a decrease of $257 million or 7.5% compared to the same period in 2018. The decrease in "Subscriber-related revenue" compared to the same period in 2018 was primarily related to a lower average Pay-TV subscriber base, partially offset by an increase in Pay-TV ARPU discussed below. We expect these trends in "Subscriber-related revenue" to continue.

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

Pay-TV ARPU. Pay-TV ARPU was $86.34 during the three months ended June 30, 2019 versus $85.54 during the same period in 2018. The $0.80 or 0.9% increase in Pay-TV ARPU was primarily attributable to the DISH TV programming package price increases in the first quarter 2019 and 2018, Sling TV programming package price increases in the third quarter 2018 and revenue from advertising services. The increases were partially offset by an increase in Sling TV subscribers as a percentage of our total Pay-TV subscriber base and a decrease in revenue related to premium channels. 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.

Subscriber-related expenses. "Subscriber-related expenses" totaled $2.001 billion during the three months ended June 30, 2019, a decrease of $158 million or 7.3% compared to the same period in 2018. The decrease in "Subscriber-related expenses" was primarily attributable to a lower average Pay-TV subscriber base, partially offset by higher programming costs per subscriber. Programming costs per subscriber during the three months ended June 30, 2019 increased due to rate increases in certain of our programming contracts, including the renewal of certain contracts at higher rates, particularly for local broadcast channels. This increase was partially offset by the reduction in programming costs per subscriber related to AT&T's removal of certain of their channels from our programming lineup. "Subscriber-related expenses" represented 63.3% and 63.1% of "Subscriber-related revenue" during the three months ended June 30, 2019 and 2018, respectively.

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 $238 million during the three months ended June 30, 2019, an increase of $55 million or 29.9% compared to the same period in 2018. This change was primarily attributable to higher gross new DISH TV subscriber activations and the increase in DISH TV SAC, discussed below.

DISH TV SAC. DISH TV SAC was $786 during the three months ended June 30, 2019 compared to $763 during the same period in 2018, an increase of $23 or 3.0%. This change was primarily attributable to an increase in advertising costs and hardware costs. The increase in hardware costs resulted from our emphasis on acquiring higher quality subscribers who activate with higher priced receivers, such as the Hopper 3, and a lower percentage of remanufactured receivers being activated on new subscriber accounts. These increases were partially offset by increased additions of commercial subscribers during 2019 that have a significantly lower cost per activation.

During the three months ended June 30, 2019 and 2018, the amount of equipment capitalized under our lease program for new DISH TV subscribers totaled $43 million and $34 million, respectively. This increase in capital expenditures resulted from our emphasis on acquiring higher quality subscribers who activate with higher priced receivers, such as the Hopper 3, and a lower percentage of remanufactured receivers being activated on new subscriber accounts.

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."*

Depreciation and amortization. "Depreciation and amortization" expense totaled $150 million during the three months ended June 30, 2019, a $23 million or 13.3% decrease compared to the same period in 2018. This change was primarily driven by a decrease in depreciation expense from equipment leased to new and existing DISH TV subscribers.

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

General and administrative expenses. "General and administrative expenses" totaled $203 million during the three months ended June 30, 2019, a $12 million or 6.4% increase compared to the same period in 2018. This increase was primarily driven by an increase in legal fees and an increase in expense related to our wireless projects.

Other, net. "Other, net" income was $3 million during the three months ended June 30, 2019 compared to income of $21 million for the same period in 2018. This change primarily resulted from a decrease in net realized and 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 $560 million during the three months ended June 30, 2019, a decrease of $185 million or 24.9% compared to the same period in 2018. The decrease in EBITDA was primarily attributable to the changes in operating income discussed above, excluding the change in "Depreciation and amortization." The following table reconciles EBITDA to the accompanying financial statements.

	For the Three Months Ended June 30,	
	2019	**2018**
	(In thousands)	
EBITDA	$ 559,743	$ 745,225
Interest, net	12,826	7,754
Income tax (provision) benefit, net	(105,824)	(141,560)
Depreciation and amortization	(149,702)	(172,702)
Net income (loss) attributable to DISH Network	$ 317,043	$ 438,717

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 $106 million during the three months ended June 30, 2019, a decrease of $36 million compared to the same period in 2018. The decrease in the provision was primarily related to a decrease in "Income (loss) before income taxes."

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

Six Months Ended June 30, 2019 Compared to the Six Months Ended June 30, 2018.

Statements of Operations Data	For the Six Months Ended June 30, 2019	2018	Variance Amount	%
	(In thousands)			
Revenue:				
Subscriber-related revenue	$ 6,310,342	$ 6,842,464	$ (532,122)	(7.8)
Equipment sales and other revenue	88,114	76,868	11,246	14.6
Total revenue	6,398,456	6,919,332	(520,876)	(7.5)
Costs and Expenses:				
Subscriber-related expenses	4,005,968	4,344,378	(338,410)	(7.8)
% of Subscriber-related revenue	**63.5 %**	**63.5 %**		
Satellite and transmission expenses	277,509	299,696	(22,187)	(7.4)
% of Subscriber-related revenue	**4.4 %**	**4.4 %**		
Cost of sales - equipment and other	91,457	67,743	23,714	35.0
Subscriber acquisition costs	431,977	379,273	52,704	13.9
General and administrative expenses	401,672	360,402	41,270	11.5
% of Total revenue	**6.3 %**	**5.2 %**		
Depreciation and amortization	302,841	365,674	(62,833)	(17.2)
Total costs and expenses	5,511,424	5,817,166	(305,742)	(5.3)
Operating income (loss)	887,032	1,102,166	(215,134)	(19.5)
Other Income (Expense):				
Interest income	33,643	19,936	13,707	68.8
Interest expense, net of amounts capitalized	(11,571)	(5,822)	(5,749)	(98.7)
Other, net	11,920	(13,376)	25,296	*
Total other income (expense)	33,992	738	33,254	*
Income (loss) before income taxes	921,024	1,102,904	(181,880)	(16.5)
Income tax (provision) benefit, net	(219,159)	(257,297)	38,138	14.8
Effective tax rate	**23.8 %**	**23.3 %**		
Net income (loss)	701,865	845,607	(143,742)	(17.0)
Less: Net income (loss) attributable to noncontrolling interests, net of tax	45,061	39,330	5,731	14.6
Net income (loss) attributable to DISH Network	$ 656,804	$ 806,277	$ (149,473)	(18.5)
Other Data:				
Pay-TV subscribers, as of period end (in millions)	12.032	12.997	(0.965)	(7.4)
DISH TV subscribers, as of period end (in millions)	9.560	10.653	(1.093)	(10.3)
Sling TV subscribers, as of period end (in millions)	2.472	2.344	0.128	5.5
Pay-TV subscriber additions (losses), net (in millions)	(0.290)	(0.245)	(0.045)	(18.4)
DISH TV subscriber additions (losses), net (in millions)	(0.345)	(0.377)	0.032	8.5
Sling TV subscriber additions (losses), net (in millions)	0.055	0.132	(0.077)	(58.3)
Pay-TV ARPU	$ 85.68	$ 85.01	$ 0.67	0.8
DISH TV subscriber additions, gross (in millions)	0.591	0.575	0.016	2.8
DISH TV churn rate	1.61 %	1.46 %	0.15 %	10.3
DISH TV SAC	$ 803	$ 734	$ 69	9.4
EBITDA	$ 1,156,732	$ 1,415,134	$ (258,402)	(18.3)

* 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 290,000 net Pay-TV subscribers during the six months ended June 30, 2019 compared to the loss of approximately 245,000 net Pay-TV subscribers during the same period in 2018. The increase in net Pay-TV subscriber losses during the six months ended June 30, 2019 resulted from fewer net Sling TV subscriber additions, partially offset by fewer net DISH TV subscriber losses. Our net Pay-TV subscriber losses during the six months ended June 30, 2019 were negatively impacted by Univision and AT&T's removal of certain of their channels from our DISH TV and Sling TV programming lineup. As a result, we experienced higher net Pay-TV subscriber losses beginning in the second half of 2018 and continuing into the first quarter 2019. On March 26, 2019, we and Univision signed a new programming carriage contract which restored certain Univision channels to our DISH TV programming lineup. We lost approximately 345,000 net DISH TV subscribers during the six months ended June 30, 2019 compared to the loss of approximately 377,000 net DISH TV subscribers during the same period in 2018. This decrease in net DISH TV subscriber losses primarily resulted from higher gross new DISH TV subscriber activations and lower disconnects. The lower disconnects resulted from churn on a lower DISH TV subscriber base. We added approximately 55,000 net Sling TV subscribers during the six months ended June 30, 2019 compared to the addition of approximately 132,000 net Sling TV subscribers during the same period in 2018. This decrease in net Sling TV subscriber additions was primarily related to increased competition, including competition from other OTT service providers, and the impact from Univision and AT&T's removal of certain of their channels from our programming lineup, discussed above.

During the six months ended June 30, 2019, we activated approximately 591,000 gross new DISH TV subscribers compared to approximately 575,000 gross new DISH TV subscribers during the same period in 2018, an increase of 2.8%. The increase in gross new DISH TV subscribers resulted from the effectiveness of our promotions and product offers. Although our gross new DISH TV subscriber activations increased, our gross new DISH TV subscriber activations continue to be negatively impacted by stricter customer acquisition policies for our DISH TV subscribers, including an emphasis on acquiring higher quality subscribers, and by increased competitive pressures, including aggressive short term introductory pricing and bundled offers combining broadband, video and/or wireless services and other discounted promotional offers; and Univision and AT&T's removal of certain of their channels from our programming lineup, discussed above.

Our DISH TV churn rate for the six months ended June 30, 2019 was 1.61% compared to 1.46% for the same period in 2018. Our DISH TV churn rate for the six months ended June 30, 2019 was negatively impacted by Univision and AT&T's removal of certain of their channels from our programming lineup, discussed above, partially offset by the positive impact from our emphasis on acquiring and retaining higher quality subscribers. Our DISH TV churn rate continues to be adversely 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 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.

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

Subscriber-related revenue. "Subscriber-related revenue" totaled $6.310 billion for the six months ended June 30, 2019, a decrease of $532 million or 7.8% compared to the same period in 2018. The decrease in "Subscriber-related revenue" compared to the same period in 2018 was primarily related to a lower average Pay-TV subscriber base, partially offset by an increase in Pay-TV ARPU discussed below. We expect these trends in "Subscriber-related revenue" to continue.

Pay-TV ARPU. Pay-TV ARPU was $85.68 during the six months ended June 30, 2019 versus $85.01 during the same period in 2018. The $0.67 or 0.8% increase in Pay-TV ARPU was primarily attributable to the DISH TV programming package price increases in the first quarter 2019 and 2018, Sling TV programming package price increases in the third quarter 2018 and revenue from advertising services. The increases were partially offset by an increase in Sling TV subscribers as a percentage of our total Pay-TV subscriber base and a decrease in revenue related to premium channels. 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.

Subscriber-related expenses. "Subscriber-related expenses" totaled $4.006 billion during the six months ended June 30, 2019, a decrease of $338 million or 7.8% compared to the same period in 2018. The decrease in "Subscriber-related expenses" was primarily attributable to a lower average Pay-TV subscriber base, partially offset by higher programming costs per subscriber. Programming costs per subscriber during the six months ended June 30, 2019 increased due to rate increases in certain of our programming contracts, including the renewal of certain contracts at higher rates, particularly for local broadcast channels. This increase was partially offset by the reduction in programming costs per subscriber related to AT&T and Univision's removal of certain of their channels from our programming lineup. "Subscriber-related expenses" represented 63.5% of "Subscriber-related revenue" during both the six months ended June 30, 2019 and 2018.

Subscriber acquisition costs. "Subscriber acquisition costs" totaled $432 million during the six months ended June 30, 2019, an increase of $53 million or 13.9% compared to the same period in 2018. This change was primarily attributable to higher gross new DISH TV subscriber activations and the increase in DISH TV SAC, discussed below.

DISH TV SAC. DISH TV SAC was $803 during the six months ended June 30, 2019 compared to $734 during the same period in 2018, an increase of $69 or 9.4%. This change was primarily attributable to an increase in hardware costs and advertising costs per activation. The increase in hardware costs resulted from our emphasis on acquiring higher quality subscribers who activate with higher priced receivers, such as the Hopper 3, and a lower percentage of remanufactured receivers being activated on new subscriber accounts. These increases were partially offset by increased additions of commercial subscribers during 2019 that have a significantly lower cost per activation. In addition, the six months ended June 30, 2018 were positively impacted by the reactivation of certain subscribers in Puerto Rico related to Hurricane Maria. The expenses we incurred for these reactivations 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.

During the six months ended June 30, 2019 and 2018, the amount of equipment capitalized under our lease program for new DISH TV subscribers totaled $77 million and $55 million, respectively. This increase in capital expenditures resulted from our emphasis on acquiring higher quality subscribers who activate with higher priced receivers, such as the Hopper 3, and a lower percentage of remanufactured receivers being activated on new subscriber accounts.

Depreciation and amortization. "Depreciation and amortization" expense totaled $303 million during the six months ended June 30, 2019, a $63 million or 17.2% decrease compared to the same period in 2018. This change was primarily driven by a decrease in depreciation expense resulting from a gain on an asset sale during the six months ended June 30, 2019 and a decrease in depreciation expense from equipment leased to new and existing DISH TV subscribers.

General and administrative expenses. "General and administrative expenses" totaled $402 million during the six months ended June 30, 2019, a $41 million or 11.5% increase compared to the same period in 2018. This increase was primarily driven by an increase in legal fees and an increase in expense related to our wireless projects.

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

Other, net. "Other, net" income was $12 million during the six months ended June 30, 2019 compared to expense of $13 million for the same period in 2018. This change primarily resulted from a decrease in net realized and unrealized losses 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 $1.157 billion during the six months ended June 30, 2019, a decrease of $258 million or 18.3% compared to the same period in 2018. The decrease in EBITDA was primarily attributable to the changes in operating income discussed above, excluding the change in "Depreciation and amortization." The following table reconciles EBITDA to the accompanying financial statements.

	For the Six Months Ended June 30,	
	2019	**2018**
	(In thousands)	
EBITDA	$ 1,156,732	$ 1,415,134
Interest, net	22,072	14,114
Income tax (provision) benefit, net	(219,159)	(257,297)
Depreciation and amortization	(302,841)	(365,674)
Net income (loss) attributable to DISH Network	$ 656,804	$ 806,277

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 $219 million during the six months ended June 30, 2019, a decrease of $38 million compared to the same period in 2018. The decrease in the provision was primarily related to a decrease in "Income (loss) before income taxes."

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, 2019, our cash, cash equivalents and current marketable investment securities totaled $2.732 billion compared to $2.069 billion as of December 31, 2018, an increase of $663 million. This increase in cash, cash equivalents and current marketable investment securities primarily resulted from cash generated from operating activities of $1.346 billion, partially offset by capital expenditures of $727 million (including capitalized interest related to FCC authorizations).

Cash Flow

The following discussion highlights our cash flow activities during the six months ended June 30, 2019.

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

Cash flows from operating activities

For the six months ended June 30, 2019, we reported "Net cash flows from operating activities" of $1.346 billion primarily attributable to $1.115 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)." In addition, "Net cash flows from operating activities" was impacted by the timing difference between book expense and cash payments, including income taxes.

Cash flows from investing activities

For the six months ended June 30, 2019, we reported outflows from "Net cash flows from investing activities" of $362 million primarily related to capital expenditures of $727 million (including capitalized interest related to FCC authorizations), partially offset by $355 million in net sales of marketable investment securities. The capital expenditures included $446 million of capitalized interest related to FCC authorizations, $126 million for new and existing DISH TV subscriber equipment and $155 million of other corporate capital expenditures.

Cash flows from financing activities

For the six months ended June 30, 2019, we reported inflows from "Net cash flows from financing activities" of $43 million primarily related to other financing inflows and net proceeds from Class A common stock issued, partially offset by the $22 million of repurchases of our 7 7/8% Senior Notes due 2019 in open market trades.

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.

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

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

	For the Six Months Ended June 30,	
	2019	2018
	(In thousands)	
Free cash flow	$ 618,913	$ 684,446
Add back:		
Purchases of property and equipment (including capitalized interest related to FCC authorizations)	727,406	640,892
Net cash flows from operating activities	$ 1,346,319	$ 1,325,338

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.

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. 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. Declines in our Pay-TV subscriber base and subscriber related-margins continue to negatively impact our cash flow, and there can be no assurances that these declines will not continue.

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

Subscriber Base

Pay-TV subscribers. We lost approximately 290,000 net Pay-TV subscribers during the six months ended June 30, 2019 compared to the loss of approximately 245,000 net Pay-TV subscribers during the same period in 2018. The increase in net Pay-TV subscriber losses during the six months ended June 30, 2019 resulted from fewer net Sling TV subscriber additions, partially offset by fewer net DISH TV subscriber losses. Our net Pay-TV subscriber losses during the six months ended June 30, 2019 were negatively impacted by Univision and AT&T's removal of certain of their channels from our DISH TV and Sling TV programming lineup. As a result, we experienced higher net Pay-TV subscriber losses beginning in the second half of 2018 and continuing into the first quarter 2019. On March 26, 2019, we and Univision signed a new programming carriage contract which restored certain Univision channels to our DISH TV programming lineup. We lost approximately 345,000 net DISH TV subscribers during the six months ended June 30, 2019 compared to the loss of approximately 377,000 net DISH TV subscribers during the same period in 2018. This decrease in net DISH TV subscriber losses primarily resulted from higher gross new DISH TV subscriber activations and lower disconnects. The lower disconnects resulted from churn on a lower DISH TV subscriber base. We added approximately 55,000 net Sling TV subscribers during the six months ended June 30, 2019 compared to the addition of approximately 132,000 net Sling TV subscribers during the same period in 2018. This decrease in net Sling TV subscriber additions was primarily related to increased competition, including competition from other OTT service providers, and the impact from Univision and AT&T's removal of certain of their channels from our programming lineup, discussed above.. 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.

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, historical trends in seasonality described above may not be indicative of future trends. 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.

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

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.

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.

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

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. Certain of our capital expenditures for 2019 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. 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. In addition, we expect to incur capital expenditures in 2019 related to 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. 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. 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.

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, as well as certain renewal requirements. In March 2017, we notified the FCC that we plan to deploy a next-generation 5G-capable network, focused on supporting narrowband IoT. We expect to complete the First Phase by March 2020, with subsequent phases to be completed thereafter. As of June 30, 2019, we had entered into vendor contracts with multiple parties for, among other things, base stations, chipsets, modules, tower leases, the core network, RF design, and deployment services for the First Phase. Among other things, initial RF design in connection with the First Phase is now complete, we have secured certain tower sites, and we are in the process of identifying and securing additional tower sites.

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

The core network has been installed and commissioned. We installed the first base stations on sites in 2018, and plan to continue deployment until complete. We currently expect expenditures for our wireless projects to be between $500 million and $1.0 billion through 2020. We expect the Second Phase to follow once the 3GPP Release 16 is standardized and as our plans for our other spectrum holdings develop, we plan to upgrade and expand our network to full 5G to support new use cases. We currently expect expenditures for the Second Phase 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 10 "*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, as well as certain renewal 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 Northstar Re-Auction Payment and 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 10 "*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 10 "*Commitments and Contingencies*" 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

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 year ended December 31, 2018 and the six months ended June 30, 2019, we repurchased $83 million and $22 million, respectively, of our 7 7/8% Senior Notes due 2019 in open market trades. The remaining balance of $1.295 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.

Our 5 1/8% Senior Notes with an aggregate principal balance of $1.1 billion mature on May 1, 2020. We expect to fund this obligation from cash and marketable investment securities balances at that time. But, depending on market conditions, we may refinance this obligation in whole or in part.

Off-Balance Sheet Arrangements

Other than the "Guarantees" disclosed in Note 10 in the Notes to our Condensed Consolidated Financial Statements, we generally do not engage in off-balance sheet financing activities.

New Accounting Pronouncements

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.

Fair Value Measurement. On August 28, 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement* ("ASU 2018-13"), which modifies the disclosure requirements on fair value measurements by adding, modifying or removing certain disclosures. This standard will be effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted. Certain disclosures in ASU 2018-13 are required to be applied on a retrospective basis and others on a prospective basis. We are evaluating the impact the adoption of ASU 2018-13 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, 2019. 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, 2018.

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 10 "*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, 2018 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, 2018.

Our owned and leased satellites are subject to construction, launch, operational and environmental risks that could limit our ability to utilize these satellites.

Construction and launch risks. Operation of our DISH TV services requires that we have adequate satellite transmission capacity for the programming we offer. To accomplish this goal, from time to time, new satellites need to be built and launched. Satellite construction and launch is subject to significant risks, including construction and launch delays, launch failure and incorrect orbital placement. Certain launch vehicles that we may use have either unproven track records or have experienced launch failures in the recent past. The risks of launch delay and failure are usually greater when the launch vehicle does not have a track record of previous successful flights. Launch failures result in significant delays in the deployment of satellites because of the need both to construct replacement satellites, which can take more than three years, and to obtain other launch opportunities. Significant construction or launch delays could materially and adversely affect our ability to generate revenues. If we were unable to obtain launch insurance, or obtain launch insurance at rates it deemed commercially reasonable, and a significant launch failure were to occur, it could impact our ability to fund future satellite procurement and launch opportunities.

In addition, the occurrence of future launch failures for other operators may delay the deployment of our satellites and materially and adversely affect our ability to insure the launch of our satellites at commercially reasonable premiums, if at all. See "*We generally do not carry commercial in-orbit insurance on any of the satellites that we use and could face significant impairment charges if any of our owned satellites fail.*" above for further information.

Operational risks. Satellites are subject to significant operational risks while in orbit. These risks include malfunctions, commonly referred to as anomalies that have occurred in our satellites and the satellites of other operators as a result of various factors, such as manufacturing defects, problems with the power systems or control systems of the satellites and general failures resulting from operating satellites in the harsh environment of space. See "*Satellite anomalies or technological failures could adversely affect the value of a particular satellite or result in a complete loss. Some of the satellites being acquired in the BSS Acquisition have experienced anomalies that may affect their useful lives or prohibit us from operating them to their currently expected capacity, and one or more of the satellites may suffer a technological failure, either of which could have an adverse effect our business, financial condition and results of operations.*" above.

Although we work closely with the satellite manufacturers to determine and eliminate the cause of anomalies in new satellites and provide for redundancies of many critical components in the satellites, we may experience anomalies in the future, whether of the types described above or arising from the failure of other systems or components.

Any single anomaly or series of anomalies could materially and adversely affect our operations and revenues and our relationship with current customers, as well as our ability to attract new customers for our DISH TV services. In particular, future anomalies may result in the loss of individual transponders on a satellite, a group of transponders on that satellite or the entire satellite, depending on the nature of the anomaly. Anomalies may also reduce the expected useful life of a satellite, thereby reducing the channels that could be offered using that satellite, or create additional expenses due to the need to provide replacement or back-up satellites.

Environmental risks. Meteoroid events pose a potential threat to all in-orbit satellites. The probability that meteoroids will damage those satellites increases significantly when the Earth passes through the particulate stream left behind by comets. Occasionally, increased solar activity also poses a potential threat to all in-orbit satellites.

Some decommissioned satellites are in uncontrolled orbits that pass through the geostationary belt at various points, and present hazards to operational satellites, including our satellites. We may be required to perform maneuvers to avoid collisions and these maneuvers may prove unsuccessful or could reduce the useful life of the satellite through the expenditure of fuel to perform these maneuvers. The loss, damage or destruction of any of our satellites as a result of an electrostatic storm, collision with space debris, malfunction or other event could have a material adverse effect on our business, financial condition and results of operations.

Satellite anomalies or technological failures could adversely affect the value of a particular satellite or result in a complete loss. Some of the satellites being acquired in the BSS Acquisition have experienced anomalies that may affect their useful lives or prohibit us from operating them to their currently expected capacity, and one or more of the satellites may suffer a technological failure, either of which could have an adverse effect on our business, financial condition and results of operations.

Satellites may experience anomalies from time to time, some of which may have a significant adverse effect on their remaining useful lives, the commercial operation of the satellites or our operating results or financial position. Some of the satellites being acquired in the BSS Acquisition have had anomalies in the past that have caused losses at EchoStar. For instance, the EchoStar X satellite experienced anomalies in the past which affected seven solar array circuits. In December 2017, the satellite experienced anomalies which affected one additional solar array circuit reducing the number of functional solar array circuits to 16. As a result of these anomalies, EchoStar experienced a reduction in revenue. There can be no assurance, however, that there will be no further anomalies with this or any other satellite, and any such anomalies could have adverse operational or financial effects in the future. In addition, there can be no assurance that we can recover critical transmission capacity in the event one or more of our satellites were to fail. Further, technological failures in any of the satellites may drastically reduce the useful life of that satellite to be significantly shorter than the minimum design life or immediately end the useful life.

We generally do not carry commercial in-orbit insurance on any of the satellites that we use and could face significant impairment charges if any of its owned satellites fail.

Generally, we do not carry commercial in-orbit insurance on any of the satellites we use, other than certain limited circumstances, and generally do not use commercial insurance to mitigate the potential financial impact of in-orbit failures because we believe that the cost of insurance premiums is uneconomical relative to the risk of such failures. Following completion of the BSS Acquisition, we will still lease a portion of our satellite capacity from third parties, and we generally do not carry commercial insurance on any of the satellites leased from them. 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 owned or leased satellites and use it as a replacement for the failed or lost satellite. If one or more of our owned in-orbit satellites fail, we could be required to record significant impairment charges.

The Prepaid Business Sale may not be completed on the terms or timeline currently contemplated, or at all, as we and the Sellers may be unable to satisfy the conditions or obtain the approvals required to complete the Prepaid Business Sale or such approvals may contain material restrictions or conditions.

The consummation of the Prepaid Business Sale is subject to numerous conditions, including, among other things:

- the Sprint-TMUS merger having been completed;
- the required governmental consents having been received, including approvals by the U.S. Department of Justice and the FCC;
- no laws having been enacted, modified, supplemented or amended or governmental order enacted, promulgated or issued by any governmental authority that would prevent or restrain the Prepaid Business Sale from being consummated; and
- other customary conditions.

There is no assurance that the Prepaid Business Sale will be consummated on the terms or timeline currently contemplated, or at all. We will continue to expend time and resources of management and to potentially incur certain legal, advisory and financial services fees related to the Prepaid Business Sale. These expenses must generally be paid regardless of whether the Prepaid Business Sale is consummated.

Governmental authorities may impose conditions to the approval of the Prepaid Business Sale or may require changes to the terms of the transaction. Any such conditions or changes could have the effect of delaying completion of the Prepaid Business Sale or otherwise reducing the anticipated benefits of the Prepaid Business Sale. The Sellers may also terminate the Asset Purchase Agreement if any governmental authority requests any modifications to the Final Judgment or any of the Transaction Agreements that are not acceptable to the Sellers in their sole discretion.

We may fail to realize all of the anticipated benefits of the Prepaid Business Sale.

The success of the Prepaid Business Sale will depend, in part, on our ability to realize the anticipated benefits and cost savings from acquiring the Prepaid Business. The anticipated benefits and cost savings of the Prepaid Business Sale may not be realized fully or at all, may take longer to realize than expected or could have other adverse effects that we do not currently foresee. Some of the assumptions that we have made with respect to the benefits of the Prepaid Business may not be realized. The integration process may result in the loss of employees, the disruption of ongoing businesses or inconsistencies in standards, controls, procedures and policies. There could be potential unknown liabilities and unforeseen expenses associated with the Prepaid Business Sale that were not discovered in the course of performing due diligence.

The BSS Acquisition may not be completed on the terms or timeline currently contemplated, or at all, as we and EchoStar may be unable to satisfy the conditions or obtain the approvals required to complete the BSS Acquisition or such approvals may contain material restrictions or conditions.

The consummation of the Merger is subject to numerous conditions, including, among other things:

- the affirmative vote by written consent of the sole holder of all the issued and outstanding Newco shares having been obtained;
- the required governmental consents having been received and the required governmental notices that are required to be submitted prior to the closing of the Merger having been filed;
- the absence of any governmental action or proceeding (a) challenging or seeking to make illegal or otherwise prohibit, directly or indirectly, the consummation of the transactions contemplated by the Master Transaction Agreement, or (b) directly involving us, EchoStar, Newco, Merger Sub or any of our or their affiliates that would reasonably be expected to materially impair our ability to own or operate the BSS Business and conduct the business as currently conducted;
- the absence of any governmental order prohibiting the consummation of the transactions contemplated by the Master Transaction Agreement;
- our registration statement having become effective under the Securities Act and the prospectus or any other required SEC filings having been disseminated to the EchoStar stockholders;
- our having filed with the NASDAQ a notification form for the listing of all shares of Class A common stock to be issued to Newco stockholders in the Merger, and the NASDAQ not having objected to the listing of such shares of Class A common stock;
- the Pre-Closing Restructuring and Distribution having been completed;
- certain consents with respect to the operation of the EchoStar XXIII satellite having been obtained; and
- other customary conditions.

There is no assurance that the Pre-Closing Restructuring, the Distribution or the Merger will be consummated on the terms or timeline currently contemplated, or at all. We have and will continue to expend time and resources of management and to incur legal, advisory and financial services fees related to the BSS Acquisition. These expenses must generally be paid regardless of whether the transactions contemplated by the Master Transaction Agreement are consummated.

Governmental authorities may impose conditions to the approval of the transactions contemplated by the Master Transaction Agreement or may require changes to the terms of such transactions. Any such conditions or changes could have the effect of delaying completion of the BSS Acquisition, imposing costs on or limiting the revenues of the combined company following the BSS Acquisition or otherwise reducing the anticipated benefits of the BSS Acquisition. Any condition or change which results in a material adverse effect on EchoStar, Newco or the BSS Business under the Master Transaction Agreement may cause us to terminate the Master Transaction Agreement.

The integration of the BSS Business may not be as successful as anticipated.

The BSS Acquisition involves numerous operational, strategic, financial, accounting, legal, tax and other risks, as well as potential liabilities associated with the acquired business. We may not be able to successfully or profitably integrate, operate, maintain and manage the BSS Business and its employees. We may not be able to maintain uniform standards, controls, procedures and policies, and this may lead to operational inefficiencies. In addition, the integration process may strain our financial and managerial controls and reporting systems and procedures. Difficulties in integrating the BSS Business may result in the BSS Business performing differently than expected, in operational challenges or in the failure to realize anticipated expense-related efficiencies. Our existing businesses could also be negatively impacted by the BSS Acquisition. Potential difficulties that may be encountered in the integration process include, among other factors:

- the inability to successfully integrate the BSS Business in a manner that permits us to achieve the full revenue and cost savings anticipated from the BSS Acquisition;
- complexities associated with managing the larger, more complex, integrated business;
- integrating personnel from the BSS Business and the loss of key employees; and
- potential unknown liabilities and unforeseen expenses, delays or regulatory conditions associated with the BSS Acquisition.

We may fail to realize all of the anticipated benefits of the BSS Acquisition.

The success of the BSS Acquisition will depend, in part, on our ability to realize the anticipated benefits and cost savings from acquiring the BSS Business. The anticipated benefits and cost savings of the BSS Acquisition may not be realized fully or at all, may take longer to realize than expected or could have other adverse effects that we do not currently foresee. Some of the assumptions that we have made may not be realized. The integration process may result in the loss of employees, the disruption of ongoing businesses or inconsistencies in standards, controls, procedures and policies. There could be potential unknown liabilities and unforeseen expenses associated with the BSS Acquisition that were not discovered in the course of performing due diligence.

Despite the acquisition of additional satellites as part of the BSS Acquisition, following closing we will continue to have limited satellite capacity, and failures or reduced capacity could adversely affect our DISH TV services.

Operation of DISH TV services requires that we have adequate satellite transmission capacity for the programming it offers. 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, and the satellites acquired in the BSS Acquisition will bolster that capacity, our backup capacity is limited. Following closing, we will continue to lease satellite capacity from third parties, see "*—We generally do not carry commercial in-orbit insurance on any of the satellites that we use and could face significant impairment charges if any of our owned satellites fail*" below.

Our ability to earn revenue from our DISH TV services depends on the usefulness of our owned and leased satellites, each of which has a limited useful life. A number of factors affect the useful lives of the satellites, including, among other things, the quality of their construction, the durability of their component parts, the ability to continue to maintain proper orbit and control over the satellite's functions, the efficiency of the launch vehicle used, and the remaining on-board fuel following orbit insertion. Generally, the minimum design life of each of our owned and leased satellites ranges from 12 to 15 years. We can provide no assurance, however, as to the actual useful lives of any of our satellites. Our operating results could be adversely affected if the useful life of any of our owned or leased satellites were significantly shorter than the minimum design life.

In the event of a failure or loss of any of our owned or leased satellites (including those acquired as part of the BSS Acquisition), we may need to acquire or lease additional satellite capacity or relocate one of our other owned or leased satellites and use it as a replacement for the failed or lost satellite, any of which could have a material adverse effect on our business, financial condition and results of operations. Such a failure could result in a prolonged loss of critical programming. A relocation would require FCC and/or other domestic and/or foreign regulatory approvals and, among other things, may require a showing to the FCC and/or other domestic and/or foreign regulatory body that the replacement satellite would not cause additional interference compared to the failed or lost satellite. We cannot be certain that we could obtain such FCC and/or other domestic and/or foreign regulatory body approval. If we chose to use a satellite in this manner, this use could adversely affect our ability to satisfy certain operational conditions associated with our authorizations. Failure to satisfy those conditions could result in the loss of such authorizations, which would have an adverse effect on our ability to generate revenues.

Current DISH Network stockholders will have reduced ownership and voting interest in and will exercise less influence over management of DISH Network following the Transactions.

Upon consummation of the BSS Acquisition, due to the issuance of shares of Class A common stock in connection therewith, the current DISH Network stockholders will have a smaller percentage ownership interest in DISH Network compared to what they own prior to the BSS Acquisition. Based on the number of shares of Class A common stock to be issued in connection with the Merger and the estimated number of shares of Class A common stock that will be outstanding immediately prior to the completion of the BSS Acquisition, the current DISH Network stockholders will hold less than 100% of the issued and outstanding shares of Class A common stock following the BSS Acquisition, and the current EchoStar stockholders will hold approximately 4.9% of the issued and outstanding shares of Class A common stock following the BSS Acquisition. Accordingly, the current DISH Network stockholders will have reduced ownership and voting interests in and will have less influence over management of DISH Network following the BSS Acquisition.

While the BSS Acquisition is pending, we are subject to certain interim operating covenants, including a covenant that requires us to maintain our business in the ordinary course, all of which could prohibit us from taking certain actions that might otherwise be beneficial to us and our stockholders.

After the date of the Master Transaction Agreement and prior to the Effective Time, the Master Transaction Agreement restricts us from taking specified actions without the consent of EchoStar and requires that we use commercially reasonable efforts to preserve our and our subsidiaries' businesses in all material respects. These restrictions may prevent us from making appropriate changes to our or our subsidiaries' respective businesses or organizational structures or from pursuing attractive business opportunities that may arise prior to the completion of the BSS Acquisition and could have the effect of delaying or preventing other strategic transactions. Adverse effects arising from the pendency of the BSS Acquisition could be exacerbated by any delays in consummation of the BSS Acquisition or termination of the Master Transaction Agreement.

If we were to take certain actions that could cause the Distribution to become taxable to EchoStar, we may be required to indemnify EchoStar for any resulting tax liability, and the indemnity amounts could be substantial.

To preserve the intended tax treatment of the Distribution, we will undertake upon closing of the BSS Acquisition to comply with certain restrictions under current U.S. federal income tax laws for spin-offs, including (i) refraining from engaging in certain transactions that would result in Section 355(e) of the Code applying to the Distribution (which generally would occur if Newco undergoes a direct or indirect fifty percent or greater change by vote or value in its ownership as a result of the Distribution and related transactions), (ii) continuing to own and manage the BSS Business in a certain manner, and (iii) limiting certain repurchases or redemptions of our common stock. To the extent that we did not comply with these contractual provisions, among other effects, the Distribution could become taxable to EchoStar, in which case, we may be required to indemnify EchoStar for any tax liability that results from our non-compliance with these restrictions, and such indemnity obligations could be substantial.

We may incur significant transaction, merger-related and restructuring costs in connection with the Transactions.

We have incurred and expect to incur a number of non-recurring costs associated with the Pre-Closing Restructuring, the Distribution, the Merger (and the issuance of shares in connection therewith) and other related transactions, as well as transaction fees and other costs related to the BSS Acquisition. These costs and expenses include fees paid to financial, legal and accounting advisors, facilities and systems consolidation costs, severance and other potential employment-related costs, including payments that may be made to certain executives, filing fees, printing expenses and other related charges. We will also incur integration costs in connection with the BSS Acquisition. Some of these costs are payable regardless of whether the BSS Acquisition is completed. While we have assumed that a certain level of expenses would be incurred in connection with the BSS Acquisition, there are many factors beyond our control that could affect the total amount or the timing of the restructuring, integration and implementation expenses.

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, 2019 through June 30, 2019:

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, 2019 - April 30, 2019	—	$ —	—	$ 1,000,000
May 1, 2019 - May 31, 2019	—	$ —	—	$ 1,000,000
June 1, 2019 - June 30, 2019	—	$ —	—	$ 1,000,000
Total	—	$ —	—	$ 1,000,000

(1) On October 29, 2018, our Board of Directors authorized stock repurchases of up to $1.0 billion of our outstanding Class A common stock through and including December 31, 2019. 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.*

2.1*	Master Transaction Agreement, dated as of May 19, 2019, by and among DISH Network Corporation, BSS Merger Sub Inc., EchoStar Corporation, and EchoStar BSS Corporation.
2.2*	Asset Purchase Agreement, dated as of July 26, 2019, by and among T-Mobile US, Inc., Sprint Corporation and DISH Network Corporation.
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, 2019 filed on July 29, 2019, formatted in Inline eXtensible Business Reporting Language (“iXBRL”): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) Condensed Consolidated Statement of Changes in Stockholders’ Equity (Deficit), (iv) Condensed Consolidated Statements of Cash Flows and (v) 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/ Paul W. Orban*
Paul W. Orban
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: July 29, 2019

EXHIBIT 2.1

MASTER TRANSACTION AGREEMENT

by and among

DISH NETWORK CORPORATION,

BSS MERGER SUB INC.,

ECHOSTAR CORPORATION,

and

ECHOSTAR BSS CORPORATION

Dated as of May 19, 2019

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Annexes

Schedules

Exhibits

MASTER TRANSACTION AGREEMENT

This MASTER TRANSACTION AGREEMENT (this "Agreement"), dated as of May 19, 2019, is made by and among DISH Network Corporation, a Nevada corporation ("DISH"), BSS Merger Sub Inc., a Delaware corporation and a direct wholly owned Subsidiary of DISH ("Merger Sub"), EchoStar Corporation, a Nevada corporation ("EchoStar"), and EchoStar BSS Corporation, a Delaware corporation and a wholly owned Subsidiary of EchoStar ("Newco") (all such parties, collectively, the "Parties" and each, a "Party").

W I T N E S S E T H:

WHEREAS, the Parties intend to effect a merger of Merger Sub with and into Newco (the "Merger") upon the terms and subject to the conditions of this Agreement such that, upon consummation of the Merger, Merger Sub will cease to exist and Newco will continue as a wholly owned Subsidiary of DISH;

WHEREAS, EchoStar currently indirectly owns 1,000 shares of common stock, par value $0.001 per share, of Newco (such stock, "Newco Common Stock," and all such shares, the "Newco Shares"), which represent all of the issued and outstanding Newco Shares;

WHEREAS, each holder of Newco Common Stock has the right to receive a number of shares of Class A common stock, par value $0.01 per share, of DISH (such stock, "DISH Common Stock," and all such shares, the "DISH Shares") as determined by the Exchange Ratio for each Newco Share owned by such holder following the consummation of the Merger, upon the terms and subject to the conditions of this Agreement;

WHEREAS, prior to the consummation of the Merger, the Parties intend for EchoStar to undertake certain restructuring transactions pursuant to which, among other things, (i) the BSS Business will be transferred from EchoStar and its Subsidiaries to Newco and (ii) EchoStar's stockholders will receive a dividend of one (1) Newco Share for every share of EchoStar Common Stock owned on the Distribution Record Date, in each case, in accordance with this Agreement;

WHEREAS, (i) the board of directors of EchoStar has approved this Agreement and declared advisable and in the best interests of its stockholders the transactions contemplated by this Agreement, including the Pre-Closing Restructuring, the Distribution and the Merger, upon the terms and subject to the conditions set forth in this Agreement; (ii) the board of directors of Newco has approved this Agreement and declared advisable and in the best interest of its stockholders the transactions contemplated by this Agreement, including the Pre-Closing Restructuring, the Distribution and the Merger, upon the terms and subject to the conditions set forth in this Agreement, and resolved to recommend that the sole holder of shares of Newco Common Stock adopt this Agreement; (iii) the board of directors of DISH has approved this Agreement and the transactions contemplated by this Agreement, including the Merger and the issuance of DISH Shares as consideration in the Merger, upon the terms and subject to the conditions set forth in this Agreement; and (iv) the board of directors of Merger Sub has approved this Agreement and declared advisable and in the best interest of its sole stockholder the transactions contemplated by this Agreement, including the Merger, upon the terms and subject to

the conditions set forth in this Agreement, and resolved to recommend that the sole holder of shares of Merger Sub Common Stock adopt this Agreement;

WHEREAS, the Parties desire to make certain representations, warranties, covenants and agreements in connection with this Agreement, the other Transaction Documents and the transactions contemplated hereby and thereby; and

WHEREAS, the Parties desire to enter into certain other transactions pursuant to this Agreement and the other Transaction Documents.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained herein and in the other Transaction Documents and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I

ECHOSTAR PRE-CLOSING RESTRUCTURING; TRANSFERRED ASSETS AND RETAINED ASSETS; PRE-CLOSING DISTRIBUTION OF NEWCO SHARES

Section 1.1 The EchoStar Pre-Closing Restructuring. Prior to the Closing, the EchoStar Parties shall, and shall cause their respective applicable Subsidiaries to, implement the Pre-Closing Restructuring consistent with the terms set forth in this Agreement. The Parties hereto acknowledge that the Pre-Closing Restructuring is intended to result in (i) Newco, directly or indirectly, owning and operating the BSS Business, owning the Transferred Assets and assuming the Assumed Liabilities and (ii) Newco not, directly or indirectly, owning any of the Retained Assets and not, directly or indirectly, assuming any of the Excluded Liabilities, in each case, as set forth in this Article I. As promptly as practicable after the Pre-Closing Restructuring is completed, and subject to the conditions set forth in Article VII, the Parties hereto shall take, or cause to be taken, all actions that are necessary or appropriate to effectuate the Closing.

Section 1.2 Implementation. The Pre-Closing Restructuring shall be completed in accordance with the agreed general principles, objectives and other provisions set forth in this Article I and shall be implemented in the following manner:

(a) through the completion of the transactions generally described on Schedule 1.2; and

(b) through the allocation of Assets and Liabilities as set forth in this Article I.

Section 1.3 Transactions To Be Effected Prior to the Closing. In furtherance of consummating the Merger, the EchoStar Parties agree to take, and to cause their respective applicable Subsidiaries to take, the following actions prior to the Closing in accordance with the steps generally set forth on Schedule 1.2 (together, the "Pre-Closing Restructuring"):

(a) EchoStar shall, and shall cause its applicable Subsidiaries to, cause the Transferred Assets to be contributed, assigned, transferred, conveyed and delivered, directly or indirectly, to Newco or, when contemplated by Schedule 1.2, one of its Subsidiaries and Newco

or, when contemplated by Schedule 1.2, one of its Subsidiaries shall accept from EchoStar and its Subsidiaries, all of EchoStar's and its Subsidiaries' rights, title and interest in and to all the Transferred Assets, which will result in Newco owning, directly or indirectly, the BSS Business; and

(b) Newco shall accept, assume and agree to faithfully perform, discharge and fulfill all of the Assumed Liabilities in accordance with their respective terms. Newco shall be responsible for all of the Assumed Liabilities and its obligations under this Section 1.3(b) shall not be subject to offset or reduction, whether by reason of any actual or alleged breach of any representation, warranty or covenant contained in any Transaction Document or any other agreement or document delivered in connection therewith or any right to indemnification hereunder or otherwise.

Section 1.4 Transferred Assets; Retained Assets.

(a) For purposes of this Agreement, "Transferred Assets" shall mean, without duplication, those Assets used, contemplated for use or held for use, in each case, primarily in the ownership, operation or conduct of the BSS Business as currently owned, operated and conducted or relating primarily to the BSS Business as currently owned, operated or conducted, and shall include the following even if the following would otherwise be considered a Retained Asset:

(i) the Assets set forth on Schedule 1.4(a)(i);

(ii) the outstanding capital stock, units or other equity interests of the entities listed on Schedule 1.4(a)(ii) and the Assets owned by such entities as of the Distribution Closing Date;

(iii) if the Distribution Closing Date occurs on or after July 1, 2019, the Ticking Fee Receivable; and

(iv) those Assets not used, contemplated for use or held for use, in each case, primarily in the ownership, operation or conduct of the BSS Business or not relating primarily to the BSS Business as currently owned, operated or conducted that are listed on Schedule 1.4(a)(iv) as Assets to be transferred to Newco;

provided, that any and all other Assets owned or held immediately prior to the Distribution Closing Date by EchoStar or any other member of the EchoStar Group that do not constitute Transferred Assets based on the foregoing shall constitute "Transferred Assets" to the extent that DISH and EchoStar agree in good faith that the Assets would have been deemed "Transferred Assets" if the Parties hereto had given specific consideration to such Asset as of the date hereof. No Asset shall be deemed to be a Transferred Asset solely as a result of the proviso in this Section 1.4(a) if (i) such Asset is within the category or type of Asset expressly covered by the subject matter of a Transaction Document or (ii) a claim with respect thereto is not made by the DISH Parties on or prior to the second anniversary of the Closing Date.

Notwithstanding anything to the contrary contained in this Section 1.4 or elsewhere in this Agreement, the Transferred Assets shall not in any event include the Retained Assets referred to in Section 1.4(b) below.

(b) The DISH Parties and Newco expressly understand and agree that all Assets of EchoStar or any other member of the EchoStar Group that are not Transferred Assets shall remain the exclusive property of EchoStar or the relevant member of the EchoStar Group (subject to the Intellectual Property and Technology License Agreement) on and after the Closing (the "Retained Assets"), and shall include the following even if the following would otherwise be considered a Transferred Asset:

(i) any Asset expressly identified on Schedule 1.4(b)(i);

(ii) all cash or cash equivalents, bank accounts, lock boxes and other deposit arrangements, including as set forth on Schedule 1.4(b)(ii);

(iii) all books, records, files and papers, whether in hard copy or electronic format, to the extent prepared in connection with this Agreement, any Transaction Document or the transactions contemplated hereby and thereby, and all minute books and corporate records of the EchoStar Group other than all books, records, files and papers, whether in hard copy or electronic format, and all minute books and corporate records of Newco and the entities listed on Schedule 1.4(a)(ii);

(iv) all rights of any member of the EchoStar Group arising under this Agreement or any Transaction Document;

(v) all Assets sold or otherwise disposed of during the period from the date hereof until the Distribution Closing Date in accordance with Section 6.2;

(vi) the personnel records (including all human resources and other records) of the EchoStar Group relating to employees of the EchoStar Group (other than the personnel records relating to the Transferred Employees);

(vii) any and all Third Party Receivables and DISH Receivables to the extent outstanding as of the Distribution Closing Date (subject to Section 6.12(d)); and

(viii) any and all other Assets that are expressly contemplated by this Agreement or any Transaction Document (or the schedules hereto or thereto) as Assets to be retained by EchoStar or any other member of the EchoStar Group.

Section 1.5 Assumed Liabilities; Excluded Liabilities.

(a) For the purposes of this Agreement, "Assumed Liabilities" shall mean (without duplication) any and all Liabilities to the extent primarily arising from or resulting from the operation of the BSS Business as currently conducted or the ownership of the Transferred Assets, including the following:

(i) the EMA Assumed Liabilities;

(ii) any and all indemnification obligations under, or claims for breaches of, Contracts that constitute Transferred Assets;

(iii) any and all Environmental Liabilities to the extent primarily arising from or resulting from the operation of the BSS Business, or the ownership of the Transferred Assets;

(iv) any and all Liabilities primarily arising from or resulting from the Transferred Assets or the BSS Business arising out of or in connection with acts or omissions occurring prior to, on or after the Distribution Closing Date; and

(v) any other Liability which is expressly identified on Schedule 1.5(a)(v).

Notwithstanding anything to the contrary contained in this Section 1.5 or elsewhere in this Agreement, the Assumed Liabilities shall not in any event include the Excluded Liabilities referred to in Section 1.5(b) below.

(b) For the purposes of this Agreement, "Excluded Liabilities" shall mean:

(i) any and all Indebtedness of the EchoStar Group as of the Distribution Closing Date;

(ii) the EMA Excluded Liabilities;

(iii) any and all Liabilities of members of the EchoStar Group arising or incurred in connection with the negotiation, preparation, investigation and performance of this Agreement, the other Transaction Documents and the transactions contemplated hereby and thereby, including fees and expenses of counsel, accountants, consultants, advisers and others;

(iv) any and all Third Party Payables and DISH Payables to the extent outstanding as of the Distribution Closing Date (subject to Section 6.12(c));

(v) any and all Liabilities to the extent primarily arising from or resulting from the matters set forth on Schedule 1.5(b)(v) (subject to any limitations set forth therein); and

(vi) any and all Liabilities to the extent relating to, arising out of or resulting from any Retained Assets.

Section 1.6 Assumed and Excluded Liabilities. From and after the Distribution Closing, Newco shall be, or shall cause its Subsidiaries or Affiliates (which, for the avoidance of doubt, will include, after the Closing, DISH and its Subsidiaries) to be, responsible for the Assumed Liabilities regardless of when or where such Liabilities (or the acts or omissions relating thereto) arose or arise, regardless of when or where such Liabilities are asserted or determined and regardless of whether arising or related to or asserted or determined prior to, on or after the Distribution Closing Date. EchoStar shall be, or shall cause its Subsidiaries to be, responsible for the Excluded Liabilities regardless of when or where such Liabilities (or the acts or omissions relating thereto) arose or arise, regardless of when or where such Liabilities are asserted or

determined and regardless of whether arising or related to or asserted or determined prior to, on or after the Distribution Closing Date.

Section 1.7 Asset Reallocation or Adjustment.

(a) Misallocated Assets.

(i) If at any time after the Distribution Closing and prior to the Closing, EchoStar or any of its Subsidiaries (not including, after the Distribution Closing, Newco or any of its Subsidiaries) shall receive or otherwise possess any Asset that should belong to Newco or its Subsidiaries pursuant to this Agreement or any other Transaction Document, EchoStar shall, except to the extent the Asset is not transferable as provided in Section 1.8(a), promptly notify and transfer, or cause to be transferred, such asset to Newco or its Subsidiaries.

(ii) If at any time after the Distribution Closing and prior to the Closing, Newco or any of its Subsidiaries shall receive or otherwise possess any Asset that should belong to EchoStar or its Subsidiaries (not including, after the Distribution Closing, Newco or any of its Subsidiaries) pursuant to this Agreement or any other Transaction Document, Newco shall, except to the extent the Asset is not transferable as provided in Section 1.8(a), promptly notify and transfer, or cause to be transferred, such asset to EchoStar or its Subsidiaries.

(iii) If at any time after the Closing, EchoStar or any of its Subsidiaries (not including, after the Distribution Closing, Newco or any of its Subsidiaries) shall receive or otherwise possess any Asset that should belong to DISH, Newco or any of their respective Subsidiaries pursuant to this Agreement or any other Transaction Document, EchoStar shall, except to the extent the Asset is not transferable as provided in Section 1.8(a), promptly notify and transfer, or cause to be transferred, such asset to DISH, Newco or any of their respective Subsidiaries.

(iv) If at any time after the Closing, DISH or any of its Subsidiaries (including, after the Closing, Newco and its Subsidiaries) shall receive or otherwise possess any Asset that should belong to EchoStar or any of its Subsidiaries pursuant to this Agreement or any other Transaction Document, DISH and/or Newco shall, except to the extent the Asset is not transferable as provided in Section 1.8(a), promptly notify and transfer, or cause to be transferred, such asset to EchoStar or its Subsidiaries.

(v) Prior to any such transfer of Assets pursuant to this Section 1.7, the EchoStar Parties and the DISH Parties agree that the Person receiving or possessing such Asset shall hold such Asset in trust for the Person to whom such Asset should rightfully belong pursuant to this Agreement or any other Transaction Document. For the avoidance of doubt, the Parties agree that Assets received or held by such Person in trust shall not be considered to be Assets of such Person for purposes of such Person's Indebtedness (including with respect to any restrictive covenants thereunder) and such Person shall not be deemed to have obtained any legal or equitable title to such Assets for purposes of such Person's Indebtedness (including with respect to any restrictive covenants thereunder).

(vi) Each Party hereto shall cooperate with each other Party hereto and shall set up procedures and notifications as are reasonably necessary or advisable to effectuate the transfers contemplated by this Section 1.7.

(b) Mistaken Assignments and Assumptions. If at any time there exist (i) Assets that any Party discovers were, contrary to the agreements among the Parties, by mistake or unintentional or other omission, transferred to Newco or retained by EchoStar or any member of the EchoStar Group or (ii) Liabilities that any Party discovers were, contrary to the agreements among the Parties, by mistake or unintentional or other omission, assumed by Newco or retained by EchoStar or any member of the EchoStar Group, then the Parties shall cooperate in good faith to effect the transfer or retransfer of misallocated Assets, and/or the assumption or reassumption of misallocated Liabilities, to or by the appropriate Person as promptly as practicable and shall not use the determination that remedial actions need to be taken to alter the original intent of the Parties with respect to the Assets to be transferred to or Liabilities to be assumed by Newco or retained by EchoStar or any member of the EchoStar Group. Each Party shall reimburse any other Party or make other financial adjustments or other adjustments to remedy any mistakes or omissions relating to any of the Assets transferred or any of the Liabilities assumed or retained pursuant to this Section 1.7.

(c) No Additional Consideration. For the avoidance of doubt, the transfer or assumption of any Assets or Liabilities under this Section 1.7 shall be effected without any additional consideration payable by any Party hereto.

Section 1.8 Consents.

(a) Transfers Not Consummated Prior to Distribution Closing Date. Notwithstanding anything to the contrary in this Agreement or any other Transaction Document, neither this Agreement nor any other Transaction Document shall constitute an agreement to sell, assign, transfer, convey, deliver or assume any Asset that would constitute a Transferred Asset if such Asset was not transferable in accordance with Applicable Law or with any other requisite Consent. If the transfer or assignment of any Asset intended to be transferred or assigned hereunder is not consummated prior to or on the Distribution Closing Date, whether as a result of a prohibition on transfer due to a violation or breach of Applicable Law or any other requisite Consent, then the Person retaining such Asset shall thereafter hold such Asset for the use and benefit, insofar as legally permitted and reasonably possible, of the Person entitled thereto until the consummation of the transfer or assignment thereof (or as otherwise mutually determined by DISH and EchoStar). In addition, the Person retaining such Asset shall take such other actions as may reasonably be requested by the Person to whom such Asset is to be transferred in order to place such Person, insofar as legally permitted and reasonably possible, in the same position as if such Asset had been transferred as contemplated hereby and so that all the benefits and burdens relating to such Asset, including possession, use, risk of loss, potential for gain, and dominion, control and command over such Asset, are to inure from and after the Distribution Closing Date to the Person to whom such Asset is to be transferred. Notwithstanding the foregoing, any such Asset shall still be considered a Transferred Asset. This provision is intended, among other things, to cause all such Assets that are considered Transferred Assets to be treated for all income tax and accounting purposes as if transferred as contemplated hereby, such that such Assets are and will be, for all income tax and accounting purposes, owned by Newco, and the Parties will so treat such

Assets for all income tax and accounting purposes. For the avoidance of doubt, the Parties agree that Assets received or held by such Person in trust shall not be considered to be Assets of such Person for purposes of such Person's Indebtedness (including with respect to any restrictive covenants thereunder) and such Person shall not be deemed to have obtained any legal or equitable title to such Assets for purposes of such Person's Indebtedness (including with respect to any restrictive covenants thereunder).

(b) Expenses. The Person retaining an Asset due to the deferral of the transfer and assignment of such Asset shall not be obligated, in connection with the foregoing, to expend any money or personnel in connection with the maintenance of the Asset unless the necessary funds or expenses or costs associated with such maintenance are advanced by the Person to whom such Asset is to be transferred, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by the Person to whom such Asset is to be transferred; provided, however, that the Person retaining such Asset shall, as promptly as practicable, provide notice to the Person to whom such Asset is to be transferred of the amount of all such expenses and fees.

(c) No Additional Consideration. For the avoidance of doubt, the transfer of any Assets under this Section 1.8 shall be effected without any additional consideration payable by any Party hereto.

(d) Specific Performance. The Parties hereto agree that irreparable damage would occur in the event any provision of Section 1.7 or Section 1.8 of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity. Nothing contained herein shall be construed as prohibiting a Party from pursuing any other remedy available to it for such breach or threatened breach. No Party shall oppose an action for specific performance on the basis that specific performance should not be an available remedy.

Section 1.9 Distribution of Newco Shares to Existing EchoStar Stockholders.

(a) Distribution Record Date and Distribution Closing Date. The board of directors of EchoStar, in accordance with Applicable Law, shall establish the Distribution Record Date and the Distribution Closing Date and any appropriate procedures in connection with the Distribution, and all Newco Shares held by EchoStar on the Distribution Closing Date shall be distributed as provided in Section 1.9(b); provided that EchoStar shall consult with DISH regarding the dates selected to be the Distribution Record Date and the Distribution Closing Date before final establishment by the board of directors of EchoStar.

(b) The Distribution.

(i) EchoStar shall appoint the transfer agent for the EchoStar Common Stock (or an Affiliate of such transfer agent) or another bank or trust company reasonably approved by DISH to act as agent in connection with the Distribution as provided in this Section 1.9(b) (the "Agent") and enter into an agreement with such Agent with respect to the Distribution. DISH shall enter into an agreement with the Agent as exchange agent for the issuance of DISH Shares in the Merger as contemplated by Article IV.

(ii) On the terms and subject to the conditions set forth in this Agreement, (i) on or prior to the Distribution Closing Date, EchoStar shall irrevocably deliver to the Agent, for the benefit of the holders of record on the Distribution Record Date of Class A common stock, par value $0.001 per share, of EchoStar and Class B common stock, par value $0.001 per share, of EchoStar (together with the EchoStar Class A common stock, the "EchoStar Common Stock" and, such holders, the "Record Holders"), certificates representing (or authorize the related book-entry transfer, for the benefit of the Record Holders, of) all the Newco Shares outstanding as of the Distribution Closing Date and (ii) on the Distribution Closing Date, EchoStar shall instruct the Agent to distribute to each Record Holder (or such Record Holder's bank, brokerage firm or other nominee on such Record Holder's behalf) electronically, by direct registration in book-entry form, one (1) Newco Share for every share of EchoStar Common Stock owned by such Record Holder at the Distribution Record Date (the "Distribution").

(c) Timing of the Distribution.

(i) Subject to Section 1.9(c)(ii) and Section 1.9(c)(iii) and to EchoStar's ability to legally declare and pay the dividend represented by the Distribution at such time under Applicable Law, EchoStar shall consummate the Pre-Closing Restructuring and the Distribution as promptly as reasonably practicable after satisfaction (or, to the extent permitted by Applicable Law, waiver by the parties entitled to the benefit thereof) of all the conditions set forth in Article VII (other than conditions that by their nature are to be satisfied as of the Closing Date and shall in fact be satisfied at such time and other than the conditions set forth in Section 7.1(f) and Section 7.1(g)).

(ii) EchoStar may, in its sole discretion, consummate the Pre-Closing Restructuring prior to the satisfaction of the conditions set forth in Article VII.

(iii) Subject to the last clause of Section 1.9(a), EchoStar shall be entitled to delay the Distribution Closing Date until ten (10) days after the date on which the Distribution would otherwise occur pursuant to Section 1.9(c)(i) to the extent necessary to comply with any NASDAQ rules relating to notices of record dates and dividends.

ARTICLE II

THE MERGER

Section 2.1 Closing Date. The closing of the Merger (the "Closing") shall take place at the offices of DISH Network Corporation, 9601 South Meridian Boulevard, Englewood, Colorado 80112 (or at such other place as the parties may designate in writing), at 6:00 a.m. Colorado time on the date that is three (3) Business Days after the satisfaction or waiver of the last of the conditions set forth in Article VII (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions at such time), but no earlier than June 15, 2019, unless another time, date or place is agreed to in writing by the Parties. The date on which the Closing actually occurs is referred to hereinafter as the "Closing Date."

Section 2.2 The Closing. Upon the terms and subject to the conditions set forth in this Agreement and in accordance with the Delaware General Corporation Law (the "DGCL"), and in reliance on the representations, warranties and covenants made or given in this Agreement and the other Transaction Documents, the Parties hereby agree that, on the Closing Date, Merger Sub shall be merged with and into Newco and the separate corporate existence of Merger Sub shall thereupon cease. Newco shall be the surviving corporation in the Merger under the DGCL (sometimes hereinafter referred to as the "Surviving Corporation").

Section 2.3 Effective Time. Concurrently with the Closing, Newco and DISH will cause a certificate of merger (the "Certificate of Merger") to be filed with the Secretary of State of the State of Delaware in such form as required by, and executed in accordance with, the relevant provisions of the DGCL (the date and time of the filing of the Certificate of Merger with the Secretary of State of the State of Delaware, or such later time as is specified in the Certificate of Merger and as is agreed to by the Parties in writing, being the "Effective Time") and shall make all other filings or recordings required under the DGCL (if any).

Section 2.4 Closing Deliverables. At the Closing, the following deliveries shall be made in the following manner:

(a) each Party shall cause to be delivered, to each of the other Parties thereto, each Transaction Document (other than this Agreement) to which such Party is a party thereto, duly executed on behalf of such Party;

(b) EchoStar and its Subsidiaries shall deliver, or cause to be delivered, resignation letters from (x) all members of the board of directors (or board of managers or similar governing body) of Newco and (y) the officers of Newco as of the Closing (other than any such members or officers identified by DISH in writing to EchoStar);

(c) the DISH Parties shall receive a tax opinion from Sullivan & Cromwell LLP, counsel to the DISH Parties, dated as of the Closing Date, in the form described in the Tax Matters Agreement; and

(d) the EchoStar Parties shall receive a tax opinion from White & Case LLP, counsel to the EchoStar Parties, dated as of the Closing Date, in the form described in the Tax Matters Agreement.

Section 2.5 Tax Consequences. The Parties intend that, for U.S. federal income tax purposes, (a) the Merger shall qualify as a "reorganization" within the meaning of Section 368(a) of the Code and (b) this Agreement, including any amendments thereto, be, and is hereby adopted as, a "plan of reorganization" involving the Merger for purposes of Section 354 and Section 361 of the Code.

ARTICLE III

CERTIFICATE OF INCORPORATION AND BY-LAWS
OF THE SURVIVING CORPORATION; DIRECTORS AND OFFICERS OF THE SURVIVING CORPORATION

Section 3.1 Certificate of Incorporation. At the Effective Time, the Certificate of Incorporation of Newco as in effect immediately prior to the Effective Time shall be amended and restated as of the Effective Time to be in the form set forth in Exhibit A to this Agreement and as so amended and restated shall be the certificate of incorporation of the Surviving Corporation (the "Charter"), until thereafter duly amended as provided therein or in accordance with Applicable Law.

Section 3.2 The By-laws. At the Effective Time, the By-laws of Newco shall be amended and restated in their entirety to read the same as the by-laws of Merger Sub immediately prior to the Effective Time, and as so amended and restated shall be the by-laws of the Surviving Corporation (the "By-laws"), until thereafter duly amended as provided therein or in accordance with the Charter and Applicable Law.

Section 3.3 Directors. The directors of Merger Sub immediately prior to the Effective Time shall, from and after the Effective Time, be the directors of the Surviving Corporation until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Charter and the By-laws.

Section 3.4 Officers. The officers of Merger Sub immediately prior to the Effective Time shall, from and after the Effective Time, be the officers of the Surviving Corporation until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Charter and the By-laws.

ARTICLE IV

EFFECT OF THE MERGER ON CAPITAL STOCK

Section 4.1 Effect on Capital Stock of Newco. At the Effective Time, by virtue of the Merger and without any action on the part of the holder of any capital stock of Newco or Merger Sub:

(a) Merger Consideration. Each share of the Newco Common Stock issued and outstanding immediately prior to the Effective Time (other than Newco Shares owned by DISH, Merger Sub or any other direct or indirect wholly owned Subsidiary of DISH and Newco Shares owned by EchoStar or any direct or indirect wholly owned Subsidiary of EchoStar (including Newco), and in each case not held on behalf of third parties (each Newco Share referred to in this parenthetical, an "Excluded Share" and, collectively, "Excluded Shares")) shall be converted into, and become exchangeable for a number of DISH Shares equal to the quotient of (1) 22,937,188 *divided by* (2) the number of issued and outstanding shares of EchoStar Common Stock as of the Distribution Record Date (such ratio, the "Exchange Ratio," such consideration, the "Per Share Merger Consideration" and, the aggregate consideration to be issued pursuant to this Section 4.1(a),

the "Aggregate Merger Consideration"). At the Effective Time, all of the Newco Shares (other than Excluded Shares) shall cease to be outstanding, shall automatically be cancelled and shall cease to exist, and each certificate formerly representing any of the Newco Shares (a "Certificate"), and each non-certificated Newco Share represented by book entry (each, a "Book Entry Newco Share") (other than in each case those representing Excluded Shares) shall thereafter represent only the right to receive, without interest, the Per Share Merger Consideration and the right, if any, to receive (A) pursuant to Section 4.2(d), cash in lieu of fractional shares into which such Newco Shares have been converted pursuant to this Section 4.1(a) and (B) any distribution or dividend pursuant to Section 4.2(b).

(b) Treatment of Excluded Shares. Each Excluded Share shall be cancelled and shall cease to exist, with no consideration paid in exchange therefor.

(c) Treatment of Merger Sub Shares. At the Effective Time, each share of common stock, par value $0.001 per share, of Merger Sub (such stock, "Merger Sub Common Stock," and all such shares, the "Merger Sub Shares") issued and outstanding immediately prior to the Effective Time shall be converted into one share of common stock, par value $0.001 per share, of the Surviving Corporation.

Section 4.2 Exchange of Certificates and Book Entry Shares.

(a) Agent; Exchange Procedures. On the Closing Date, immediately prior to the Effective Time, DISH shall deposit, or shall cause to be deposited, with the Agent for the benefit of the holders of Newco Shares (i) certificates, or at DISH's option, evidence of non-certificated DISH Shares in book-entry form ("Book Entry DISH Shares"), constituting at least the amounts necessary for the Aggregate Merger Consideration and (ii) as necessary from time to time after the Effective Time, if applicable, any cash and dividends or other distributions with respect to the DISH Shares to be issued or to be paid pursuant to Section 4.2(b) and Section 4.2(d), in exchange for Newco Shares outstanding immediately prior to the Effective Time, deliverable upon due surrender of the Certificates (or affidavits of loss in lieu thereof as provided in Section 4.2(f)) or Book Entry Newco Shares pursuant to the provisions of this Article IV (such cash, certificates for DISH Shares and evidence of Book Entry DISH Shares, together with the amount of any dividends or other distributions payable pursuant to this Article IV with respect thereto, being hereinafter referred to as the "Exchange Fund"). The Agent shall also act as the agent for Newco's stockholders for the purpose of receiving and holding their Certificates and Book Entry Newco Shares and shall obtain no rights or interests in the Newco Shares represented thereby. As promptly as practicable after the Effective Time, DISH shall cause the Agent to distribute the DISH Shares into which the Newco Shares that were distributed in the Distribution have been converted pursuant to the Merger, which shares shall be distributed on the same basis as the Newco Shares were distributed in the Distribution and to the Persons who received Newco Shares in the Distribution. Each Person entitled to receive Newco Shares in the Distribution shall be entitled to receive in respect of the shares of Newco Shares distributed to such Person certificates for DISH Shares or evidence of Book Entry DISH Shares representing the number of DISH Shares that such holder has the right to receive pursuant to this Section 4.2(a) (and cash in lieu of fractional DISH Shares, as contemplated by Section 4.2(d)) (and any dividends or distributions and other amounts pursuant to Section 4.2(b)).

(b) Distributions with Respect to Unexchanged Newco Shares. All DISH Shares to be issued pursuant to the Merger shall be deemed issued and outstanding as of the Effective Time and whenever a dividend or other distribution is declared by DISH in respect of DISH Shares, the record date for which is at or after the Effective Time, that declaration shall include dividends or other distributions in respect of all Per Share Merger Consideration issuable pursuant to this Agreement. No dividends or other distributions in respect of the DISH Shares shall be paid to any holder of any unsurrendered Certificate or Book Entry Newco Share until such Certificate (or affidavits of loss in lieu of the Certificate as provided in Section 4.2(f)) or Book Entry Newco Share is surrendered for exchange in accordance with this Article IV. Subject to the effect of Applicable Laws, following surrender of any such Certificate (or affidavits of loss in lieu of the Certificate as provided in Section 4.2(f)) or Book Entry Newco Share that has been converted into the right to receive the Per Share Merger Consideration, there shall be issued and/or paid to the holder of the certificates representing whole DISH Shares (or as applicable, Book Entry DISH Shares) issued in exchange therefor, without interest, (A) at the time of such surrender, the dividends or other distributions with a record date after the Effective Time theretofore payable with respect to such whole DISH Shares and not paid and (B) at the appropriate payment date, the dividends or other distributions payable with respect to such whole DISH Shares with a record date after the Effective Time but with a payment date subsequent to surrender.

(c) Transfers. From and after the Effective Time, there shall be no transfers on the stock transfer books of Newco of the Newco Shares that were outstanding immediately prior to the Effective Time. If, after the Effective Time, any Certificate or Book Entry Newco Share is presented to the Surviving Corporation, DISH or the Agent for transfer, it shall be cancelled and exchanged for, with respect to each Newco Share represented thereby, the Per Share Merger Consideration (and to the extent applicable, cash in lieu of fractional shares pursuant to Section 4.2(d) and/or any dividends or other distributions pursuant to Section 4.2(b)) to which the holder thereof is entitled pursuant to this Article IV.

(d) Fractional Shares. Notwithstanding any other provision of this Agreement, no fractional DISH Shares will be issued and any holder of Newco Shares entitled to receive a fractional DISH Share but for this Section 4.2(d) shall be entitled to receive a cash payment in lieu thereof, without interest, which payment shall be calculated by the Agent and shall be an amount equal to the product of (i) the average of the closing prices per DISH Share on the Nasdaq Stock Market (the "NASDAQ"), as reported in the Wall Street Journal (or if not reported thereby, as reported in another authoritative source), for the five full trading days ending on the second (2nd) Business Day immediately preceding the date on which the Effective Time occurs *multiplied by* (ii) the fraction of a DISH Share (after taking into account all Newco Shares held by such holder at the Effective Time and rounded to the nearest one thousandth when expressed in decimal form) to which such holder would otherwise be entitled. No such holder shall be entitled to dividends, voting rights or any other rights in respect of any fractional DISH Shares.

(e) Termination of Exchange Fund. Any portion of the Exchange Fund (including DISH Shares) that remains unclaimed by the stockholders of Newco for eighteen (18) months after the Effective Time shall be delivered to DISH. Any holder of Newco Shares (other than Excluded Shares) who has not theretofore complied with this Article IV shall thereafter look only to DISH for delivery of any Per Share Merger Consideration (and to the extent applicable, cash in lieu of fractional shares pursuant to Section 4.2(d) and/or any dividends or other

distributions pursuant to Section 4.2(b)), payable and/or issuable pursuant to Section 4.1 and Section 4.2 upon due surrender of their Certificates (or affidavits of loss in lieu of the Certificates as provided in Section 4.2(f)) or Book Entry Newco Shares, in each case, without interest. Notwithstanding the foregoing, none of the Surviving Corporation, DISH, EchoStar, the Agent or any other Person shall be liable to any former holder of Newco Shares for any amount properly delivered to a public official pursuant to applicable abandoned property, escheat or similar Applicable Laws. Any portion of the Exchange Fund which remains undistributed to the holders of Newco Shares immediately prior to the time at which the Exchange Fund would otherwise escheat to, or become property of, any Governmental Authority, shall, to the extent permitted by Applicable Law, become the property of DISH, free and clear of all claims or interest of any Person previously entitled thereto.

(f) Lost, Stolen or Destroyed Certificates. In the event any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by DISH, the posting by such Person of a bond in customary amount and upon such terms as may be required by DISH as indemnity against any claim that may be made against DISH, the Agent or any of DISH's Subsidiaries with respect to such Certificate, the Agent will issue, in exchange for such lost, stolen or destroyed Certificate, the Per Share Merger Consideration, and (to the extent applicable) any cash in lieu of fractional shares pursuant to Section 4.2(d) or unpaid dividends or other distributions pursuant to Section 4.2(b), that would have been payable or deliverable in respect thereof pursuant to this Agreement had such lost, stolen or destroyed Certificate been surrendered.

Section 4.3 Appraisal Rights. In accordance with Section 262 of the DGCL, no appraisal rights shall be available to holders of Newco Shares in connection with the Merger.

Section 4.4 Adjustments. Notwithstanding anything to the contrary in this Agreement, if, between the date of this Agreement and the Effective Time, the issued and outstanding Newco Shares or securities convertible or exchangeable into or exercisable for Newco Shares or the issued and outstanding DISH Shares or securities convertible or exchangeable into or exercisable for DISH Shares, shall have been changed into a different number of shares or a different class by reason of any reclassification, stock split (including a reverse stock split), stock dividend or distribution, extraordinary cash dividend, recapitalization, reorganization, combination, merger, issuer tender or exchange offer, or other similar transaction (other than, in the case of Newco Shares, to the extent contemplated in connection with the Pre-Closing Restructuring or Distribution), then the Per Share Merger Consideration and the Aggregate Merger Consideration shall be equitably adjusted, without duplication, to proportionally reflect such change and as so adjusted shall, from and after the date of such event, be the Per Share Merger Consideration and the Aggregate Merger Consideration, respectively; provided, that nothing in this Section 4.4 shall be construed to permit EchoStar or Newco to take any of the foregoing actions with respect to its securities to the extent otherwise prohibited by the terms of this Agreement.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties of the EchoStar Parties. Except as set forth in the EchoStar Reports filed with the SEC on or after December 31, 2016 and prior to the date of this Agreement (excluding, in each case, any disclosures set forth in any risk factor section or in any other section to the extent they are forward-looking statements or cautionary, predictive or forward-looking in nature) or in the corresponding sections of the disclosure letter delivered to the DISH Parties by EchoStar prior to entering into this Agreement (the "EchoStar Disclosure Letter") (it being agreed that disclosure of any item in any section or subsection of the EchoStar Disclosure Letter shall be deemed disclosure with respect to any section of this Agreement or any other section or subsection of the EchoStar Disclosure Letter to which the relevance of such disclosure is reasonably apparent on its face and that the mere inclusion of an item in such EchoStar Disclosure Letter as an exception to a representation or warranty shall not be deemed an admission that such item represents a material exception or material fact, event or circumstance or that such item has had, would have or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect), EchoStar represents and warrants to the DISH Parties that:

(a) Organization and Good Standing. Each EchoStar Party is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has the full power and authority to enter into each Transaction Document to which it is a party and to perform its obligations thereunder. Each entity set forth on Schedule 1.4(a)(ii) (collectively, the "Relevant EchoStar Subsidiaries") is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization. Each of the EchoStar Parties and the Relevant EchoStar Subsidiaries (A) has the requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted and (B) is duly qualified or licensed and in good standing to do business in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification or licensing necessary, except where the failure to be so qualified, licensed or in good standing has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Authorization and Execution of Transaction Documents. (i) Other than obtaining the Requisite Stockholder Approval, each EchoStar Party has taken all necessary corporate action to authorize the execution, delivery and performance of its obligations under this Agreement and to consummate the Merger, (ii) as of the Distribution Closing, each EchoStar Party shall have taken, and shall have caused its respective applicable Subsidiaries to have taken, all necessary corporate action to consummate the Pre-Closing Restructuring and the Distribution and (iii) as of the Closing, each EchoStar Party shall have taken, and shall have caused its respective applicable Subsidiaries to have taken, all necessary corporate action to authorize the execution, delivery and performance of its and their obligations under each of the other Transaction Documents to which it, or they, is, are, or shall be, a party. (1) No other corporate proceedings on the part of any EchoStar Party or any Subsidiary of any EchoStar Party is necessary to approve this Agreement or to consummate the Merger, (2) as of the Distribution Closing, no other corporate proceedings on the part of any EchoStar Party or any Subsidiary of any EchoStar Party will be necessary to consummate the Pre-Closing Restructuring or the Distribution and (3) as of the

Closing, no other corporate proceedings on the part of any EchoStar Party (including Newco) or any Subsidiary of any EchoStar Party will be necessary to approve any other Transaction Document to which it is a party. As of the date of this Agreement, the board of directors of EchoStar has approved this Agreement, the other Transaction Documents to which it is a party, the Pre-Closing Restructuring, the Distribution, the Merger and the other transactions contemplated hereby. As of the date of this Agreement, the board of directors of Newco has (a) determined that this Agreement and the transactions contemplated hereby, including the Merger, are fair to and in the best interests of Newco and its stockholders, (b) adopted, approved and declared advisable this Agreement, the Pre-Closing Restructuring, the Distribution and the Merger and the other transactions contemplated by this Agreement, on the terms and subject to the conditions set forth in this Agreement, (c) resolved to recommend that the sole stockholder of Newco approve the Merger and adopt this Agreement and (d) adopted, approved and declared advisable the other Transaction Documents to which it is a party. Other than, with respect to the approval of the Merger and the adoption of this Agreement, the affirmative vote by written consent of the sole holder of all of the issued and outstanding Newco Shares (the "Requisite Stockholder Approval"), no vote or consent of the holders of any class or series of capital stock of any EchoStar Party or any of the Relevant EchoStar Subsidiaries is necessary to approve this Agreement, the other Transaction Documents, the Pre-Closing Restructuring, the Distribution, the Merger and the other transactions contemplated hereby. HSSC has the power and capacity under Applicable Law in its capacity as Newco's sole stockholder to provide the Requisite Stockholder Approval without a vote of its stockholders and without a vote of Newco's stockholders after giving effect to the Distribution. This Agreement has been duly executed and delivered by each EchoStar Party, and each other Transaction Document to which each EchoStar Party or each Subsidiary of any EchoStar Party is a party, when delivered by it in accordance herewith, shall have been duly executed and delivered by such EchoStar Party or Subsidiary thereof.

(c) Enforceability of Transaction Documents. Assuming that this Agreement and each of the Transaction Documents to which any EchoStar Party or any of their respective Subsidiaries is a party is the valid and binding obligation of each DISH Party or other counterpart thereto, this Agreement constitutes, and the other Transaction Documents shall at the Closing constitute, the valid, legal and binding obligation of each EchoStar Party and each of their respective Subsidiaries that is party to each such agreement, enforceable against each such EchoStar Party or Subsidiary in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(d) Non-Contravention. The execution and delivery by any EchoStar Party and any Subsidiary of any EchoStar Party of each of the Transaction Documents to which it is a party and the consummation of the Pre-Closing Restructuring, the Distribution, the Merger and the other transactions contemplated hereby by it pursuant thereto will not, subject to obtaining the Requisite Stockholder Approval: (x) conflict with any requirement of its Corporate Documents; (y) assuming compliance with the matters referred to in Section 5.1(e) of this Agreement, result in a violation or breach of any Applicable Law by which it is bound or to which any of its properties is subject; or (z) with or without notice, lapse of time or both, result in a breach or violation of, a termination (or right of termination) or default under, the creation or acceleration of any obligations under or the creation of a Lien on any of the assets of such EchoStar Party or any of its Subsidiaries pursuant to any Contract binding upon such EchoStar Party or any of its

Subsidiaries or result in any change in the rights or obligations of any party under any Contract binding upon such EchoStar Party or any of its Subsidiaries, except, in the case of clauses (y) and (z), as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(e) Consents. No consent, license, approval or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required by or of any EchoStar Party or any Subsidiary of any EchoStar Party in connection with the execution, delivery, performance, validity or enforceability of any Transaction Document to which any such EchoStar Party or Subsidiary is a party or the consummation of the Pre-Closing Restructuring, the Distribution or the Merger and the other transactions contemplated hereby, except (i) any such consent, license, approval, authorization, filing, notice or act that has been obtained, made or taken, (ii) as set forth on Schedule 5.1(e), any such consent, license, approval, authorization, filing, notice or act required to assign or transfer control over, either in the Pre-Closing Restructuring, the Distribution or the Merger, the BSS Satellites, including the Leased Satellites (the "Leased Satellite Consents"), and the Permits required from any Governmental Authority to construct, launch and operate any BSS Satellite, (iii) any other such consent, license, approval, authorization, filing, notice or act as set forth on Schedule 5.1(e), (iv) the filing with the SEC and mailing of the Joint Information Statement/Prospectus (or such other filings as may be necessary under federal securities Applicable Laws) and (v) where the failure to obtain such consent, license, approval or authorization or make such filing or take such act has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(f) Capital Structure.

(i) As of the date of this Agreement, the authorized capital stock of Newco consists of 1,000 shares of Newco Common Stock, all of which are issued and outstanding, and as of the Closing Date, the authorized capital stock of Newco will consist of the number of shares of EchoStar Common Stock outstanding on the Distribution Record Date. All shares of Newco Common Stock are owned by HSSC (all shares of which are owned by EchoStar), and prior to the Distribution Closing will be, owned by EchoStar, and there are no other equity interests authorized, issued or outstanding in Newco. There are no preemptive or other outstanding rights, options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements, calls, commitments or rights of any kind that obligate Newco to issue or sell any shares of capital stock or other securities of Newco or any securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire, any securities of Newco, and no securities or obligations evidencing such rights are authorized, issued or outstanding. All of the Newco Shares have been duly authorized and are validly issued, fully paid and nonassessable. Newco does not have outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the stockholders of Newco on any matter. HSSC has good and valid title to the Newco Shares, free and clear of any Liens.

(ii) There are no preemptive or other outstanding rights, options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements, calls, commitments or rights of any kind that obligate any member of the EchoStar Group to issue or sell any shares of capital stock or other securities of the Relevant EchoStar Subsidiaries or any securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire, any securities of the Relevant EchoStar Subsidiaries, and no securities or obligations evidencing such rights are authorized, issued or outstanding. All of the equity interests of the Relevant EchoStar Subsidiaries have been duly authorized and are validly issued, fully paid and nonassessable. None of the Relevant EchoStar Subsidiaries has outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the stockholders of any such entity on any matter.

(iii) Schedule 5.1(f)(iii) sets forth a true and complete list of (A) all Indebtedness and (B) each Contract (1) that is a letter of credit, performance bond, banker's acceptance, corporate guarantee or other similar agreement or credit transaction issued and outstanding in connection with the BSS Business that would be an Assumed Liability, with, in each case, an indication of any amounts drawn thereunder or (2) in respect of any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which are required to be classified and accounted for under GAAP as capital leases in connection with the BSS Business, with, in the case of each of (1) and (2), the value ascribed to such letter of credit, performance bond, banker's acceptance, corporate guarantee or capital lease.

(g) Reports; Financial Statements.

(i) EchoStar has filed or furnished, as applicable, on a timely basis all material forms, statements, reports and documents required to be filed or furnished by it with the SEC pursuant to the Exchange Act or the Securities Act since December 31, 2016 (the "Applicable Date") (such forms, statements, reports and documents filed or furnished since the Applicable Date and those filed or furnished subsequent to the date of this Agreement, including any amendments thereto, the "EchoStar Reports"). Each of the EchoStar Reports, at the time of its filing or being furnished (or, if amended prior to the date of this Agreement, as of the date of such amendment) complied as to form in all material respects with the applicable requirements of the Securities Act and the Exchange Act.

(ii) Each of the consolidated balance sheets included in or incorporated by reference into the EchoStar Reports (including the related notes and schedules), fairly presents the consolidated financial position of EchoStar and its consolidated Subsidiaries as of the dates thereof and each of the consolidated statements of operations and comprehensive income (loss), changes in stockholders' or shareholder's equity and cash flows included in or incorporated by reference into the EchoStar Reports (including any related notes and schedules), fairly presents the results of operations and cash flows of EchoStar and its consolidated Subsidiaries for the periods set forth therein (subject, in the case of unaudited statements, to normal year-end adjustments and lack of footnote

disclosure), in each case in accordance with GAAP consistently applied during the periods involved, except as may be noted therein or may be permitted by the SEC under the Exchange Act.

(iii) The financial information in the EchoStar Reports with respect to the ESS segment of EchoStar (A) was derived from the books and records of EchoStar and its Subsidiaries; (B) was prepared in good faith in accordance with GAAP consistently applied during the periods involved (except for goodwill and certain other assets and liabilities as may be noted therein); and (C) is materially representative of the historical financial position of the ESS segment, and the management of EchoStar did not knowingly fail to take into account any material information in preparing the financial information in the EchoStar Reports with respect to the ESS segment of EchoStar.

(iv) There are no obligations or liabilities of EchoStar or any of its Subsidiaries primarily arising from or resulting from the operation of the BSS Business or the ownership of the Transferred Assets, whether or not accrued, contingent or otherwise and whether or not required to be disclosed or any other facts or circumstances which could reasonably be expected to result in any claims against, or obligations or liabilities of, the BSS Business, except for (x) future executory liabilities arising under any BSS Business Contract (other than as a result of breach of contract, tort, infringement or violation of Applicable Law) or (y) those that have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(h) Absence of Certain Changes. Since December 31, 2018, EchoStar and each of its Subsidiaries have conducted the BSS Business only in accordance with the Ordinary Course of Business, and there has not been, with respect to the BSS Business or any Transferred Asset:

(i) any fact, event, action, change, occurrence, condition or effect which has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; or

(ii) any action taken by EchoStar or any of its Subsidiaries that, if taken during the period from the date of this Agreement through the Closing Date, would constitute a violation or breach of or would otherwise require consent under Section 6.2.

(i) Compliance with Laws.

(i) EchoStar and each of its Subsidiaries is in and has, since the Applicable Date, been in compliance in all material respects with Applicable Laws (including the Communications Act but excluding Environmental Laws) and Permits, in each case, to the extent applicable to the BSS Business. Neither EchoStar nor any of its Subsidiaries has received any written notice or confirmation of any material noncompliance with any such Applicable Laws or any such Permits applicable to the BSS Business that has not been cured as of the date of this Agreement.

(ii) EchoStar and its Subsidiaries have, and following the Pre-Closing Restructuring, Newco shall have, all material Permits necessary to own, operate and conduct the BSS Business as currently conducted. All such material Permits are valid, in

force and in good standing. There is no default on the part of EchoStar or any of its Subsidiaries, or to the knowledge of the EchoStar Parties, any other party, under any such Permit. Schedule 5.1(i)(ii) sets forth a correct and complete list of each Permit held by EchoStar and its Subsidiaries material to the BSS Business. No notices from a Governmental Authority have been received by EchoStar or any of its Subsidiaries with respect to any material (i) actual or alleged violation of, or failure to comply with, any term or requirement of any such Permit or (ii) threatened or pending sanction, revocation, withdrawal, termination, rescission, suspension, cancellation, modification, corrective action or limitation of, or with respect to, any such Permit.

(iii) Since the Applicable Date, neither the EchoStar Parties nor any of their Subsidiaries, nor, to the knowledge of the EchoStar Parties, any Representative of the EchoStar Parties or of any of their Subsidiaries, has taken any action in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value directly, or indirectly through an intermediary, to any "government official" (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) in order to influence official action which would result in a violation by such persons of the FCPA, the UK Bribery Act of 2010 or any other Applicable Law that prohibits corruption, bribery or any of the foregoing actions (collectively, the "Anti-Corruption Laws") in connection with the operation of the BSS Business or ownership of the Transferred Assets. The EchoStar Parties and their Subsidiaries have conducted the BSS Business in compliance with all Anti-Corruption Laws in all material respects and maintain and will continue to maintain policies and procedures that are designed to provide reasonable assurance of compliance with such laws.

(iv) Neither EchoStar nor any of its Subsidiaries, nor, to the knowledge of the EchoStar Parties, any Representative of the EchoStar Parties or any of their Subsidiaries is or is 50% or more owned or controlled by one or more Persons that are: (A) the subject of any sanctions administered by OFAC or the U.S. Department of State, the United Nations Security Council, the European Union, or other relevant sanctions authority (collectively, "Sanctions"), or (B) located, organized or resident in a country or territory that is the subject of Sanctions (including the Crimea region of Ukraine, Cuba, Iran, North Korea and Syria).

(v) Since the Applicable Date, neither EchoStar nor any of its Subsidiaries has engaged in, directly or indirectly, any dealings or transactions relating to the BSS Business with any Person, or any country or territory that, at the time of the dealing or transaction, is or was the subject of Sanctions, except as otherwise authorized pursuant to Sanctions.

(vi) Since the Applicable Date, EchoStar and its Subsidiaries have been in compliance in all material respects with, and have not been given written notice of any material violation of, any applicable Sanctions or export control laws.

(vii) The EchoStar Parties and each of their Subsidiaries have instituted policies and procedures reasonably designed to ensure the compliance in all material respects of the EchoStar Parties and each of their Subsidiaries with all applicable export controls, Sanctions and Anti-Money Laundering Laws in connection with the operation of the BSS Business or ownership of the Transferred Assets.

(j) Litigation and Other Proceedings. Except as would not have or reasonably be expected to have a Material Adverse Effect, (i) there is no pending or, to the knowledge of the EchoStar Parties, threatened in writing, claim, action, suit, investigation or proceeding relating to or affecting the operation of the BSS Business or the ownership of the Transferred Assets, and (ii) none of EchoStar or any of its Subsidiaries, or any of their respective properties, is subject to any order, injunction, judgment or decree by or before any Governmental Authority concerning the BSS Business or the ownership of the Transferred Assets. There is no claim, action, suit, investigation or proceeding pending or, to the knowledge of the EchoStar Parties, threatened against any member of the EchoStar Group related to the BSS Business, the ownership of the Transferred Assets or any of its properties, including with respect to the release of Hazardous Substances, except for matters that have not, individually or in the aggregate, resulted in and would not reasonably be expected to result in (i) any criminal liability of any member of the EchoStar Group related to the BSS Business or any director, officer or employee of any member of the EchoStar Group related to the BSS Business or (ii) a Material Adverse Effect.

(k) Intellectual Property.

(i) Schedule 5.1(k)(i) sets forth a true and complete list of all Registered Intellectual Property owned or purported to be owned by the EchoStar Parties and included in the Transferred Assets ("Separated Registered IP Assets"), indicating for each Registered item the registration or application number, registration or application date and the applicable filing jurisdiction (or in the case of an Internet domain name, the applicable domain name registrar). There are no inventorship challenges, opposition or nullity proceedings or interferences declared or commenced with respect to any Patents included in the Separated Registered IP Assets or, to the knowledge of the EchoStar Parties, threatened.

(ii) EchoStar or one of its Subsidiaries owns solely and exclusively the Intellectual Property owned or purported to be owned by the EchoStar Parties or their respective Subsidiaries and included in the Transferred Assets (the "Separated IP Assets"), free and clear of all Liens other than Permitted Liens.

(iii) Together with the Intellectual Property licensed under the Intellectual Property and Technology License Agreement, and the Transition Services Agreement(s), if any, and any other Contract, arrangement or understanding remaining in effect following the Closing Date between DISH and its Subsidiaries, on the one hand, and EchoStar and its Subsidiaries, on the other hand, the Transferred Assets and other Intellectual Property possessed by Newco constitute, in all material respects, all the Intellectual Property that is used, contemplated for use or held for use in the ownership, operation and conduct of the BSS Business as currently owned, operated and conducted.

(iv) The Separated IP Assets are subsisting and, to the knowledge of EchoStar, the issued or granted Separated Registered IP Assets included therein are valid and enforceable. The Separated IP Assets are not subject to any outstanding order, judgment, decree or agreement adversely affecting the EchoStar Parties' use or contemplated use of such Intellectual Property or their rights in or to such Intellectual Property. There has been no material litigation, opposition, cancellation, proceeding or claim pending or, to the knowledge of EchoStar, threatened since the Applicable Date against the EchoStar Parties concerning the ownership, validity, registerability or enforceability of any Separated IP Assets.

(v) To the knowledge of the EchoStar Parties, the conduct of the BSS Business as currently conducted does not infringe, misappropriate or otherwise violate, and has not infringed, misappropriated or otherwise violated during the three (3) year period immediately preceding the date of this Agreement, any Intellectual Property of any third party. There has been no claim, action, suit, proceeding or investigation pending or, to knowledge of the EchoStar Parties, threatened (including "cease and desist" letters and written invitations to take a patent license) against EchoStar or any of its Subsidiaries concerning the BSS Business since the Applicable Date, alleging the same. To the knowledge of the EchoStar Parties, no third party is infringing, misappropriating or violating any material Separated IP Assets.

(vi) EchoStar and each of its Subsidiaries have taken reasonable measures to protect the confidentiality and value of the Trade Secrets included in the Separated IP Assets.

(vii) The IT Assets included in the Transferred Assets (the "Separated IT Assets") (A) operate and perform in all material respects in accordance with their documentation and functional specifications, (B) have not materially malfunctioned or failed within the past three (3) years in a manner that has had a material impact on the BSS Business, and (C) are free from material bugs or other defects, and do not contain any Malicious Code. To the knowledge of the EchoStar Parties, no Person has gained unauthorized access to the Separated IT Assets during the three (3) year period immediately preceding the date hereof. Each of EchoStar and its Subsidiaries has implemented reasonable backup and disaster recovery technology processes for the Separated IT Assets.

(viii) EchoStar and each of its Subsidiaries has complied in all material respects with all Applicable Laws and contractual and fiduciary obligations relating to the collection, storage, use, transfer and any other processing of any Personally Identifiable Information collected by or used in the BSS Business. EchoStar and each of its Subsidiaries has at all times taken all steps reasonably necessary (including implementing and monitoring compliance with adequate measures with respect to technical and physical security) to ensure that all such Personally Identifiable Information is protected against loss and against unauthorized access, use, modification or disclosure, and there has been no unauthorized access to or misuse of such Personally Identifiable Information.

(ix) Neither EchoStar nor any of its Subsidiaries has incorporated Technology subject to an Open Source License into, or combined, linked, or distributed

any such Technology with, any products or services of the BSS Business, in any manner that creates, or purports to create, obligations for the EchoStar Parties, with respect to any part of such products or services that is not (A) Technology owned by a third party subject to an Open Source License or (B) Technology which is intentionally distributed and licensed to third parties by the EchoStar Parties under an Open Source License. None of the EchoStar Parties is, in any material respect, in violation or breach of any Open Source License.

(l) Material Contracts.

(i) Each Material Contract is valid and binding on EchoStar and each of its Subsidiaries party thereto and, to the knowledge of the EchoStar Parties, any other party thereto, and is in full force and effect, except for such failures to be valid and binding or to be in full force and effect which have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Except which has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, there is no default under any Material Contract by EchoStar or any of its Subsidiaries party thereto or bound thereby and no event has occurred that with the lapse of time or the giving of notice or both would constitute a default thereunder by EchoStar or any of its Subsidiaries party thereto or bound thereby or, to the knowledge of the EchoStar Parties, any other party thereto.

(ii) Schedule 5.1(l)(ii) sets forth a true and correct list of each Material Contract, and a copy of each Material Contract (including schedules and exhibits thereto) has been made available to the DISH Parties.

(m) Employee Benefits and Labor.

(i) Each Benefit Plan has been established, operated and administered in compliance in all material respects with its terms and Applicable Law, including ERISA and the Code, and there are no pending or, to the knowledge of the EchoStar Parties, threatened claims (other than routine claims for benefits) or proceedings by a Governmental Authority by, on behalf of or against any Benefit Plan or any trust related thereto which could reasonably be expected to result in any material liability which would be an Assumed Liability. Each Benefit Plan that is intended to be qualified under Section 401(a) of the Code has been determined by the Internal Revenue Service to be qualified under Section 401(a) of the Code and, to the knowledge of the EchoStar Parties, nothing has occurred that would adversely affect the qualification or tax exemption of any such Benefit Plan. To the knowledge of the EchoStar Parties, with respect to any Benefit Plan that is an "employee benefit plan" within the meaning of Section 3(3) of ERISA, none of the EchoStar Parties nor any of their Subsidiaries has engaged in any breach of fiduciary responsibility or any "prohibited transaction" (as such term is defined in Section 406 of ERISA or Section 4975 of the Code) in connection with which the EchoStar Party or Subsidiary reasonably could be subject to either a material civil penalty assessed pursuant to Section 409 or 502(i) of ERISA or a material tax imposed pursuant to Section 4975 or 4976 of the Code.

(ii) As of the date hereof, none of the Transferred Employees are covered by any collective bargaining agreement or other agreement with a labor union or like organization, and, to the knowledge of the EchoStar Parties, there are no activities or proceedings by any individual or group of individuals, including representatives of any labor organizations or labor unions, to organize any such employees.

(iii) Except as set forth on Schedule 5.5(m)(iii), there is no claim, action, suit, investigation or proceeding pending or, to the knowledge of the EchoStar Parties, threatened against any member of the EchoStar Group by any Transferred Employee or any former employee of EchoStar or any of its Subsidiaries who was primarily dedicated to providing services to the BSS Business, including any workers compensation claims and charges filed with the U.S. Equal Employment Opportunity Commission, in each case, in the Ordinary Course of Business.

(n) Environmental Matters. Except as set forth on Schedule 5.1(n), (a) the BSS Business has been conducted, since the Applicable Date, in compliance in all material respects with all applicable Environmental Laws, (b) neither EchoStar nor any of its Subsidiaries is conducting or is required to conduct any investigation, remediation or other action pursuant to the requirements of any Environmental Law at any Transferred Site contaminated with any Hazardous Substance or property formerly owned or operated by EchoStar or any of its Subsidiaries (including soils, groundwater, surface water, buildings or other structures at such properties) contaminated with any Hazardous Substance, (c) neither EchoStar nor any of its Subsidiaries is subject to remedial action Liability under applicable Environmental Law for any Hazardous Substance disposal or contamination on any third party property that received Hazardous Substances, (d) neither EchoStar nor any of its Subsidiaries has received any written notice, demand, letter, claim or request for information alleging that EchoStar or any of its Subsidiaries is in violation of or subject to liability under any Environmental Law, (e) neither EchoStar nor any of its Subsidiaries is subject to any written order, decree or injunction with any Governmental Authority relating to any Environmental Liability or relating to Hazardous Substances, in each case of clauses (a) through (e), to the extent primarily relating to the operation of the BSS Business or the ownership of the Transferred Assets and (f) to the knowledge of the EchoStar Parties there are no other circumstances or conditions involving the BSS Business or the ownership of the Transferred Assets that would reasonably be expected to result in any material claim, Liability, investigation, cost or restriction on the ownership, use or transfer of any property pursuant to any Environmental Law.

(o) Assets.

(i) Except for properties, interests, Assets, services and rights that are the subject of Consents as set forth on Schedule 5.1(e) and which may not be delivered as of the Closing Date (provided that the benefits of such properties, interests, Assets, services and rights is appropriately held on behalf of Newco and its Subsidiaries pursuant to Section 1.8), Newco will have access to and use of as of the Closing Date all Transferred Assets including (A) good and marketable fee simple title to, or a valid and binding leasehold interest in, the real property it owns or leases that is included in the Transferred Assets and (B) good title to the personal tangible property it owns or leases that is included in the Transferred Assets, in each case, free and clear of all Liens, except Permitted Liens.

(ii) Except for Intellectual Property, which is addressed in Section 5.1(k)(iii), immediately following the Closing, the Transferred Assets, together with the Assets or services for which provision for access thereto is otherwise made in the Transaction Documents (taking into account each such Asset only to the extent to which such access is so provided to Newco following the Distribution Closing) remaining in effect following the Closing Date, including those Assets already in possession of Newco or one of its Subsidiaries (and remaining in possession of Newco or one of its Subsidiaries as of the Closing Date), constitute all the Assets necessary to conduct the BSS Business in the same manner as which the BSS Business is being conducted or contemplated to be conducted on the date hereof by EchoStar and its Subsidiaries in all material respects.

(iii) Except as would not have or reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (A) the tangible Transferred Assets are in good condition, reasonable wear and tear excepted, and (B) the plants, buildings, structures and other improvements included in the Transferred Assets are structurally sound, free of defects and with no material alterations or repairs required thereto under Applicable Law or insurance company requirements, have access to public roads or valid easements for such ingress and egress and have access to water supply, storm and sanitary sewer facilities, telephone, gas and electrical connections, fire protection and drainage and other similar systems and facilities, in each case, as necessary to permit the use of such plants, buildings and structures in the operation of the BSS Business as conducted on the date hereof.

(iv) Since the Applicable Date, neither EchoStar nor any of its Subsidiaries has: (A) experienced any material interruption in the provision of services to customers at the Data Centers or (B) experienced any material security breaches at any of the Data Centers.

(p) BSS Satellites.

(i) The EchoStar Parties and their Subsidiaries have, and at the Closing, Newco will have, good and marketable title to the BSS Satellites (other than to the Leased Satellites), free and clear of all Liens, except Permitted Liens.

(ii) The EchoStar Parties have made available to DISH information with respect to the orbital location, data transmission capabilities and the remaining useful life of the BSS Satellites, including an estimate of available propellant or bi-propellant for each BSS Satellite and any spacecraft-related incidents or anomalies observed on any BSS Satellite since its launch that DISH does not otherwise have access to, which information, to the knowledge of the EchoStar Parties, is (1) accurate in all material respects and (2) presents a fair depiction of the current health and operational status of each BSS Satellite in all material respects.

(iii) An accurate and complete list of the annual in-orbit incentive payments, including principal and interest, for each of the BSS Satellites has been provided by the EchoStar Parties to DISH.

(q) Real Properties.

(i) Schedule 5.1(q)(i) sets forth a list of all leases, subleases, licenses and occupancy agreements in respect of the Leased Sites (the "Transferred Real Property Leases").

(ii) EchoStar and its Subsidiaries have good and valid leasehold estate in and the right to quiet enjoyment of the Leased Sites pursuant to a legal, valid and binding lease in full force and effect and enforceable in all material respects in accordance with its terms upon EchoStar, its Subsidiaries and, to the knowledge of the EchoStar Parties, each other Person that is a party to such lease. With respect to each of the Transferred Real Property Leases: (A) such Transferred Real Property Lease is valid and binding on EchoStar and each of its Subsidiaries party thereto and, to the knowledge of the EchoStar Parties, any other party thereto, and is in full force and effect, except for such failures to be valid and binding or to be in full force and effect which have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; (B) except which has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, neither EchoStar, its Subsidiaries nor, to the knowledge of the EchoStar Parties, any other party to such Transferred Real Property Lease is in breach or default thereunder, and no event has occurred or circumstance exists which, with the delivery of notice, the passage of time or both, would constitute such a breach or default thereunder; (C) no security deposit or portion thereof deposited with respect to such Transferred Real Property Lease has been applied in respect of a breach or default under such Transferred Real Property Lease which has not been redeposited in full; (D) neither EchoStar nor any of its Subsidiaries owes, nor will owe in the future, any brokerage commissions or finder's fees with respect to such Transferred Real Property Lease; (E) to the knowledge of the EchoStar Parties, the counterparty to such Transferred Real Property Lease has not subleased, licensed or otherwise granted any Person (other than EchoStar or its Subsidiaries) the right to use or occupy the premises demised thereunder or any portion thereof; (F) to the knowledge of the EchoStar Parties, the counterparty has not collaterally assigned or granted any other security interest in such Transferred Real Property Lease; and (G) to the knowledge of the EchoStar Parties, there are no Liens on the estate or interest created by such Transferred Real Property Lease, other than Permitted Liens.

(iii) EchoStar or any of its Subsidiaries has good and marketable fee simple title to all Owned Sites and such title is not subject to any Liens, other than Permitted Liens. Except as set forth on Schedule 5.1(q)(iii), there are no options, rights of first offer or rights of first refusal to purchase any Owned Site or any material portion thereof.

(iv) No Transferred Site is subject to any Order to be sold or is being condemned, expropriated or otherwise taken by any public authority with or without payment of compensation therefor nor, to the knowledge of the EchoStar Parties, has any condemnation, expropriation or taking been proposed, and there is no pending or, to the knowledge of the EchoStar Parties, threatened legislation introduced to change any zoning classification of any Transferred Site.

(v) As of the date of this Agreement, there are no pending property insurance claims with respect to any interest of EchoStar or any of its Subsidiaries in any Transferred Site or any portion thereof. As of the date of this Agreement, the EchoStar Parties and their Subsidiaries have not received any written notice from any insurance company or any board of fire underwriters (or any entity exercising similar functions) with respect to any Transferred Site or any portion thereof (A) requesting the EchoStar Parties or their Subsidiaries to perform any repairs, alterations, improvements or other work for such Transferred Site which the EchoStar Parties or their Subsidiaries have not completed in all material respects or (B) notifying the EchoStar Parties or their Subsidiaries of any defects or inadequacies in such Transferred Site, or other conditions, which would materially and adversely affect the insurability of such Transferred Site or the premiums for the insurance thereof.

(vi) The use and operation of the Transferred Sites in the conduct or operations of the BSS Business does not violate any material contractual covenant, condition, restriction, easement, license, right of way or agreement. No Transferred Site or any buildings, structures, facilities, fixtures or other improvements thereon or the use thereof contravenes or violates any building, zoning, administrative, occupational safety and health or other Applicable Law in any material respect.

(vii) Except for the Contracts set forth on Schedule 5.1(q)(vii), neither EchoStar nor any of its Subsidiaries has entered into any lease, sublease, license or other occupancy agreement to occupy space of any of the Transferred Sites where EchoStar or any of its Subsidiaries is the lessor or sublessor or is otherwise similarly situated.

(viii) During the past three (3) years, no Transferred Site has suffered any material damage, destruction or other casualty loss, whether or not covered by insurance.

(ix) There is no Indebtedness secured over, relating to or listed on the title record for, any Transferred Site, other than Permitted Liens.

(r) Related Party Transactions. Schedule 5.1(r) contains an accurate and complete list of all material (A) loans, leases and other written and executed Contracts between EchoStar or any of its Subsidiaries (other than Newco or its Subsidiaries) or the directors, officers or employees of such entities (or Affiliates of any such directors, officers or employees), or any immediate family members of the foregoing that are natural persons (each of the foregoing, together with each other Person to the extent such Person is acting for the benefit for the foregoing, a "EchoStar Related Party"), on the one hand, and, after giving effect to the Pre-Closing Restructuring, Newco, on the other hand, (B) written and executed Contracts between an EchoStar Related Party and a third party vendor for the benefit of, after giving effect to the Pre-Closing Restructuring, Newco, (C) written and executed Contracts between, after giving effect to the Pre-Closing Restructuring, Newco and a third party vendor for the benefit of any EchoStar Related Party and (D) any other written and executed BSS Business Contract to which an EchoStar Related Party is a party.

(s) Investment Company Act. Neither EchoStar nor Newco is, or will become after giving effect to the Pre-Closing Restructuring and the Distribution, an "investment company" required to be registered under the Investment Company Act of 1940, as amended.

(t) Takeover Statutes. No "fair price," "moratorium," "control share acquisition" or other similar anti-takeover statute or regulation (each, a "Takeover Statute") or any anti-takeover provision in EchoStar's, Newco's or any of the Relevant EchoStar Subsidiaries' Corporate Documents applies to this Agreement, the Transaction Documents, the Pre-Closing Restructuring, the Distribution, the Merger and the other transactions contemplated hereby.

(u) No Brokers. Except for Deutsche Bank Securities Inc., no agent, broker, investment banker, Person or firm is or will be entitled to any broker's or finder's fee or any other commission or similar fee payable by EchoStar or any of its Subsidiaries directly or indirectly in connection with the Pre-Closing Restructuring, the Distribution, the Merger and the other transactions contemplated hereby.

(v) Opinion of Financial Advisor. The board of directors of EchoStar has received an opinion of Deutsche Bank Securities Inc. to the effect that, as of the date of such opinion, and subject to the assumptions, limitations, qualifications and conditions contained therein, the aggregate 22,937,188 DISH Shares to be received by holders of Newco Common Stock in the Merger, was fair to such holders from a financial point of view, in the aggregate, excluding DISH, EchoStar, Charles Ergen and their respective affiliates. EchoStar will make available to DISH an informational copy of such opinion as soon as practicable following the execution of this Agreement.

Section 5.2 Representations and Warranties of the DISH Parties. Except as set forth in the DISH Reports filed with the SEC on or after December 31, 2016 and prior to the date of this Agreement (excluding, in each case, any disclosures set forth in any risk factor section or in any other section to the extent they are forward-looking statements or cautionary, predictive or forward-looking in nature) or in the corresponding sections of the disclosure letter delivered to the EchoStar Parties by DISH prior to entering into this Agreement (the "DISH Disclosure Letter") (it being agreed that disclosure of any item in any section or subsection of the DISH Disclosure Letter shall be deemed disclosure with respect to any section of this Agreement or any other section or subsection of the DISH Disclosure Letter to which the relevance of such disclosure is reasonably apparent on its face and that the mere inclusion of an item in such DISH Disclosure Letter as an exception to a representation or warranty shall not be deemed an admission that such item represents a material exception or material fact, event or circumstance or that such item has had, would have or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect), DISH represents and warrants to the EchoStar Parties that:

(a) Organization; Good Standing; Qualification. Each DISH Party is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has the full power and authority to enter into each Transaction Document to which it is a party and to perform its obligations thereunder, and (A) has the requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted and (B) is duly qualified or licensed and in good standing to do business in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification or licensing

necessary, except where the failure to be so qualified or licensed has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Authorization and Execution of Transaction Documents. (i) Each DISH Party has taken all necessary corporate action to authorize the execution, delivery and performance of its obligations under this Agreement and to consummate the Merger, and (ii) as of the Closing, each DISH Party (not including Newco) shall have taken all necessary corporate action to authorize the execution, delivery and performance of its obligations under each of the other Transaction Documents to which it is, or shall be, a party. As of the date of this Agreement, the board of directors of DISH has approved this Agreement, the other Transaction Documents to which it is a party, the Merger and the issuance of DISH Shares. As of the date of this Agreement, the board of directors of Merger Sub has (a) determined that this Agreement and the transactions contemplated hereby, including the Merger, are fair to and in the best interests of Merger Sub and its stockholders, (b) adopted, approved and declared advisable this Agreement and the Merger, on the terms and subject to the conditions set forth in this Agreement and (c) resolved to recommend that the sole stockholder of Merger Sub approve the Merger and adopt this Agreement. This Agreement has been duly executed and delivered by each DISH Party, and each other Transaction Document to which it is a party, when delivered by it in accordance herewith, shall have been duly executed and delivered by such DISH Party. No vote of the holders of any class of common stock of DISH is required to consummate the Merger or the other transactions contemplated hereby.

(c) Enforceability of Transaction Documents. Assuming that this Agreement and each of the Transaction Documents to which any DISH Party is a party is the valid and binding obligation of each of the EchoStar Parties thereto, this Agreement constitutes, and each other Transaction Document shall, as of the Closing, constitute, the valid, legal and binding obligation of such DISH Party, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(d) Non-Contravention. The execution and delivery by any DISH Party of each of the Transaction Documents to which it is a party and the consummation of the Merger or the issuance of DISH Shares by it pursuant thereto will not: (i) conflict with any requirement of its Corporate Documents; (ii) assuming compliance with the matters referred to in Section 5.2(e) of this Agreement, result in a violation or breach of any Applicable Law by which it is bound or to which any of its properties is subject; or (iii) with or without notice, lapse of time or both, result in a breach or violation of, a termination (or right of termination) or default under, the creation or acceleration of any obligations under or the creation of a Lien on any of the assets of such DISH Party or its Subsidiaries pursuant to any Contract binding upon such DISH Party or its Subsidiaries or result in any change in the rights or obligations of any party under any Contract binding upon such DISH Party or its Subsidiaries, except, in the case of clauses (ii) and (iii), as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(e) Consents. No consent, license, approval or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required by or of such DISH Party in connection with the execution, delivery, performance, validity or enforceability of any Transaction Document to which such DISH Party is a party or the

consummation of the Merger and the issuance of DISH Shares, except for (i) the filing with the SEC and effectiveness of the S-4 Registration Statement, (ii) any filings required to be made with NASDAQ for the listing of DISH Shares, (iii) any such consent, license, approval, authorization, filing, notice or act that has been obtained, made or taken, and (iv) where the failure to obtain such consent, license, approval or authorization or make such filing or take such act as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(f) Merger Sub. The authorized capital stock of Merger Sub consists of 1,000 shares of Merger Sub Common Stock, all of which are validly issued and outstanding. All of the Merger Sub Common Stock is, and at the Effective Time will be, owned by DISH or an Affiliate of DISH. Merger Sub has not conducted any business prior to the date of this Agreement and has no, and prior to the Effective Time will have no, assets, liabilities or obligations of any nature other than those incident to its formation and pursuant to this Agreement, the Merger and the other transactions contemplated hereby.

(g) Reports; Financial Statements.

(i) DISH has filed or furnished, as applicable, on a timely basis all material forms, statements, reports and documents required to be filed or furnished by it with the SEC pursuant to the Exchange Act or the Securities Act since the Applicable Date (such forms, statements, reports and documents filed or furnished since the Applicable Date and those filed or furnished subsequent to the date of this Agreement, including any amendments thereto, the "DISH Reports"). Each of the DISH Reports, at the time of its filing or being furnished (or, if amended prior to the date of this Agreement, as of the date of such amendment) complied as to form in all material respects with the applicable requirements of the Securities Act and the Exchange Act.

(ii) Each of the consolidated balance sheets included in or incorporated by reference into the DISH Reports (including the related notes and schedules), fairly presents the consolidated financial position of DISH and its consolidated Subsidiaries as of the dates thereof and each of the consolidated statements of operations and comprehensive income (loss), changes in stockholders' or shareholder's equity and cash flows included in or incorporated by reference into the DISH Reports (including any related notes and schedules), fairly presents the results of operations and cash flows of DISH and its consolidated Subsidiaries for the periods set forth therein (subject, in the case of unaudited statements, to normal year-end adjustments and lack of footnote disclosure), in each case in accordance with GAAP consistently applied during the periods involved, except as may be noted therein or may be permitted by the SEC under the Exchange Act.

(iii) There are no obligations or liabilities of DISH or any of its Subsidiaries, whether or not accrued, contingent or otherwise and whether or not required to be disclosed or any other facts or circumstances which could reasonably be expected to result in any claims against, or obligations or liabilities of, DISH or its Subsidiaries except for (x) those liabilities set forth in the consolidated balance sheets included in or incorporated by reference into the DISH Reports, (y) future executory liabilities arising under any Contract binding upon DISH or any of its Subsidiaries (other than as a result of

breach of contract, tort, infringement or violation of Applicable Law) or (z) those that have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(h) Litigation and Other Proceedings. Except as would not have or reasonably be expected to have a Material Adverse Effect, (i) there is no claim, action, suit, investigation or proceeding pending or, to the knowledge of the DISH Parties, threatened in writing against DISH or any of its Subsidiaries by or before any Governmental Authority and (ii) none of the DISH Parties or any of their respective Subsidiaries nor any of their respective properties is or are subject to any judgment, order, injunction, rule or decree of, by or before any Governmental Authority, in each case of clauses (i) and (ii), (1) that are reasonably likely to prohibit or restrain the ability of the DISH Parties to enter into this Agreement or any other Transaction Document or consummate the Merger or the issuance of DISH Shares, or (2) challenging or seeking to make illegal or otherwise restrain, enjoin or prohibit the consummation of the Merger or the issuance of DISH Shares. There is no claim, action, suit, investigation or proceeding pending or, to the knowledge of the DISH Parties, threatened in writing against DISH or any of its Subsidiaries relating to the Merger or the issuance of DISH Shares, in each case, except for matters that have not resulted in, and would not reasonably be expected to result in, (i) any criminal liability of DISH or any of its Subsidiaries or any director, officer or employee of DISH or any of its Subsidiaries or (ii) a Material Adverse Effect.

(i) Investment Company Act. Neither DISH nor Merger Sub is, or will become after giving effect to the Merger and issuance of DISH Shares, an "investment company" required to be registered under the Investment Company Act of 1940, as amended.

(j) No Brokers. Except for BofA Securities, Inc., no agent, broker, investment banker, Person or firm is or will be entitled to any broker's or finder's fee or any other commission or similar fee payable by DISH, the DISH Parties or any of their Subsidiaries directly or indirectly in connection with the Merger or the issuance of DISH Shares.

(k) Opinion of Financial Advisor. The board of directors of DISH has received an opinion (which, if initially rendered orally, has been or will be confirmed by a written opinion, dated as of the same date) of BofA Securities, Inc., as financial advisor to DISH solely to render an opinion to the board of directors of DISH, to the effect that, as of the date of such opinion, and based on and subject to the various assumptions and limitations set forth therein, the Exchange Ratio provided for in this Agreement is fair to DISH from a financial point of view. DISH will make available to EchoStar an informational copy of such opinion as soon as practicable following the execution of this Agreement.

(l) Absence of Certain Changes. Since December 31, 2018, DISH and each of its Subsidiaries have conducted their respective businesses only in accordance with the Ordinary Course of Business, and there has not been:

(i) any fact, event, action, change, occurrence, condition or effect which has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; or

(ii) any action taken by DISH or any of its Subsidiaries that, if taken during the period from the date of this Agreement through the Closing Date, would constitute a violation or breach of or would otherwise require consent under Section 6.3.

ARTICLE VI

COVENANTS

Section 6.1 Access to Information.

(a) Prior to the Closing, each of the DISH Parties and their Affiliates shall be entitled, through their directors, officers, employees, consultants, agents, accountants, attorneys and other representatives (including their legal and financial advisors) (together, such Party's "Representatives"), to make such investigation of the properties, businesses and operations to the extent related to the BSS Business and such examination of the books and records to the extent related to the BSS Business, and to receive such information, including financial information, as it reasonably requests and to make extracts and copies of such books and records, including access to customary supporting information, data and documentation utilized in or necessary for the preparation of the DISH Reports. Any such investigation and examination shall be conducted under reasonable circumstances and shall be subject to any restrictions under Applicable Law. The EchoStar Parties shall cause the Representatives of the BSS Business, respectively, to promptly cooperate with the DISH Parties and their Representatives in connection with such investigation and examination, and the DISH Parties and their Representatives shall promptly cooperate with the respective Representatives of the BSS Business and shall use their reasonable efforts to minimize any disruption to the business.

(b) Following the Closing, the DISH Parties will give the EchoStar Parties reasonable access during the DISH Parties' regular business hours upon reasonable advance notice and subject to restrictions under Applicable Law to books and records transferred to the DISH Parties to the extent necessary for the preparation of financial statements or regulatory filings of the EchoStar Parties or their Affiliates in respect of periods ending on or prior to the Closing, or in connection with any Legal Proceedings. The EchoStar Parties shall be entitled, at their sole cost and expense, to make copies of the books and records to which they are entitled to access pursuant to this Section 6.1(b).

(c) Following the Closing, the EchoStar Parties will give, or cause to be given, the DISH Parties and their Affiliates reasonable access during the EchoStar Parties' regular business hours upon reasonable advance notice and subject to restrictions under Applicable Law to their respective books and records to the extent relating to the BSS Business to the extent necessary for the preparation of financial statements or regulatory filings of DISH and Newco in respect of periods ending on or prior to the Closing, in connection with any Legal Proceedings, or to the extent reasonably necessary or advisable to operate the BSS Business after the Closing, and such information will not be unreasonably withheld or delayed by EchoStar or any of its Subsidiaries. DISH, the DISH Parties and their Affiliates shall be entitled, at their sole cost and expense, to make copies of the books and records to which they are entitled to access pursuant to this Section 6.1(c).

(d) No investigation pursuant to this Section 6.1 or otherwise shall affect or be deemed to modify any representation, warranty, covenant or agreement made by the EchoStar Parties or the DISH Parties or to modify any condition set forth in this Agreement.

Section 6.2 Conduct of the BSS Business Pending the Closing.

(a) Prior to the Closing, except (I) as permitted by Schedule 6.2, (II) as required by Applicable Law, (III) as otherwise expressly required or expressly contemplated by this Agreement or any other Transaction Document, (IV) with the prior written consent of DISH (such consent not to be unreasonably withheld, conditioned or delayed), or (V) to the extent contemplated by, or reasonably necessary in connection with, the Pre-Closing Restructuring and the Distribution, EchoStar (or, as applicable, Newco) shall, and shall cause its Subsidiaries to, (i) conduct the BSS Business only in the Ordinary Course of Business; and (ii) use its commercially reasonable efforts to (A) preserve the present business operations of, Assets primarily related to, and organization and goodwill of, in each case, the BSS Business, (B) preserve the present relationships with customers, licensors, vendors, distributors and suppliers to the extent primarily related to the BSS Business and other third parties having a business relationship with the BSS Business, (C) preserve the BSS Business and its business organization intact and retain the respective Permits to the extent related to the BSS Business and (D) keep available the services of the employees of the BSS Business, in the case of (A) through (D), in all material respects.

(b) Without limiting the generality of Section 6.2(a), and in furtherance of Section 6.2(a), except (I) as expressly permitted by Schedule 6.2, (II) as otherwise expressly required or contemplated by this Agreement or any other Transaction Document, (III) with the prior written consent of DISH (such consent not to be unreasonably withheld, conditioned or delayed), (IV) as required by Applicable Law, or (V) to the extent contemplated by, or reasonably necessary in connection with, the Pre-Closing Restructuring and the Distribution, each EchoStar Party shall not, and shall cause each of their Subsidiaries not to:

(i) incur, assume or guarantee any Indebtedness that will, at the Closing, constitute Assumed Liabilities;

(ii) make any loan, advance or capital contribution to or investment in any Person that would constitute Transferred Assets;

(iii) change any method of accounting or accounting practice, in each case, which materially affects or relates to the BSS Business, except for any such changes required by Applicable Law or under GAAP;

(iv) declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of the Newco Shares or shares of the Relevant EchoStar Subsidiaries or enter into any agreement with respect to the voting of the Newco Shares or shares of the Relevant EchoStar Subsidiaries;

(v) transfer, issue, encumber, sell or dispose of any equity or membership interests in, or other securities of, Newco or of the Relevant EchoStar Subsidiaries or grant options, warrants, calls or other rights to purchase or otherwise

acquire equity or membership interests in, or other securities of, Newco or of the Relevant EchoStar Subsidiaries;

(vi) effect any recapitalization, reclassification or like change in the capitalization of Newco or the Relevant EchoStar Subsidiaries;

(vii) amend or propose any change to the Corporate Documents of Newco or the Relevant EchoStar Subsidiaries;

(viii) other than as required by Applicable Law, any existing Benefit Plan or Material Contract or any of the Transaction Documents (including the Employee Matters Agreement), (A) increase the annual level of compensation of any Transferred Employee or consultant primarily related to the BSS Business, except for (1) increases in annual salary, wage rate or base compensation in the Ordinary Course of Business and after prior consultation with DISH and (2) the payment of annual bonuses to Transferred Employees for completed periods, (B) grant or increase any bonus or incentive opportunity or other direct or indirect compensation to any Transferred Employee other than in the Ordinary Course of Business, (C) establish, adopt or amend or otherwise materially increase the coverage or benefits available under any (or create any new) Benefit Plan, (D) take any action to accelerate the vesting or payment, or fund or in any other way to secure the payment, of compensation or benefits under any Benefit Plan with respect to any Transferred Employee, to the extent not already provided in any such Benefit Plan for Transferred Employees, (E) materially change any actuarial or other assumptions used to calculate funding obligations with respect to any Benefit Plan or to change the manner in which contributions to such plans are made or the basis on which such contributions are determined, except as may be required by GAAP, (F) establish, adopt, amend or terminate any employment, deferred compensation, severance, consulting, non-competition or similar agreement to which any Transferred Employee is a party, (G) become a party to, establish, adopt, amend, commence participation in or terminate any collective bargaining agreement or other agreement with a labor union, works council or similar organization, in each case, with respect to any Transferred Employee, (H) hire any employee at or above the level of senior vice president who, if so employed as of the date hereof would be a Transferred Employee or (I) terminate the employment of any Transferred Employee at or above the level of senior vice president other than for cause;

(ix) subject to any Lien (other than any Permitted Lien), any Transferred Assets;

(x) except for acquisitions and sales of parts and inventory in the Ordinary Course of Business, (A) acquire any properties or assets that would constitute Transferred Assets with a value or purchase price in the aggregate in excess of $1,000,000 or (B) sell, assign, license, transfer, convey, lease, let lapse, abandon or otherwise dispose of any of the properties or Assets that would otherwise constitute Transferred Assets with a value or purchase price in the aggregate in excess of $1,000,000;

(xi) cancel or compromise any material debt or claim or waive or release any material right related to the BSS Business;

(xii) enter into any commitment for capital expenditures primarily related to the BSS Business in excess of $1,000,000 for any individual commitment and $2,500,000 for all commitments in the aggregate;

(xiii) permit Newco or any of the Relevant EchoStar Subsidiaries to enter into any merger or consolidation with any Person;

(xiv) except in the Ordinary Course of Business, enter into, renew, terminate, modify in any material respect or waive any material right under or with respect to, a Contract that is, or would be if entered into after the date hereof, a Material Contract;

(xv) transfer, sell, license, encumber, divest, abandon, cancel, fail to renew, permit to lapse or fail to defend any challenge (other than a frivolous challenge), or otherwise dispose of rights to any Separated IP Assets, except for granting non-exclusive licenses to the Separated IP Assets in the Ordinary Course of Business and the abandonment or failure to renew any item included within the Separated IP Assets where such decision was made prior to the date of this Agreement or otherwise in the Ordinary Course of Business;

(xvi) except (A) in the Ordinary Course of Business with respect to immaterial proceedings or (B) with respect to any Excluded Liability (so long as any such settlement does not admit any wrongdoing by, or place any restrictions on, the BSS Business), initiate or settle any Legal Proceedings related to the BSS Business;

(xvii) (A) make or rescind any material Tax election or change any material Tax accounting method, (B) agree to a waiver or an extension of a statute of limitations with respect to the assessment or determination of Taxes or (C) compromise or settle any material Tax dispute, in each case, related to and which materially affects the BSS Business;

(xviii) fail to (A) maintain and continue regular purchase order activity in the Ordinary Course of Business or (B) conduct capital expenditures in the Ordinary Course of Business and consistent with the capital expenditure plan for the BSS Business;

(xix) except in the Ordinary Course of Business, engage in any practice which would have the effect of (A) postponing payments payable, including Third Party Payables and DISH Payables, or the payment of any other operating expenses in connection with the operation or conduct of the BSS Business' operations (including prepayments) or (B) accelerating collections of accounts receivable, including Third Party Receivables and DISH Receivables, or any other payments owed to the BSS Business;

(xx) take any action that would constitute a breach of the first two sentences of Section 5.1(i)(ii); or

(xxi) agree, authorize or consent to do any of the foregoing.

Section 6.3 Conduct of DISH Pending the Closing

(a) Prior to the Closing, except (I) as permitted by Schedule 6.3, (II) as required by Applicable Law, (III) in the Ordinary Course of Business, (III) as otherwise expressly required or expressly contemplated by this Agreement or any other Transaction Document, or (IV) with the prior written consent of EchoStar (such consent not to be unreasonably withheld, conditioned or delayed), DISH (or, as applicable, Merger Sub) shall, and shall cause its Subsidiaries to, use its commercially reasonable efforts to (A) preserve the present business operations of, Assets primarily related to, and organization and goodwill of, in each case, its and its Subsidiaries' business, taken as a whole, and (B) preserve its business organization intact and retain its and its Subsidiaries' respective Permits, in the case of (A) and (B)), in all material respects.

(b) Without limiting the generality of Section 6.3(a), prior to the Closing, except (I) as expressly permitted by Schedule 6.3, (II) as otherwise expressly required or contemplated by this Agreement or any other Transaction Document, (III) with the prior written consent of EchoStar (such consent not to be unreasonably withheld, conditioned or delayed) or (IV) as required by Applicable Law, each DISH Party shall not, and shall cause each of their Subsidiaries not to:

(i) materially change any method of accounting or accounting practice, except for any such changes required by Applicable Law or under GAAP;

(ii) (1) declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to (A) any of the DISH Shares or (B) any of the Merger Sub Shares or (2) enter into any agreement with respect to the voting of the Merger Sub Shares;

(iii) effect any recapitalization, reclassification or like change in the capitalization of (A) DISH in any manner that would reasonably be expected to materially and adversely affect the value of the DISH Common Stock or prevent or materially delay the consummation of the Merger or (B) Merger Sub;

(iv) amend or propose any change to the Corporate Documents of (A) DISH in any manner that would reasonably be expected to materially and adversely affect the value of the DISH Common Stock or prevent or materially delay the consummation of the Merger or (B) Merger Sub;

(v) merge or consolidate with any other Person or restructure, reorganize or completely or partially liquidate, reclassify, split, combine or subdivide the shares of DISH Common Stock or permit Merger Sub to enter into any merger or consolidation with any Person;

(vi) take any action, or fail to take any action to prevent any fact, event, change, occurrence, condition or effect, in either case, that would reasonably be expected to prevent or materially delay the consummation of the Merger; or

(vii) agree, authorize or consent to do any of the foregoing.

Section 6.4 Third Party Consents; Government Actions and Authorizations.

(a) Cooperation. Subject to the terms and conditions set forth in this Agreement, the DISH Parties and the EchoStar Parties shall cooperate with each other and use (and shall cause their respective Subsidiaries to use) their respective commercially reasonable efforts to take or cause to be taken all actions, and do or cause to be done all things, reasonably necessary, proper or advisable on its part under this Agreement and Applicable Law to consummate and make effective the Merger and the other transactions contemplated hereby as soon as practicable, including preparing and filing as promptly as practicable all documentation to effect all necessary notices, reports and other filings and to obtain as promptly as practicable all Consents, registrations, approvals and Permits necessary or advisable to be obtained from any third party and/or any Governmental Authority in order to consummate the Merger and the other transactions contemplated hereby; provided that the Parties will not be required to take such actions or cause to be taken such actions that would result in any condition or requirement that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or a Satellite Material Adverse Effect. Subject to Applicable Law relating to the exchange of information, the DISH Parties and the EchoStar Parties shall consult with one another and jointly direct all matters with any Governmental Authority consistent with its obligations hereunder; provided, that the Parties shall have the right to review in advance and, to the extent practicable, each will consult with the other on and consider in good faith the views of the other in connection with, all of the information relating to the DISH Parties or the EchoStar Parties, as the case may be, and any of their respective Subsidiaries, that appears in any filing made with, written materials submitted to, or oral conversations had with, any third party and/or any Governmental Authority in connection with the Merger and the other transactions contemplated hereby. In exercising the foregoing rights, each of the DISH Parties and the EchoStar Parties shall act reasonably and as promptly as practicable. Notwithstanding the foregoing and subject to the terms and conditions set forth in this Agreement, the DISH Parties and the EchoStar Parties shall cooperate with each other and use (and shall cause their respective Subsidiaries to use) their respective reasonable best efforts and to, on a prompt basis, take or cause to be taken all actions, and do or cause to be done all things, reasonably necessary, proper or advisable on its part under this Agreement and Applicable Law to obtain the Leased Satellite Consents and the approvals requested by the Required Governmental Applications, either in the Pre-Closing Restructuring, the Distribution or the Merger; provided that the Parties will not be required to take such actions or cause to be taken such actions that would result in any condition or requirement that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or a Satellite Material Adverse Effect; provided, further, that neither the DISH Parties nor the EchoStar Parties shall be obligated, in connection with this Section 6.4(a), to expend money other than reasonable out-of-pocket expenses, attorneys' fees and recording, filing or similar fees, unless mutually agreed by the Parties.

(b) Information. The DISH Parties and the EchoStar Parties each shall, upon request by the other, furnish the other with all information concerning itself, its Subsidiaries, directors, officers and stockholders and such other matters as may reasonably be necessary or advisable in connection with any statement, filing, notice or application made by or on behalf of the DISH Parties, the EchoStar Parties or any of their respective Subsidiaries to any third party and/or any Governmental Authority in connection with the Merger and the other transactions contemplated hereby.

(c) Status. Subject to Applicable Law and as required by any Governmental Authority, the DISH Parties and the EchoStar Parties each shall keep the other promptly apprised of the status of matters relating to completion of the Merger and the other transactions contemplated hereby, including promptly furnishing the other with copies of notices or other communications received by the EchoStar Parties or the DISH Parties, as the case may be, or any of their Subsidiaries, from any third party and/or any Governmental Authority with respect to the Merger and the other transactions contemplated hereby. Each of EchoStar and DISH shall give prompt notice to the other upon learning of any change, fact or condition that is reasonably expected to result in a Material Adverse Effect or of any failure of any condition to any of the Parties' obligations to effect the Merger and the other transactions contemplated hereby. Neither the DISH Parties nor the EchoStar Parties shall permit any of their Representatives to participate in any substantive meeting with any Governmental Authority in respect of any filing, investigation or other inquiry relating to the Merger and the other transactions contemplated hereby unless it consults with the EchoStar Parties or the DISH Parties, as the case may be, in advance and, to the extent permitted by such Governmental Authority, gives the other Party a reasonable opportunity to attend and participate thereat. In the case where a Governmental Authority contacts one Party directly, that Party shall give the other Party a reasonable opportunity to attend and participate before beginning any substantive discussions. To the extent the second Party does not participate in such discussions with a Governmental Authority, the first Party will give prompt notice of the discussions to the second Party.

(d) Without limiting the generality of Section 6.4(a), the DISH Parties and the EchoStar Parties shall make (and shall cause their respective Subsidiaries to make), in connection with the consummation of the Merger and the other transactions contemplated hereby, the governmental application filings set forth on Schedule 6.4(d)(i) seeking approval to transfer ownership of, or control over, the BSS Satellites, to transfer the Permits required from any Governmental Authority to construct, launch and operate any BSS Satellite, including the EchoStar XXIII satellite, and to obtain certain export control authorizations in connection with any BSS Satellite (the "Required Governmental Applications"), and the governmental notices set forth on Schedule 6.4(d)(ii) (the "Required Governmental Notices"). The Parties agree that each of the Required Governmental Applications and the Required Governmental Notices required to be delivered prior to the Closing shall be filed concurrently with other Required Governmental Applications or Required Governmental Notices for the same Asset to the extent practicable.

(e) The DISH Parties and the EchoStar Parties shall make (and shall cause their respective Subsidiaries and any other required Person to make), in connection with the consummation of the Merger and the other transactions contemplated hereby, and in order for the EchoStar Parties lawfully, prior to the Closing Date, and for the DISH Parties lawfully on and after the Closing Date, to register, own, control, operate, and conduct any other ordinary activities involving, the Transferred Assets, any filings to a Governmental Authority that may be required under U.S. and any other applicable export control laws, including in order to transfer any applicable export control authorizations to the DISH Parties, to request any new such authorizations that may be required, to notify any Governmental Authority with responsibility for applicable export controls about the Merger and the other transactions contemplated hereby, or to modify any relevant portions of required export control authorizations and/or registrations, including to add to any relevant export control authorizations any new DISH Parties, EchoStar Parties or any other required Persons as may be required under applicable export control laws.

Furthermore, the DISH Parties and the EchoStar Parties shall use reasonable best efforts to execute, modify, amend, and/or transfer (and shall use reasonable best efforts to cause their respective Subsidiaries and any other required Persons to execute, modify, amend, and/or transfer), in connection with the consummation of the Merger and the other transactions contemplated hereby, and in order for the EchoStar Parties lawfully, prior to the Closing Date, and for the DISH Parties lawfully on and after the Closing Date, to register, own, control, operate, and conduct any other ordinary activities involving, the Transferred Assets, any applicable technical assistance agreement or other agreement, or document that may be required under applicable export control laws. Without limiting the generality of the foregoing, the DISH Parties and the EchoStar Parties shall execute (and shall use reasonable best efforts to cause their respective Subsidiaries and any other required Persons to execute) any and all prior consignee statements that will be required under U.S. License Exception Strategic Trade Authorization, 15 C.F.R. § 740.20, in order to transfer ownership, registration, or control of any BSS Satellite in connection with the consummation of the Merger and the other transactions contemplated hereby. In addition, the DISH Parties and the EchoStar Parties shall cooperate (and shall cause their respective Subsidiaries and shall use their reasonable best efforts to cause any other required Persons to cooperate) in identifying any additional steps that may be required to ensure compliance by all such Persons with applicable export controls.

(f) The Parties shall use their respective commercially reasonable efforts to ensure that EchoStar and/or its Affiliates can fulfill their responsibilities as an FCC licensee for the radio service authorizations to be retained by EchoStar but that relate to the BSS Business, including ensuring compliance with all applicable communications laws and FCC rules, orders, and policies.

Section 6.5 Information Statement; Registration Statement.

(a) DISH shall as promptly as reasonably practicable prepare and file with the SEC, to the extent such filings are required by Applicable Law in connection with the transactions contemplated hereby, a Registration Statement on Form S-4 to be filed with the SEC by DISH in connection with the issuance of DISH Shares in the Merger (the "S-4 Registration Statement"). The Parties shall as promptly as reasonably practicable prepare and file with the SEC, as may be required under federal securities Applicable Laws, a joint information statement/prospectus, substantially in the form contained in the S-4 Registration Statement (the "Joint Information Statement/Prospectus"). Each of the Parties shall use its reasonable best efforts to (i) have the S-4 Registration Statement declared effective under the Securities Act as promptly as practicable after its filing, (ii) clear the Joint Information Statement/Prospectus with the SEC as promptly as practicable after its filing, (iii) disseminate the Joint Information Statement/Prospectus to the stockholders of EchoStar and (iv) maintain the effectiveness of the S-4 Registration Statement for as long as necessary to consummate the transactions contemplated by this Agreement. Each of the Parties shall promptly furnish to the other all non-privileged information concerning such Party that is required by Applicable Law to be included in the Joint Information Statement/Prospectus so as to enable the Parties to file the S-4 Registration Statement. The Parties shall cooperate in preparing and filing with the SEC the Joint Information Statement/Prospectus and any necessary amendments or supplements thereto (or such other filings as may be necessary under federal securities Applicable Laws). DISH and Merger Sub shall furnish all information concerning DISH and the DISH Parties, and EchoStar and Newco shall furnish all information concerning EchoStar,

Newco and the BSS Business, as may be reasonably requested by the other Parties or required by Applicable Law in connection with the preparation and filing of the Joint Information Statement/Prospectus and any necessary amendments or supplements thereto (or such other filings as may be necessary under federal securities Applicable Laws). Each of EchoStar, DISH, Merger Sub and Newco shall promptly correct any information provided by it or any of its Representatives for use in the Joint Information Statement/Prospectus if and to the extent that such information is discovered by EchoStar, DISH, Merger Sub or Newco, as applicable, to be or to have become false or misleading in any material respect. Each of EchoStar and DISH shall, as promptly as practicable after the receipt thereof, provide the other Party with copies of any written comments and advise the other Party of any oral comments with respect to the Joint Information Statement/Prospectus or the S-4 Registration Statement received by such Party from the SEC, including any request from the SEC for amendments or supplements thereto (or such other filings as may be necessary under federal securities Applicable Laws), and shall provide the other with copies of all other material or substantive correspondence between it and its Representatives, on the one hand, and the SEC, on the other hand. Notwithstanding the foregoing, prior to filing the Joint Information Statement/Prospectus and S-4 Registration Statement or responding to any comments of the SEC with respect thereto, each of EchoStar and DISH shall provide the other Party and its counsel a reasonable opportunity to review such document or response (including the proposed final version of such document or response) and consider in good faith the comments of the other Party in connection with any such document or response. None of EchoStar, DISH or their respective Representatives shall agree to participate in any material or substantive meeting or conference (including by telephone) with the SEC, or any member of the staff thereof, in respect of the Joint Information Statement/Prospectus and S-4 Registration Statement unless it consults with the other Party in advance and, to the extent permitted by the SEC, allows the other Party to participate. DISH shall advise EchoStar, promptly after receipt of notice thereof, of the time of effectiveness of the S-4 Registration Statement and the issuance of any stop order relating thereto or the suspension of the qualification of DISH Shares for offering or sale in any jurisdiction, and each of EchoStar and DISH shall use its reasonable best efforts to have any such stop order or suspension lifted, reversed or otherwise terminated. EchoStar shall advise DISH, promptly after receipt of notice thereof, of the time of clearance of the Joint Information Statement/Prospectus and any order relating thereto, and each of EchoStar and DISH shall use its reasonable best efforts to have any such stop order or suspension lifted, reversed or otherwise terminated.

(b) EchoStar and DISH each agrees, as to itself and its Subsidiaries, that none of the information supplied or to be supplied by it or its Subsidiaries for inclusion or incorporation by reference in the S-4 Registration Statement will, at the time the S-4 Registration Statement becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. EchoStar and DISH each agrees, as to itself and its Subsidiaries, that none of the information supplied or to be supplied by it or its Subsidiaries for inclusion or incorporation by reference in the Joint Information Statement/Prospectus will, as of the date of the Joint Information Statement/Prospectus, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. EchoStar and DISH will cause the Joint Information Statement/Prospectus, and DISH will cause the S-4 Registration Statement to comply as to form in all material respects with the applicable provisions of the Securities Act or the Exchange Act, as applicable, and the rules and regulations thereunder.

(c) If, at any time prior to the S-4 Registration Statement being declared effective, or the dissemination of the Joint Information Statement/Prospectus, any information relating to EchoStar, Newco or DISH, or any of their respective Affiliates, officers or directors, should be discovered by EchoStar or DISH that should be set forth in an amendment or supplement to (i) the Joint Information Statement/Prospectus so that such document would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or (ii) the S-4 Registration Statement so that such document would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, the Party that discovers such information shall promptly notify the other Party and an appropriate amendment or supplement describing such information shall promptly be prepared and filed with the SEC.

(d) Each of EchoStar and DISH shall, upon request, furnish to the other all information concerning itself, its Subsidiaries, directors, officers and (to the extent reasonably available to the applicable Party) stockholders and such other matters as may be reasonably necessary or advisable in connection with any statement, filing, notice or application made by or on behalf of EchoStar, DISH or any of their respective Subsidiaries, to the SEC or the NASDAQ, including in connection with the S-4 Registration Statement or Joint Information Statement/Prospectus (or such other filings as may be necessary under federal securities Applicable Laws).

(e) In connection with the filing of the Joint Information Statement/Prospectus and S-4 Registration Statement and any other SEC filings contemplated hereby, each of EchoStar and DISH shall use its reasonable best efforts to, to the extent required by Applicable Law or U.S. GAAP, (i) cooperate with the other Party to prepare pro forma financial statements that comply with the rules and regulations of the SEC to the extent required for such SEC filings, including the requirements of Regulation S-X; and (ii) provide and make reasonably available upon reasonable notice its and its Subsidiaries' senior management employees to the other Party to discuss the materials prepared and delivered pursuant to this Section 6.5(e).

Section 6.6 Newco Stockholder Written Consent. Concurrently with the execution of this Agreement, Newco shall obtain from HSSC, as the sole stockholder of Newco, the Requisite Stockholder Approval pursuant to a unanimous written consent of Newco stockholders, in form and substance reasonably acceptable to DISH.

Section 6.7 Stock Exchange Listing. DISH shall use its reasonable best efforts to cause the DISH Shares to be issued to Newco stockholders in the Merger to be approved for listing on the NASDAQ prior to the Closing Date.

Section 6.8 Further Assurances.

(a) Each of the DISH Parties and the EchoStar Parties agree to (1) take all actions necessary or appropriate to consummate the Merger and the other transactions contemplated hereby, (2) cause the fulfillment at the earliest practicable date of all of the conditions to their respective obligations to consummate the Merger and the other transactions contemplated hereby, and (3) from and after the Closing, take such actions and execute such

documents as are reasonably necessary to make effective and carry out the intent of the Merger and the other transactions contemplated hereby, including taking any actions necessary and advisable pursuant to Section 1.7 and Section 1.8 hereof.

(b) Neither the DISH Parties nor the EchoStar Parties shall be obligated, in connection with this Section 6.8, to expend money other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, unless reimbursed by the EchoStar Parties or the DISH Parties, as the case may be.

(c) From the date of this Agreement until the Closing Date, EchoStar and DISH shall cooperate in good faith to identify any and all additional services (i) related to the operation of the BSS Business that are not included in the Transferred Assets and that are reasonably necessary or advisable to operate the BSS Business following the Closing and (ii) included in the Transferred Assets and that are reasonably necessary or advisable for the BSS Business to provide to the EchoStar Group following the Closing, including but not limited to telemetry, tracking, and command services. EchoStar and DISH shall cooperate in good faith to (1) add the provision by the EchoStar Group or DISH and its applicable Subsidiaries, as applicable, of any services identified pursuant to this Section 6.8(c) that either DISH or EchoStar, as applicable, reasonably requests to the scope of services provided under the Amended and Restated Professional Services Agreement, dated February 28, 2017, between EchoStar and DISH (as amended to include such additional services, the "Amended Professional Services Agreement") and/or any transition services agreement between DISH or any of its Subsidiaries (including Newco) and one or more members of the EchoStar Group (the "Transition Services Agreement" or "Transition Services Agreements," as the case may be), and (2) enter into a telemetry, tracking, and command agreement between DISH or any of its Subsidiaries (including Newco) and one or more members of the EchoStar Group (the "TT&C Agreement" or "TT&C Agreements," as the case may be) and/or a Transition Services Agreement on terms mutually agreeable to the parties thereto to provide any services identified pursuant to this Section 6.8(c) that either DISH or EchoStar, as applicable, reasonably requests, and, in each case, such services shall be provided in the manner customarily used by DISH and its Subsidiaries and the EchoStar Group to provide services to each other in the past. Notwithstanding the foregoing, neither the EchoStar Group nor DISH or any of its Subsidiaries shall be obligated to provide any service the provision of which would violate Applicable Law or any Contract to which any such party is a member; provided, that in the event that any service contemplated by this Section 6.8(c) is not provided due to this sentence, members of the EchoStar Group and DISH and its applicable Subsidiaries, as applicable, shall take such other actions as may reasonably be requested by the other party in order to place such party, insofar as legally permitted and reasonably possible, in the same position as if such service had been provided to such party.

(d) From the date of this Agreement through the Closing Date and subject to any applicable legal restrictions, prior to making any material communications to the Transferred Employees pertaining to compensation or benefit matters that are affected by the transactions contemplated by this Agreement and not in the Ordinary Course of Business, DISH and EchoStar each shall provide the other with a copy of the intended communication and such other Party shall have a reasonable period of time (to the extent practicable) to review and comment on the communication.

Section 6.9 Confidentiality.

(a) The terms of the Confidentiality Agreement, dated as of February 20, 2019, between DISH and EchoStar, as amended on May 14, 2019 (the "Confidentiality Agreement"), shall continue in full force and effect until the Closing, at which time the Confidentiality Agreement shall terminate. If this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement shall continue in full force and effect in accordance with its terms.

(b) Each of the EchoStar Parties hereby agrees with DISH that such Party will not, and that such Party will cause its Affiliates and Representatives not to, at any time on or after the Closing Date, directly or indirectly, without the prior written consent of DISH, disclose or use any confidential or proprietary information involving or relating to any of the BSS Business (collectively, the "Confidential Information"); provided, however, that Confidential Information will not include any information generally available to, or known by, the public (other than as a result of disclosure in violation hereof); provided, further, that the provisions of this Section 6.9(b) will not prohibit any retention of copies of records or disclosure (i) required by Applicable Law so long as, to the extent practicable, reasonable prior notice is given of such disclosure and a reasonable opportunity is afforded to contest the same or (ii) in connection with the enforcement of any right or remedy relating to this Agreement or any other Transaction Document. Each of the EchoStar Parties agrees that such Party will be responsible for any breach or violation of the provisions of this Section 6.9(b) by any of such Party's Affiliates and Representatives.

Section 6.10 Preservation of Records. The EchoStar Parties and the DISH Parties agree that each of them (i) shall preserve and keep the records held by them or their Affiliates relating to the BSS Business for a period of seven (7) years from the Closing Date (or such longer period as required by Applicable Law), other than records (x) in the case of the EchoStar Parties, that are actually delivered to DISH pursuant to Section 6.13, (y) and in the case of the DISH Parties, a copy of which is retained by the EchoStar Parties and (ii) shall make such records and personnel available to the other as may reasonably be required by such party in connection with, among other things, any insurance claims by, Legal Proceedings against or governmental investigations of the EchoStar Parties or the DISH Parties or any of their Affiliates or in order to enable the EchoStar Parties and the DISH Parties to comply with their respective obligations under this Agreement and each other agreement, document or instrument contemplated hereby or thereby. In the event any of the EchoStar Parties or any of the DISH Parties wishes to destroy such records after that time, such Party shall first give ninety (90) days' prior written notice to, in the case of any EchoStar Party, DISH, and in the case of any DISH Party, EchoStar, and DISH or EchoStar, respectively, shall have the right at its option and expense, upon prior written notice given to such Party within that ninety (90) day period, to take possession of the records within one-hundred eighty (180) days after the date of such notice.

Section 6.11 Publicity. None of the Parties shall issue any press release or public announcement concerning this Agreement, the Merger and the other transactions contemplated hereby without obtaining the prior written approval of the other applicable Parties hereto, which approval will not be unreasonably withheld, conditioned or delayed, unless, in the sole judgment of DISH or EchoStar, as applicable, disclosure is otherwise required by Applicable Law or by the applicable rules of any stock exchange on which DISH or EchoStar lists securities, provided, that, to the extent permitted by Applicable Law, the Party intending to make such release shall use its

commercially reasonable efforts consistent with such Applicable Law to consult with the other Parties with respect to the timing and content thereof.

Section 6.12 Intercompany Arrangements; Payables and Receivables.

(a) Except as set forth on Schedule 6.12(a), as such schedule may be supplemented by the mutual written agreement of the parties between the date of this Agreement and the Closing Date, EchoStar shall procure that as of the Closing there shall be no outstanding material Liabilities, obligations, Contracts or agreements between or among any member of the EchoStar Group, on the one hand, and Newco, on the other hand.

(b) The provisions of Section 6.12(a) shall not apply to this Agreement, any other Transaction Document and each other Contract or amendment expressly contemplated by this Agreement or other Transaction Document to be entered into or continued by any of the Parties or any of their respective Affiliates.

(c) On the Business Day immediately preceding the Distribution Closing Date, the EchoStar Group shall pay, or cause to be paid, all DISH Payables to the extent outstanding as of such date in a manner to be mutually agreed by EchoStar and DISH, other than the Ticking Fee Receivable.

(d) On the Business Day immediately preceding the Distribution Closing Date, DISH shall pay, or cause to be paid, all DISH Receivables to the extent outstanding as of such date in a manner to be mutually agreed by EchoStar and DISH.

Section 6.13 Books and Records. As soon as practicable following the Closing Date, the EchoStar Parties shall deliver, or cause to be delivered, to DISH originals or copies of all books, records, files and papers, whether in hard copy or electronic format, primarily relating to the BSS Business and its assets, properties and operations, including all books, records, files and papers, whether in hard copy or electronic format, and all minute books and corporate records of Newco and the Relevant EchoStar Subsidiaries

Section 6.14 Notice of Developments. Prior to the Closing, the EchoStar Parties shall notify DISH in writing reasonably promptly after becoming aware of (a) any event, circumstance, fact or occurrence arising subsequent to the date of this Agreement which would result in any material breach of any representation, warranty or covenant of the EchoStar Parties in this Agreement or which could have the effect of making any representation or warranty of the EchoStar Parties in this Agreement untrue or incorrect in any material respect, (b) any other material development affecting the assets, liabilities, business, properties, financial condition, results of operation or employee relations of Newco or the Relevant EchoStar Subsidiaries (or any EchoStar Party, to the extent such development affects the BSS Business) and (c) any action or investigation in which any EchoStar Party is a party and which has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or which relates to the Pre-Closing Restructuring, the Distribution, the Merger and the other transactions contemplated hereby. Prior to the Closing, the DISH Parties shall promptly notify EchoStar in writing upon becoming aware of (i) any event, circumstance, fact or occurrence arising subsequent to the date of this Agreement which would result in any material breach of any representation,

warranty or covenant of the DISH Parties in this Agreement or which could have the effect of making any representation or warranty of the DISH Parties in this Agreement untrue or incorrect in any material respect and (ii) any action or investigation in which any DISH Party is a party and which has or would reasonably be expected to prevent, materially delay or materially impair the performance by such DISH Party of its obligations under this Agreement or any other Transaction Document to which it is a party or the consummation of the Merger or the issuance of DISH Shares.

Section 6.15 Completion of the Pre-Closing Restructuring and Distribution. The EchoStar Parties shall keep the DISH Parties reasonably apprised as to the status of the completion of the Pre-Closing Restructuring and Distribution and any material deviations from the steps outlined on Schedule 1.2 and shall provide the DISH Parties with copies of proposed drafts of all documents effecting the Pre-Closing Restructuring and Distribution as promptly as practicable. EchoStar shall consider in good faith all reasonable comments thereto proposed by the DISH Parties, and the prior written consent of DISH to the form and contents of each document shall be required prior to completing the Pre-Closing Restructuring and Distribution (such consent not to be unreasonably withheld, conditioned or delayed).

Section 6.16 Transfer of Newco Common Stock. Except as set forth on Schedule 6.16, no EchoStar Party shall transfer, issue, encumber, sell, assign or otherwise dispose of any Newco Shares other than to effectuate the Pre-Closing Restructuring and Distribution pursuant to Article I.

Section 6.17 Tax Matters. Notwithstanding anything to the contrary in this Agreement, except as provided in Section 6.2(b), (i) all Tax matters, including the preservation of Tax records and access to Tax information, and any Liability for Taxes shall be handled exclusively in accordance with the provisions of the Tax Matters Agreement, and (ii) the representations and warranties in respect of Taxes contained in the Tax Matters Agreement are the exclusive representations or warranties in respect of Taxes in any Transaction Document. For the avoidance of doubt, no Party may recover Losses under both this Agreement and the Tax Matters Agreement for the same indemnification claim.

Section 6.18 EchoStar Credit Support Obligations. DISH shall use its commercially reasonable efforts to cause the EchoStar Parties and their respective Affiliates to be relieved reasonably promptly following the Closing of all Assumed Liabilities arising out of the letters of credit, performance bonds, banker's acceptance, corporate guarantees and other similar items issued and outstanding in connection with the BSS Business that constitute Assumed Liabilities and are set forth on Schedule 6.19 (together, the "EchoStar Credit Support Obligations"). DISH agrees to continue to use its commercially reasonable efforts after the Closing to relieve the EchoStar Parties and their respective Affiliates of all such EchoStar Credit Support Obligations. If such release cannot be effected in accordance with this Section 6.18 prior to the Closing, the EchoStar Parties and their respective Affiliates will not terminate such Liabilities without the written consent of DISH (such consent not to be unreasonably withheld, conditioned or delayed); provided, however, that the DISH Parties and the EchoStar Parties will cooperate in good faith to enter into separate arrangements with the EchoStar Parties and their respective Affiliates, as applicable, to guarantee the performance of the obligations of the relevant Person pursuant to the EchoStar Credit Support Obligations.

ARTICLE VII

CONDITIONS TO CLOSING

Section 7.1 Mutual Conditions to Closing. The respective obligations of each Party hereto to consummate the Merger are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived in whole or in part by all of the Parties hereto to the extent permitted by Applicable Law):

(a) the Requisite Stockholder Approval shall have been obtained in accordance with Applicable Law and the Corporate Documents of Newco;

(b) all approvals requested by the Required Governmental Applications shall have been granted and be in full force and effect, provided that, with respect to Required Governmental Applications filed with the FCC, this condition will be satisfied by the approval of the full FCC, a bureau of the FCC or division or subdivision thereof taken under delegated authority, which approval is in full force and effect, is not subject to reconsideration, has not been stayed by a bureau of the FCC, division or subdivision thereof, the FCC or a court of competent jurisdiction, and is not subject to any condition or requirement that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or Satellite Material Adverse Effect;

(c) any Required Governmental Notices that must be submitted prior to Closing have been so submitted;

(d) there shall not be pending any Action or proceeding by any Governmental Authority (i) challenging or seeking to make illegal or otherwise, directly or indirectly, restrain, enjoin or prohibit the consummation of the Merger and the other transactions contemplated hereby, or (ii) directly involving EchoStar, Newco or the DISH Parties or any of their Affiliates that would reasonably be expected to materially impair the DISH Parties' ability to own or operate the BSS Business and conduct the businesses as currently conducted;

(e) no court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Applicable Law (whether temporary, preliminary or permanent) or Order that is in effect and restrains, enjoins or otherwise prohibits consummation of the Merger or any other transactions contemplated by this Agreement;

(f) the Pre-Closing Restructuring shall have been completed in accordance with Article I and Section 6.15;

(g) the Distribution shall have been completed in accordance with Article I and Section 6.15;

(h) (i) the S-4 Registration Statement shall have become effective under the Securities Act. No stop order suspending the effectiveness of the S-4 Registration Statement shall have been issued (and not rescinded), and no proceedings for that purpose shall be pending before the SEC; and (ii) the Joint Information Statement/Prospectus (or such other filings as may be

necessary under federal securities Applicable Laws) shall have been disseminated to all EchoStar stockholders in accordance with Applicable Law;

(i) DISH shall have filed with the NASDAQ a notification form for the listing of all DISH Shares to be issued to Newco stockholders in the Merger, and the NASDAQ shall not have objected to the listing of such DISH Shares; and

(j) the Consents required to operate the EchoStar XXIII satellite, each as identified on Schedule 7.1(j) shall have been granted.

Section 7.2 Conditions Precedent to Obligations of the DISH Parties. The obligations of the DISH Parties to consummate the Merger are further subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by the DISH Parties in whole or in part to the extent permitted by Applicable Law):

(a) (i) each of the representations and warranties of the EchoStar Parties set forth in this Agreement (other than EchoStar Fundamental Representations) shall be true and correct (without regard to "materiality", "Material Adverse Effect" and similar qualifiers contained in such representations and warranties) as of the date of this Agreement and as of the Closing Date as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date), other than for failures of such representations and warranties of the EchoStar Parties to be so true and correct which do not have or are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect or a Satellite Material Adverse Effect; (ii) the EchoStar Fundamental Representations (other than the first sentence of Section 5.1(f)(i) (*Capital Structure*)) shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date); and (iii) the representations and warranties of the EchoStar Parties set forth in the first sentence of Section 5.1(f)(i) (*Capital Structure*) shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct in all respects as of such earlier date) other than any *de minimis* inaccuracies.

(b) each of the EchoStar Parties shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date;

(c) since the date of this Agreement, there shall not have occurred any event, change, occurrence, condition or effect which has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; and

(d) DISH shall have received at the Closing a certificate signed on behalf of the EchoStar Parties by an executive officer of EchoStar to the effect that such executive officer has read Section 7.2(a), Section 7.2(b) and Section 7.2(c) and the conditions set forth in Section 7.2(a), Section 7.2(b) and Section 7.2(c) have been satisfied; and

(e) the DISH Parties shall have received each of the deliveries set forth in Section 2.4 required to be delivered to any of the DISH Parties.

Section 7.3 Conditions Precedent to Obligations of the EchoStar Parties. The obligations of the EchoStar Parties to consummate the Merger are further subject to the fulfillment, prior to or on the Closing Date, of each of the following conditions (any or all of which may be waived by the EchoStar Parties in whole or in part to the extent permitted by Applicable Law):

(a) (i) each of the representations and warranties of the DISH Parties set forth in this Agreement (other than the DISH Fundamental Representations) shall be true and correct (without regard to "materiality", "Material Adverse Effect" and similar qualifiers contained in such representations and warranties) as of the date of this Agreement and as of the Closing Date as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date), other than for failures of such representations and warranties of the DISH Parties to be so true and correct which do not have or are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect; (ii) the DISH Fundamental Representations (other than Section 5.2(f) (*Merger Sub*)) shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date); and (iii) Section 5.2(f) (*Merger Sub*) shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date as though made on and as of such date and time.

(b) each of the DISH Parties shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date;

(c) EchoStar shall have received at the Closing a certificate signed on behalf of the DISH Parties by an executive officer of DISH to the effect that such executive officer has read Section 7.3(a) and Section 7.3(b) and the conditions set forth in Section 7.3(a) and Section 7.3(b) have been satisfied; and

(d) EchoStar shall have received each of the deliveries set forth in Section 2.4 required to be delivered to it or to any of the EchoStar Parties.

ARTICLE VIII

INDEMNIFICATION

Section 8.1 Indemnification Obligations of EchoStar. Subject to the limitations set forth in this Article VIII, EchoStar shall indemnify DISH and its Affiliates and its and their Representatives (the "DISH Indemnified Persons") against and hold them harmless from any and all damages, losses, charges, liabilities, claims, demands, actions, suits, proceedings, payments, judgments, settlements, assessments, deficiencies, taxes, interest, penalties, diminution in value and costs and expenses but excluding punitive, exemplary and special damages (unless a third party is entitled to such damages pursuant to a third party claim (a "Third Party Claim") and such

damages are actually paid to such third party) (collectively, "Losses") imposed on, sustained, incurred or suffered by, or asserted against, any of the DISH Indemnified Persons, whether in respect of Third Party Claims, claims between the Parties, or otherwise, relating to, arising out of or resulting from (a) any breach of any of the EchoStar Fundamental Representations of any EchoStar Party contained in this Agreement, (b) any breach or nonperformance of any covenant or agreement made by any EchoStar Party contained in this Agreement or the Employee Matters Agreement to be performed subsequent to the Effective Time, or (c) any of the Excluded Liabilities. Notwithstanding the foregoing, Losses suffered by DISH Indemnified Persons shall not constitute Losses under this Section 8.1 to the extent EchoStar or any of its Subsidiaries (including, for the avoidance of doubt, Newco) would actually be entitled to indemnification or reimbursement in respect of such Loss from DISH or any of its Subsidiaries under any BSS Business Contract as in effect as of the Closing Date.

Section 8.2 Indemnification Obligations of DISH. Subject to the limitations set forth in this Article VIII, the DISH Parties shall indemnify EchoStar and its Affiliates and its and their Representatives (the "EchoStar Indemnified Persons") against and hold them harmless from any and all Losses imposed on, sustained, incurred or suffered by, or asserted against, any of the EchoStar Indemnified Persons, whether in respect of Third Party Claims, claims between the Parties, or otherwise, relating to, arising out of or resulting from (a) any breach of any of the DISH Fundamental Representations of any DISH Party contained in this Agreement, (b) any breach or nonperformance of any covenant or agreement made by any DISH Party contained in this Agreement or the Employee Matters Agreement to be performed subsequent to the Effective Time or (c) any of the Assumed Liabilities.

Section 8.3 Limitations on Indemnity. In no event shall (x) the aggregate indemnification actually paid by the EchoStar Parties pursuant to Section 8.1, taken together with all other indemnification actually paid by the EchoStar Parties pursuant to Section 8.1, or (y) the aggregate indemnification actually paid by the DISH Parties pursuant to Section 8.2, taken together with all other indemnification actually paid by the DISH Parties pursuant to Section 8.2, in the case of each of (x) and (y), in respect of breaches of any representations or warranties, exceed $$797,000,000. Payments by an EchoStar Party or a DISH Party pursuant to Section 8.1 or Section 8.2 in respect of any Loss shall be limited to the amount of any liability or damage that remains after deducting therefrom any insurance proceeds and any indemnity, contribution or other similar payment received or reasonably expected to be received by the EchoStar Indemnified Persons or the DISH Indemnified Persons, as applicable, in respect of any such claim. The EchoStar Indemnified Persons or the DISH Indemnified Persons, as applicable, shall take, and cause its Affiliates to take, all commercially reasonable steps to mitigate any Loss upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to such Loss; provided, that nothing herein shall require any EchoStar Indemnified Person or DISH Indemnified Person to file any claim under any insurance policy.

Section 8.4 Method of Asserting Claims. All claims for indemnification by any DISH Indemnified Person or EchoStar Indemnified Person (each, an "Indemnified Party") shall be asserted and resolved as set forth in this Section 8.4. Any Indemnified Party seeking indemnity pursuant to Section 8.1 or Section 8.2 shall notify in writing the Party from whom indemnification is sought (the "Indemnifying Party") of such demand for indemnification. The Indemnifying Party

shall have thirty (30) days from the personal delivery or mailing of such notice (the "Notice Period") to notify the Indemnified Party whether or not it desires to defend the Indemnified Party against such claim or demand with respect to a claim or demand based on a Third Party Claim. In the event that the Indemnifying Party notifies the Indemnified Party within the Notice Period that, with respect to a Third Party Claim, it desires to defend the Indemnified Party against such Third Party Claim, the Indemnifying Party shall have the right to defend the Indemnified Party at the Indemnifying Party's sole cost and expense and with counsel (plus local counsel if appropriate) reasonably satisfactory to the Indemnified Party. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, compromise or consent to entry of any judgment or enter into any settlement agreement with respect to any action or proceeding in respect of which indemnification is sought under Section 8.1 or Section 8.2 (whether or not the Indemnified Party is an actual or potential party thereto), unless such compromise, consent or settlement involves only the payment of money damages for which the Indemnifying Party will indemnify the Indemnified Party hereunder. If the right to assume and control the defense is exercised, the Indemnified Party shall have the right to participate in, but not control, such defense at its own expense and the Indemnifying Party's indemnity obligations shall be deemed not to include attorneys' fees and litigation expenses incurred in such participation by the Indemnified Party after the assumption of the defense by the Indemnifying Party in accordance with the terms of this Agreement; provided, however, that the Indemnified Parties collectively shall be entitled to employ one firm or separate counsel (plus local counsel if appropriate) to represent the Indemnified Parties if, in the opinion of counsel to each Indemnified Party seeking to employ such separate counsel, a conflict of interest between such Indemnified Party or Parties and the Indemnifying Party exists in respect of such claim and in each such event, the fees, costs and expenses of one such firm or separate counsel (plus one local counsel per jurisdiction if appropriate) shall be paid in full by the Indemnifying Party. If the Indemnifying Party has not elected to assume the defense of a Third Party Claim within the Notice Period, the Indemnified Party may defend and settle the claim for the account and cost of the Indemnifying Party; provided, that the Indemnified Party will not settle the Third Party Claim without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld. The Indemnified Party shall cooperate with the Indemnifying Party and, subject to obtaining proper assurances of confidentiality and privilege, shall make available to the Indemnifying Party all pertinent information under the control of the Indemnified Party.

Section 8.5 Exclusive Remedy; Survival.

(a) Except as set forth in Section 1.7 and Section 1.8, from and after the Closing, the indemnity provided herein shall be the sole and exclusive remedy with respect to any and all claims for Losses sustained or incurred arising out of this Agreement, including the allocation of Assumed Liabilities and Excluded Liabilities, except in the case of any claim based on fraud.

(b) All representations and warranties contained in this Agreement and all claims with respect thereto shall terminate at the Effective Time or upon the earlier termination of this Agreement pursuant to Section 9.1, as the case may be, except that the Fundamental Representations and all claims with respect thereto shall survive forever. It is the intention of the Parties that the termination date set forth in this Section 8.5(b) supersede a statute of limitation applicable to such representations and warranties or claim with respect thereof other than in the case of fraud. No Indemnified Party shall be required to show reliance on any representation,

warranty, certificate or other agreement in order for such Indemnified Party to be entitled to indemnification, compensation or reimbursement hereunder.

(c) The covenants and agreements of the Parties contained in this Agreement and all claims with respect thereto shall terminate at the Effective Time or upon the earlier termination of this Agreement pursuant to Section 9.1, as the case may be, except for those covenants and agreements contained in this Agreement that by their terms are to be performed in whole or in part after the Effective Time (or survive termination of this Agreement, as applicable, pursuant to Section 9.3(a)).

ARTICLE IX

TERMINATION

Section 9.1 Termination of Agreement. This Agreement may be terminated prior to the Closing as follows:

(a) by mutual written consent of DISH and EchoStar;

(b) by either DISH or EchoStar, by giving written notice of such termination to the other Party, if (i) the Closing shall not have occurred on or prior to the close of business on February 19, 2020 (the "Termination Date"), or (ii) any of the conditions set forth in Section 7.1 (*Mutual Conditions to Closing*) shall have become incapable of satisfaction, provided, that the right to terminate this Agreement pursuant to this Section 9.1(b) shall not be available to any Party that has breached in any material respect its obligations under this Agreement in any manner that shall have proximately caused or resulted in the failure of a condition to the consummation of the Merger or the other transactions contemplated hereby;

(c) by EchoStar if there has been a breach of any representation, warranty, covenant or agreement made by any of the DISH Parties in this Agreement, or any such representation and warranty shall have become untrue after the date hereof, such that Section 7.3(a) (*Representations and Warranties of the DISH Parties*) or Section 7.3(b) (*Performance of Obligations and Agreements by the DISH Parties*) would not be satisfied and such breach or condition is not curable or, if curable, is not cured within the earlier of (i) thirty (30) days after written notice thereof is given by EchoStar to DISH and (ii) the Termination Date;

(d) by DISH if there has been a breach of any representation, warranty, covenant or agreement made by any of the EchoStar Parties in this Agreement, or any such representation and warranty shall have become untrue after the date hereof, such that Section 7.2(a) (*Representations and Warranties of the EchoStar Parties*) or Section 7.2(b) (*Performance of Obligations and Agreements by the EchoStar Parties*) would not be satisfied and such breach or condition is not curable or, if curable, is not cured within the earlier of (i) thirty (30) days after written notice thereof is given by DISH to EchoStar and (ii) the Termination Date;

Section 9.2 Procedure Upon Termination. In the event of termination by DISH or EchoStar, or both, pursuant to Section 9.1, written notice thereof shall forthwith be given to the other Party, and this Agreement shall terminate, and each of the Pre-Closing Restructuring, the Distribution and the Merger shall be abandoned, without further action by DISH or EchoStar.

Section 9.3 Effect of Termination.

(a) In the event that this Agreement is validly terminated in accordance with Sections 9.1 and 9.2, then each of the Parties shall be relieved of their duties and obligations arising under this Agreement after the date of such termination and such termination shall be without liability to the other Parties, and each Transaction Document shall be deemed null and void *ab initio*; provided, that the obligations of the Parties set forth in this Section 9.3, Section 6.9 (*Confidentiality*), Section 6.11 (*Publicity*) and Article X (*Miscellaneous*) hereof shall survive any such termination and shall be enforceable hereunder.

(b) Nothing in this Section 9.3 shall relieve any of the Parties of any liability for a material breach of any of its covenants or agreements or material breach of its representations and warranties contained in this Agreement or any Transaction Document executed prior to or on the date hereof prior to the date of termination. The damages recoverable by the non-breaching Party shall include all attorneys' fees reasonably incurred by such Party in connection with the Merger.

ARTICLE X

MISCELLANEOUS

Section 10.1 Notices. All notices required or permitted to be given hereunder shall be 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 set forth below, or sent by facsimile to the fax number set forth below, or such other address(es) or fax number(s) as such Party may have substituted by written notice to the other Parties. The sending of such notice with confirmation of receipt thereof (in the case of facsimile transmission) or receipt of such notice (in the case of delivery by mail or by overnight courier service) shall constitute the giving thereof.

If to any EchoStar Parties or, prior to the Closing, to Newco:

EchoStar Corporation
100 Inverness Terrace East
Englewood, Colorado 80112
Attention: General Counsel
Fax number: (303) 728-5048

with a required copy (which shall not itself constitute proper notice) to:

White & Case LLP
1221 Avenue of the Americas
New York, New York 10020-1095
Attention: Daniel G. Dufner, Jr.; Michael A. Deyong
Fax number: (212) 354-8113

If to DISH, or, following the Closing, to Newco:

DISH Network L.L.C.
9601 South Meridian Blvd.
Englewood, Colorado 80112
Attention: Executive Vice President and General Counsel
Fax number: (303) 723-1699

with a required copy (which shall not itself constitute proper notice) to:

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Attention: Scott D. Miller
Fax number: (212) 558-3358

or to such other address or facsimile number as the addressee may have specified in a notice duly given to the sender as provided herein. Such notice, request, demand, waiver, consent, approval or other communication will be deemed to have been given as of the date so delivered.

Section 10.2 Amendment; Waiver.

(a) This Agreement shall not be amended or modified except by written instrument duly executed by each of the Parties.

(b) No waiver of any term or provision of this Agreement shall be effective unless in writing, signed by the Party against whom enforcement of the same is sought. The grant of a waiver in one instance does not constitute a continuing waiver in any other instances. No failure by any Party to exercise, and no delay by any Party in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof.

Section 10.3 Counterparts; Signatures. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties. Each Party acknowledges that it and the other Parties may execute this Agreement by facsimile, stamp or pdf signature. Each Party expressly adopts and confirms each such facsimile, stamp or pdf signature made in its respective name as if it were a manual signature, agrees that it will not assert that any such signature is not adequate to bind such Party to the same extent as if it were signed manually and agrees that at the reasonable request of the other Parties at any time it will as promptly as reasonably practicable cause this Agreement to be manually executed (any such execution to be as of the date of the initial date thereof).

Section 10.4 Assignment and Binding Effect. No Party may assign, delegate or otherwise transfer this Agreement or any of its rights or obligations hereunder, by operation of law or otherwise, without the prior written consent of the other Parties, and any such attempted assignment, delegation or transfer shall be void. Subject to the preceding sentence, this Agreement

will be binding upon and inure to the benefit of the Parties and their respective successors, permitted transferees and permitted assigns.

Section 10.5 Entire Agreement. This Agreement, the other Transaction Documents, the Confidentiality Agreement and the schedules and exhibits hereto and thereto constitute the entire agreement between the Parties with respect to the subject matter hereof and thereof and supersede all previous agreements, negotiations, discussions, understandings, writings, commitments and conversations between the Parties with respect to such subject matter. No agreements or understandings exist between the Parties other than those set forth or referred to herein or therein.

Section 10.6 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby or thereby, as the case may be, is not affected in any manner adverse to any Party. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties. In the event the Parties are not able to agree, 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.

Section 10.7 Headings. The heading references herein and the table of contents hereof are for convenience purposes only, and shall not be deemed to limit or affect any of the provisions hereof.

Section 10.8 No Third Party Beneficiaries. Except as provided in Section 8.4 of this Agreement, (a) the provisions of this Agreement and the other Transaction Documents are solely for the benefit of the Parties and their respective successors and permitted assigns and are not intended to confer upon any Person, except the Parties and their respective successors and permitted assigns, any rights or remedies hereunder and (b) there are no third party beneficiaries of this Agreement or the other Transaction Documents, and this Agreement and the other Transaction Documents shall not provide any third party with any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

Section 10.9 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW THEREOF.

Section 10.10 Expenses. Except as otherwise expressly provided in the Transaction Documents, each Party shall bear its own costs and expenses in connection with the preparation, negotiation and execution, amendment or modification of this Agreement and the

other Transaction Documents and the consummation of the Merger and the other transactions contemplated hereby.

Section 10.11 Dispute Resolution.

(a) Agreement to Resolve Disputes. Except as otherwise specifically provided in this Agreement or in another Transaction Document, the procedures for discussion, negotiation and dispute resolution set forth in this Section 10.11 shall apply to all disputes, controversies or claims (whether sounding in contract, tort or otherwise) that may arise out of or relate to, or arise under or in connection with this Agreement, the Pre-Closing Restructuring, the Distribution and the Merger (including all actions taken in furtherance of the Pre-Closing Restructuring, the Distribution or the Merger on or prior to the date hereof). Each Party agrees that the procedures set forth in this Section 10.11 shall be the sole and exclusive remedy in connection with any dispute, controversy or claim relating to any of the foregoing matters and irrevocably waives any right to commence any action or proceeding in or before any Governmental Authority, except as otherwise required by Applicable Law.

(b) Dispute Resolution; Mediation.

(i) Any Party may commence the dispute resolution process of this Section 10.11(b) by giving the applicable Party written notice (a "Dispute Notice") of any controversy, claim or dispute of whatever nature arising out of or relating to this Agreement or the breach, termination, enforceability or validity thereof (a "Dispute") which has not been resolved in the normal course of business. The Parties shall attempt in good faith to resolve any Dispute by negotiation between executives of each Party ("Senior Party Representatives") who have authority to settle the Dispute and who are at a higher level of management than the persons who have direct responsibility for the administration of this Agreement. Within fifteen (15) days after delivery of the Dispute Notice, the receiving Party shall submit to the delivering Party a written response (the "Response"). The Dispute Notice and the Response shall include (A) a statement setting forth the position of the Party giving such notice and a summary of arguments supporting such position and (B) the name and title of such Party's Senior Party Representative and any other persons who will accompany the Senior Party Representative at the meeting at which the Parties will attempt to settle the Dispute. Within thirty (30) days after the delivery of the Dispute Notice, the Senior Party Representatives of the applicable Parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the Dispute. The Parties shall cooperate in good faith with respect to any reasonable requests for exchanges of information regarding the Dispute or a Response thereto.

(ii) If the Dispute has not been resolved within sixty (60) days after delivery of the Dispute Notice, or if the Parties fail to meet within thirty (30) days after delivery of the Dispute Notice as hereinabove provided, the Parties shall make a good faith attempt to settle the Dispute by mediation pursuant to the provisions of this Section 10.11(b) before resorting to arbitration contemplated by Section 10.11(c) or any other dispute resolution procedure that may be agreed by the Parties.

(iii) All negotiations, conferences and discussions pursuant to this Section 10.11(b) shall be confidential and shall be treated as compromise and settlement negotiations. Nothing said or disclosed, nor any document produced, in the course of such negotiations, conferences and discussions that is not otherwise independently discoverable shall be offered or received as evidence or used for impeachment or for any other purpose in any current or future arbitration.

(iv) Unless the Parties agree otherwise, the mediation shall be conducted in accordance with the CPR Institute for Dispute Resolution Model Procedure for Mediation of Business Disputes in effect on the date of this Agreement by a mediator mutually selected by the Parties.

(v) Within thirty (30) days after the mediator has been selected as provided above, the Parties and their respective attorneys shall meet with the mediator for one mediation session, it being agreed that each Party representative attending such mediation session shall be a Senior Party Representative with authority to settle the Dispute. If the Dispute cannot be settled at such mediation session or at any mutually agreed continuation thereof, the DISH Parties or the EchoStar Parties, as the case may be, may give the other and the mediator a written notice declaring the mediation process at an end.

(vi) Costs of the mediation shall be borne equally by the Parties involved in the matter, except that each Party shall be responsible for its own expenses.

(c) Arbitration.

(i) Subject to Section 10.11(c)(ii), if the Dispute has not been resolved by the dispute resolution process described in Section 10.11(b), the Parties agree that any such Dispute shall be settled by binding arbitration before the American Arbitration Association ("AAA") in Denver, Colorado pursuant to the Commercial Rules of the AAA. Any arbitrator(s) selected to resolve the Dispute shall be bound exclusively by the laws of the State of New York without regard to its choice of law rules. Any decisions of award of the arbitrator(s) will be final and binding upon the Parties and may be entered as a judgment by the Parties. Any rights to appeal or review such award by any court or tribunal are hereby waived to the extent permitted by Applicable Law.

(ii) Any Dispute regarding the following is not required to be negotiated or mediated prior to seeking relief from an arbitrator: (i) breach of any obligation of confidentiality; and (ii) any other claim where interim relief from the arbitrator is sought to prevent serious and irreparable injury to one of the Parties. However, the Parties to the Dispute shall make a good faith effort to negotiate and mediate such Dispute, according to the above procedures, while such arbitration is pending.

(iii) Costs of the arbitration shall be borne equally by the Parties involved in the matter, except that each Party shall be responsible for its own expenses.

(d) Continuity of Service and Performance. Unless otherwise agreed in writing, the Parties will continue to honor all other commitments under this Agreement during the course

of dispute resolution pursuant to the provisions of this Section 10.11 with respect to all matters not subject to such Dispute.

Section 10.12 Limited Liability. Notwithstanding any other provision of this Agreement, no Person who is a stockholder or Representative of DISH or EchoStar or any of their Affiliates, in his or her capacity as such, shall have any liability in respect of or relating to the covenants or obligations of such Party under this Agreement and, to the fullest extent legally permissible, each of DISH and EchoStar, for itself and its respective stockholders, Affiliates and Representatives waives and agrees not to seek to assert or enforce any such liability that any such Person might otherwise have pursuant to Applicable Law; provided, however, that nothing in this Section 10.12 shall limit any liability of the Parties for breaches of the terms and conditions of this Agreement.

ARTICLE XI

DEFINITIONS

Section 11.1 Certain Definitions. For purposes of this Agreement, the following terms shall have the meanings specified in this Section 11.1:

"Action" means any demand, action, suit, counter suit, arbitration, inquiry, proceeding or investigation by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

"Affiliate" means, with respect to any Person, another Person directly or indirectly controlling, controlled by, or under common control with that Person; it being understood that for purposes of the Transaction Documents (except as provided in Section 8.1 (*Indemnification Obligations of EchoStar*) of this Agreement), none of DISH, the DISH Parties or any other Subsidiaries of DISH will be considered an Affiliate of any EchoStar Party or any other Subsidiaries of EchoStar, and (except as provided in Section 8.2 (*Indemnification Obligations of DISH*) of this Agreement) none of the EchoStar Parties or any other Subsidiaries of EchoStar will be considered an Affiliate of DISH, any DISH Party or any other Subsidiaries of DISH.

"Anti-Money Laundering Laws" means all applicable anti-money laundering laws, rules and regulations, including the Bank Secrecy Act, as amended by the USA PATRIOT Act.

"Applicable Law" means any applicable federal, state, local or foreign law, rule, regulation, ordinance, code, directive, order, writ, injunction, decree, judgment, award, determination, direction or demand, authorization or treaty of any Governmental Authority and any relevant final administrative or judicial precedent interpreting or applying the foregoing.

"Assets" means assets, properties and rights (including goodwill), wherever located (including in the possession of vendors or other third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person, including the following:

(i) all accounting and other books, records, systems and files whether in paper, microfilm, microfiche, computer tape or disc, magnetic tape or any other form or medium;

(ii) all IT Assets, fixtures, machinery, equipment, furniture, office equipment, motor vehicles and other transportation equipment, special and general tools, prototypes and models and other tangible personal property, wherever located that are owned or leased by the Person, together with any express or implied warranty by the manufacturers, sellers or lessors of any item or component part thereof;

(iii) all inventories, wherever located, including all finished goods, (whether or not held at any location or facility or in transit), work in process, raw materials, spare parts and all other materials and supplies to be used or consumed in the production of finished goods;

(iv) all interests in any land and improvements and all appurtenances thereto;

(v) all interests in any capital stock or other equity interests of any Subsidiary or any other Person; all bonds, notes, debentures or other securities issued by any Subsidiary or any other Person; all loans, advances or other extensions of credit or capital contributions to any Subsidiary or any other Person; and all other investments in securities of any Person;

(vi) all license agreements, leases of personal property, including satellites, open purchase orders for raw materials, supplies, parts or services, unfilled orders for the manufacture and sale of products and other contracts, agreements or commitments;

(vii) all deposits, escrow accounts and prepaid expenses, letters of credit and performance and surety bonds, claims for refunds and rights of set-off in respect thereof;

(viii) all written technical information, data, specifications, research and development information, engineering drawings, operating and maintenance manuals, and materials and analyses, whether prepared by Affiliates, by consultants or other third parties;

(ix) all Intellectual Property;

(x) all licenses, covenants not to sue and other rights to any third party Intellectual Property;

(xi) all cost information, sales and pricing data, customer prospect lists, supplier records, customer and supplier lists, customer and vendor data, correspondence and lists, product literature, artwork, design, development and manufacturing files, vendor and customer drawings, formulations and specifications, quality records and reports and other books, records, studies, surveys, reports, plans and documents;

(xii) all trade accounts and notes receivable and other rights to payment from customers and (a) all security for such accounts or rights to payment, including all trade accounts receivable representing amounts receivable in respect of goods shipped or products sold or otherwise disposed of or services rendered to customers, (b) all other

accounts and notes receivable and all security for such accounts or notes and (c) any claim, remedy or other right relating to any of the foregoing;

(xiii) all rights under contracts or agreements, all claims or rights against any Person arising from the ownership of any Asset, all rights in connection with any bids or offers and all claims, choses in action or similar rights, whether accrued or contingent;

(xiv) all rights under insurance policies and all rights in the nature of insurance, indemnification or contribution, including insurance proceeds; and

(xv) all Permits.

"Benefit Plan" means any benefit or compensation plan, program, policy, practice, agreement, contract, arrangement or other obligation, whether or not in writing and whether or not funded, in each case, which covers (and only to the extent of such coverage) any Transferred Employee. Benefit Plans include, but are not limited to, ERISA Plans, employment, consulting, retirement, severance, termination or change in control agreements, deferred compensation, equity-based, incentive, bonus, supplemental retirement, profit sharing, insurance, medical, welfare, fringe or other benefits or remuneration of any kind.

"BSS Business" means (i) the portion of the business of EchoStar that manages, markets and provides (A) broadcasting satellite services to DISH and its Subsidiaries, and Dish Mexico, S. de R.L. de C.V. and its Subsidiaries; and (B) telemetry, tracking and control services to satellites owned by DISH and a portion of EchoStar's other businesses; and (ii) the products, assets, licenses and technology, and the business operations, revenues, billings and operating activities primarily related to the foregoing.

"BSS Business Contracts" means the written Contracts to which EchoStar or any member of the EchoStar Group is a party or by which it or any of the Transferred Assets is bound which constitute Contracts that are: (i) used, contemplated for use or held for use, in each case, primarily in the ownership, operation or conduct of the BSS Business as currently owned, operated and conducted or relating primarily to the BSS Business as currently owned, operated or conducted or (ii) otherwise expressly contemplated pursuant to this Agreement or any of the Transaction Documents to be assigned to Newco.

"BSS Satellites" means the satellites referred to as EchoStar VII, EchoStar X, EchoStar XI, EchoStar XII, EchoStar XIV, EchoStar XVI, EchoStar XXIII, and the Leased Satellites, as listed on Annex A.

"Business Day" means any day other than a Saturday, a Sunday, a legal holiday in New York, New York, or any other day on which commercial banks in that location are authorized by Applicable Law or governmental decree to close.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Communications Act" means the Communications Act of 1934 and the Telecommunications Act of 1996, in each case as amended from time to time, and all rules and regulations promulgated thereunder.

"Consents" means any consents, waivers, approvals, or notification requirements, including those in connection with the Required Governmental Applications.

"Contract" means any agreement, lease, license, contract, note, bond, mortgage, indenture or other instrument or obligation, in each case whether written or oral.

"Control" (and its correlative meanings "controlling" and "controlled") means the possession, direct or indirect, or 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.

"Corporate Documents" means, with respect to any entity, such entity's articles or certificate of incorporation, by-laws, memorandum and articles of association, limited liability company agreement or partnership agreement, as applicable, and any other organizational documents of such entity.

"Data Centers" means, collectively, the data centers situated on the Owned Sites and the Leased Sites.

"DISH Fundamental Representations" means the representations and warranties of the DISH Parties set forth in Section 5.2(a) (*Organization; Good Standing; Qualification*), Section 5.2(b) (*Authorization and Execution of Transaction Documents*), Section 5.2(c) (*Enforceability of Transaction Documents*), Section 5.2(f) (*Merger Sub*), Section 5.2(j) (*No Brokers*) and Section 5.2(k) (*Opinion of Financial Advisor*).

"DISH Parties" means DISH, Merger Sub and, after the Closing, Newco.

"DISH Payables" means any and all amounts payable in respect of the BSS Business to DISH and its Subsidiaries.

"DISH Receivables" means any and all amounts owed by DISH or any of its Subsidiaries and payable to EchoStar or any of its Subsidiaries in respect of the BSS Business.

"Distribution Closing" means the closing of the Distribution.

"Distribution Closing Date" means the date of the Distribution Closing.

"Distribution Record Date" means the record date for the Distribution Closing.

"EchoStar Fundamental Representations" means Section 5.1(a) (*Organization and Good Standing*), Section 5.1(b) (*Authorization and Execution of Transaction Documents*), Section 5.1(c) (*Enforceability of Transaction Documents*), Section 5.1(f)(i) and 5.1(f)(ii) (*Capital Structure*), Section 5.1(t) (*Takeover Statutes*), Section 5.1(u) (*No Brokers*) and Section 5.1(v) (*Opinion of Financial Advisor*).

"EchoStar Group" means EchoStar and each Subsidiary of EchoStar immediately after the consummation of the Pre-Closing Restructuring (other than Newco).

"EchoStar Parties" means EchoStar and, prior to the Closing, Newco.

"EMA Assumed Liabilities" means the employee-related Liabilities with respect to the BSS Business (or the ownership of the Transferred Assets) to be assumed by DISH pursuant to the Employee Matters Agreement.

"EMA Excluded Liabilities" means the employee-related Liabilities with respect to the BSS Business to be retained by EchoStar pursuant to the Employee Matters Agreement.

"Employee Matters Agreement" means the Employee Matters Agreement substantially in the form attached hereto as Exhibit B.

"Environmental Law" means any federal, state, local or foreign statute, law, regulation, order, decree, Permit or requirement of any relevant Governmental Authority relating to: (A) the protection, investigation or restoration of the environment, health (to the extent health relates to exposure to Hazardous Substances), safety (to the extent safety relates to exposure to Hazardous Substances), or natural resources; (B) the handling, use, presence, disposal, release or threatened release of any Hazardous Substance; or (C) indoor air, employee exposure to Hazardous Substances, wetlands, pollution, contamination or any injury or threat of injury to persons or property relating to any Hazardous Substance.

"Environmental Liabilities" means all Liabilities under (1) any applicable Environmental Law or (2) any applicable Contract relating to environmental matters (including all removal, remediation or cleanup costs, investigatory costs, governmental response costs, natural resources damages, property damages, personal injury damages, costs of compliance with any product take back requirements or with any settlement, judgment or other determination of Liability and indemnity, contribution or similar obligations, in each case, related to such Liabilities described in (1) and (2) above) and all costs and expenses, interest, fines, penalties or other monetary sanctions in connection therewith.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Plan" means any "employee benefit plan" within the meaning of Section 3(3) of ERISA.

"Exchange Act" means the Securities Exchange Act of 1934, or any successor federal statute, and the rules and regulations promulgated thereunder, all as amended, and as the same may be in effect from time to time.

"FCC" means the United States Federal Communications Commission or any bureau or subdivision thereof acting under delegated authority.

"FCPA" means the Foreign Corrupt Practices Act of 1977, as amended.

"Fundamental Representations" shall mean (i) the EchoStar Fundamental Representations and (ii) the DISH Fundamental Representations.

"GAAP" means generally accepted accounting principles in the United States.

"Governmental Authority" means any foreign or domestic federal, state, local, municipal or other governmental or quasi-governmental authority or self-regulatory organization of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental or quasi-governmental powers) or exercising, or entitled to exercise, any administrative, executive, judicial, legislative, enforcement, regulatory or taxing authority or power.

"Hazardous Substance" means any substance that is: (A) listed, classified or regulated pursuant to any Environmental Law; and (B) any petroleum product or by-product, asbestos-containing material, lead-containing paint or plumbing, polychlorinated biphenyls, toxic mold, radioactive material or radon.

"HSSC" means Hughes Satellite Systems Corporation, a Colorado corporation and wholly owned Subsidiary of EchoStar.

"Indebtedness" of any Person means, without duplication, (i) the principal of and, accreted value and accrued and unpaid interest in respect of (A) all Liabilities of such Person for money borrowed, whether current or funded, secured or unsecured, and (B) all Liabilities evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable; (ii) all Liabilities of such Person in respect of mandatorily redeemable or purchasable capital stock or securities convertible into capital stock; (iii) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding trade accounts payable and other accrued current Liabilities); (iv) all Liabilities for the reimbursement of any obligor under any drawn letter of credit or performance bond that is subject to an actual demand, or other similar agreement or credit transaction securing obligations of a type described in clauses (i) through (iii) above to the extent of the obligation secured; (v) all obligations of the type referred to in clauses (i) through (iv) of any Persons the payment of which such Person is responsible or liable, directly or indirectly, as obligor, guarantor, surety or otherwise; and (vi) all obligations of the type referred to in clauses (i) through (iv) above of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person).

"Intellectual Property" means all intellectual property or proprietary rights arising from or in respect of the following in any jurisdiction in the world: (i) all patents and utility models of any kind, patent applications, including provisional applications, statutory invention registrations and invention disclosures, and all related continuations, continuation-in-part, divisions, reissues, re-examinations, substitutions, and extensions thereof (collectively, "Patents"); (ii) all trademarks, service marks, trade names, service names, brand names, trade dress, logos, Internet domain names, uniform resource locators, and corporate names, in each case whether or not Registered, and together with the common law rights and goodwill associated with any of the foregoing, and all applications, registrations and renewals thereof; (iii) copyrights in and to published and unpublished works of authorship, in each case whether or not Registered or sought to be Registered, together with all common law rights and moral rights therein, and any applications and registrations therefor, including extensions, renewals, restorations, derivatives, and reversions; (iv) rights in trade secrets and other legally recognized rights in and to confidential information, proprietary information, inventions, discoveries, and know-how (collectively, "Trade

Secrets"); (v) mask work rights; (vi) any of the foregoing rights in Technology; and (vi) other similar types of proprietary or intellectual property rights recognized under Applicable Law.

"Intellectual Property and Technology License Agreement" means the Intellectual Property and Technology License Agreement substantially in a form to be agreed upon by the Parties before the Distribution Closing Date.

"IT Assets" means computers, Software, firmware, middleware, servers, workstations, routers, hubs, switches, data communications lines, and all other information technology equipment, and all associated documentation.

"Leased Satellites" means the Nimiq 5 and QuetzSat-1 satellites, as listed on Annex A.

"Leased Sites" means the leased real property primarily related to the BSS Business listed on Schedule 11.1(a) (and any rights associated therewith), including any fixtures attached to such real property and all structures, facilities and improvements located thereon, or attached or appurtenant thereto with respect to which EchoStar or any of its Subsidiaries has a leasehold interest.

"Legal Proceeding" means any judicial, administrative or arbitral action, suit, proceeding (public or private) or investigation by or before a Governmental Authority.

"Liability" means, with respect to any Person, any and all losses, claims, charges, debts, demands, actions, causes of action, suits, damages, obligations, payments, costs and expenses, sums of money, accounts, reckonings, bonds, specialties, indemnities and similar obligations, exoneration covenants, Contracts, controversies, doings, omissions, variances, guarantees, make whole agreements and similar obligations, and other liabilities and requirements, including all contractual obligations, whether absolute or contingent, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, joint or several, whenever arising, and including those arising under any Applicable Law, Action, threatened or contemplated Action (including the costs and expenses of demands, assessments, judgments, settlements and compromises relating thereto and attorneys' fees and any and all costs and expenses, whatsoever reasonably incurred in investigating, preparing or defending against any such Actions or threatened or contemplated Actions) or order of any Governmental Authority or any award of any arbitrator or mediator of any kind, and those arising under any Contract, in each case, whether or not recorded or reflected or otherwise disclosed or required to be recorded or reflected or otherwise disclosed, on the books and records or financial statements of any Person.

"Lien" means any mortgage, pledge, hypothecation, security interest, lien, license, covenant not to sue, charge, option, assignment or encumbrance of any kind or any arrangement to provide priority or preference, including any easement, right-of-way, restriction (whether on voting, sale, transfer, disposition, use or otherwise), right, lease and other encumbrance on title to real or personal property (whether or not of record), whether voluntary or imposed by Applicable Law, and any agreement to give any of the foregoing.

"Malicious Code" means any "back door," "drop dead device," "time bomb," "Trojan horse," "virus," "worm," "spyware" (as such terms are commonly understood in the

software industry) or any other code designed to have any of the following functions: (i) disrupting, disabling or harming the operation of, or providing unauthorized access to, a computer system or network or other device on which such code is stored or installed or (ii) compromising the privacy or data security of a user or damaging or destroying any data or file, in each case, without authorization and without the applicable user's consent; provided, that "Malicious Code" excludes code that enables or provides security, support and maintenance functionality.

"Material Adverse Effect" means any fact, event, change, occurrence, condition or effect that (a) is materially adverse to the business, financial condition, assets, properties or results of operations of (x) with respect to the EchoStar Parties, (1) EchoStar and its Subsidiaries taken as a whole or (2) the BSS Business taken as a whole and (y) with respect to DISH, DISH and its Subsidiaries taken as a whole or (b) would prevent, materially delay or materially impair the consummation of, with respect to the EchoStar Parties, the Pre-Closing Restructuring, the Distribution, the Merger or any other transactions contemplated hereby and, with respect to DISH, the Merger or the issuance of DISH Shares, except, in the case of clause (a), any such event, change, occurrence, condition or effect to the extent resulting from, arising out of or relating to:

(i) general changes or developments in any of the industries in which EchoStar and its Subsidiaries or DISH and its Subsidiaries, as applicable, operate;

(ii) changes in global, national or regional political conditions (including the outbreak or escalation of war (whether or not declared) or acts of terrorism) or in general economic, business, regulatory, political or market conditions or in national or global financial markets;

(iii) any failure by EchoStar or by DISH, as applicable, to meet any published analyst estimates or expectations of its overall or segment or other subgroup revenue, earnings or other financial performance or results of operations for any period, in and of itself, or any failure by EchoStar or by DISH, as applicable, to meet its overall or segment or other subgroup internal or published projections, budgets, plans or forecasts of its revenues, earnings or other financial performance or results of operations, for any period ending on or after the date of this Agreement, in and of itself (provided, that the facts or occurrences giving rise to or contributing to such failure that are not otherwise excluded from the definition of "Material Adverse Effect" shall not be excluded in determining whether there has been a Material Adverse Effect);

(iv) any changes in financial, banking or securities markets in general, including any disruption thereof and any decline in the price of any security or any market index or any change in prevailing interest rates;

(v) any decline in the market price or trading volume of the EchoStar Common Stock or the DISH Common Stock, as applicable (provided, that the facts or occurrences giving rise to or contributing to such decline that are not otherwise excluded from the definition of "Material Adverse Effect" shall not be excluded in determining whether there has been a Material Adverse Effect);

(vi) any change or announcement of a potential change in the credit rating of EchoStar or any of its Subsidiaries or of DISH or any of its Subsidiaries (provided, that the facts or occurrences giving rise to or contributing to such change or potential change that are not otherwise excluded from the definition of "Material Adverse Effect" shall not be excluded in determining whether there has been a Material Adverse Effect);

(vii) any action expressly required or expressly permitted by this Agreement or any other Transaction Document (other than the Pre-Closing Restructuring or the obligations set forth in Section 6.2(a) (*Conduct of the Business Pending Closing*));

(viii) any changes in Applicable Laws or accounting rules (including GAAP) or the enforcement, implementation or interpretation thereof;

(ix) the announcement, pendency or completion of the transactions contemplated by this Agreement, any other Transaction Document or in connection with the Pre-Closing Restructuring, including losses or threatened losses of employees, customers, suppliers, distributors or others having relationships with the BSS Business or the EchoStar Group (provided, that the exception in this clause (ix) shall not apply to Section 5.1(d) (*Non-Contravention*), Section 5.1(e) (*Consents*) or Section 5.1(l) (*Material Contracts*)) or with DISH and its Subsidiaries (provided, that the exception in this clause (ix) shall not apply to Section 5.2(d) (*Non-Contravention*) or Section 5.2(e) (*Consents*)); or

(x) any natural or man-made disaster or acts of God;

provided, further, however that, with respect to clauses (i), (ii), (iv), (viii) and (x) such change, event, circumstance or development does not disproportionately adversely affect EchoStar and its Subsidiaries or DISH and its Subsidiaries, as applicable, compared to other companies operating in the industries in which EchoStar and its Subsidiaries or DISH and its Subsidiaries, as applicable, operate.

"Material Contract" means any BSS Business Contract:

(i) that is with any Governmental Authority;

(ii) involving future payments, performance or services or delivery of goods or materials to or by EchoStar or any of its Subsidiaries of any amount or value reasonably expected to exceed $1,500,000 in any future twelve (12) month period;

(iii) for the sale of any Assets other than that would not (1) constitute Transferred Assets or (2) purport to bind or give rise to any obligations of DISH or any of its Affiliates (including Newco) after the Closing Date;

(iv) relating to any acquisition to be made by EchoStar or any of its Subsidiaries of any operating business or the capital stock of any other Person;

(v) relating to (A) the incurrence of any material Indebtedness or (B) the making of any material loans by any member of the EchoStar Group;

(vi) providing for severance, retention, change in control or other similar payments by any of EchoStar or any of its Subsidiaries;

(vii) relating to the engagement, retention or employment of any Person as a consultant, contractor or in a similar role and providing for annual or annualized payments in excess of $250,000;

(viii) that purport to bind DISH or any of its Affiliates (other than Newco) after the Closing Date or that would give rise to any rights or obligations of Newco or any third party by virtue of the identity of DISH or any of its Affiliates as the acquiror of Newco;

(ix) relating to any lease of real or personal property involving future payments to or by EchoStar or any of its Subsidiaries of any amount or value reasonably expected to exceed $500,000 in any future twelve (12) month period;

(x) (A) granting to EchoStar or any of its Subsidiaries a license, covenant not to sue or other right under any Intellectual Property (excluding Contracts for commercial off-the-shelf computer software that are both (i) generally available on non-discriminatory pricing terms which have an aggregate acquisition cost of $25,000 or less and (ii) not material to the operation, tracking, control and/or use of satellites, and/or the processing of telemetry data) or (B) granting to any third party a license, covenant not to sue or other right under any Separated IP Assets;

(xi) evidencing any agreement for indemnification (other than standard form indemnification provisions);

(xii) evidencing any partnership, operating, joint venture, profit sharing, collaboration or other similar contract or arrangement;

(xiii) containing non-competition or exclusivity covenants, or any other covenants limiting the freedom of EchoStar or any of its Subsidiaries to compete in any line of business or in any geographic area, or to provide any product or service, or that otherwise restricts EchoStar's or any of its Subsidiaries' (or, after the Closing, DISH's or its Affiliates') ability to compete, to solicit, hire or solicit business from any Person, and any Contract that could require the disposition of any material assets or line of business (or, after the Closing, DISH or its Affiliates);

(xiv) containing a put, call, right of first refusal, right of first offer or comparable right pursuant to which EchoStar or any of its Subsidiaries could be required to purchase or sell, as applicable, any equity interests in or assets (in the case of assets, having a purchase price in excess of $500,000) of any Person, or a standstill or comparable agreement pursuant to which a Person has agreed not to acquire assets or securities of another Person;

(xv) containing a "most favored nation" provision or a limitation on price increases or granting any third party the exclusive right to develop, market, sell or distribute any of EchoStar's or any of its Subsidiaries products or services or to provide any products or services to EchoStar or any of its Subsidiaries, in each case only to the extent that any

of the foregoing relate primarily to the ownership, operation or conduct of the BSS Business; or

(xvi) evidencing any agreement for settlement pursuant to which Newco is, or after the Pre-Closing Restructuring would be, obligated to (A) pay any amounts after the date of this Agreement, (B) provide any injunctive relief, (C) take any action or refrain from taking any action after the date of this Agreement or (D) admit liability, fault or negligence.

"OFAC" means the United States Department of Treasury's Office of Foreign Assets Control.

"Open Source License" means any license identified as an open source license by the Open Source Initiative (www.opensource.org/) that conditions the distribution of certain Software on (i) the disclosure, licensing or distribution of any source code for any portion of such Software, or (ii) the granting to licensees of the right to make derivative works or other modifications to such Software, (iii) the licensing under terms that allow the Software or portions thereof or interfaces therefor to be reverse engineered, reverse assembled or disassembled (other than by operation of law), or (iv) redistribution of such Software at no license fee.

"Order" means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award (in each case, whether temporary, preliminary or permanent) of a Governmental Authority.

"Ordinary Course of Business" means the ordinary and usual course of normal day-to-day operations consistent with past practice.

"Owned Sites" means the owned real property primarily related to the BSS Business listed on Schedule 11.1(a), including any fixtures attached to such real property and all structures, facilities and improvements located thereon, or attached or appurtenant thereto.

"Permits" means any franchise, license (including radio and similar licenses), authorization, consent, permit, certificate, waiver, approval, qualification or registration of, with or from any Governmental Authority, including the FCC, and including all authorizations required to construct, launch and operate the BSS Satellites.

"Permitted Liens" means (i) Liens for Taxes that are not yet due and payable, and Liens for current Taxes that are being contested in good faith by appropriate proceedings, (ii) non-exclusive licenses of Intellectual Property granted prior to the Closing and in the Ordinary Course of Business, including as set forth in the Material Contracts, (iii) Liens of landlords, lessors, carriers, warehousemen, employees, mechanics and materialmen and other like Liens arising in the Ordinary Course of Business of EchoStar and its Subsidiaries (or Liens against any landlord's or lessor's interest in any Leased Site that do not affect the operations of the BSS Business), (iv) any conditions that may be shown by a current, accurate survey or physical inspection of any real property made prior to the Closing, (v) easements, rights of way, restrictive covenants, encroachments, zoning, building code or planning ordinances or regulations, and other similar encumbrances affecting real property, (vi) other imperfections of title or Liens that, in the case of clauses (ii) through (vi), individually or in the aggregate, do not, and would not reasonably be

expected to, materially detract from the value or use of any of the properties or Assets of EchoStar and its Subsidiaries and (vii) Liens set forth on Schedule 11.1(b).

"Person" means any natural person, corporation, general partnership, limited partnership, limited liability company, joint venture, trust, proprietorship, Governmental Authority or other entity, association or organization of any nature, however and wherever organized or constituted (whether or not having a separate legal personality).

"Personally Identifiable Information" means any information that alone or in combination with other information held by EchoStar or any of its Subsidiaries can be used to specifically identify an individual person and any individually identifiable health information.

"Registered" means issued by, registered with or the subject of a pending application before any Governmental Authority or Internet domain name registrar.

"Satellite Material Adverse Effect" means any event, change, occurrence, condition or effect that would be reasonably likely to have a material adverse effect on the value of any BSS Satellite (other than EchoStar VII or EchoStar XII).

"SEC" means the United States Securities and Exchange Commission, or any successor agency of the federal government.

"Securities Act" means the United States Securities Act of 1933, or any successor federal statute, and the rules and regulations promulgated thereunder, all as amended, and as the same may be in effect from time to time.

"Software" means any and all (i) computer applications, programs and other software, including any and all operating software, network software, firmware, software implementations of algorithms, middleware, design software, models and methodologies, whether in source code or object code, systems and networks; (ii) Internet sites, databases and compilations, including any and all data and collections of data, whether machine readable or otherwise; (iii) screens, user interfaces, command structures, report formats, templates, menus, buttons and icons; (iv) descriptions, flow-charts, architectures, design tools, development tools, and other materials used to design, plan, organize and develop any of the foregoing; and (v) all documentation and media relating thereto.

"Subsidiary" means, with respect to any Person, any other Person more than fifty percent (50%) of the shares of the voting stock or other voting interests of which are owned or controlled, or the ability to select or elect more than fifty percent (50%) of the directors or similar managers is held, directly or indirectly, by such first Person or one or more of its Subsidiaries or by such first Person and one or more of its Subsidiaries.

"Tax" or "Taxes" shall have the meaning ascribed to it in the Tax Matters Agreement.

"Tax Matters Agreement" means the Tax Matters Agreement substantially in the form attached hereto as Exhibit C.

"Technology" means, collectively, all Software, information, designs, formulae, algorithms, procedures, methods, techniques, technical data, specifications, processes, apparatuses, improvements, and other similar materials, and all recordings, graphs, drawings, reports, analyses, and other writings, and other tangible embodiments of the foregoing, in any form whether or not specifically listed herein.

"Third Party Payables" means any and all amounts payable in respect of the BSS Business to third parties and processed for payment through the EchoStar payables system (excluding all accrued and unbilled amounts), excluding those amounts owed by DISH or any of its Subsidiaries.

"Third Party Receivables" means any and all amounts owed by third parties and payable to EchoStar or any of its Subsidiaries in respect of the BSS Business, excluding those amounts owed by DISH or any of its Subsidiaries.

"Ticking Fee" means an amount to be agreed by DISH and EchoStar prior to July 1, 2019 representing the estimated periodic net cash flow of the BSS Business from and after July 1, 2019.

"Ticking Fee Receivable" means the aggregate Ticking Fee accrued during the period beginning on July 1, 2019 and ending on the Distribution Closing Date.

"Transaction Documents" means the following documents:

(i) this Agreement;

(ii) the Intellectual Property and Technology License Agreement;

(iii) the Employee Matters Agreement;

(iv) the Tax Matters Agreement;

(v) the Amended Professional Services Agreement, if amended pursuant to this Agreement;

(vi) the TT&C Agreement(s), substantially in a form to be agreed upon by the Parties before the Distribution Closing Date; and

(vii) the Transition Services Agreement(s), substantially in a form to be agreed upon by the Parties before the Distribution Closing Date, if any.

"Transferred Employees" shall have the meaning ascribed to it in the Employee Matters Agreement.

"Transferred Sites" means the Leased Sites and the Owned Sites.

Section 11.2 Terms Defined Elsewhere in this Agreement. For purposes of this Agreement, the following terms have meanings set forth in the sections indicated:

Term	Section
AAA	Section 10.11(c)(i)
Agent	Section 1.9(b)(i)
Aggregate Merger Consideration	Section 4.1(a)
Agreement	Preamble
Amended Professional Services Agreement	Section 6.8(c)
Anti-Corruption Laws	Section 5.1(i)(iii)
Applicable Date	Section 5.1(g)(i)
Assumed Liabilities	Section 1.5(a)
Book Entry DISH Shares	Section 4.2(a)
Book Entry Newco Shares	Section 4.1(a)
By-laws	Section 3.2
Certificate	Section 4.1(a)
Certificate of Merger	Section 2.3
Charter	Section 3.1
Closing	Section 2.1
Closing Date	Section 2.1
Confidential Information	Section 6.9(b)
Confidentiality Agreement	Section 6.9(a)
DGCL	Section 2.2
DISH	Preamble
DISH Common Stock	Recitals
DISH Disclosure Letter	Section 5.2
DISH Indemnified Persons	Section 8.1
DISH Reports	Section 5.2(g)
DISH Shares	Recitals
Dispute	Section 10.11(b)(i)
Dispute Notice	Section 10.11(b)(i)
Distribution	Section 1.9(b)(ii)
EchoStar	Preamble
EchoStar Common Stock	Section 1.9(b)(ii)
EchoStar Credit Support Obligations	Section 6.18
EchoStar Disclosure Letter	Section 5.1
EchoStar Indemnified Persons	Section 8.2
EchoStar Related Party	Section 5.1(r)
EchoStar Reports	Section 5.1(g)(i)
Effective Time	Section 2.3
Exchange Fund	Section 4.2(a)
Exchange Ratio	Section 4.1(a)
Excluded Liabilities	Section 1.5(b)
Excluded Shares	Section 4.1(a)
Indemnified Party	Section 8.4
Indemnifying Party	Section 8.4

Term	Section
Joint Information Statement/Prospectus	Section 6.5(a)
Leased Satellite Consents	Section 5.1(e)
Losses	Section 8.1
Merger	Recitals
Merger Sub	Preamble
Merger Sub Common Stock	Section 4.1(c)
Merger Sub Shares	Section 4.1(c)
NASDAQ	Section 4.2(d)
Newco	Preamble
Newco Common Stock	Recitals
Newco Shares	Recitals
Notice Period	Section 8.4
Party, Parties	Preamble
Patents	Section 11.1 (in Intellectual Property definition)
Per Share Merger Consideration	Section 4.1(a)
Pre-Closing Restructuring	Section 1.3
Record Holders	Section 1.9(b)(ii)
Relevant EchoStar Subsidiaries	Section 5.1(a)
Representative	Section 6.1(a)
Required Governmental Applications	Section 6.4(c)
Required Governmental Notices	Section 6.4(c)
Requisite Stockholder Approval	Section 5.1(b)
Response	Section 10.11(b)(i)
Retained Assets	Section 1.4(b)
S-4 Registration Statement	Section 6.5(a)
Sanctions	Section 5.1(i)(iv)
Senior Party Representatives	Section 10.11(b)(i)
Separated IP Assets	Section 5.1(k)(ii)
Separated IT Assets	Section 5.1(k)(vii)
Separated Registered IP Assets	Section 5.1(k)(i)
Surviving Corporation	Section 2.2
Takeover Statute	Section 5.1(t)
Termination Date	Section 9.1(b)
Third Party Claim	Section 8.1
Trade Secrets	Section 11.1 (in Intellectual Property definition)
Transferred Assets	Section 1.4(a)
Transferred Real Property Leases	Section 5.1(q)(i)
Transition Services Agreement(s)	Section 6.8(c)
TT&C Agreement(s)	Section 6.8(c)

Section 11.3 Other Definitional and Interpretive Matters. For all purposes of this Agreement, except as otherwise expressly provided:

(a) Words importing the singular number or plural number include the plural number and singular number respectively;

(b) Words importing the masculine gender include the feminine and neuter genders and vice versa;

(c) All references to a given agreement, instrument or other document are references to that agreement, instrument or other document as modified, amended, supplemented and restated from time to time (but only if such modification, amendment, supplement or restatement is permitted pursuant hereto or pursuant to such agreement, instrument or other document);

(d) Any reference to a statute includes, and is deemed to be, a reference to such statute and to the rules, regulations, ordinances, interpretations, policies and guidance made pursuant thereto, and all amendments made to such statute and other such implementing provisions and enforced from time to time, and to any statute or other implementing provisions subsequently passed or adopted having the effect of supplementing or replacing such statute or such other implementing provisions;

(e) References herein to "primarily" shall include "primarily" as well as any other standard that reflects a majority or more of the matter addressed, including "exclusively" or any similar term.

(f) References herein to "include," "includes" and "including" will be deemed to be followed by the phrase "without limitation;"

(g) References herein to "$," "USD" or "dollars" means lawful currency of the United States of America;

(h) Reference in this Agreement to "herein," "hereby," "hereof" or "hereunder," or any similar formulation, will be deemed to refer to this Agreement;

(i) Unless otherwise indicated, all references to time of day refer to Eastern Standard Time or Eastern Daylight Savings Time, as in effect in New York, New York on such day. For purposes of the computation of a period of time under this Agreement, (i) the word "from" means "from and including" and the words "to" and "until" each means "to but excluding" and (ii) (A) the day of the act, event or default from which the designated period of time begins to run will be included, unless such period of time is denominated in Business Days and the day of the act, event or default is not a Business Day, in which event the period will begin on the next day that is a Business Day, and (B) the last day of the period so computed will not be included;

(j) Subject to any applicable restrictions on assignment or other transfer in a Transaction Document, any references to a Person in such Transaction Document shall be deemed to be references to such Person's successors, permitted transferees and permitted assigns from and after the effective date of the relevant succession, transfer or assignment;

(k) The use of the term "shall," "will" or "must" indicates a mandatory action and the use of the term "may" indicates a permissive action;

(l) In the event of any conflict between the general terms and conditions of this Agreement and the specific terms and conditions which have been mutually agreed to by the parties

in a Transaction Document, the terms and conditions contained in the Transaction Document shall prevail; and

(m) The Parties hereto have participated jointly in the negotiation and drafting of this Agreement and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the Parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

[*Signature pages follow*]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective authorized officers, as of the date first written above.

DISH NETWORK CORPORATION

By:
Name:
Title:

BSS MERGER SUB INC.

By:
Name:
Title:

[*Signature Page to Master Transaction Agreement*]

ECHOSTAR CORPORATION

By:
Name:
Title:

ECHOSTAR BSS CORPORATION

By:
Name:
Title:

[*Signature Page to Master Transaction Agreement*]

EXHIBIT 2.2

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

AMONG

T-MOBILE US, INC.

SPRINT CORPORATION

AND

DISH NETWORK CORPORATION

DATED AS OF JULY 26, 2019

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement, dated as of July 26, 2019 (this "Agreement"), is made by and among T-Mobile US, Inc., a Delaware corporation ("TMUS"), Sprint Corporation, a Delaware corporation ("Sprint" or the "Company" and collectively with TMUS, the "Sellers") and DISH Network Corporation, a Nevada corporation (the "Buyer"). Each of TMUS, Sprint and the Buyer is referred to herein as a "Party", and collectively as the "Parties".

RECITALS

WHEREAS, TMUS and Sprint entered into that Business Combination Agreement dated as of April 29, 2018 (as it may be amended from time to time, the "NTM Merger Agreement") pursuant to which Sprint will merge with a wholly-owned subsidiary of TMUS (such merger, the "NTM Merger");

WHEREAS, the Buyer desires to acquire from the Sellers and the Sellers desire to sell to the Buyer the Company's Boost Mobile, Virgin Mobile and Sprint-branded prepaid wireless businesses and the Company's 800 MHz spectrum holdings;

WHEREAS, concurrently with the entry into this Agreement, the Parties have entered into a Stipulation and Order with the DOJ regarding this Transaction and the NTM Merger;

WHEREAS, in connection therewith, the Buyer and TMUS intend to enter into the Ancillary Agreements at or prior to the Closing Date;

WHEREAS, the Parties desire to make certain representations, warranties, covenants and agreements in connection with this Agreement, the Ancillary Agreements and the transactions contemplated hereby and thereby; and

WHEREAS, the Sellers desire to transfer to the Buyer or its Subsidiaries, and the Buyer desires to assume from the Sellers certain assets, obligations and liabilities as specified in this Agreement, upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual agreements and covenants herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"401(k) Plan" means the defined contribution retirement plan intended to qualify under Section 401(a) of the Code in which the Business Employees participate as of immediately prior to the Closing.

"Affiliate" means, with respect to any specified Person, any other Person that directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with such Person, in each case from time to time. The term "control" (including its correlative meanings "controlled by" and "under common control with") means

the possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise); *provided, however*, that none of SoftBank Group Corp. ("SoftBank"), Deutsche Telekom AG ("DT") and their respective Affiliates (as defined without giving effect to this proviso), other than the controlled Affiliates of Sprint and the controlled Affiliates of TMUS, shall be deemed to be an Affiliate of Sprint or of TMUS or any of their respective Subsidiaries.

"Agreed Accounting Principles" means GAAP, subject to the accounting methods, policies, principles, practices and procedures set forth in Exhibit A hereto, using the same accounting methods, policies, principles, practices and procedures, as were used in the preparation of the most recent select balance sheet accounts of the Company; provided that in the event of a conflict between GAAP, on the one hand, and the accounting methods, policies, principles, practices, procedures, classifications, judgments and estimation methodology used in the preparation of the most recent balance sheet of the Company, on the other hand, the terms of Exhibit A and the accounting methods, policies, principles, practices, procedures, classifications, judgments and estimation methodology used in the preparation of the most recent balance sheet of the Company shall apply.

"Amended and Restated Confidentiality Agreement" means that certain Amended and Restated Confidentiality Agreement entered into among the Buyer, the Company and TMUS, dated as of July 26, 2019, as modified, supplemented or amended from time to time in accordance with its terms.

"Ancillary Agreements" means the Bill of Sale and Assignment and Assumption Agreement, the Transition Services Agreement, the MNSA, the Site Option Agreement, the Spectrum Purchase Agreement and the Short-Form IP Assignment Agreement.

"Antitrust Laws" means the HSR Act, the Clayton Act, the Federal Trade Commission Act and all other antitrust, competition or trade regulation Laws, including all Laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or lessening competition through merger or acquisition.

"Boost Business" means the prepaid wireless business conducted by the Company and its Subsidiaries under the Boost Mobile brand, but excluding the prepaid wireless business conducted by the Company under the Assurance Lifeline brand and excluding, for the avoidance of doubt, the prepaid wireless customers of each of Shentel and Swiftel.

"Business" means the Boost Business, Virgin Mobile Business and the Sprint Prepaid Business.

"Business Day" means any day other than a Saturday, Sunday or day on which banks are closed in New York, New York. If any period expires on a day which is not a Business Day or any event or condition is required by the terms of this Agreement to occur or be fulfilled on a day which is not a Business Day, such period shall expire or such event or condition shall occur or be fulfilled, as the case may be, on the next succeeding Business Day.

"Claim Notice" means a written notification which contains (a) a description of the Losses incurred or reasonably expected to be incurred by the Indemnified Party and the Claimed Amount of such Losses, to the extent then known and (b) a statement of the provisions under the Agreement upon which such claim is based.

"Claimed Amount" means the amount of any Losses incurred or reasonably expected to be incurred by the Indemnified Party (to the extent then known).

"Clayton Act" means the Clayton Antitrust Act of 1914, as amended.

"Code" means the Internal Revenue Code of 1986, as amended.

"Contract" means any contract, agreement, lease, license, commitment, understanding, franchise, warranty, guaranty, mortgage, note, bond or other instrument or consensual obligation that is legally binding, but excluding any Plan.

"Controlling Party" means the party controlling the defense of any Third Party Claim.

"Current Assets" means, as of any particular time, without duplication, the sum of the amounts outstanding as of such time for each of the line items set forth under the heading "Current Assets" in the Example Net Working Capital Statement for the Company and its Affiliates in respect of the Business, as determined in accordance with the Agreed Accounting Principles and the Example Net Working Capital Statement, provided, that Current Assets, as reflected on the Example Net Working Capital Statement, shall not include Tax assets of the Company and its Affiliates in respect of the Business.

"Current Liabilities" means, as of any particular time, without duplication, the sum of the amounts outstanding as of such time for each of the line items set forth under the heading "Current Liabilities" in the Example Net Working Capital Statement for the Company and its Affiliates in respect of the Business, as determined in accordance with the Agreed Accounting Principles and the Example Net Working Capital Statement, provided, that Current Liabilities, as reflected on the Example Net Working Capital Statement, shall not include Tax liabilities of the Company and its Affiliates in respect of the Business.

"DOJ" means the United States Department of Justice or any successor entity thereto.

"DOJ Consent" means the consent, agreement and approval of the DOJ with respect to the Buyer, this Agreement and the transactions contemplated hereby, or as required under the DOJ Final Judgment or the Stipulation and Order the DOJ may file in any court in connection with the NTM Merger, in form and substance acceptable to the Sellers in their sole discretion, provided that (1) entry by the Sellers into the Stipulation and Order on the date hereof shall mean that such DOJ Consent in effect at such time is acceptable in form and substance to the Sellers and (2) the consummation of the NTM Merger shall mean that such DOJ Consent in effect at such time is acceptable in form and substance to the Sellers.

"DOJ Final Judgment" means any proposed final judgment the DOJ may file in any court, including a United States District Court, in connection with the NTM Merger, which shall include the DOJ Consent, as such proposed final judgment may be modified by, or with the approval of, any court, in each case in form and substance acceptable to the Sellers in their sole discretion, provided that (1) entry by the Sellers into the Stipulation and Order on the date hereof shall mean that such DOJ Final Judgment in the form contemplated by the Stipulation and Order entered into by the Sellers is acceptable in form and substance to the Sellers and (2) the consummation of the NTM Merger shall mean that such DOJ Final Judgment in effect at such time is acceptable in form and substance to the Sellers.

"Encumbrance" means any security interest, pledge, lien, license, mortgage, charge, covenant not to sue, purchase option, hypothecation, easement, title defect or other encumbrance of any kind, whether voluntary or imposed by applicable Law, and any agreement to give any of the foregoing.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Example Net Working Capital Statement" means the example statement setting forth the calculation of Net Working Capital as of March 31, 2019 attached as Exhibit B hereto.

"Expected Claim Notice" shall mean a notice that, as a result of a Proceeding instituted by or written claim made by a Third Party, an Indemnified Party reasonably expects to incur Losses for which it is entitled to indemnification under Article 13.

"FCC" means the Federal Communications Commission or any successor entity thereto.

"FCC 214 Application" has the meaning set forth in Section 5.2(c).

"FCC 214 Approval" means the approval of the FCC 214 Application under the FCC's streamlined processing procedures pursuant to 47 C.F.R. § 63.12, or if the FCC does not apply, or removes the FCC 214 Application from, its streamlined processing procedures, FCC approval shall be reflected either in the FCC's International Bureau Filing System or by Public Notice.

"FCC Consent" means the order of the FCC approving the transfers of FCC licenses and spectrum leases associated with the NTM Merger.

"FCC MNSA Approval" means the approval of the MNSA by the FCC pursuant to Section IV of Attachment 2 of Seller's FCC filing dated May 20, 2019, with such changes as the FCC may reasonably request.

"Fraud" means an act, committed by or on behalf of a Party and requires a knowingly false representation made herein (with respect to the Sellers, the making of the representations expressly set forth in Article 3 and with respect to the Buyer, the making of the representations expressly set forth in Article 4 or, in either the case of the Sellers or the Buyer, in any schedule, exhibit or certificate delivered in connection with the Transaction) which constitutes common law fraud under applicable Law.

"Governing Document" means, with respect to any Person, as applicable, such Person's (a) Articles of incorporation, certificate of incorporation, certificate of formation, Articles of organization, Articles of association, certificate of limited partnership or other applicable similar organizational or charter documents relating to the creation or organization of such Person, and (b) bylaws, operating agreement, shareholder agreement, partnership agreement, or other applicable similar documents relating to the operation, governance or management of such Person.

"Governmental Authority" means any supra-national, or United States or foreign, national, federal, state, regional, municipal or local government (including any subdivision, court, tribunal, administrative agency or commission or other authority thereof) or any quasi-governmental authority, regulatory or administrative body or other private body

exercising any legislative, judicial, regulatory, taxing, importing, self-regulatory or other governmental or quasi-governmental authority (including any stock exchange or antitrust authority).

"Governmental Order" means any decision, ruling, order, requirement, writ, injunction, decree, stipulation, determination, award, binding agreement or judgment issued or entered by or with any Governmental Authority.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"Indebtedness" means, with respect to any Person at any specified time, any of the following Liabilities, obligations or undertakings (whether or not contingent and including, without limitation, any and all principal, accrued and unpaid interest, prepayment premiums or penalties, related expenses, commitment and other fees, sale or liquidity participation amounts, reimbursements, indemnities and other amounts which would be payable in connection therewith): (a) for borrowed money or in respect of loans or advances (whether or not evidenced by bonds, debentures, notes, or other similar instruments or debt securities); (b) under or in connection with letters of credit or bankers' acceptances, performance bonds, sureties or similar obligations that have been drawn down, in each case, to the extent of such draw; (c) for capitalized leases (as determined in accordance with GAAP) or to pay the deferred and unpaid purchase price of property or equipment; (d) pursuant to securitization or factoring programs or arrangements; (e) to maintain or cause to be maintained the financing, financial position or covenants of others or to purchase the obligations or property of others; (f) net cash payment obligations of such Person under swaps, options, forward sales contracts, derivatives and other hedging contracts, financial instruments or arrangements that may be payable upon termination or expiration thereof; (g) pursuant to guarantees or other arrangements having the economic effect of a guarantee of any obligation or undertaking of any other Person contemplated by the foregoing clauses (a) through (f) of this definition.

"Indemnified Party" means the Buyer Indemnified Party or the Seller Indemnified Party, as the case may be, entitled, or seeking to assert rights, to indemnification under Article 13.

"Indemnifying Party" means the Party from whom indemnification is sought by the Indemnified Party.

"Intellectual Property" means all of the following, anywhere in the world: Patents, Marks, Trade Secrets and other proprietary and confidential information and data, copyrights (including Software), database rights, technical drawings, designs, or other intellectual property rights (whether subject to registration or not) and all registrations and applications therefor and all renewals, extensions, restorations and reversions thereof.

"Inventory" means the inventory of handsets of the Company or any of its controlled Affiliates that relates exclusively or are otherwise allocated by the Company to the Business, wherever located, including all supplies, spare parts, and goods that relate exclusively to the Business or are otherwise allocated by the Company to the Business, whether held at any location or facility owned or leased by the Company or any of its Affiliates or in transit to the Company or any of its controlled Affiliates or held by third parties on behalf of or for use in the Business.

"Knowledge of the Sellers" or "Knowledge of such Seller" mean, with respect to the Sellers or with respect to such Seller, the actual knowledge, after reasonable inquiry, of the individuals set forth on Schedule 1.1(a).

"Law" means any United States federal, state or local, foreign, multinational or other law (including common law), statute, rule, ordinance, regulation or Governmental Order of any Governmental Authority.

"Liabilities" means all liabilities, risks, commitments and obligations of whatever kind and nature, primary or secondary, direct or indirect, asserted or unasserted, absolute or contingent, known or unknown, whether or not accrued.

"Loss" means any loss (including diminution in value), Liability, claim, damage, expense (including reasonable legal fees and expenses or other professional fees and expenses), court cost, amount paid in settlement, other expense associated with enforcing any right hereunder, expense for investigation and ongoing monitoring and remediation expense; provided, however, that "Loss" shall not include any punitive, indirect, consequential, special or incidental damages (except (x) to the extent of awarded to a Third Party in a Third Party Claim or (y) any indirect, consequential, special or incidental damages that are a reasonably foreseeable consequence of a breach hereunder).

"Marks" means trademarks, service marks, trade names, trade dress, business and corporate names, logos, trade styles, brand names, product names, domain names and reservations, web addresses, Internet number assignments, slogans, any other source identifiers of any kind or nature, together with all translations, localizations, adaptations, derivations and combinations thereof, including any common law rights, and any applications (including intent to use applications), registrations and renewals for any of the foregoing and the goodwill associated with the foregoing.

"Material Adverse Effect" means an event, development, circumstance, change or effect that has, individually or in the aggregate, a materially adverse effect on (a) the Transferred Assets and the Assumed Liabilities, taken as a whole, or the assets, Liabilities, results of operations or condition (financial or otherwise) of the Business, taken as a whole or (b) the ability of the Company to consummate the Transactions; provided, however, that for purposes of clause (a) above, no event, development, circumstance, change or effect resulting from or arising out of any of the following shall be deemed to constitute, or shall be taken into account in determining whether there has been, a "Material Adverse Effect" (i) events, developments, circumstances, changes or effects in economic, monetary, or financial conditions in the United States, including changes in prevailing interest rates, credit markets, or financial market conditions in or affecting the United States, (ii) events, developments, circumstances, changes or effects in the prepaid wireless service industry in the United States, (iii) events, developments, circumstances, changes or effects in global or national political conditions, including the outbreak or escalation of war or acts of terrorism, (iv) earthquakes, hurricanes, tsunamis, typhoons, lightning, hailstorms, blizzards, tornadoes, droughts, floods, cyclones, mudslides, wildfires, weather conditions and other natural disasters, (v) changes in applicable Law or the interpretations thereof, (vi) changes in any acceptable accounting standards applicable to the Business or the interpretations thereof, (vii) any failure, in and of itself, by the Company and its Subsidiaries or the Business to meet any internal or published industry analyst projections or forecasts, or estimates of revenue or earnings for any period (it being understood that the facts and circumstances giving rise to such failure in this clause (vii) (that are not otherwise excluded from the definition of Material Adverse Effect by clauses (i)

through (vi) or clause (viii) hereof) may be taken into account in determining whether there is or has been a Material Adverse Effect), (viii) events, developments, circumstances, changes or effects directly resulting from the execution, announcement or pendency of this Agreement, the Ancillary Agreements, the transactions contemplated hereby or thereby or the identity of the Buyer or any of its Affiliates as the acquiror of the Transferred Assets (provided that the exception in this clause (viii) shall not apply to any representation regarding non-contravention, including Section 3.3), and (ix) the consummation of the NTM Merger in accordance with its terms (provided that the exception in this clause (ix) shall not apply to any representation regarding non-contravention, including Section 3.3)); provided, further, that, with respect to clauses (i) through (vi) such event, development, circumstance, change or effect will be taken into account in determining whether a Material Adverse Effect has occurred or is occurring to the extent it disproportionately adversely affects the Business (taken as a whole) relative to other companies operating in the prepaid wireless service industry in the United States.

"MNSA" means the mobile virtual network operator agreement in the form attached to this Agreement as Exhibit C, as may it be amended in order to obtain the FCC MNSA Approval.

"Net Working Capital" means an amount equal to Current Assets (less the carrying value of Rejected Inventory) minus Current Liabilities of the Company and its controlled Affiliates in respect of the Business as of 12:01 a.m. Eastern Time on the Closing Date.

"Non-Controlling Party" means the party not controlling the defense of any Third Party Claim.

"NTM Network" means the "T-Mobile Network" as such term is defined in the MNSA.

"Ordinary Course of Business" means, with respect the Company, the ordinary course of business of the Company and its Subsidiaries in respect of the Business, consistent with past practice.

"Parent Affiliates" means SoftBank and its Affiliates (other than the controlled Affiliates of TMUS) and DT and its Affiliates (other than the controlled Affiliates of Sprint).

"Patents" means patents, utility models, design patents and registered designs.

"Permit" means permit, license, registration, certificate, approval, franchise, variance and similar authorizations in respect of the Transferred Assets and issued by or obtained from any Governmental Authority.

"Permitted Encumbrances" means, as applicable (i) Encumbrances (A) specifically reflected or specifically reserved against or otherwise disclosed in the Financial Information set forth on Schedule 3.6 or (B) incurred in the Ordinary Course of Business since the date of the Financial Information set forth on Schedule 3.6, (ii) mechanics', carriers', workmen's, repairmen's or other like Encumbrances arising or incurred in the Ordinary Course of Business, (iii) Encumbrances arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the Ordinary Course of Business (but not breaches thereof), (iv) Encumbrances which do not, individually or in the aggregate, materially impair the value of the applicable Transferred Asset or the continued use and operation of the applicable Transferred Asset to which they relate in the conduct of the applicable Business as presently conducted or as anticipated to be conducted, (v) Encumbrances for Taxes and other

governmental charges (A) that are not yet due or payable or which may thereafter be paid without penalty, or (B) which are being contested in good faith and that are, in the case of this clause (B), not material in amount or effect on the Business, (vi) licenses of Transferred Intellectual Property in the Ordinary Course of Business, (vii) Encumbrances arising under Indebtedness or Contracts that will be terminated, be released or will no longer apply upon consummation of the NTM Merger in accordance with its terms, and (viii) Encumbrances set forth in Schedule 1.1(b). For the avoidance of doubt, the Permitted Encumbrances in clause (vii) will not constitute a "Permitted Encumbrance" at the Closing.

"Person" means any individual, sole proprietorship, partnership, firm, corporation, association, trust, unincorporated organization, joint venture, company, limited liability company or other entity or a Governmental Authority.

"Personal Information" means any information that identifies or could reasonably be used to identify an individual, browser or device that identifies a specific person and any other personally identifying information that is subject to any applicable Laws.

"Plan" means each employee benefit plan (within the meaning of Section 3(3) of ERISA, whether or not subject thereto), and each other employee benefit or compensatory plan, program, contract, policy, practice, agreement or arrangement, whether or not in writing and whether or not funded, in each case, sponsored or maintained by the Company or a Subsidiary of the Company (as determined immediately prior to the date of this Agreement) and which provides compensation and/or benefits to any Business Employee, including any employment, consulting, retirement, severance, termination or change in control agreements, and any plans or agreements providing for deferred compensation, equity-based incentives, bonuses, supplemental retirement, profit sharing, medical, welfare, vacation or fringe benefits or other employee benefits or remuneration of any kind, but excluding any plan, program, agreement or arrangement required by applicable Law or regulation (e.g., government mandated severance plans).

"Proceeding" means any lawsuit, arbitration, claim, action, administrative or regulatory challenge or proceeding.

"Records" means books of account, ledgers, general, financial and accounting records, files, invoices, customer and supplier lists, other distribution lists, customer billing and credit records, sales and promotional literature, manuals and marketing studies, communications, accounting, sales and business files and records, property records, Tax records, product records, records related to licenses, records, files and documents with regard to the preparation, filing, prosecution, granting, maintenance and defense of Registered Intellectual Property included in the Transferred Intellectual Property, and other files and records, in each case, whether maintained in electronic or physical form, as applicable.

"Registered Intellectual Property" means all registrations and applications for Patents, Marks and copyrights that have been filed with any Governmental Authority anywhere in the world, including the United States Patent and Trademark Office and the United States Copyright Office.

"Regulatory Approvals" means the DOJ Consent, the FCC Consent, the FCC 214 Approval and the FCC MNSA Approval and any other material approvals required by Governmental Authorities in connection with the NTM Merger or the Transaction.

"Representatives" means, in relation to any Party, its directors, officers, employees, agents, advisers, investment bankers, accountants, consultants and actual or potential debt and equity financing sources.

"Retained Mark" means any Mark owned by or licensed to Sellers or any of their Subsidiaries that is not included in Transferred Intellectual Property.

"Shared Contract" means (a) the Contracts set forth on Schedule V, (b) any Contract that both (1) involves, or is reasonably expected to involve, in each case solely with respect to the Business, annual revenue in excess of $500,000 and (2) is designated by Buyer, by written notice to Sellers prior to the Closing, to be a Shared Contract pursuant to Section 5.4(a) and (c) any Contract identified by Buyer and Seller pursuant to Section 5.4(a) that is entered into by the Company or any of its Subsidiaries with a Third Party to obtain goods or services that relates both to the Business (or the Transferred Assets) and the other business of the Company and its Subsidiaries (or to the Excluded Assets).

"Shentel" means Shenandoah Telecommunications Company.

"Short-Form IP Assignment Agreement" means the short-form IP assignment agreement substantially in the form attached to this Agreement as Exhibit D.

"Site Option Agreement" means the option to purchase certain decommissioned cell tower and retail store sites in substantially the form attached hereto as Exhibit E.

"Software" means software in object code and source code format.

"Solvent" means, with respect to a Person, that, as of any date of determination, (a) the amount of the fair saleable value of the assets of such Person will, as of such date, exceed (i) the value of all liabilities of such Person, including contingent and other liabilities, as of such date, and (ii) the amount that will be required to pay the probable liabilities of such Person on its existing debts (including contingent liabilities) as such debts become absolute and matured, (b) such Person will not have, as of such date, an unreasonably small amount of capital for the operation of the businesses in which it is engaged or proposed to be engaged following such date, and (c) such Person will be able to timely pay and satisfy its liabilities and other obligations, including contingent and other liabilities, when and as they mature. For purposes of this definition, "not have, as of such date, an unreasonably small amount of capital for the operation of the businesses in which it is engaged or proposed to be engaged" and "be able to timely pay and satisfy its liabilities and other obligations, including contingent and other liabilities, when and as they mature" means that such Person will be able to generate enough cash from operations, asset dispositions or refinancing, or a combination thereof, to meet its obligations as they become due.

"Specified Assets" means (a) the Current Assets as of 12:01 a.m. Eastern Time on the Closing Date, including all Inventory, except for Rejected Inventory, (b) the Transferred Records, (c) the Transferred Contracts, (d) to the extent transferrable under applicable Law, in whole or in part, all rights to all causes of action, Proceedings, judgments or defenses against third parties and demands of any nature arising on or after the Closing Date, whether arising by way of counterclaim or otherwise, in each case to the extent (and only to the extent) related to any Transferred Asset or Assumed Liability, except for claims or refunds for any Taxes for a period (or portion thereof) ending on or before the Closing Date, (e) to the extent transferable under applicable Law, all Permits (and all applications therefor) used exclusively in, or

obtained exclusively for, the operation of the Business, (f) all purchase orders or other commitments exclusively related to the Business that remain unfulfilled as of the Closing, other than as expressly included in the Excluded Assets; (g) the Transferred Intellectual Property, (h) all personnel Records to the extent (and only to the extent) pertaining to the Transferred Employees, to the extent permitted by applicable Law, (i) all rights, claims and credits (including all guaranties, warranties, indemnities and similar rights) of the Sellers or any of their respective controlled Affiliates to the extent (and only to the extent) related to any Transferred Asset or Assumed Liability, (j) all rights to all insurance causes of action, Proceedings or judgments or other rights the Sellers or any of their respective Affiliates may have for insurance coverage under any past and present occurrence-based policies and occurrence-based insurance contracts insuring the Business or the Transferred Assets, to the extent a covered loss with respect to the Transferred Assets is incurred thereunder, net of any applicable deductible and net of any reasonable and unreimbursed out-of-pocket costs of recovery, in each case including any and all proceeds under any of Sellers' or any of their controlled Affiliates' Third Party insurance policies written prior to the Closing in connection with (A) the damage or destruction of any of the Transferred Assets from and after the date hereof and prior to the Closing that is, or would have been but for such damage or destruction, included in the Transferred Assets or (B) any Assumed Liability; (k) all vehicle leases and personal computers exclusively related to the Business, wherever located, (l) all prepaid wireless customer accounts of the Business, (m) goodwill solely to the extent associated with the Business, (n) funding commitments from handset manufacturers to the extent associated with Inventory that is not Rejected Inventory, (o) purchase orders to the extent identified to Buyer pursuant to Section 5.11(b), (p) a 100% undivided participation interest in the retail installment agreements for handsets held by customers of the Business pursuant to the Participation Agreement contemplated by the Transition Services Agreement, and (q) the other assets set forth on Schedule I.

"Specified Liabilities" means (a) the Current Liabilities as of 12:01 a.m. Eastern Time on the Closing Date, (b) all Liabilities to the extent required to be performed on or after the Closing under Transferred Contracts, Permits, approval or authorization constituting part of the Transferred Assets, including any and all of the Buyer's portion of the Shared Contracts, (c) any and all Liabilities to the extent relating to Taxes attributable to or imposed on the Business or the Transferred Assets for any period (or portion thereof) beginning after the Closing Date; (d) any Transfer Taxes for which Buyer is liable pursuant to Section 7.4; (e) subject to Section 6.8, any and all Liabilities relating to the Transferred Employees with respect to any period (or portion thereof) commencing on or after the Closing Date, including the Retention Agreements; (f) individual customer accommodations (i.e., customer credits or similar customer retention offerings) provided to customers in the ordinary course of business following Closing relating to ordinary course customer complaints whether arising prior to, at or after the Closing; provided that this shall not include any Proceedings initiated by any customer or any putative class action matter, in each case to the extent relating to periods prior the Closing, (g) all insurance premiums, retroactive premiums, premium adjustments and any out-of-pocket costs or expenses associated with collecting the insurance proceeds included in the Specified Assets, (h) all Liabilities associated with purchase orders or other commitments exclusively related to the Business that remain unfulfilled as of the Closing, other than as expressly included in the Excluded Liabilities and (i) the Liabilities set forth on Schedule II.

"Spectrum Purchase Agreement" means the license purchase agreement between TMUS and the Buyer in substantially the form attached hereto as Exhibit F.

"Sprint Prepaid Business" means the prepaid wireless customers of the Company and its Subsidiaries under the Sprint brand, but excluding the prepaid wireless business conducted by the Company under the Assurance Lifeline brand and excluding, for the avoidance of doubt, the prepaid wireless customers of each of Shentel and Swiftel.

"Subsidiary" means any Person of which any of TMUS, Sprint, the Buyer or any other Person, as the case may be, owns, directly or indirectly, a majority of the capital stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such Person, or otherwise owns, directly or indirectly, such capital stock or other equity interests that would confer control of any such Person, or any Person that would otherwise be deemed a "subsidiary" under Rule 12b-2 promulgated under the Securities Exchange Act of 1934, as amended.

"Swiftel" means Swiftel Communications, Inc.

"Tax" or "Taxes" means all federal, state, local and foreign income, profits, franchise, gross receipts, environmental, customs duty, capital stock, severances, stamp, payroll, sales, employment, unemployment, disability, use, property, withholding, excise production, value added, occupancy, and other taxes imposed by a Taxing Authority, together with all interest, penalties or additions to tax attributable to such taxes.

"Tax Return" means any report, return, statement or other written information (including elections, declarations, disclosures, estimates and information returns) supplied or required to be supplied to a Taxing Authority in connection with any Taxes and any schedule thereof or any amendment thereto.

"Taxing Authority" means any Governmental Authority having jurisdiction over the assessment, determination, collection or other imposition of Taxes.

"Termination Date" means the date that is 90 days following the closing of the NTM Merger.

"Third Party" means, with respect to any specified Person, any other Person who is not an Affiliate of such specified Person (other than Governmental Authority).

"Third Party Claim" means any Proceeding by a Person other than the Buyer or the Sellers for which indemnification may be sought by an Indemnified Party under Article 13.

"Trade Secrets" means confidential or proprietary trade secrets meeting the definition of a trade secret under the Uniform Trade Secrets Act or other similar legislation or common laws governing protection of trade secrets or confidential information anywhere in the world, including information, know-how, data and databases.

"Transaction" means the transactions contemplated by this Agreement.

"Transaction Bonuses" means any transaction bonuses payable by the Sellers or their Affiliates on or after the Closing to the Transferred Employees.

"Transaction Process" means all matters, whether occurring before or after the date of this Agreement and prior to the Closing, relating to the sale of the Transferred Assets and assumption of Assumed Liabilities and all activities in connection therewith, including matters relating to the drafting, negotiation or interpretation of any of the provisions of this Agreement,

or the determination of the allocation of any assets or Liabilities pursuant to the foregoing agreement or the transactions contemplated thereby.

"Transferred Contract" means (i) any Contract that relates exclusively to the Business, (ii) any Contract set forth on Schedule III, and (iii) that portion of any Shared Contracts that is identified by Buyer and Seller as reasonably necessary for Buyer to continue operation of the Business upon termination of any service provided under the Transition Services Agreement.

"Transferred Intellectual Property" means (a) all Intellectual Property owned by the Company and its Subsidiaries and exclusively used in the Business, (b) any Software used either in (i) prepaid mobile applications or (ii) websites, in each case of (i) and (ii), that are exclusively related to the Business or that are otherwise set forth on Schedule IV, to the extent the Intellectual Property therein is owned by the Company or one or more of its Subsidiaries, and (c) all Intellectual Property set forth on Schedule IV.

"Transaction Expenses" means, except as otherwise provided in this Agreement, all fees, costs and expenses of the Sellers incurred or payable by Sellers, their Affiliates or the Business in connection with the Transaction Process, this Agreement (and its performance hereunder) and the consummation of the Transaction or otherwise in connection with Sellers' exploration of alternatives relating to the Business that are unpaid as of the Closing, including (a) to professionals (including investment bankers, attorneys, accountants, brokers and other consultants and advisors) retained by the Sellers or any of their Affiliates that performed services in connection with the negotiation of this Agreement and the Ancillary Agreement and execution of this Agreement, the Ancillary Agreements and the consummation of the Transaction that are unpaid as of the Closing and (b) any expenses incurred by the Sellers in connection with the transactions contemplated by this Agreement for which any Seller or any of their Affiliates is liable.

"Transferred Records" means all Records in the possession and control of the Company or its Subsidiaries, to the extent a transfer is permitted by Law, to the extent (and solely to the extent) that they relate to (i) the Transferred Assets, (ii) the Assumed Liabilities or (iii) the Business; provided, however, that if any Records contain any information of Sellers or any of their respective Affiliates not related to the Business or not related to the employment of the Transferred Employees, Sellers may elect to redact those portions of such Records to the extent pertaining to such other information or, in Sellers' discretion, Sellers may deliver unredacted copies of such Records containing information not related to the Business or not related to the employment of the Transferred Employees but such information shall be subject to the confidentiality provisions of this Agreement, shall remain the property of the Sellers, and Buyer shall have no rights with respect to such information; provided, further, that Transferred Records shall not include any Tax Return or other Tax records, other than those (or portions thereof) relating exclusively to the Business, the Transferred Assets or the Assumed Liabilities.

"Transition Services Agreement" means the transitional services agreement substantially in the form attached to this Agreement as Exhibit G.

"Virgin Mobile Business" means the prepaid wireless business conducted by the Company and its Subsidiaries under the Virgin Mobile brand, but excluding the prepaid wireless business conducted by the Company under the Assurance Lifeline brand and excluding, for the avoidance of doubt, the prepaid wireless customers of each of Shentel and Swiftel.

"Willful Breach" means an intentional and willful material breach, or an intentional and willful material failure to perform, in each case that is the consequence of an act or omission by a Party with the actual knowledge that the taking of such act or failure to take such act would cause a breach of this Agreement.

1.2 Table of Defined Terms. A table of defined terms is set forth in Annex A.

1.3 Principles of Interpretation. As used in this Agreement:

(a) The meanings of the defined terms are applicable to both the singular and plural forms thereof;

(b) Reference to any Person includes such Person's successors and permitted assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;

(c) Reference to any gender includes each other gender;

(d) Reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;

(e) The terms "hereunder," "hereof," "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision thereof;

(f) Unless the context indicates otherwise, the term "or" is used in the inclusive sense of "and/or";

(g) Relative to the determination of any period of time, "from" means "from and including" and "to" means "to but excluding";

(h) References to documents, instruments or agreements shall be deemed to refer as well to all addenda, Exhibits, Schedules or amendments thereto;

(i) The phrase "to the extent" shall mean the degree to which a subject or other theory extends and such phrase shall not mean "if";

(j) The word "will" shall be construed to have the same meaning and effect as the word "shall";

(k) The Preamble, schedules and exhibits of this Agreement form an integral part thereof, and any reference to this Agreement shall include the Preamble, schedules and exhibits thereof;

(l) The headings used in this Agreement have been adopted by the Parties for ease of reference only and shall not influence the meaning or interpretation of this Agreement;

(m) Except as specified otherwise or if the context otherwise requires, references to Articles, Sections, Schedules and Exhibits are made to the articles, sections, schedules and exhibits of this Agreement;

(n) Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and "without limitation" and shall not limit the sense of the words preceding those terms; and

(o) The terms "furnished," "provided," "made available" and words of similar import shall refer to those items so provided no later than one (1) Business Day prior to the date of this Agreement.

(p) References to "$", "Dollar" or "dollar" are references to the lawful currency of the United States of America.

ARTICLE 2
PURCHASE AND SALE

2.1 Purchase and Sale.

(a) Upon the terms and subject to the conditions of this Agreement, at the Closing, the Sellers shall, or shall cause their respective Subsidiaries to, sell, assign, transfer, convey and deliver to the Buyer, and the Buyer shall purchase, acquire and accept from Sellers and their Subsidiaries all the right, title and interest of the Company and its Subsidiaries, free and clear of all Encumbrances, other than Permitted Encumbrances, in, to and under (i) all assets held by the Company and its Subsidiaries exclusively used in the Business, other than the Specified Assets, and (ii) the Specified Assets (collectively, the "Transferred Assets"), for (x) the Purchase Price and (y) the Buyer's assumption of all of the Assumed Liabilities to be paid, performed and discharged when due.

(b) Upon the terms and subject to the conditions set forth in this Agreement, prior to the Closing, the Sellers may, and may cause their respective Subsidiaries to, make such contributions, transfers, assignments and acceptances, such that, upon the consummation of such contributions, transfers, assignments and acceptances, the Sellers or their respective designees shall own the Excluded Assets and shall be responsible for the Excluded Liabilities, without further recourse to the Buyer. In furtherance of the foregoing, (i) the Sellers or their respective designees shall retain, and the Buyer shall not acquire, any interest in the Excluded Assets, and (ii) the Sellers or their respective designees shall retain, and the Buyer shall not assume, any Excluded Liability.

2.2 Excluded Assets.

(a) Notwithstanding anything to the contrary set forth herein, the Transferred Assets shall not include any Excluded Assets.

(b) "Excluded Assets" means all assets and properties of the Sellers and their respective Affiliates that are not Transferred Assets, including, in each case with respect to the Sellers and their respective Affiliates:

(i) all cash and cash equivalents of the Sellers and their respective Affiliates;

(ii) all cash and other assets of or relating to any employee benefit plan, program or arrangement or related trust in which any employees of the Sellers or their respective Affiliates participate (including the Plans and related trusts), other than the Retention Agreements;

(iii) all rights, claims and credits (including all guarantees, warranties, indemnities and similar rights) of the Sellers or any of their respective Affiliates to the extent relating to any Excluded Asset or any Excluded Liability, including any and all such rights, claims and credits arising under insurance policies in favor of the Sellers and their respective Affiliates relating to any Excluded Asset or any Excluded Liability;

(iv) any Tax assets (including any refund or credit of Taxes, and including any interest paid or credited with respect thereto) of any Seller or their respective Affiliates, or otherwise relating to the Transferred Assets or the Business attributable to any taxable period (or portion thereof) ending on the Closing Date;

(v) all insurance policies and insurance contracts insuring the Business or the Transferred Assets, other than as expressly included in the Specified Assets;

(vi) all rights of the Sellers and their respective Affiliates under this Agreement and the other agreements and instruments executed and delivered in connection with this Agreement (including the Ancillary Agreements);

(vii) all proprietary materials used for the Sellers' or their respective Affiliates' human resource program and supporting documentation thereto;

(viii) other than the Transferred Intellectual Property, all other Intellectual Property owned or held for use by any Seller or its Affiliates and its and their Third Party licensors;

(ix) other than the Transferred Contracts, all Contracts to which any Seller or its Affiliates is a party;

(x) all real property held or leased by any Seller or any of its Affiliates;

(xi) all Rejected Inventory and all purchase orders or other commitments (including funding commitments from handset manufacturers) to the extent such order or commitment contemplates the acquisition of Rejected Inventory;

(xii) any Counsel Communications;

(xiii) the following Records: (1) personnel Records for employees who are not Transferred Employees, (2) Records to the extent relating to any Excluded Asset or Excluded Liability, (3) Tax Returns or work papers relating to Tax or copies thereof, (4) Records prepared in connection with the Transaction Process and the Transaction, including bids received from other parties and analyses relating to the Businesses, (5) Records in the possession and control of the Sellers or any of their respective Affiliates that are not Transferred Records, and (6) copies of the Records (including otherwise Transferred Records) retained by the Sellers or their respective Affiliates in accordance with *bona fide* document retention

policies or in order to perform their respective obligations under the Transition Services Agreement or MNSA;

(xiv) all tangible and intangible wireless network and spectrum assets;

(xv) all assets to the extent relating to (1) the prepaid wireless business conducted by the Company under the Assurance Lifeline brand and (2) the prepaid wireless customers and distributors of each of Shentel and Swiftel;

(xvi) all furniture, fixtures, furnishings, equipment, machinery, leasehold improvements, tools and other tangible personal property (other than Inventory), wherever located (including any of the foregoing purchased subject to any conditional sales or title retention agreement in favor of any other Person), other than as expressly included in the Specified Assets;

(xvii) other than the Transferred Intellectual Property, all computers, computer Software, hardware, servers, workstations, routers, hubs, switches, data communications lines, firmware, networks, and all other information technology equipment, other than as expressly included in the Specified Assets;

(xviii) all claims of the Company or any of its Affiliates under any Contract in respect of breaches by any party to such Contract (other than the Company and its Affiliates) to the extent such breaches occurred prior to the Closing; and

(xix) all Contracts that are retail installment agreements for handsets entered into by the Company or any of its Affiliates.

2.3 Assumption of the Liabilities.

(a) Upon the terms and subject to the conditions of this Agreement, effective as of the Closing, but subject to Section 2.3(b), the Buyer shall assume and become responsible to perform, discharge and pay when due, all of the (i) Liabilities arising out of or relating to the ownership, operation or use of the Transferred Assets or the operation or conduct of the Business from and after the Closing Date but solely to the extent such Liabilities actually arise out of or relate to the ownership, operation or use of the Transferred Assets or the conduct of the Business on or after the Closing Date, and (ii) the Specified Liabilities (collectively, the "Assumed Liabilities"); provided, however, that Taxes shall be Assumed Liabilities only to the extent such Taxes are (i) described in sections (d) and (e) of the definition of Specified Liabilities contained herein, or (ii) Assumed Liabilities pursuant to Section 7.3.

(b) Notwithstanding any other provision of this Agreement, the Buyer shall not assume any Excluded Liability, each of which shall be retained and paid, performed and discharged when due by the Sellers and their respective Affiliates. The term "Excluded Liability" means

(i) any and all Liabilities of the Sellers and their respective Subsidiaries other than the Assumed Liabilities, including the following (except to the extent constituting Specified Liabilities):

(1) all Liabilities arising out of or relating to the ownership, operation or use of the Transferred Assets or the conduct of the Business before the Closing Date;

(2) all Indebtedness (other than Indebtedness to the extent actually included in the calculation of Net Working Capital set forth in the Final NWC Statement);

(3) all Liabilities to the extent arising out of or relating to any Excluded Asset;

(4) all Transaction Expenses;

(5) all Taxes of the Sellers and their respective Affiliates that are attributable to taxable periods (or portions thereof) ending on or prior to the Closing Date (determined, as applicable, in accordance with Section 7.3), any income Taxes of Sellers and their respective Affiliates triggered on the sale of the Transferred Assets, and any Transfer Taxes for which Sellers are liable pursuant to Section 7.4;

(6) all Liabilities arising out of or relating to the employment of any Business Employee (or any dependent or beneficiary of any Business Employee) by the Sellers and/or their Affiliates, to the extent arising out of events occurring prior to the Closing Date, except to the extent that any such Liabilities are expressly assumed by the Buyer under Article 6;

(7) the Liabilities set forth on Schedule 2.3(b)(i)(7); and

(8) all Liabilities associated with purchase orders and accounts payable or other commitments to the extent such purchase orders or other commitments contemplate the acquisition of Rejected Inventory; and

(ii) all Liabilities to the extent relating to Taxes attributable or imposed on the Business or the Transferred Assets for any period (or portion thereof) ending on or prior to the Closing Date, but excluding (A) Liabilities to the extent relating to Taxes that are Assumed Liabilities pursuant to Section 7.3 and (B) any Transfer Taxes for which Buyer is liable pursuant to Section 7.4.

(c) Each of the Buyer's and the Sellers' obligations under this Section 2.3 shall not be subject to offset or reduction by reason of any actual or alleged breach of any representation, warranty or covenant contained in this Agreement or any Ancillary Agreement or any right or alleged right to indemnification pursuant to Article 13.

2.4 Purchase Price. The purchase price to be paid by the Buyer in consideration for all of the Sellers' and their Affiliates' right, title and interest in, to and under the Transferred Assets (the "Purchase Price") shall be $1,400,000,000, plus the Net Working Capital as of 12:01 a.m. Eastern Time on the Closing Date (as determined by Section 2.5 below, which may be a negative number).

2.5 Certain Adjustments to Purchase Price.

(a) Estimated NWC Statement. The Sellers shall deliver to Buyer no later than ten (10) Business Days after the Closing Date a closing statement (the "NWC Statement") signed by an appropriate officer of TMUS or its Subsidiaries setting forth Sellers' good faith calculation of the amount of Net Working Capital as of 12:01 a.m. Eastern Time on the Closing Date, which shall take into account, and set forth as separate line items, all provisions establishing the basis for such calculation of the Net Working Capital, in each case together with supporting documentation used by the Sellers in calculating such amounts. The NWC Statement (including the calculations therein) shall be prepared in accordance with the Agreed Accounting Principles and the Example Net Working Capital Statement; provided, that Net Working Capital shall also be calculated in accordance with the definition of that term herein (and any other defined terms incorporated therein).

(b) Reasonable Access. From and after the Closing, the Sellers shall, and shall cause their Affiliates to, on reasonable prior notice to the Sellers and subject to the execution of customary work paper access letters if requested by accountants of the Sellers, (i) provide the Buyer and its Representatives with reasonable access during normal business hours to the facilities, Records and work papers of the Business and (ii) cooperate with and assist the Buyer and its Representatives in connection with the review of such materials, including by making available their employees, accountants and other personnel to the extent reasonably requested, in each case in connection with the Buyer's review of the NWC Statement; provided, that, in the event that Sellers do not provide such access or cooperation reasonably requested by the Buyer or any of its Representatives within two (2) Business Days of any request therefor (or, such shorter period as may remain in the Review Period), the Review Period will be extended by one (1) Business Day for each additional day required for Sellers to fully respond to such request.

(c) Notice of Objection.

(i) If the Buyer has any objections to the NWC Statement, it shall deliver to the Sellers a written statement (a "Notice of Objection") setting forth in reasonable detail the particulars of such disagreement (including the specific items in the NWC Statement that are in dispute and the nature and amount of any disagreement so identified) not later than thirty (30) days after the Buyer's receipt of the NWC Statement (such thirty (30)-day period, subject to adjustment pursuant to Section 2.5(b) above the "Review Period"). If the Buyer fails to deliver a Notice of Objection within the Review Period (or applicable later date if such period is tolled), the NWC Statement and the amount set forth therein shall be deemed to have been accepted by the Buyer and shall be deemed final and binding upon all of the Parties. If the Buyer delivers a Notice of Objection to the Sellers within the Review Period, the Sellers and Buyer shall work in good faith to resolve the Buyer's objections within the thirty (30)-day period following the delivery of the Notice of Objection.

(ii) If the Buyer has no objections to the NWC Statement, the Buyer may deliver to the Sellers a written statement stating that it has no objections to the NWC

Statement during the Review Period (such notice, a "Notice of No Objections"). In the case that the Buyer delivers a Notice of No Objection, there shall be no Review Period and the NWC Statement delivered by the Sellers shall be deemed the Final NWC Statement.

(d) Resolution of Dispute. In the event that the Sellers and the Buyer are unable to resolve in writing any of the Buyer's objections in the Notice of Objection within the thirty (30)-day period (or such longer period as may be agreed by the Buyer and the Sellers) following the delivery of a Notice of Objection, the resolution of all unresolved items ("Disputed Items") shall be submitted to Ernst & Young LLP (or such other independent accounting firm of recognized national standing in the United States as may be mutually selected by the Buyer and the Sellers) (such accounting firm, the "Accounting Firm") to resolve any remaining disagreements, provided, however, that if Ernst & Young LLP would not have a substantial conflict at the time of its appointment due to one or more accounting relationships with the Buyer or the Sellers, the Buyer and the Sellers shall mutually select an alternative independent accounting firm of recognized national standing in the United States. The Buyer shall execute any agreement reasonably required by the Accounting Firm for its engagement hereunder. The Sellers shall, promptly (but in any event within ten (10) Business Days) following the formal engagement of the Accounting Firm, provide the Accounting Firm (copying the other upon submission) with a written presentation setting forth its calculations of and assertions regarding the Disputed Items and shall allow the Accounting Firm to conduct an independent analysis and audit of the Disputed Items using the Agreed Accounting Principles and the Example Net Working Capital Statement and taking into account the definition of that term herein (and any other defined terms incorporated therein). The Accounting Firm shall be instructed to render its determination with respect to such Disputed Items as soon as reasonably practicable (which the Parties agree shall not be later than forty-five (45) days following the formal engagement of the Accounting Firm). The Parties agree that the purpose of the adjustment contemplated by this Section 2.5 is to measure the amount of Net Working Capital as of 12:01 a.m. Eastern Time on the Closing Date using the Agreed Accounting Principles and the Example Net Working Capital Statement and taking into account the definition of that term herein (and any other defined terms incorporated therein). The determination of the Accounting Firm, acting as an expert and not an arbitrator, with respect to any such disagreements shall be binding and final for purposes of this Agreement. The term "Final NWC Statement" as used in this Agreement shall mean the NWC Statement that is deemed final in accordance with Section 2.5(c) or the NWC Statement resulting from the determinations made by the Accounting Firm in accordance with this Section 2.5(d), as applicable. The term "Final Purchase Price" as used in this Agreement shall mean the Purchase Price plus the Net Working Capital (which may be a negative number) set forth in the Final NWC Statement.

(e) Accounting Firm Fees. The Accounting Firm shall allocate its costs and expenses between Buyer and the Sellers based on the percentage of the aggregate contested amount submitted to the Accounting Firm that is ultimately awarded to the Buyer, on the one hand, or the Sellers, on the other hand, such that the Buyer bears a percentage of such costs and expenses equal to the percentage of the contested amount awarded to the Sellers and the Sellers bear a percentage of such costs and expenses equal to the percentage of the contested amount awarded to the Buyer.

(f) Adjustment Payments. Within two (2) Business Days following the determination of the Final NWC Statement, (x) the Buyer or the Sellers shall make an

additional payment in immediately available funds in respect of the Purchase Price (if applicable) as follows:

(i) if the Net Working Capital reflected on the Final NWC Statement is a positive number, the Buyer shall pay the Sellers the amount of such Net Working Capital.

(ii) if the Net Working Capital reflected on the Final NWC Statement is a negative number, the Sellers shall pay the Buyer the absolute value of such Net Working Capital; or

(iii) if the Net Working Capital reflected on the Final NWC Statement is zero, then neither the Buyer nor Seller shall have any payment obligation pursuant to this Section 2.5(f).

Any payment pursuant to this Section 2.5(f) shall be treated as an adjustment to the Purchase Price for all tax purposes. No Losses may be claimed under Article 13 or otherwise by any Indemnified Party to the extent such Liabilities are reflected in the Net Working Capital set forth in the Final NWC Statement pursuant to this Section 2.5.

2.6 Allocation of the Purchase Price.

(a) Within ninety (90) days after the final determination of the Final Purchase Price pursuant to Section 2.5, the Sellers will provide the Buyer with a statement (or statements) (the "Asset Acquisition Statement") with the Sellers' proposed allocation of the Final Purchase Price (plus any other amounts, including Assumed Liabilities, to the extent properly taken into account as consideration for applicable Tax purposes) among the Transferred Assets and, if applicable, the Ancillary Agreements and any other rights transferred hereunder or thereunder in accordance with Section 1060 of the Code (and any other applicable state, local or non-U.S. Law). The Buyer may, within thirty (30) days after receiving such Asset Acquisition Statement, propose to the Sellers in writing any changes to such Asset Acquisition Statement that are consistent with applicable Law (the "Allocation Notice of Objection"), and if the Buyer does not deliver such a Notice of Objection within such period, the Buyer shall be deemed to have accepted such proposed Asset Acquisition Statement and it shall become final and binding on the Parties. If the Buyer delivers a Notice of Objection, then the Buyer and the Sellers will endeavor in good faith to resolve any differences with respect to the Asset Acquisition Statement within thirty (30) days after the Sellers' receipt of the Notice of Objection. If the Buyer and the Sellers are unable to resolve such differences, the matters in dispute shall be resolved by the Accounting Firm, which determination by such Accounting Firm shall be consistent with this Agreement. The fees, costs and expenses of the Accounting Firm shall be borne by the Buyer and the Sellers in inverse proportion as they may prevail on matters resolved by the Accounting Firm, which proportionate allocations also shall be determined by the Accounting Firm at the time the determination of the Accounting Firm is rendered.

(b) The Buyer and the Sellers agree that they shall each (and shall cause their respective Affiliates to) file all Tax Returns (including amended returns and claims for refunds) and information reports in a manner consistent with the Asset Acquisition Statement (as finalized pursuant to Section 2.6(a))); provided that nothing contained in this Section 2.6(b) shall prevent any Party (or their Affiliates) from settling, or require any of them to litigate any challenge, proposed deficiency, adjustment or other similar proceeding by any Governmental

Authority with respect to the Asset Acquisition Statement. Upon any adjustment to the Purchase Price in connection with an indemnification claim made pursuant to Article 13, the allocation described in the Asset Acquisition Statement (as finalized pursuant to Section 2.6(a)) shall be subject to adjustment in a manner consistent with Section 2.6(a).

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF THE SELLERS

Except as set forth in the Disclosure Schedules delivered by the Sellers to the Buyer immediately prior to the execution of this Agreement (the "Disclosure Schedules") (it being agreed that disclosure of any item in any Section or subsection of a Disclosure Schedule shall apply only to the corresponding Section or subsection of this Agreement and to any other Section or subsection of this Agreement to the extent that the relevance of such item is reasonably apparent on its face in the Disclosure Schedules), TMUS, with respect to itself (solely with respect to Sections 3.1, 3.2, 3.3, 3.17) and Sprint, with respect to itself, the Business, the Transferred Assets and the Assumed Liabilities, hereby represents and warrants to the Buyer as follows:

3.1 Organization. Each Seller is duly organized and validly existing under the laws of the jurisdiction of its organization. Each Seller or any applicable Affiliate of such Seller which has title to any asset reasonably expected to be a Transferred Asset is duly qualified and in good standing in each jurisdiction in which Transferred Assets held by it are currently used by such Seller or such Affiliate and where the ownership, leasing, operation or use of its assets requires such qualification. Each Seller or the applicable Affiliate of such Seller has all requisite corporate power and authority to own, lease, operate or use, as the case may be, the Transferred Assets.

3.2 Authorization, Enforceability. Each Seller has all requisite corporate power and authority to enter into, execute and deliver this Agreement and the Ancillary Agreements to which it is a party, to consummate the transactions contemplated by this Agreement and the Ancillary Agreements to which it is a party and to perform its obligations hereunder and thereunder. The execution and delivery by such Seller of this Agreement and the Ancillary Agreements to which it is a party, the performance by such Seller of its obligations under this Agreement and the Ancillary Agreements and the consummation by such Seller of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action on such Seller's part, including any consent or approval from DT or SoftBank necessary to authorize such execution, delivery or performance. This Agreement has been, and each Ancillary Agreement to which it is a party will be, duly and validly executed and delivered by such Seller and constitutes or will constitute, assuming the due authorization, execution and delivery by the other parties thereto, a valid and binding obligation of such Seller, enforceable against such Seller in accordance with their respective terms, except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting creditors' rights generally and by general principles of equity (whether considered in a Proceeding in equity or at law) (the "Remedy Exceptions").

3.3 No Approvals or Conflicts. Assuming the Regulatory Approvals are sought and obtained in accordance with this Agreement, neither the execution and delivery by each Seller of this Agreement or the Ancillary Agreements to which it is a party, nor the consummation by such Seller or any of its Affiliates of the Transaction, will (a) conflict with or violate any provision of such Seller's Governing Documents, (b) subject to Section 14.12, conflict with

the consummation of the NTM Merger in accordance with its terms or conflict with, or result in any violation of or default (with or without notice, lapse of time, or both) under, or give rise to a right of termination, loss of rights, adverse modification of provisions, cancellation or acceleration of any obligation under, or result in the creation of any Encumbrance (other than Permitted Encumbrances) upon any of the Transferred Assets under any provision of the NTM Merger Agreement, (c) require on the part of such Seller any Permit, (d) conflict with, result in a breach of, constitute (with or without due notice or lapse of time or both) a default under, or create in any Person any right to terminate or cancel any Transferred Contract under clauses (i) or (ii) of the definition of Transferred Contract, or (e) violate any Law or Governmental Order, other than, in the case of clauses (c), (d) and (e), any such conflict, breach, default, termination, cancellation, imposition or violation that, or notice, consent, waiver, or Permit, the failure of which to make or be obtained, would not, individually or in the aggregate, reasonably be expected to be material to the Business.

3.4 Litigation.

(a) Except as set forth on Schedule 3.4(a) and Proceedings related to the DOJ Final Judgment associated with the NTM Merger, as of the date of this Agreement, there are no Proceedings pending or, to the Knowledge of the Sellers, threatened in writing in respect of the Transferred Assets or the Business that (a) involves a claim (or series of related claims) in excess of $1,000,000, or (b) involves a claim for injunctive relief which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect if decided adversely to the Business.

(b) Neither Seller nor any of its Affiliates is a party to or subject to the provisions of any material judgment, order, writ, injunction, decree or award of any Governmental Authority with respect to the Transferred Assets or the Business other than those entered by Governmental Authorities in connection with the NTM Merger.

3.5 Compliance with Law; Permits. Except as set forth on Schedule 3.5, and excluding Tax items which are covered by Section 3.9, and except as would not be material to the Business or the Transferred Assets, taken as a whole:

(a) the use of the Transferred Assets and the conduct of the Business by the Company or its Subsidiaries is, and since January 1, 2018 has been, in compliance with all applicable Laws and the Company is, and since January 1, 2018 has been, not in violation of any such Laws in respect of any Transferred Assets held by it;

(b) no investigation or review by any Governmental Authority with respect to Sellers or any of their respective Affiliates is pending or, to the Knowledge of the Sellers, threatened, nor has any Governmental Authority indicated an intention to conduct the same, in each case, with respect to the Business or the Transferred Assets;

(c) Sellers have not received any notice or communication of any material noncompliance with any applicable Laws, in each case, with respect to the Business or the Transferred Assets; and

(d) no Permits (including Permits issued by the FCC) are required by the Company and its Subsidiaries for the conduct of the Business or the use of the Transferred Assets as used and conducted by or as anticipated to be used and conducted by the Company and its Subsidiaries in the Ordinary Course of Business.

3.6 Financial Information.

(a) Set forth on Schedule 3.6 are (x) copies of the unaudited Net Working Capital accounts of the Business as of March 31, 2019 and (y) such additional unaudited financial information of the Business as set forth on Schedule 3.6 for the month ended March 31, 2019 and the 12-month period ended March 31, 2019 (the "Financial Information"). The Financial Information (i) has been prepared from, and is consistent with, the Records of the Business, and, except as noted therein, have been prepared in accordance with GAAP consistently applied, (ii) have been prepared on a basis consistent with prior accounting periods, (iii) present fairly, individually and in the aggregate, in all material respects the balances of the specified working capital accounts of the Business for the period covered thereby, (iv) reflect all of the Current Assets and Current Liabilities of the Business (each as defined herein) as of such date in the unaudited working capital accounts, and (v) reflect and fairly present, individually and in the aggregate, in all material respects (A) the total revenue generated, (B) services revenue generated, (C) equipment revenue generated, (D) expenses, (E) contribution margin and (F) subscribers, in each case, of the Business for each period for which such unaudited Financial Information was provided. There were no material changes in the method of application of the accounting policies of the Company as applied to the Business or changes in the method of applying the use of estimates in the preparation of the Financial Information, in each case, other than the Agreed Accounting Principles, as compared with the consolidated audited financial statements of the Company and its Subsidiaries. No balance sheet, income statement, statement of cash flows, statement of equity or other similar financial statement has been prepared in respect of the Business on a standalone basis, and the Buyer acknowledges that the Business has not been conducted on a standalone basis.

(b) The Company's system of internal controls over financial reporting is sufficient to provide reasonable assurance (i) that transactions in respect of the Business are recorded as necessary to permit preparation of financial statements in conformity with GAAP, consistently applied, and to derive from such financial statements, financial statements in conformity with GAAP, (ii) that transactions in respect of the Business are executed only in accordance with the fiscal authorization policies of the Company and (iii) regarding prevention or timely detection of the unauthorized acquisition, use or disposition of the assets of the Business.

(c) All accounts receivable that are, and all accounts receivable on the Closing Date that will be, reflected in the Financial Information are valid receivables and were incurred in the Ordinary Course of Business for *bona fide* products delivered or services rendered and, to the Knowledge of the Sellers, are current and collectible. No such accounts receivable (i) are subject to any pending or threatened set-off, discount or counterclaim, other than for which a reserve has been established on the financial statements of the Company or as set forth in Schedule 3.6(c), or (ii) have been assigned or pledged to any Person.

(d) Since March 31, 2019, the Inventory has been maintained in the Ordinary Course of Business. All such Inventories are owned free and clear of all Encumbrances (other than Permitted Encumbrances). All of the Inventories consist of, and all Inventories on the Closing Date will consist of, items of a quality usable or saleable in the Ordinary Course of Business (subject in each case to the extent of reserves established thereunder) and are and will be in quantities sufficient for the normal operation of the Business in the Ordinary Course of Business. The Inventories are, and as of the Closing Date will be, in good and merchantable condition. Schedule 3.6(d) sets out the Inventory of the Business as of

May 31, 2019 by SKU and specifies the ability of each such SKU to be used on the NTM Network.

(e) Schedule 3.6(e) sets forth, as of May 31, 2019, the total number of mobile telephone numbers maintained by the Company or any of its Subsidiaries and assigned to an end user of the prepaid mobile wireless voice, text or data services of the Company or any of its Subsidiaries in respect of (A) the Boost Business, (B) the Virgin Mobile Business and (C) the Sprint Prepaid Business.

3.7 No Undisclosed Liabilities. There are no Liabilities arising or resulting from the operation of the Business or the ownership of the Transferred Assets (whether accrued, absolute, contingent or otherwise) other than Liabilities that (i) are future executory Liabilities arising under any Transferred Contract (other than as a result of breach of contract, tort, infringement or violation of applicable Law), (ii) are set forth on Schedule 3.7, (iii) have not had, or would not, individually or in the aggregate, reasonably be likely to have, a Material Adverse Effect, or (iv) constitute Excluded Liabilities.

3.8 Absence of Certain Changes. Since March 31, 2019, (a) through the date hereof, the Company and its Subsidiaries have conducted the Business in the Ordinary Course of Business (b) there has not been, with respect to the Business or any Transferred Asset, any event which, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect and (c) through the date hereof, any action taken by the Sellers or any of their respective Affiliates that, if taken during the period from the date of this Agreement through the Closing Date, would constitute a violation or breach of or would otherwise require consent under Section 5.1(b) (other than clauses (ii), (v) and (vi) thereto)).

3.9 Tax Matters. Except as set forth on Schedule 3.9:

(a) All material Tax Returns required to be filed by such Seller with respect to the Business or the Transferred Assets have been duly and timely filed (taking into account applicable extensions) and all such Tax Returns are true, correct and complete in all material respects.

(b) Such Seller has timely paid (or caused to be paid) all Taxes that are due and payable (other than Taxes that are being contested in good faith), whether or not shown as due on any Tax Returns, in respect of the Business and the Transferred Assets.

(c) All material Taxes required to be withheld and remitted by such Seller under any applicable law with respect to the Business or the Transferred Assets have been duly and timely withheld and remitted to the proper Taxing Authority.

(d) There are no material Encumbrances on the Transferred Assets for any failure (or alleged failure) to pay Taxes (other than Permitted Encumbrances).

(e) Such Seller is not engaged in any audit, examination or investigation by any Taxing Authority for which such Seller expects a material assessment. No Taxing Authority has asserted any material tax assessments, deficiencies or adjustments related to the Transferred Assets or the Business that has not since been resolved and paid in full.

(f) No claim has been made in writing by any Taxing Authority in a jurisdiction where such Seller does not file Tax Returns that the Seller is or may be subject to

taxation with respect to the Business or the Transferred Assets in that jurisdiction, which claim has not been resolved and, if applicable, paid.

(g) No written agreement waiving or extending, or having the effect of waiving or extending, the statute of limitations or the period of assessment or collection of any material Taxes, in each case, is currently in effect with respect to the Business or the Transferred Assets.

(h) Notwithstanding anything else in this Agreement, the representations and warranties made in this Section 3.9 (i) do not refer to any matters other than Tax matters that would give rise to an Encumbrance (other than a Permitted Encumbrance) on the Transferred Assets or a Tax for which the Buyer (or its Affiliates) would be liable and (ii) may not be relied upon with respect to any taxable periods (or portions thereof) beginning after the Closing Date or with respect to Tax positions taken by the Buyer or the Buyer's Affiliates.

3.10 Employee Matters.

(a) Schedule 3.10(a) includes a correct and complete list, as of the date of this Agreement, of each material Plan.

(b) Schedule 3.10(b) sets forth a correct and complete listing of all outstanding equity awards covering shares of Company common stock held by Business Employees as of June 12, 2019, setting forth the number of shares subject to each such equity award and the holder, grant date, vesting schedule (including whether the vesting will be accelerated by the execution of this Agreement or consummation of the transactions contemplated hereby) and exercise price with respect to each such equity award, as applicable.

(c) Except as set forth in Schedule 3.10(c) or as, individually or in the aggregate, would not be reasonably expected to have a Material Adverse Effect, no Plan is (i) a "multiemployer plan" within the meaning of Section 3(37) of ERISA, (ii) a "multiple employer plan" within the meaning of Section 4063 of ERISA or (iii) a defined benefit pension plan that is subject to Title IV of ERISA.

(d) Except as set forth in Schedule 3.10(d), no Plan provides for the payment of any compensation or benefits to any Business Employee solely as a result of the consummation of the Transaction.

(e) Each Plan that is intended to be qualified within the meaning of Section 401(a) of the Code (i) has received a favorable determination letter or has received a favorable opinion letter from the Internal Revenue Service (the "IRS") as to its qualification, or (ii) has time remaining under applicable Laws to apply for a determination or opinion letter, and to the Knowledge of the Sellers, nothing has occurred that would adversely affect the qualification of any such Plan.

(f) Except as required under Section 4980B of the Code and other than continued coverage through the end of the month in which a termination of service occurs, no Plan provides retiree or post-employment medical, disability, life insurance or other welfare benefits to any Business Employee.

(g) The Sellers are not a party to or bound by any collective bargaining agreement with respect to the Business. Except as would not reasonably be expected to result

in any material liability to the Business, (i) the Business has not experienced any strike, lockout, organized labor slowdown or work stoppage within the past three (3) years, (ii) no formal complaint against any Seller is pending or, to the Knowledge of the Sellers, threatened before the National Labor Relations Board, the Equal Employment Opportunity Commission or any similar Governmental Authority by or on behalf of any Business Employee, and (iii) to the Knowledge of the Sellers, no organizational effort is presently being made or threatened by or on behalf of any labor union with respect to the Business Employees.

3.11 Real Property. There is no leased or owned real property included in the Transferred Assets held by the Company or any of its Subsidiaries.

3.12 Intellectual Property.

(a) Schedule IV sets forth a true and complete list of all Registered Intellectual Property included in the Transferred Intellectual Property, indicating for each item the registration or application number, the registration or application date, and the applicable filing jurisdiction. The Company and its controlled Affiliates exclusively own all, right, title and interest in all the Transferred Intellectual Property, free and clear of all Encumbrances (other than Permitted Encumbrances). The Sellers are not bound by any outstanding judgment, injunction, order or decree or any contractual or other obligation materially restricting the use by the Company of the Transferred Intellectual Property, or materially restricting the licensing thereof to any Person. With respect to the Registered Intellectual Property listed on Schedule IV, (i) all such Intellectual Property is subsisting and in full force and effect and, to the Knowledge of the Sellers, valid and enforceable; (ii) the Company or one or more of its Subsidiaries is the owner of record and has paid all maintenance fees and made all filings that are required to be made prior to the Closing Date to maintain Seller's ownership thereof.

(b) The conduct of the Business as currently conducted does not infringe, misappropriate, dilute or otherwise violate, and in the past three (3) years has not infringed, misappropriated or otherwise violated, any Intellectual Property rights of any Third Party, except for such infringements, misappropriations or other violations that would not reasonably be expected to have a Material Adverse Effect. No Proceedings are pending and no written notices have been received by the Seller during the past three (3) years (or earlier, if presently not resolved), in each case, alleging any infringement, misappropriation or other violation by the Sellers or any of their Subsidiaries of the Intellectual Property rights of any Third Party, except for such infringements, misappropriations or other violations that would not reasonably be expected to have a Material Adverse Effect. Except as set forth in Schedule 3.12(b), to the Knowledge of the Sellers, during the past three (3) years (or earlier, if presently not resolved) no person or entity has infringed, misappropriated, diluted or otherwise violated any of the Transferred Intellectual Property, except for such infringements, misappropriations, dilutions or other violations that would not reasonably be expected to have a Material Adverse Effect, and none of the Company or any of its Subsidiaries has made or asserted any claim, demand or notice against any person or entity alleging any such infringement, misappropriation, dilution or other violation. During the past three (3) years, there has been no litigation, opposition, cancellation, Proceeding, or claim pending, asserted or threatened concerning the ownership, or the right to use any Transferred Intellectual Property, or the validity, registrability, or enforceability of any Registered Intellectual Property included in the Transferred Intellectual Property, except where such litigation, opposition, cancellation, Proceeding, or claim would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) The Sellers have taken all commercially reasonable measures to protect the confidentiality of all Trade Secrets included in the Transferred Intellectual Property and such Trade Secrets have not been disclosed by the Sellers to any Person except pursuant to written non-disclosure agreements that, to the Knowledge of the Sellers, have not been breached by such Person.

(d) The Sellers have obtained from each Person (including current and former employees and independent contractors) who has created or developed for or on behalf of Sellers or any of their Subsidiaries any Transferred Intellectual Property that is material to the Business a written, present and valid assignment of such Intellectual Property to the Sellers or their Subsidiaries.

(e) To the Knowledge of the Sellers, in the past three (3) years, there has been no material unauthorized access to or material unauthorized use of any confidential or proprietary information or data that is both in the Sellers' or any of their Subsidiaries' possession or control and material to the Business.

(f) With respect to any Software included within Transferred Intellectual Property, (i) such Software is free from any material bugs, viruses or other malicious code, (ii) the source code for such Software has not been disclosed to any Third Party, and (iii) such Software does not contain, derive from or link to any open source Software in a manner that requires the disclosure of any source code, limits the ability to charge fees, or grants any license to any Third Party to make derivative works.

(g) Neither the execution, delivery or performance of this Agreement, nor the consummation of the transactions contemplated by the Ancillary Agreements will result in the loss or impairment of any of the Transferred Intellectual Property.

3.13 Data Protection.

(a) During the past three (3) years, the Sellers and their Subsidiaries have (i) complied in all material respects with all publicly-facing statements or policies, contractual obligations, and all applicable Laws, in each case, regarding privacy, cyber security, data security and the collection, retention, protection, transfer, use and processing of Personal Information relating to the Business except as, individually or in the aggregate, would not reasonably be expected to be material to the Business, and (ii) implemented and maintained commercially reasonable administrative, technical and physical safeguards designed to protect Personal Information relating to the Business against unauthorized access, use, loss and damage.

(b) During the past three (3) years, (i) to the Knowledge of the Sellers, there has been no unauthorized access to, or misuse of, any Personal Information relating to the Business maintained by or on behalf of the Sellers or any of their Subsidiaries, in each case, except as, individually or in the aggregate, would not reasonably be expected to be material to the Business, and (ii) no Person (including any Governmental Authority) has made any claim or commenced any Proceeding with respect to any unauthorized access to, or misuse of, any Personal Information relating to the Business maintained by or on behalf of the Sellers or any of their Subsidiaries, except as, individually or in the aggregate, would not reasonably be expected to be material to the Business.

3.14 Transferred Contracts.

(a) Schedule 3.14(a) of the Disclosure Schedules sets forth a list of each Transferred Contract of the types set forth in clauses (i) and (ii) of the definition of Transferred Contract that is of the type set forth below as of the date hereof (each Transferred Contract required to be set forth on Schedule 3.14(a), a "Material Contract"):

(i) each Contract (or group of related Contracts with respect to a single transaction or series of related transactions), other than Contracts with suppliers or distributors, that involves payments, performance or services or delivery of goods or materials to or by either Seller or any of its Affiliates of any amount or value reasonably expected to exceed $1,000,000 in any future 12 month period;

(ii) each Contract or series of Contracts with a Principal Supplier and with a Principal Distributor;

(iii) each Contract of Sellers or any of their respective controlled Affiliates with respect to material Transferred Intellectual Property, including (A) any licenses or other rights granted to any Person with respect to Transferred Intellectual Property, and (B) agreements involving Software (other than non-exclusive license agreements entered into in the Ordinary Course of Business);

(iv) each Contract concerning the establishment or operation of a partnership, strategic alliance, joint venture, or limited liability company or other similar agreement or arrangement;

(v) each Contract that limits or purports to limit the freedom of either Seller or any of its Affiliates to compete in any line of business with any Person or engage in any line of business within any geographic area or acquire the assets or securities of another Person or, or otherwise materially restricts Sellers' or any of their respective Affiliates' ability to solicit or hire any Person or solicit business from any Person, and each Contract that could require the disposition of any material assets or line of business of either Seller or any of its Affiliates;

(vi) each Contract related to an acquisition, divestiture, merger or similar transaction that contains financial covenants, indemnities or other similar payment obligations (including "earn-out" or other contingent payment obligations) that are still in effect and would reasonably be expected to result in the receipt or making of future payments in excess of $2,500,000;

(vii) each Contract that contains a put, call or similar right pursuant to which either Seller or any of its Affiliates could be required to purchase or sell, as applicable, any equity interests in or assets (in the case of assets, having a purchase price in excess of $2,500,000) of any Person;

(viii) each Contract that provides for exclusive rights for the benefit of any Third Party, grants "most favored nation" status, contains minimum volume or purchase commitments, or requires the Company or any of its Subsidiaries to provide any minimum level of service, in each case which are, or in a manner that is, material to the Business, taken as a whole;

(ix) each Contract providing for indemnification by either Seller or any of its Affiliates of any Person, except for Contracts entered into in the Ordinary Course of Business.

(b) The Sellers have furnished or made available to the Buyer a complete and correct (including all amendments and supplements thereto) copy of each Material Contract. With respect to each Material Contract: (a) such Contract is the valid and binding obligation of the Company or one or more of its Subsidiaries and, to the Knowledge of the Sellers, of each other party thereto, is enforceable in accordance with its terms and is in full force and effect, except to the extent that enforceability may be limited by the Remedy Exceptions, and (b) none of such Seller, its applicable Affiliate or, to the Knowledge of such Seller, any other party thereto, is in material breach or violation of, or default under, any such Contract, or any event, occurrence or condition, which (after notice, passage of time or both) would constitute or give rise to any such breach, violation or default thereunder, and neither Seller has received any cure notice or other written communication alleging that Sellers are in default or breach of such Material Contract in respect of the Business.

3.15 Transferred Assets.

(a) The Company or one or more of its Subsidiaries has, or as of immediately prior to the Closing will have, good and valid title to, all of the Transferred Assets, free and clear of all Encumbrances (other than Permitted Encumbrances).

(b) The Transferred Assets that are physical assets (other than Inventory) (i) are in good operating condition and repair in all material respects, reasonable wear and tear excepted and (ii) have been operated and maintained in all material respects in accordance with industry standard. The Transferred Assets that will be owned, leased or licensed by the Buyer immediately following the Closing (not taking into account the exclusion of any Rejected Inventory), together with any services provided by the Sellers or their respective Affiliates pursuant to the Transition Services Agreement and the MNSA (a) will constitute all of the assets (tangible or intangible) that are necessary to or used in the conduct of the Business as it is conducted as of the Closing and (b) will permit Buyer to operate the Business in all material respects in the manner in which it is conducted as of the Closing.

3.16 Principal Suppliers and Principal Distributors.

(a) Schedule 3.16(a) sets forth a complete and accurate list of (i) the ten (10) largest suppliers of the Business based on the consolidated cost of goods and services paid to such Persons by the Company and its Subsidiaries for the calendar year ended December 31, 2018 (each, a "Principal Supplier") and (ii) with respect to each Principal Supplier, the aggregate amounts paid to each such Principal Supplier for the calendar year ended December 31, 2018. The Company has not received any written notice from any Principal Supplier indicating that any such Person is ceasing, will cease or plans to cease dealing with the Company or its Subsidiaries.

(b) Schedule 3.16(b) sets forth a complete and accurate list of (i) the ten (10) largest agents, dealers, resellers or other distributors of the Business based on the consolidated revenue paid to such Persons by the Company and its Subsidiaries for the calendar year ended December 31, 2018 (each, a "Principal Distributor") and (ii) with respect to each Principal Distributor, the aggregate amounts received by each such Principal Distributor for the calendar year ended December 31, 2018. The Company has not received any written notice from any

Principal Distributor indicating that any such Person is ceasing, will cease or plans to cease dealing with the Company or its Subsidiaries.

(c) No Principal Supplier or Principal Distributor has given any notice that such Principal Supplier or Principal Distributor, as applicable, intends to, or to the Knowledge of the Sellers, has otherwise threatened to, terminate its business with respect to the Business, or materially reduce the volume of business transacted with respect to the Business

3.17 Transactions with Affiliates. There are no Affiliate Transactions, and no Affiliate Transaction shall extend beyond the Closing Date. For purposes of this Section 3.17, an "Affiliate Transaction" means any Transferred Contract (excluding clause (iii) of the definition of Transferred Contract), the terms of which would be required to be disclosed under Item 404 of Regulation S-K promulgated under the Securities Act of 1933 and Securities Exchange Act of 1934 by Seller, between the Sellers or their Subsidiaries, on the one hand, and the Parent Affiliates, on the other hand, including any Transferred Contract with, in favor of or for the benefit of, or involving the making of any payment or transfer of assets to or guarantee of obligation of, any such Parent Affiliate. None of the Parent Affiliates owns or has title to any of the Transferred Assets or any asset that is exclusively used in the Business or any asset that would otherwise meet the definition of Transferred Asset (excluding clause (iii) of the definition of Transferred Contract) if it were held by the Company.

3.18 Brokers. Neither Seller nor any of its Affiliates has any liability or obligation to pay any fees or commissions, for which the Buyer or any of its Affiliates would have any responsibility or liability for, to any broker, finder or agent with respect to the transactions contemplated by this Agreement or any of the Ancillary Agreements.

3.19 No Other Representations and Warranties. Notwithstanding anything contained in Article 4 or any other provision of this Agreement, it is the explicit intent of each Party, and Sellers agree, that Buyer is not making and has not authorized any Person to make any representation or warranty whatsoever, express or implied, except those representations and warranties expressly set forth in Article 4.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer hereby represents and warrants to the Sellers as follows:

4.1 Organization. The Buyer is duly organized and validly existing under the laws of the jurisdiction of its organization.

4.2 Authorization, Enforceability. The Buyer has all requisite corporate power and authority to enter into, execute and deliver this Agreement and the Ancillary Agreements to which it is party, to consummate the transactions contemplated by this Agreement and the Ancillary Agreements to which it is a party and to perform its obligations hereunder and thereunder. The execution and delivery by the Buyer of this Agreement and the Ancillary Agreements to which it is a party, the performance by the Buyer of this Agreement and the Ancillary Agreements and the consummation by the Buyer of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action on the Buyer's part. This Agreement has been, and each Ancillary Agreement to which it is a party will be, duly and validly executed and delivered by the Buyer and constitutes or will constitute, assuming the due authorization, execution and delivery by the other parties thereto, a valid and

binding obligation of the Buyer, enforceable against the Buyer in accordance with their respective terms, except to the extent that enforceability may be limited by the Remedy Exceptions.

4.3 No Approvals or Conflicts. Assuming the Regulatory Approvals are sought and obtained in accordance with this Agreement, neither the execution and delivery by the Buyer of this Agreement or the Ancillary Agreements to which it is a party, nor the consummation by the Buyer of the transactions contemplated hereby or thereby, will (a) conflict with or violate any provision of the Buyer's Governing Documents, (b) require on the part of the Buyer any Permit, (c) conflict with, result in a breach of, constitute (with or without due notice or lapse of time or both) a default under, or create in any Person any right to terminate or cancel any material contract to which it is a party, or (d) violate any Law or Governmental Order, other than, in the case of clauses (b), (c) and (d), any such conflict, breach, default, termination, cancellation, imposition or violation that, or notice, consent, waiver, the failure of which to make or be obtained, would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of the Buyer to consummate the transactions in accordance with the terms hereof ("Buyer Material Adverse Effect").

4.4 Litigation; Regulatory Approvals. There is no Proceeding pending or, to the Buyer's knowledge, threatened against the Buyer or any of its Affiliates that seeks to, and the Buyer is not subject to any Governmental Order which, individually or in the aggregate, would reasonably be expected to materially impair or delay the ability of the Buyer to effect the consummation of the transactions contemplated by this Agreement or any of the Ancillary Agreements or otherwise prevent Buyer from performing in all material respects its obligations under this Agreement or any of the Ancillary Agreements. To Buyer's knowledge, there is no fact relating to Buyer's or any of its Affiliates' respective businesses, operations, assets, financial condition or legal status, including any officer's, director's or current employee's status, that would reasonably be expected to materially impair or delay the ability of the Buyer to promptly obtain the Regulatory Approvals.

4.5 Financing. The Buyer has available on the date of this Agreement (through cash on hand and available credit), and will have available at the Closing, sufficient cash on hand to enable it to pay (a) the Purchase Price, (b) any amounts payable by the Buyer at the Closing pursuant to the Ancillary Agreements, and (c) any fees and expenses of the Buyer or its Affiliates relating to the transactions contemplated by this Agreement and the Ancillary Agreements. Buyer acknowledges and agrees that the Closing is not conditioned on the availability of any expected financing or financing arrangement.

4.6 Brokers. Neither the Buyer nor any of its Affiliates has any liability or obligation to pay any fees or commissions, for which the Sellers or any of their respective Affiliates would have any responsibility or liability for, to any broker, finder or agent with respect to the transactions contemplated by this Agreement or any of the Ancillary Agreements.

4.7 Solvency. Assuming (a) the satisfaction of the conditions to Buyer's obligation to consummate the Transaction and pay the Purchase Price and (b) the accuracy of the representations and warranties of Seller set forth in Article 3 in all material respects, Buyer and its Subsidiaries, on a consolidated basis taken as a whole, will be Solvent immediately after the Closing.

4.8 No Other Representations or Warranties. Notwithstanding anything contained in Article 3 or any other provision of this Agreement, it is the explicit intent of each Party, and

Buyer agrees, that the Sellers and their respective Affiliates are not making and has not authorized any Person to make any representation or warranty whatsoever, express or implied, except those representations and warranties expressly set forth in Article 3. The Buyer further acknowledges and agrees that none of Sellers, their respective Affiliates or any other Person has made any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding the Business, the Transferred Assets or the Transaction or the transactions contemplated by the Ancillary Agreements, and, none of the Sellers, any of their respective Affiliates or any other Person will have or be subject to any liability to Buyer or any other Person resulting from the distribution to the Buyer or its Representatives or the Buyer's use of information, including (a) any confidential information memoranda or management presentations distributed on behalf of the Sellers or other publications or data room information provided to the Buyer or its Representatives, or any other document, information or projection in any form provided to the Buyer or its Representatives in connection with the Transaction, or (b) the financial information, projections, forecasts, estimates, statements of intent, statements of opinion or other forward-looking statements relating to the Business or the Transferred Assets, in each case, in expectation or furtherance of the transactions contemplated by this Agreement and the Ancillary Agreements. The Buyer further understands and acknowledges that the Sellers have not provided, and will not provide, any financial statements relating to the Business (other than the Financial Information provided in accordance with Section 3.6, the Example Net Working Capital Statement and the NWC Statement).

4.9 No Reliance. In entering into this Agreement and acquiring the Transferred Assets from the Sellers, the Buyer expressly acknowledges and agrees that it is not relying on and specifically disclaims reliance on any statement, representation or warranty made by or on behalf of the Sellers, any of their Affiliates or any other Person, including those which may be contained in any presentation or similar materials containing information regarding the Business or any of the Transferred Assets or in any materials provided to the Buyer or any other Person during the course of its due diligence investigation of the Business and the Transferred Assets, other than those representations and warranties made solely by Sellers expressly set forth in Article 3. Except for the representations and warranties expressly set forth in Article 3, (i) the Sellers are selling the Transferred Assets to the Buyer "as is" and "where is" and with all faults, and make no warranty, express or implied, as to any matter whatsoever relating to the Business, the Transferred Assets, the Sellers or any other matter relating to the transactions contemplated by this Agreement or the Ancillary Agreements including as to (x) merchantability or fitness for any particular use or purpose, (y) the operation of the Business or the Transferred Assets after the Closing in any manner, or (z) the probable success or profitability of the Business or the Transferred Assets after the Closing.

ARTICLE 5
PRE-CLOSING COVENANTS

5.1 Conduct of Business Prior to the Closing.

(a) From the date hereof to the earlier of the termination of this Agreement and the Closing, except as (w) set forth on Schedule 5.1(a), (x) required by applicable Law, (y) consented to in writing by the Buyer (which consent shall not unreasonably be withheld, delayed or conditioned), or (z) otherwise required by the terms of this Agreement, the Sellers shall (A) cause the Business to be conducted in the Ordinary Course of Business, including maintaining customary levels of Inventory, and (B) use their reasonable best efforts (1) to retain and solicit customers and to preserve the Business's relationships with agents, dealers, distributors, resellers, suppliers, management, employees and other Persons having business

relationships with the Business or in respect of the Transferred Assets and the Assumed Liabilities and (2) not taking any action that would reasonably be expected to decrease the percentage of NTM Network-compatible handsets sold by the Business (measured as a percentage of all handsets sold by the Business for the three month period ending May 31, 2019).

(b) From the date hereof to the earlier of the termination of this Agreement and the Closing, except as (w) set forth on Schedule 5.1(a), (x) required by applicable Law, (y) consented to in writing by the Buyer (which consent shall not unreasonably be withheld, delayed or conditioned), or (z) otherwise required by the terms of this Agreement, no Seller shall, and shall not permit its controlled Affiliates to, do any of the following with respect to the Business, the Transferred Assets or the Assumed Liabilities:

(i) undertake any merger, spin-off, contribution of assets or other form of similar reorganization with respect to the Transferred Assets, other than in connection with the NTM Merger, other than such transactions by and among the Sellers and their Affiliates;

(ii) (A) increase the base salary or base wage, bonus, incentive or other compensation, pension, welfare, fringe or other benefits, severance or termination pay of any Transferred Employee, other than in the Ordinary Course of Business and, with respect to increases in connection with annual merit increases or promotions in the Ordinary Course of Business that apply to more than ten percent (10%) of all Transferred Employees, after giving prior notification to the Buyer or (B) terminate any Transferred Employee (other than for cause);

(iii) sell, lease or otherwise dispose of any Transferred Assets which are material, individually or in the aggregate, to such Business, except for (A) sales of raw materials, work-in-process, finished goods, supplies, parts, spare parts and other Inventories in the Ordinary Course of Business, (B) sales, leases, or other dispositions of Intellectual Property in the Ordinary Course of Business or (C) assets that are obsolete or no longer used in such Business;

(iv) waive, release, grant or transfer any right of material value solely to the extent relating any Transferred Asset or any Assumed Liability, other than rights that solely constitute Excluded Assets;

(v) (A) subject to Section 5.4, amend any material term of, waive any material right under, or voluntarily terminate (other than upon expiration in accordance with its terms) any Material Contract, or (B) enter into any Contract that would be a Material Contract if entered into prior to or on the date hereof, other than, in the case of clause (B) in the Ordinary Course of Business;

(vi) make, change or revoke any material Tax election, (B) change any material method or period of accounting for Tax purposes, (C) prepare any material Tax Return in a manner inconsistent with elections made, positions taken or methods used in preparing or filing similar Tax Returns in prior periods, or (D) agree to an extension or waiver of the statute of limitations with respect to the assessment or determination of material Taxes, in each case, to the extent such action could reasonably be expected to result in any material Liability for the Buyer or its Affiliates or otherwise materially and adversely affect the Business;

(vii) sell, license, or otherwise dispose of, or abandon, cancel, or allow to lapse or expire, any Transferred Intellectual Property, except for immaterial rights in, or immaterial registrations or applications for Transferred Intellectual Property or for non-exclusive licenses granted in the Ordinary Course of Business;

(viii) (A) delay or accelerate collection of accounts receivable in advance of or beyond their regular due dates or the dates when the same would have been collected in the Ordinary Course of Business or (B) delay or accelerate payment of any accounts payable in advance of its due date or the date such liability would have been paid in the Ordinary Course of Business;

(ix) fail to maintain Inventory, at levels (by device type) consistent with the Company's and its Subsidiaries' Ordinary Course of Business or otherwise vary any Inventory practices in any material respect from the Ordinary Course of Business of the Company and its Subsidiaries;

(x) participate in activity of the type sometimes referred to as "trade loading" or "channel stuffing" or any other similar activity that reasonably could be expected to result in an increase, temporary or otherwise, in the demand for the Inventory offered by the Business prior to the Closing, including sales of Inventory (i) with payment terms longer than terms offered in the Ordinary Course of Business for such Inventory, (ii) at a greater discount from listed prices than offered for such Inventory in the Ordinary Course of Business, other than pursuant to a promotion of a nature previously used in the Ordinary Course of Business for such Inventory, (iii) at a price that does not give effect to any general increase in the list price for such Inventory publicly announced prior to the Closing Date other than in the Ordinary Course of Business, (iv) in a quantity greater than the reasonable resale requirement of the particular customer, agent, dealer, reseller, distributor or wholesaler, or (vi) in conjunction with other material benefits to the customer, agent, dealer, reseller, distributor or wholesaler not previously offered in the Ordinary Course of Business;

(xi) take any action set forth on Schedule 5.1(b)(xi); or

(xii) authorize or otherwise commit to take any of the actions above.

(c) Nothing in this Section 5.1 is intended to give the Buyer or any of its Affiliates, directly or indirectly, the right to control or direct the business or operations of either Business prior to the Closing, and prior to the Closing, the Sellers shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over their respective Businesses.

(d) For the purpose of any consent which may be requested from the Buyer pursuant to Section 5.1(a) or Section 5.1(b), it is specifically agreed that failure by the Buyer to respond in writing (including by e-mail) to a written consent request made by or on behalf of a Seller within five (5) Business Days of the submission of such request pursuant to Section 14.11 shall be deemed for all intents and purposes under this Agreement as a grant of the requested consent.

5.2 Regulatory Approvals.

(a) In connection with the Transaction, each of the Buyer and the Sellers shall cooperate with the other Parties and shall use its reasonable best efforts to obtain the DOJ

Consent, FCC 214 Approval and FCC MNSA Approval as promptly as practicable. The Buyer shall not take any action to impair or materially delay the other Regulatory Approvals.

(b) Without limiting the generality of the foregoing, subject to the terms and conditions herein, the Parties shall use their respective reasonable best efforts to consummate and make effective the Transaction and to cause the conditions set forth in Section 9.1(a) to be satisfied as promptly as reasonably practicable after the date hereof, including (i) using reasonable best efforts to promptly obtain all necessary consents, approvals, waivers and authorizations of, actions or nonactions by, and promptly making all required filings and submissions, with the DOJ, the FCC or any other Governmental Authority regarding the Transaction, (ii) cooperating with the other Parties in promptly making all necessary filings and promptly seeking all consents, approvals, permits, notices or authorizations.

(c) In furtherance of and without limiting the generality of the foregoing, the Parties shall cooperate and use their respective reasonable best efforts to file with the FCC, at an appropriate time following the date of the DOJ Final Judgment as mutually agreed by the parties (but, in any event, not earlier than ten (10) Business Days after the date of the DOJ Final Judgment or later than 65 calendar days after the date of the DOJ Final Judgment), (i) an application for approval under Section 214 of the Communications Act of 1934, as amended to assign the Business's U.S.-international telecommunications customer accounts to the Buyer (the "FCC 214 Application") and (ii) the MNSA for approval by the FCC. The Parties shall cooperate and use their respective reasonable efforts to obtain the FCC 214 Approval and FCC MNSA Approval and shall each bear their own costs for such preparation, filing and prosecution.

(d) In furtherance of and without limiting the generality of the foregoing, the Parties shall, and shall cause their respective Affiliates to, (i) use their respective reasonable best efforts to (x) obtain the DOJ Consent and the approval of the Transaction by the DOJ as required by the DOJ or the DOJ Final Judgment, including promptly submitting to the DOJ all documents and information that the DOJ reasonably requests from a Party, whether written or oral, and if the DOJ notifies, orally or in writing, the Sellers, the Buyer or their respective Affiliates that this Agreement or the Transaction is not acceptable unless certain language of this Agreement is modified, the Buyer and the Sellers shall consider in good faith such modifications and shall not unreasonably withhold, condition or delay their agreement to such modifications, and (y) take promptly any and all steps necessary to avoid or eliminate each and every impediment and obtain all consents under any Antitrust Law that may be required by any Governmental Authority, in each case with competent jurisdiction or by any DOJ Final Judgment, so as to enable the Parties to close the Transaction as promptly as practicable, (ii) use their respective reasonable best efforts to (x) obtain the FCC MNSA Approval and FCC 214 Approval, and any state public utility commission approval of the Transaction required by Law, including promptly submitting to the FCC or relevant state public utility commission all documents and information that such authority reasonably requests from a Party, whether written or oral, regarding the Transaction and if the FCC or relevant state public utility commission notifies, orally or in writing, the Sellers, the Buyer or their respective Affiliates that this Agreement or the Transaction is not acceptable unless certain language of this Agreement is modified, each of the Parties shall consider in good faith such modifications and, subject to Section 11.1(c)(iii), shall not unreasonably withhold, condition or delay their agreement to such modifications, and (y) take promptly any and all steps necessary to avoid or eliminate each and every impediment and obtain all consents regarding the Transaction that may be required by any Governmental Authority, in each case with competent jurisdiction, so

as to enable the Parties to close the Transaction as promptly as practicable, (iii) vigorously contest (x) any civil, criminal or administrative Proceedings brought by any Governmental Authority or any other Person against such Party or its Affiliates seeking to enjoin, restrain, prevent, prohibit or make illegal the consummation of the Transaction or seeking damages or to impose any terms or conditions on the Transaction, and (y) any Governmental Order that enjoins, restrains, prevents, prohibits or makes illegal the consummation of any of the Transaction or imposes any damages, terms or conditions on the Transaction, and (iv) use their respective reasonable best efforts to (x) resolve any objections the DOJ, FCC or any other Governmental Authority may assert under any applicable Law with respect to the Transaction, and obtain the Governmental Authority approvals of the Transaction required by Law, and (y) resolve any objections that any Third Party may assert relating to the obtaining of any consent, approval, waiver or authorization required from such Third Party in connection with the Transaction; provided that notwithstanding anything in this Agreement to the contrary, the Parties shall not be obligated to (and without the other Parties' consent, a Party shall not with respect to the Business) agree to or accept any divestiture or other structural or conduct relief or new contractual commitments, including network or spectrum sharing arrangements, that were not previously agreed to by the Party as of the date hereof, in order to obtain the Regulatory Approvals or any approval of any other Governmental Authority in connection with the Transaction. Notwithstanding anything to the contrary in this Agreement, nothing in this Section 5.2 or Section 14.2 shall be deemed to amend, modify or expand the obligations of TMUS or the Company under the NTM Merger Agreement.

(e) Each Party shall promptly furnish to the other Parties copies of any notices, requests or written communications, and shall promptly describe to the Sellers any oral communications, received by such Party or any of its Affiliates or Parent Affiliates from any third party or any Governmental Authority with respect to the Transaction, and each Party shall permit counsel to the other Party an opportunity to review in advance, and the Buyer shall consider in good faith and reflect the views of such counsel in connection with, any proposed communications by the Buyer or its Affiliates to any Governmental Authority concerning the Transaction; provided, however that (i) materials may be redacted to remove references concerning the valuation, projections, business plans or prospects of the Transferred Assets or Business or as necessary to address reasonable attorney-client or other privilege concerns and (ii) this sentence shall not require any sharing of documents or information not permitted by the applicable Governmental Authority. The Buyer shall provide the Sellers the opportunity, on reasonable advance notice, to participate in any substantive meetings or discussions, either in person or by telephone, between the Buyer or any of its Affiliates, or their respective Representatives, on the one hand, and any Governmental Authority, on the other hand, concerning or in connection with the Transaction, where permitted by such Governmental Authority.

(f) Without limiting the foregoing, the Parties shall regularly review with each other the progress of obtaining the Governmental Authority approvals of the Transaction and any notifications or filings (including, where necessary, seeking to identify appropriate commitments or submissions to address any concerns identified by any Governmental Authority) pertaining to such approvals and discuss with each other the scope, timing and tactics of any such commitments or submissions with a view to obtain approval of the Transaction by all relevant Governmental Authorities, at the earliest time possible. Buyer shall not take any action, or permit their respective Affiliates to take any action, that would reasonably be expected to materially delay or prevent the consummation of the Transaction, including with respect to the Financing. Sellers shall not take any action, or permit their

respective Affiliates to take any action, that would reasonably be expected to materially delay or prevent the consummation of the Transaction, except as may be permitted or required under the NTM Merger Agreement, provided, that any such actions taken under the NTM Merger Agreement would not materially and adversely affect the Transferred Assets or the Assumed Liabilities.

5.3 Third Party Consents.

(a) Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign, directly or indirectly, any asset (including any Contract), claim or right, or any benefit arising under or resulting from such asset, claim or right, if an attempted direct or indirect assignment thereof, without the consent or waiver of a Third Party (each, a "Consent"), would constitute a breach or other contravention of the rights of such Third Party, would be ineffective with respect to any party to a Contract concerning such asset, claim or right or would in any way adversely affect the rights of the Sellers or their respective Affiliates or, upon transfer, the Buyer under such asset, claim or right. If any direct or indirect transfer or assignment by the Sellers or their respective Affiliates to, or any direct or indirect assumption by the Buyer of, any interest in, or liability, obligation or commitment under, any asset, claim or right requires a Consent, then such transfer, assignment or assumption shall be made subject to such Consent being obtained, provided that to the extent such Consent is not able to be obtained in accordance with the provisions of this Section 5.3, the provisions of Section 12.3 shall apply to such asset, claim or right.

(b) Following the date hereof until the Closing Date, the Parties shall cooperate with each other and use their respective reasonable best efforts, subject to and without limiting anything contained in this Agreement, to obtain all material Consents, including, in the case of the Company, using reasonable best efforts to transfer to Buyer all Transferred Contracts, including agency, dealer, reseller and other distribution agreements and all supplier and customer agreements that are Transferred Assets.

(c) Neither the Sellers nor any of their respective Affiliates shall have any obligation to (i) pay any consideration to any Person for the purpose of obtaining any Consent, or (ii) pay any costs or expenses of any Person in connection with obtaining any Consent, unless all of such costs and expenses (if any) will be borne exclusively by the Buyer. Nothing in this provision shall affect any obligation in any Ancillary Agreement to the extent expressly provided therein.

(d) The Buyer further expressly acknowledges that none of the Consents is a condition to the consummation of the Transaction and the Buyer acknowledges that no condition shall be deemed not satisfied as a result of (i) the failure to obtain any Consents, (ii) any termination of any Contract (including any Transferred Contract) as a result of the Transaction or (iii) any Proceedings commenced or threatened by any Person arising out of or relating to the failure to obtain any Consent or avoid any such termination, in each case, except to the extent resulting directly from a breach by the Sellers of (x) their express obligations under this Section 5.3 or (y) of any representation regarding non-contravention, including their representation set forth in Section 3.3.

(e) Without limiting the foregoing, the Buyer shall provide each Seller (or their applicable Affiliates) such information and references (including regarding its creditworthiness) as may reasonably and timely be requested by any relevant Third Party for the purposes of obtaining the required Consents and shall enter into such undertakings or

procure such guarantees in favor of any relevant Third Party as may be reasonably requested by such relevant Third Party for the purposes of obtaining the required Consents.

(f) The provisions of this Section 5.3 shall not apply with respect to the Shared Contracts, with respect to which Section 5.4 shall apply.

5.4 Shared Contracts.

(a) Except as otherwise agreed by the Sellers and the Buyer or as otherwise expressly provided in this Agreement or the Ancillary Agreements (including with respect to any Contract identified by Buyer and Seller as reasonably necessary for Buyer to continue operation of the Business upon termination of any service provided under the Transition Services Agreement), until the expiration or termination date of the applicable Shared Contract (assuming, for these purposes, that the then-current term in effect as of immediately prior to the Closing is not renewed or extended), the Parties shall (and shall cause their Affiliates to) use reasonable best efforts to obtain or structure an arrangement for the Buyer to receive the rights and benefits, and bear the obligations and burdens, of the portion of such Shared Contract that the Buyer determines is reasonably necessary for Buyer to continue operation of the Business upon termination of any service provided under the Transition Services Agreement; provided, that the Sellers and their respective Affiliates shall not be required to take any action that would, in the good-faith judgment of the Sellers, constitute a breach or other contravention of the rights of any Person(s), be ineffective under, or contravene, applicable Law or any such Shared Contract or adversely affect the contractual rights of the Sellers or any of their respective Affiliates. The Buyer shall indemnify and hold harmless the Sellers and their respective Affiliates for and against all out-of-pocket Liabilities (including Tax Liabilities) arising out of or relating to each such arrangement. With respect to any Liability pursuant to, under or relating to any Shared Contract, such Liability shall be allocated between the applicable Seller, on the one hand, and the Buyer, on the other hand, as follows: (i) if a Liability is incurred solely in respect of the Business or the other businesses of such Seller, such Liability shall be allocated to the Buyer (to the extent it would otherwise constitute an Assumed Liability) or such Seller (to the extent it would otherwise constitute an Excluded Liability), and (ii) if a Liability cannot be so allocated under clause (i), such Liability shall be allocated to such applicable Seller, or the Buyer, as the case may be, based on the relative proportion of total benefit received by the Business (taking into account the extent to which such Liability would otherwise constitute an Assumed Liability or an Excluded Liability hereunder) and the other businesses of such Seller under the relevant Shared Contract, as reasonably determined by such Seller consistent with this Agreement. Notwithstanding the foregoing, each of the Sellers and the Buyer shall be responsible for any or all Liabilities arising from its (or its Affiliates') direct or indirect breach of any Shared Contract.

(b) Nothing in this Section 5.4 shall be construed so as to require any of the Parties or their respective Affiliates to pay money to any Third Party, commence any litigation or offer or grant any accommodation (financial or otherwise) to any Third Party in connection with the separation or transfer of, or otherwise in respect of, any Shared Contract. For the avoidance of doubt, neither the Sellers nor the Buyer shall be required to provide credit support for the other Party in respect of such other Party's portion of a Shared Contract.

5.5 Insurance. Sellers shall, and shall cause their respective Affiliates to, assign, to the extent assignable, to Buyer any and all proceeds under any of either Seller's or any of its controlled Affiliates' Third Party insurance policies written prior to the Closing to the extent received in connection with (i) the damage or destruction of any of the Transferred Assets from

and after the date hereof and prior to the Closing that is, or would have been but for such damage or destruction, included in the Transferred Assets or (ii) any Assumed Liability with respect to a period prior to the Closing, other than Liabilities included in the calculation of Net Working Capital (other than, in the case of this clause (ii), where insurance proceeds are directly or indirectly funded by either Seller or any of its Affiliates through self-insurance or other similar arrangement). Sellers agree to use their reasonable best efforts to obtain any necessary consents or approvals of any insurance company or other Third Party relating to any such assignment, provided, however, that the Buyer shall promptly pay or reimburse the Sellers for all reasonable costs, fees and expenses (including legal expenses) incurred in connection with the obligations under this Section 5.5 and provided, further that the assignment of such proceeds shall be net of any insurance premiums, retroactive premiums, premium adjustments and any out-of-pocket costs or expenses associated with the collecting the such proceeds. If such proceeds are not assignable, Sellers agree to pay any such proceeds received by it or any of its controlled Affiliates to Buyer promptly upon the receipt thereof, net of any insurance premiums, retroactive premiums, premium adjustments and any out-of-pocket costs or expenses associated with the collecting such proceeds.

5.6 Exclusivity. From the date of this Agreement until the earlier of the Closing or the termination of this Agreement (the "Exclusivity Period"), the Sellers shall not, and shall cause their respective Subsidiaries and Representatives not to, directly or indirectly, discuss, pursue, solicit, initiate, participate in, facilitate, knowingly encourage or otherwise enter into any discussions, negotiations, agreements or other arrangements regarding or which could lead to, a possible sale or other disposition (whether by merger, reorganization, recapitalization or otherwise) of all or any part of the Business with any other Person other than the Buyer or its Subsidiaries (an "Acquisition Proposal") or provide any information to any Person other than the Buyer and its Subsidiaries and Representatives in connection with, or that would reasonably be expected to lead to, any Acquisition Proposal. During the Exclusivity Period, the Sellers will, and each will cause their respective Subsidiaries and Representatives to (A) immediately cease and cause to be terminated any existing discussions or negotiations with any Persons (other than Buyer) conducted heretofore with respect to any Acquisition Proposal, (B) terminate all physical and electronic data room access previously granted to any Person or its Representatives, and (C) promptly request each Person that has executed a confidentiality agreement in the last twelve (12) months with respect to an Acquisition Proposal to return or destroy all information heretofore furnished by such Person or its Representatives by or on behalf of the Sellers.

5.7 Further Assurances. After the date of this Agreement, but prior to the Closing, the Parties will cooperate to identify any other assets or liabilities, if any, that the Parties mutually agree are required for the operation of the Business and shall update Schedules I, II, III, IV and V to this Agreement accordingly.

5.8 Access and Information. From the date hereof until the earlier of the Closing Date and the termination of this Agreement in accordance with its terms, the Buyer and its Affiliates shall be entitled, including through its and their Representatives, to make such investigation of the Transferred Assets, Assumed Liabilities and services to be provided pursuant to the Transition Services Agreement and the MNSA and such examination of the Records to the extent related thereto, and to receive such information, including financial information (including the information set forth on Schedule VI), as it reasonably requests and to make extracts and copies of such Records, including reasonable access to customary supporting information, data and documentation necessary for the preparation of the Buyer's

financial reports. Any such investigation and examination shall be conducted after reasonable advance notice under reasonable circumstances and shall be subject to any restrictions under applicable Law and this Agreement. The Sellers shall, and shall cause their controlled Affiliates and Representatives to, cooperate with the Buyer and its Affiliates and their Representatives in connection with such investigation and examination, and the Buyer and its Affiliates and Representatives shall cooperate with the respective Representatives of the Sellers and shall use their reasonable best efforts to minimize any disruption to the business. This Section 5.8 shall not entitle Buyer or its Representatives to contact any Third Party doing business with Sellers, access the properties or Records of any such Third Party or access the properties of the Seller or its controlled Affiliates, in each case without Seller's prior written consent. No investigation or notice under this Section 5.8 or otherwise shall (i) alter any representation or warranty given hereunder by Sellers, any condition to the obligations of the Parties under this Agreement or Buyer's right to indemnification hereunder or (ii) modify any section of the Disclosure Schedules. Notwithstanding anything to the contrary set forth in this Section 5.8, in no event shall the Sellers be required to prepare any financial statements with regard to the Business, the Transferred Assets or the Assumed Liabilities, whether prior to or following the Closing.

5.9 Financing; Financing Cooperation.

(a) The Buyer shall have sufficient funds available to it at the Closing to satisfy the payment of the Purchase Price in full. In the event that the Buyer determines, in its sole discretion, to arrange or obtain any financing to provide funds in connection with the transactions contemplated by this Agreement (the "Financing"), (i) the Buyer shall use, and shall cause its Affiliates to use, its and their reasonable best efforts to ensure that the Financing is available at Closing and (ii) the Sellers shall provide, and shall cause their respective controlled Affiliates and Representatives to provide to the Buyer reasonable assistance and cooperation as is reasonably requested by the Buyer in connection with arranging, obtaining and syndicating the Financing, as necessary, including assisting the Buyer with preparation of customary documents and other materials reasonably necessary in connection with the Financing. Notwithstanding anything to the contrary set forth in this Section 5.9, in no event shall the Sellers be required to prepare any balance sheet, cash flow statement, income statement or statement of stockholder's equity with regard to the Business, the Transferred Assets or the Assumed Liabilities, whether prior to or following the Closing.

(b) Notwithstanding the foregoing, the Buyer agrees that (i) on the earlier of the Closing Date or the termination of this Agreement, the Buyer shall promptly reimburse the Sellers for all documented out-of-pocket Third Party costs and expenses incurred by the Sellers in connection with such cooperation pursuant to this Section 5.10; and (ii) the Buyer shall indemnify and hold harmless the Sellers and their respective Affiliates and their respective Representatives from and against any and all Liabilities, Losses, damages, claims, costs, expenses, interest, awards, judgments and penalties suffered or incurred in connection with the arrangement of the Financing or any assistance or activities provided in connection therewith. Notwithstanding anything to the contrary herein, it is understood and agreed that the condition precedent set forth in Section 9.2(b), as applied to the Sellers' obligations under this Section 5.9, shall be deemed to be satisfied unless the Financing has not been obtained as a direct result of the Sellers' Willful Breach of its obligations under this Section 5.9.

(c) The Buyer understands and acknowledges that under the terms of this Agreement, the Buyer's obligation to consummate the transactions hereunder is not in any way contingent upon or otherwise subject to the Buyer's consummation of any financing

arrangements, the Buyer's obtaining of any financing or the availability, grant, provision or extension of any financing to the Buyer. For the avoidance of doubt, if any such financing has not been obtained, the Buyer shall continue to be obligated, until such time as this Agreement is terminated in accordance with its terms and subject to the satisfaction or waiver of the conditions set forth in Article 9, to consummate the transactions contemplated by this Agreement.

5.10 Notice of Developments. Prior to the Closing and subject to applicable Laws and as required by any Governmental Authority, Sellers and Buyer shall each keep the other reasonably apprised of the status of matters relating to consummation of the Transaction, including promptly furnishing the other with copies of material notices or other material communications received by Buyer or Sellers, as the case may be, or any of their respective Subsidiaries, from any Third Party and/or any Governmental Authority with respect to the Transaction. Prior to the Closing, each Party shall notify the other Party in writing reasonably promptly after becoming aware of (a) any event, circumstance, fact or occurrence arising subsequent to the date of this Agreement which would result in any material breach of any representation, warranty or covenant of any Party in this Agreement or which could have the effect of making any representation or warranty of the any Party in this Agreement untrue or incorrect in any material respect or (b) any other material developments affecting the Transferred Assets or the Assumed Liabilities.

5.11 Additional Covenants.

(a) Between the date hereof and the Closing, the Sellers will provide to the Buyer no later than ten (10) Business Days after the first (1st) day of each calendar month, an Example Net Working Capital Statement as of the last day of the calendar month immediately preceding such month. Such monthly Example Net Working Capital Statements shall be prepared in accordance with the Agreed Accounting Principles and will be presented in a format that is substantially similar to the format of the Example Net Working Capital Statement.

(b) Between the date hereof and the Closing, the Sellers will provide to the Buyer no later than ten (10) Business Days after the first (1st) day of each calendar month, a list of Inventory identified by SKU and compatibility with the NTM Network as of the first (1st) day of such calendar month, as well as a list of purchase orders and accounts payable outstanding (together with the amount of Inventory by SKU under each such purchase order and account payable outstanding). On or prior to the date that is five (5) days prior to the Closing Date, the Buyer shall provide written notice to the Sellers identifying the type of Inventory by SKU and compatibility with the NTM Network that the Buyer wishes to reject any or all Inventory of such type held by the Sellers as of the Closing Date (including the amount of such Inventory to be accepted) (and any or all purchase orders and accounts payable in respect of any Inventory by SKU) (such inventory and purchase orders, the "Rejected Inventory") shall be deemed rejected, shall not be included in the Transferred Assets and shall not be included for purposes of calculating the Net Working Capital as set forth in the NWC Statement. Following the Closing Date, the Buyer may purchase from the Sellers, at a price equal to the value that would have been set forth in the calculation of Net Working Capital had such Inventory not been deemed Rejected Inventory, all or a portion of Rejected Inventory, to the extent that the Seller has not already sold or committed to sell the Rejected Inventory to a Third Party.

5.12 Certain Commercial Relationships. Prior to the Closing Date, the Buyer and the Sellers shall discuss and negotiate in good faith such updates and modifications to the Annexes to the Transition Services Agreement as may be mutually agreed by the Parties; it being understood that to the extent that updates and modifications cannot be agreed, the Annexes in the form attached to this Agreement shall be the Annexes to the Transition Services Agreement to be executed by the parties thereto. The Parties shall take such actions set forth on Schedule 5.12 with respect to certain commercial arrangements between the Parties.

5.13 Cooperation Regarding Onboarding. Subject to applicable Law, between the date of this Agreement and the earlier of the Closing Date and the termination of this Agreement, the Sellers shall use reasonable best efforts to cooperate with and make appropriate employees and contractors reasonably available to the Buyer to assist the Buyer, at the Buyer's expense in respect of actual out-of-pocket onboarding costs, to plan and implement necessary and appropriate policies, procedures and other arrangements in connection with the transition of ownership of the Business and onboarding to TMUS's billing and operational systems (as set forth in Section 4.1 to Annex 2 of the MNSA).

ARTICLE 6
EMPLOYEE MATTERS

6.1 Offer of Employment.

(a) No later than forty (40) days prior to the Closing Date, Sellers shall provide Buyer with a list of the annual base salaries or base wages (as applicable), commission opportunities and hire dates (or service recognition dates, if different) of all Business Employees. At least thirty (30) days prior to the Closing Date, the Buyer shall offer employment, effective as of the Closing Date, to each employee of the Business set forth on Schedule 6.1 (each, a "Business Employee") who is actively employed (including any Business Employee on vacation, holiday, jury duty, approved leave of absence or other similar absence) immediately prior to the Closing Date. For any Business Employee who is on short-term or long-term disability immediately prior to the Closing Date, at least thirty (30) days prior to the Closing Date, the Buyer shall offer employment to such Business Employee, effective as of the date on which such Business Employee returns to active employment following the Closing (provided that such return to active employment occurs within twelve (12) months following the Closing Date). In each case, such offer of employment by the Buyer shall provide, for at least the twelve (12) month period following the Closing Date, for (i) job responsibilities and duties that are substantially comparable to each such Business Employee's job responsibilities and duties immediately prior to the Closing Date, (ii) the compensation and benefits set forth in Section 6.3 and (iii) with a job location that is no more than 50 miles from the applicable Business Employee's job location immediately prior to the Closing, with such employment to be effective as of 12:01 a.m. (U.S. Eastern Time) on the Closing Date (or, for employees on short-term or long-term disability leave as of immediately prior to the Closing, such later date as described above). All such employees to whom the Buyer offers employment and who accept such employment are herein referred to as the "Transferred Employees". Effective as of 12:01 a.m. (U.S. Eastern Time) on the Closing Date (or, for employees on short-term or long-term disability leave as of immediately prior to the Closing, such later date as described above), each Transferred Employees shall terminate employment with the Sellers and any of their respective Affiliates, and, except as provided in Section 6.7, Sellers and their Affiliates shall be responsible for any severance or separation benefits that become due to any Transferred Employee as a result of his or her termination by Sellers or their Affiliates on the Closing Date.

(b) No later than twenty (20) days prior to the Closing, Buyer shall provide Sellers with a list of the base salaries or base wages (as applicable) and commission opportunities set forth in Buyer's offers of employment to the Business Employees. In addition, Buyer shall promptly provide Sellers with written notice of any Business Employee who rejects Buyer's offer of employment (but in no event more than two (2) Business Days after Buyer receives notice of such rejection from such Business Employee).

6.2 Seller Benefit Plans. Effective as of 12:01 a.m. (U.S. Eastern Time) on the Closing Date (or, for employees on short-term or long-term disability leave as of the Closing, such later date as described above in Section 6.1), each Transferred Employee shall cease all active participation in and accrual of benefits under all Plans (other than the Retention Agreements). For purposes of Sections 6.4 through 6.7 below, references to the Closing or the Closing Date shall mean, with respect to employees on short-term or long-term disability leave as of immediately prior to the Closing, such later date as described above in Section 6.1.

6.3 Benefit Levels. For a period of twelve (12) months following the Closing Date, the Buyer shall cause each Transferred Employee to be provided with (i) a base salary or base wage and commission opportunities that are no less favorable, in the aggregate, than those in effect immediately prior to the Closing Date, and (ii) other benefits that are no less favorable, in the aggregate, than the benefits provided to similarly situated employees of the Buyer or its subsidiaries as in effect from time to time. Without limiting the immediately preceding sentence (or any other provision hereof), for the twelve (12)-month period following the Closing Date, the Buyer shall provide, or cause to be provided, to each Transferred Employee severance payments and severance benefits that are no less favorable than the greater of (i) the severance payments and severance benefits that were provided to such employee as of immediately prior to the Closing Date and (ii) the severance payments and severance benefits that are provided to similarly-situated Buyer employees from time to time.

6.4 Service Credit. The Buyer shall cause each Transferred Employee to be credited with his or her years of service with Sellers and their Affiliates prior to the Closing for all purposes under each employee benefit plan, program, arrangement or policy established, sponsored, maintained or contributed to by the Buyer or any of its Affiliates in which the Transferred Employees are eligible to participate on or after the Closing Date (collectively, the "Buyer Plans"), to the same extent as such Transferred Employee was entitled to credit for such service under comparable Plans immediately prior to the Closing, except for benefit accrual under defined benefit pension plans, for purposes of qualifying for subsidized early retirement benefits or to the extent that providing such credit would result in a duplication of benefits. For clarity, the Buyer and its Affiliates shall recognize the Transferred Employees' service with the Sellers or any of their Affiliates (and their predecessors) prior to the Closing for the purposes of (i) accruals and usage of vacation and paid-time-off following the Closing and (ii) all other employment and service related entitlements and benefits.

6.5 Terms of Coverage. The Buyer shall cause each Transferred Employee to be immediately eligible to participate, without any waiting time, in any and all Buyer Plans that are welfare benefit plans, to the extent coverage under such Buyer Plan replaces coverage under a comparable Plan in which such Transferred Employee participated immediately prior to the Closing. In addition, for purposes of each Buyer Plan providing medical, dental, pharmaceutical and/or vision benefits, the Buyer shall (i) waive, or cause to be waived, any limitations on benefits relating to pre-existing conditions and actively-at-work requirements for each Transferred Employee and his or her covered spouse, domestic partner or other dependent thereof, and (ii) take into account or cause to be taken into account any eligible

expenses incurred by each Transferred Employee (and his or her covered spouses and dependents) for any co-payments, deductibles, or other out-of-pocket expenses paid by such Transferred Employee or covered spouse, domestic partner or dependent under any comparable Plan during the plan year in which the Closing occurs as if such amounts had been paid under such Buyer Plan.

6.6 401(k) Plan Benefits. Effective no later than the Closing Date, the Buyer shall establish or designate a defined contribution plan that includes a qualified cash or deferred arrangement within the meaning of Section 401(k) of the Code (and a related trust exempt from tax under Section 501(a) of the Code) (the "Buyer 401(k) Plan"). Each Transferred Employee shall be immediately eligible to participate in the Buyer 401(k) Plan as of the Closing Date. The Buyer 401(k) Plan shall (no later than the Closing Date) accept rollover distributions of "eligible rollover distributions" (within the meaning of Section 401(a)(31) of the Code) from the 401(k) Plan(s) (including promissory notes evidencing any outstanding loans). To the extent that any such rollover includes a promissory note, the Buyer agrees to expedite the acceptance of such rollovers by the Buyer 401(k) Plan in order to avoid loan defaults.

6.7 Liability. Subject to Section 6.1, and without limiting any other provision of this Agreement, effective as of 12:01 a.m. (U.S. Eastern Time) on the Closing Date, the Buyer shall be solely responsible for any severance or separation benefits that become due (a) to any Transferred Employee as a result of his or her termination by the Buyer after the Closing or (b) to any Business Employee as a result of the Buyer's failure to offer employment to or continue the employment of such Business Employee on terms consistent with this Article 6 and in accordance with applicable Law.

6.8 Retention Incentives. The Buyer shall, or shall cause its Affiliates to, assume and honor the retention incentive arrangements set forth on Schedule 6.8 (the "Retention Agreements") and shall pay the retention bonuses thereunder to the applicable Transferred Employees as and when they become due in accordance with the terms of such Retention Agreements, subject to any required withholding for applicable Taxes.

6.9 Transaction Bonuses. The Sellers shall, or shall cause one or more of their Affiliates to, pay any earned Transaction Bonuses to the applicable Transferred Employees through a Seller's or its Affiliate's payroll system, subject to any required withholding for applicable Taxes, as and when such Transaction Bonuses become due and payable in accordance with their terms following the Closing. In order to facilitate the payment of such Transaction Bonuses, no later than five (5) Business Days prior to the applicable payment date(s), the Buyer shall, or shall cause one of its Affiliates to, deliver to the Sellers (together with any other information reasonably requested by Sellers that is necessary to determine whether such Transaction Bonuses have become payable) a list of the Transferred Employees who have remained in employment with the Buyer or an Affiliate thereof through the applicable retention date and are eligible to receive Transaction Bonuses (to the extent that such Transaction Bonuses otherwise become earned and payable to the Transferred Employees pursuant to their terms).

6.10 WARN Act. The Buyer shall be solely responsible for complying with the WARN Act and any similar applicable Law requiring notice of plant closings, relocations, mass layoffs, reductions in force or similar actions (and for any failures to so comply), in any case, applicable to the Business Employees as a result of any action by the Buyer and its Affiliates after the Closing. The Buyer shall indemnify and hold harmless the Sellers and their Affiliates

against any and all Liabilities arising in connection with any failure to comply with the requirements of this Section 6.10.

6.11 No Third Party Beneficiaries. The provisions of this Article 6 are solely for the benefit of the respective Parties to this Agreement and nothing in this Article 6, express or implied, shall confer upon any employee (or any dependent or beneficiary thereof), any rights or remedies, including any right to continuance of employment or any other service relationship with the Buyer, the Sellers or any of their Affiliates, or any right to compensation or benefits of any nature or kind whatsoever under this Agreement. Nothing in this Article 6, express or implied, shall: (i) interfere with the right of the Buyer or its Affiliates to terminate the employment or other service relationship of any Transferred Employee at any time, or (ii) obligate the Buyer or its Affiliates to adopt, enter into or maintain any Plan or other compensatory plan, program or arrangement at any time.

ARTICLE 7
TAX MATTERS

7.1 Mutual Cooperation. The Sellers and the Buyer shall, solely with respect to the Businesses and the Transferred Assets, at the other Party's expense (a) each provide the other with such assistance as may reasonably be requested by either of them in connection with the preparation of any Tax Return, or the defense of any audit or other examination by any Taxing Authority or any judicial or administrative Proceeding with respect to Taxes, and (b) each retain and provide the other with any records or other information which the other may reasonably request that are relevant to such Tax Return, audit, examination or Proceeding. Without limiting the generality of the foregoing, the Buyer and Sellers shall retain, until the applicable statutes of limitations (including any extensions) have expired, copies of all Tax Returns, supporting work schedules and other records or information, if any, that may be relevant to such returns for all taxable periods or portions thereof ending before or including the Closing Date.

7.2 Payroll Tax Reporting. The Buyer and the Sellers agree that for the taxable year that includes the Closing Date, they will follow the Standard Procedure of Rev. Proc. 2004-53, 2004-34 IRB 320, so that each of the Buyer and the Sellers shall be responsible for employment tax reporting with respect to the wages and other compensation that it pays to Transferred Employees for such calendar year.

7.3 Allocation of Certain Taxes. In the case of any taxable period that begins on or before the Closing Date and ends thereafter (each a "Straddle Period"), any real property, personal property, improvement, assessment, special assessment, ad valorem and similar Taxes with respect to the Transferred Assets (such Taxes, "Covered Taxes") for such Straddle Period shall be allocated (a) to the portion of such Straddle Period ending on the Closing Date in an amount equal to the total amount of such Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of days in the portion of the Straddle Period ending on (and including) the Closing Date and the denominator of which is the number of days in the entire Straddle Period, and shall be an Excluded Liability, and (b) to the portion of such Straddle Period beginning after the Closing Date in an amount equal to the total amount of such Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of days in the portion of the Straddle Period after the Closing Date and the denominator of which is the number of days in the entire Straddle Period, and shall be an Assumed Liability; provided, that, the amount of such Covered Taxes shall be determined without regard to any actions taken by the Buyer (or its Affiliates) or other events occurring

after the Closing. The Sellers shall be liable and responsible for the proportionate amount of such Covered Taxes that is attributable to the portion of any Straddle Period ending on the Closing Date, and the Buyer shall be liable and responsible for the proportionate amount of such Covered Taxes that is attributable to the portion of any Straddle Period beginning after the Closing Date. Upon receipt of any bill for any such Covered Taxes, the Buyer or the Sellers, as applicable, shall present a statement to the other setting forth the amount of reimbursement to which each is entitled under this Section 7.3 (taking into account the amounts of Covered Taxes, if any, that the Buyer or the Sellers remitted to a Governmental Authority for any taxable period (or portion thereof) for which the other is responsible pursuant to this Section 7.3), together with such supporting evidence as is reasonably necessary to calculate the proration and reimbursement amount. The proration amount shall be paid by the Party owing it to the other within ten (10) days after delivery of such statement, absent manifest error. The Party that has the primary obligation to do so under applicable Law shall file any Tax Return that is required to be filed in respect of Taxes described in this Section 7.3. The Parties will cooperate and act in good faith to minimize the amount of Covered Taxes.

7.4 Transfer Taxes. All transfer, documentary, sales, use, registration, value-added and other similar Taxes (including any penalties, interest and additions to Tax) incurred in connection with this Agreement, the Ancillary Agreements, the Transaction or the other transactions contemplated hereby and thereby (collectively, "Transfer Taxes") shall be borne and timely paid fifty percent (50%) by the Buyer and fifty percent (50%) by the relevant Seller. Buyer and such Seller shall each, at its own expense, timely file any Tax Return or other document required to be filed by it with respect to such Transfer Taxes, and Buyer and Seller shall cooperate in the preparation and filing of any Tax Returns that must be filed in connection with any Transfer Taxes. Each Party shall use reasonable best efforts to cooperate upon request as reasonably necessary to minimize the amount of any Transfer Taxes or fees applicable to the Transaction.

ARTICLE 8
INTELLECTUAL PROPERTY MATTERS

8.1 IP Transfers.

(a) Prior to the Closing Date, the Sellers shall rebrand prepaid customer accounts using the Sprint brand as customers of the Boost Business.

(b) On the Closing Date, the Buyers will: (i) initiate all domain name transfers for domain names included in the Transferred Intellectual Property with the domain name registrar; and (ii) file the Short-Form IP Assignment Agreement for Registered Intellectual Property that is included in the Transferred Intellectual Property with the applicable Governmental Authorities. Seller shall, and shall cause their Subsidiaries to, execute any additional documents and do other acts that are, in each case, reasonably requested by Buyer in order to effectuate and record the transfer of the Transferred Intellectual Property to Buyer.

(c) The Company shall use its reasonable best efforts to assign to the Buyer that certain Second Amended and Restated Trademark License Agreement by and between Virgin Enterprises Limited and Virgin Mobile USA, LP dated July 27, 2009 (the "Virgin License"). The Buyer shall be responsible for any or all Liabilities arising from its (or its Affiliates') direct or indirect breach of the Virgin License after the Closing Date; provided that the Company shall be responsible for any or all Liabilities arising from its (or its Affiliates') direct or indirect breach of the Virgin License after the Closing Date in connection with any

sublicense granted by Buyer to the Company pursuant to the following sentence. If the Virgin License is assigned to Buyer and to the extent permitted by the terms of the Virgin License, the Buyer shall non-exclusively sublicense the Virgin License back to the Company for a period of twelve (12) months following the Closing solely to allow notice to the applicable Governmental Authorities to remove the Virgin Mark from the Assurance Lifeline brand. Such sublicense shall be subject to other terms and conditions (e.g., quality control) to be negotiated in good faith between the Buyer and the Company.

(d) Except as provided in Section 8.1(b), the Parties acknowledge that, from and after the Closing Date, the Sellers shall have no duties or obligations to renew, support, or otherwise maintain any trademark applications or registrations (including any domain name registrations or associated DNS configurations) included in the Transferred Intellectual Property.

8.2 Use of Retained Marks. From and after the Closing, neither the Buyer nor any of its Affiliates shall in any way adopt, use, seek to use, apply to register or register any Retained Mark on or in connection with any product, service, or Marks. In no event shall the Buyer or any of its Affiliates use any such Retained Mark after the Closing in any way, including in any manner likely to cause confusion, or to cause mistake or to deceive as to the affiliation, connection, or association of the Buyer or any Affiliate of the Buyer, or as to the origin, sponsorship, or approval of such products or services.

8.3 Trade Secret License. Effective as of the Closing, the Company hereby grants, on behalf of themselves and their Subsidiaries, to Buyer and its Affiliates, an irrevocable, perpetual, worldwide, royalty-free, fully paid-up right and license to use and otherwise exploit solely in connection with the operation of the Business (including the conduct of the Business by Buyer and its Affiliates) all Trade Secrets that are (a) owned by the Company or any of its Subsidiaries, (b) used in connection with the Business as conducted as of the Closing Date (other than any aspect of the operation of the Business that is provided by way of services pursuant to the Transition Services Agreement or MNSA), and (c) not included in the Transferred Intellectual Property. Buyer or any of its Affiliates may sublicense any of the rights granted pursuant to this Section 8.3 (i) to any of its contractors, channel partners, resellers, or suppliers, in each case, solely in connection with the operation of the Business (including the conduct of the Business by Buyer and its Affiliates), or (ii) in connection with any divestiture of the Business (including the conduct of the Business by Buyer and its Affiliates), or any portion thereof, to a Third Party. All Trade Secrets licensed pursuant to this Section 8.3 shall be treated as Confidential Information subject to the confidentiality provisions of Section 12.1(b) and the Buyer will cause any sublicensee of such Trade Secrets to be bound by confidentiality obligations at least as favorable for the benefit of the Sellers.

ARTICLE 9
CONDITIONS TO CLOSING

9.1 Conditions to the Obligations of the Sellers and the Buyer. The obligation of the Sellers and the Buyer to consummate the Transaction is subject to the satisfaction (or, to the extent permitted by applicable Law, waiver by the Sellers and the Buyer), as of the Closing, of the following conditions:

(a) NTM Merger. The NTM Merger shall have been consummated in accordance with the terms of the NTM Merger Agreement;

(b) Regulatory Approvals. (i) The DOJ shall have approved the terms of the Transaction as prescribed in any DOJ Final Judgment, (ii) the DOJ Consent and the FCC Consent shall have been obtained, (iii) the FCC 214 Approval shall have been obtained, (iv) the FCC MNSA Approval shall have been obtained and (v) any required approvals by state public utility authorities shall have been obtained; and

(c) No Legal Restraint. No applicable Law enacted, modified, supplemented or amended after the date of this Agreement or Governmental Order enacted, entered, promulgated, enforced or issued by, or executed with, any Governmental Authority that prevents or, with respect to any Governmental Order, restrains the Transaction shall be in effect.

9.2 Conditions to the Obligations of the Buyer. The obligation of the Buyer to consummate the Transaction is further subject to the satisfaction (or, to the extent permitted by applicable Law, waiver by the Buyer), as of the Closing, of the following conditions:

(a) Representations and Warranties. (i) The representations and warranties of the Sellers set forth in Article 3 (other than the Seller Fundamental Representations and Section 3.8(b)) shall be true and correct (without giving effect to any qualifications or limitations contained therein as to materiality or Material Adverse Effect, as of the date of this Agreement and as of the Closing Date as though made as of such time, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct as of such earlier date), in each case, other than for failures of such representations and warranties of the Sellers to be so true and correct which do not have or are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect and (ii) the Seller Fundamental Representations and Section 3.8(b) shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date);

(b) Covenants. The covenants and obligations that the Sellers are required to perform prior to the Closing shall have been duly performed and complied with by the Sellers in all material respects;

(c) The Sellers shall have taken all actions required to enable Buyer to, and from and after the Closing the Buyer shall, have the ability to provision any new or existing customer of the Business holding a compatible handset device onto the NTM Network pursuant to the terms of the MNSA.

(d) The Buyer shall have received at the Closing a certificate signed on behalf of the Sellers by an executive officer of each of TMUS and Sprint to the effect that the conditions set forth in Section 9.2(a) and Section 9.2(b) have been satisfied; and

(e) The Buyer shall have received each of the deliveries set forth in Section 10.2(a) required to be delivered to Buyer or any of its Affiliates.

9.3 Conditions to the Obligations of the Sellers. The obligation of the Sellers to consummate the Transaction is further subject to the satisfaction (or, to the extent permitted by applicable Law, waiver by the Sellers), as of the Closing, of the following conditions:

(a) Representations and Warranties. (i) The representations and warranties of the Buyer set forth in Article 4 (other than the Buyer Fundamental Representations) shall be true and correct (without giving effect to any qualifications or limitations contained therein as to materiality or Buyer Material Adverse Effect, as of the date of this Agreement and as of the Closing Date as though made as of such time, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct as of such earlier date), in each case, other than for failures of such representations and warranties of the Buyer to be so true and correct which do not have or are not reasonably likely to have, individually or in the aggregate, a Buyer Material Adverse Effect and (ii) the Buyer Fundamental Representations shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date);

(b) Covenants. The covenants and obligations that the Buyer is required to perform at or prior to the Closing shall have been duly performed and complied with by the Buyer in all material respects (except that the obligations of the Buyer set forth in Section 10.2(b)(i) shall have been performed in all respects);

(c) The Seller shall have received at the Closing a certificate signed on behalf of the Buyer by an executive officer of Buyer to the effect that the conditions set forth in Section 9.3(a) and Section 9.3(b) have been satisfied; and

(d) The Sellers shall have received each of the deliveries set forth in Section 10.2(b) required to be delivered to Sellers or any of its Affiliates.

ARTICLE 10
CLOSING

10.1 Closing. Subject to the terms and conditions of this Agreement, the closing of the Transaction (the "Closing") shall take place at the offices of Latham & Watkins LLP, 885 Third Avenue, New York, New York 10022, at 10:00 a.m. (U.S. Eastern Time) on the first (1st) Business Day of the month immediately following the month in which all conditions set forth in Article 9 have been satisfied or waived by the Party entitled to the benefit thereof (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at the Closing) (the "Month Start Date"), provided, however, that if Month Start Date would occur after the date on which any Regulatory Approval requires the Closing to occur, then the Closing shall occur on the last Business Day specified by such Regulatory Approval. The date on which the Closing actually occurs is referred to in this Agreement as the "Closing Date". The Closing shall be deemed effective as of 12:01 a.m. (U.S. Eastern Time) on the Closing Date.

10.2 Deliverables.

(a) At the Closing, the Sellers shall deliver, or cause to be delivered, to the Buyer:

(i) a counterpart of a bill of sale and assignment and assumption agreement in order for the Buyer or its Affiliate to assume and undertake the obligations to pay, perform and discharge, as and when due, the Assumed Liabilities and in order for the Sellers to assign to the Buyer or its Affiliate all of each Seller's right, title and interest in and to the Transferred Assets, in in form and substance reasonably acceptable to the Buyer and the Sellers (the "Bill of Sale and Assignment and Assumption Agreement"), duly executed by the applicable Sellers or Affiliates thereof;

(ii) a counterpart of each Transition Services Agreement, duly executed by the applicable Seller or an Affiliate thereof;

(iii) a counterpart of the MNSA, duly executed by the Sellers or Affiliates thereof;

(iv) a counterpart of the Spectrum Purchase Agreement, duly executed by the Sellers or Affiliates thereof;

(v) a counterpart of the Site Option Agreement, duly executed by the Sellers or Affiliates thereof;

(vi) a counterpart of the Short-Form IP Assignment Agreement, duly executed by the Sellers or Affiliates thereof; and

(vii) an IRS Form W-9 duly executed by each Seller.

(b) At Closing, the Buyer shall deliver to the Sellers:

(i) the Purchase Price (excluding any adjustment for Net Working Capital), by wire transfer of immediately available funds to the account(s) designed by the Sellers prior to the Closing Date;

(ii) a counterpart of each Transition Services Agreement, duly executed by Buyer;

(iii) a counterpart of the MNSA, duly executed by Buyer;

(iv) a counterpart of the Spectrum Purchase Agreement, duly executed by Buyer;

(v) a counterpart of the Site Option Agreement, duly executed by Buyer;

(vi) a counterpart of the Bill of Sale and Assignment and Assumption Agreement; and

(vii) a counterpart of the Short-Form IP Assignment Agreement, duly executed by Buyer.

ARTICLE 11
TERMINATION

11.1 Termination. This Agreement may be terminated at any time before the Closing and the Transaction abandoned:

(a) by the mutual written consent of the Buyer and the Sellers;

(b) by written notice to the Sellers from the Buyer if:

(i) there is any material breach of any representation, warranty, covenant or agreement set forth in this Agreement on the part of the Sellers, such that the conditions specified in Section 9.1 or Section 9.2 would not be satisfied at the Closing (a "Terminating Sellers Breach"), except that, if such Terminating Sellers Breach is curable by the Sellers through the exercise of their reasonable best efforts, then, for a period of up to forty-five (45) days after receipt by the Sellers of notice from the Buyer of such Terminating Sellers Breach (the "Sellers Cure Period"), such termination shall not be effective, and such termination shall become effective only if (A) the Terminating Sellers Breach is not cured within the Sellers Cure Period or (B) the Terminating Sellers Breach is incapable of being cured during the Sellers Cure Period; provided that this right of termination shall not be available to the Buyer if the Buyer is in material breach of any of its representations, warranties, covenants or agreements contained in this Agreement; or

(ii) the Closing has not occurred on or before the earlier to occur of (x) the date that is twelve (12) months after the date of this Agreement and (y) the Termination Date; provided, however, that the right to terminate this Agreement pursuant to this Section 11.1(b)(ii) shall not be available to the Buyer if the Buyer's failure to comply with its obligations under this Agreement has materially contributed to the failure of the Closing to occur before such date; provided, further, that, if the Termination Date falls during a Sellers Cure Period, the Termination Date shall automatically be extended until the end of such Sellers Cure Period;

(c) by written notice to the Buyer from either Seller if:

(i) there is any material breach of any representation, warranty, covenant or agreement set forth in this Agreement on the part of the Buyer, such that the conditions specified in Section 9.1 or Section 9.3 would not be satisfied at the Closing (a "Terminating Buyer Breach"), except that, if any such Terminating Buyer Breach is curable by the Buyer through the exercise of its reasonable best efforts, then, for a period of up to forty-five (45) days after receipt by the Buyer of notice from the Sellers of such Terminating Buyer Breach (the "Buyer Cure Period"), such termination shall not be effective and such termination shall become effective only if (A) the Terminating Buyer Breach is not cured within the Buyer Cure Period or (B) the Terminating Buyer Breach is incapable of being cured during the Buyer Cure Period (it being understood and agreed that failure by the Buyer to consummate the Closing within five (5) Business Days of the date on which the Closing is required to occur pursuant to Section 10.1 shall be deemed a Terminating Buyer Breach that is incapable of being cured); provided that this right of termination shall not be available to the Sellers if the Sellers are in material breach of any of their representations, warranties, covenants or agreements contained in this Agreement; or

(ii) the Closing has not occurred on or before the Termination Date; provided, however, that the right to terminate this Agreement pursuant to this Section 11.1(c)(ii) shall not be available to the Sellers if either (i) the Sellers' failure to comply with their obligations under this Agreement has materially contributed to the failure of the Closing to occur before such date or (ii) the condition set forth in Section 9.2(c) has not been satisfied as of such date (only for so long as the condition set forth in Section 9.2(c) remains unsatisfied); provided, further, that, if the Termination Date falls during a Buyer Cure Period, the Termination Date shall automatically be extended until the end of such Buyer Cure Period;

(iii) if any Governmental Authority modifies or imposes a modification of the terms of the DOJ Final Judgment, this Agreement or the Ancillary Agreements and such modifications are not acceptable to the Sellers in their sole discretion, provided, that in the event that the Sellers enter into any definitive agreement or amendment approving such modification, or otherwise consent in writing to any such modification, that shall mean that such modification is acceptable in form and substance to the Sellers.

(d) by any Party by written notice to the other Parties if the NTM Merger has been validly terminated pursuant to the terms of the NTM Merger Agreement; or

(e) by written notice to the Buyer from the Sellers if the DOJ has informed the Sellers in writing that it will not grant the DOJ Consent, or if the DOJ withdraws or retracts the DOJ Consent and informs the Sellers that it will not re-grant the DOJ Consent.

11.2 Effect of Termination. Except as otherwise set forth in this Section 11.2 and except for the second sentence of Section 14.12, in the event of the termination of this Agreement pursuant to Section 11.1, this Agreement shall forthwith become void and have no effect, without any liability on the part of any Party or its Affiliates, officers, directors, members or stockholders, other than liability of a Party for any Willful Breach of this Agreement by such Party occurring prior to such termination.

ARTICLE 12
POST-CLOSING COVENANTS

12.1 Confidentiality.

(a) Effective as of the execution of this Agreement, Buyer and Sellers have entered into the Amended and Restated Confidentiality Agreement. The Buyer acknowledges effective upon, and only upon, the Closing, the Amended and Restated Confidentiality Agreement shall be automatically terminated and without further effect; provided, however, that notwithstanding the foregoing, each Party acknowledges that any and all other information provided to it by or on behalf of the other Party, any of their respective Affiliates or Representatives as concerning the disclosing party, their respective Affiliates (other than the Business) and the terms and conditions of this Agreement and the Ancillary Agreements shall remain subject to the confidentiality terms of the Confidentiality Agreement until the date that the Amended and Restated Confidentiality Agreement would have otherwise been terminated in accordance with its terms and provided, further, that the obligations not to disclose Transaction Information (as such term is defined in the Amended and Restated Confidentiality Agreement) to the individuals identified on Exhibit A of the Amended and Restated Confidentiality Agreement shall survive any termination thereof.

(b) From and after the Closing, the Parties agree that any information provided to the other Parties or their Representatives pursuant to the terms of this Agreement (including Section 5.8 or Section 12.2) or otherwise in connection with the Transaction (including the terms and conditions of this Agreement and the Ancillary Agreements, but, in the case of Buyer, excluding all Business Confidential Information that relates exclusively to the Business) (the "Confidential Information") shall be kept strictly confidential, and the Parties and their Representatives shall not disclose any such Confidential Information in any manner whatsoever, provided, however, that a Party may disclose any such Confidential Information to such of its Representatives who have been informed of the confidential nature of the information and have been instructed to comply with the terms of this Section 12.1(b) as if they were parties hereto (provided the Parties shall not disclose any pricing information under the MNSA to actual or potential debt and equity financing sources; provided, however, that the Buyer may share with such actual and potential debt and equity financing sources financial forecasts and models that reflect such pricing information on an aggregated line item basis), and Trade Secrets subject to Section 8.3 may be disclosed to sublicensees in accordance with Section 8.3. The term "Confidential Information" does not include information that: (i) is or becomes generally available to the public (other than as a result of a disclosure by a Party or any of its Representatives in breach of this Section 12.1(b)), (ii) (A) was within such receiving Party's possession prior to it being furnished or otherwise disclosed to such receiving Party hereunder or (B) thereafter becomes available to such receiving Party on a non-confidential basis from a source other than the disclosing Party or its Representatives, in either case of clause (A) or (B) without, to such receiving Party's knowledge, being subject to any contractual or other obligation of confidentiality to the disclosing Party or any of its Representatives with respect to such information, or (iii) is or was independently developed by the receiving Party or any of its Representatives without use of, reference to or reliance upon Confidential Information; provided that the foregoing exceptions (i)-(iii) shall not apply with respect to any Trade Secrets. In the event that a Party or any of its Representatives receives a request from a Governmental Authority of competent jurisdiction (by deposition, interrogatory, request for documents, order, subpoena, civil investigative demand or similar process) to disclose, or is otherwise required by Law or the rules of a national securities exchange to which it is subject, to disclose Confidential Information then the provisions of Paragraph 2.2 of the Amended and Restated Confidentiality Agreement shall apply to any such disclosure and are incorporated by reference into this Section 12.1(b), *mutatis mutandis*, as if they were set forth in their entirety herein. The confidentiality restriction set forth in this Section 12.1(b) shall expire with respect to any Confidential Information three (3) years after the date such Confidential Information is originally provided to a Party or its Representatives by another Party or its Representatives, provided that this Section 12.1(b) shall not expire (i) with respect to any Trade Secrets or (ii) with respect to the obligation not to disclose any pricing information under the MNSA.

(c) From and after the date of this Agreement, each of the Sellers shall not, and shall cause its Affiliates and its and their Representatives not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person other than authorized officers, directors, managers and employees of the Buyer or its Affiliates or use or otherwise exploit, any Business Confidential Information (x) in a manner that would reasonably be expected to be detrimental to the Business or (y) for the purposes of marketing or customer solicitation for the benefit of anyone other than the Business, the Buyer or its Affiliates. Each of the Sellers and their respective directors, officers, employees or Affiliates shall not have any obligation to keep confidential any Business Confidential Information if and to the extent disclosure thereof is specifically required by Law or requested by FCC staff in connection with the FCC MNSA Approval. To the extent legally permissible, such Seller shall notify the Buyer of its intention

to make such disclosure and provide a list of the Business Confidential Information that such Seller intends to disclose prior to making such disclosure. The Sellers agree to cooperate with the Buyer so that the Buyer may seek, at its sole cost and expense, an appropriate protective order. "Business Confidential Information" means any market studies and forecasts, competitive analyses, target markets, advertising techniques, pricing policies and information, customer lists, customer profiles, customer preferences, other trade secrets and any other documents embodying confidential and proprietary information to the extent related to the Business.

12.2 Access to Books and Records; Cooperation.

(a) From and after the Closing, each of the Sellers, the Buyer and their respective Affiliates shall retain the books, Records, documents, instruments, accounts, correspondence, writings, evidences, of title and other papers relating to the Business in their possession or control for at least seven (7) years following the Closing Date or for such longer period as may be required by Law or any applicable Governmental Order, and shall, and shall cause their respective Affiliates to provide the other Party and its Affiliates and Representatives reasonable access during regular business hours to such Records (including the right to receive hard or electronic copies thereof), including to the extent necessary to: (i) fully enforce, determine or exercise any rights or obligations in connection with the NTM Merger, or (ii) perform any mandatory obligations towards any Governmental Authorities, government-controlled entities, public international organizations, or non-governmental institutions whose employees are treated because of that status or otherwise as government officials under applicable Laws.

(b) From and after the Closing, the Buyer shall, and shall cause its Affiliates to, provide such assistance and cooperation to the Sellers and their respective Affiliates and Representatives as any Seller may reasonably request in relation to any Proceedings by or against any Seller or its Affiliates, including Proceedings relating to employee claims. The Sellers shall, and shall cause their respective Affiliates to, provide such assistance and cooperation at the Buyer's cost and expense to the Buyer and its Affiliates and Representatives as the Buyer may reasonably request in relation to required regulatory filings of Buyer or its Affiliates (including securities law filings) in respect of periods ending on or prior to the Closing (including providing such information, including financial information, as is reasonably requested and making extracts and copies of such Records, including reasonable access to customary supporting information, data and documentation necessary for the preparation of the Buyer's financial reports), in connection with any Proceedings, including Proceedings relating to employee claims, or to the extent reasonably necessary or advisable to operate the Business after the Closing. The respective Parties shall be entitled, at their sole cost and expense, to make copies of the Records to which they are entitled to access pursuant to this Section 12.2. Notwithstanding anything to the contrary set forth in this Section 12.2, in no event shall the Sellers be required to prepare any balance sheet, cash flow statement, income statement or statement of stockholders' equity with regard to the Business, the Transferred Assets or the Assumed Liabilities, whether prior to or following the Closing

12.3 Wrong-Pocket. If at any time during the five (5)-year period after the Closing:

(a) The Sellers or any of their respective Affiliates receives (i) any refund or other amount which is a Transferred Asset or is otherwise properly due and owing to the Buyer in accordance with the terms of this Agreement or (ii) any refund or other amount which is related to claims or other matters for which the Buyer is responsible hereunder, and which

amount is not an Excluded Asset, or is otherwise properly due and owing to the Buyer in accordance with the terms of this Agreement, the Sellers promptly shall remit, or shall cause to be remitted, such amount to the Buyer at the address set forth in Section 14.11, net of any out-of-pocket expenses and costs (including Taxes) incurred in connection with determining, collecting or obtaining such refund or other amount; or

(b) The Buyer or any of its Affiliates receives (i) any refund or other amount which is an Excluded Asset or is otherwise properly due and owing to the Sellers or any of their respective Affiliates in accordance with the terms of this Agreement, or (ii) any refund or other amount which is related to claims or other matters for which the Sellers are responsible hereunder, and which amount is not a Transferred Asset, or is otherwise properly due and owing to the Sellers or any of their respective Affiliates in accordance with the terms of this Agreement, the Buyer promptly shall remit, or shall cause to be remitted, such amount to the Sellers at the address set forth in Section 14.11, net of any out-of-pocket expenses and costs (including Taxes) incurred in connection with determining, collecting or obtaining such refund or other amount.

(c) If at any time after the Closing, the Buyer or any of its Subsidiaries shall receive or otherwise possess any asset or liability that should belong to the Sellers or any of their Affiliates pursuant to this Agreement, Buyer shall, except to the extent the asset is not transferable as provided in Section 12.3(e) promptly notify and transfer, or cause to be transferred, such asset or liability to the Sellers or any of their Affiliates. If at any time after the Closing, the Sellers or any of their respective Affiliates shall receive or otherwise possess any asset or liability that should belong to Buyer or any of its Subsidiaries pursuant to this Agreement, the Sellers shall, except to the extent the asset is not transferable as provided in Section 12.3(e), promptly notify and transfer, or cause to be transferred, such asset or liability to Buyer or any of its Subsidiaries. Prior to any such transfer of assets pursuant to this Section 12.3(c), the Sellers and the Buyer agree that the Person receiving or possessing such asset shall hold such asset in trust for the Person to whom such asset should rightfully belong pursuant to this Agreement.

(d) If at any time there exist (i) assets that any Party discovers were, contrary to the agreements among the Parties, by mistake or unintentional or other omission, transferred to Buyer or retained by Sellers or any of their respective Affiliates or (ii) Liabilities that any Party discovers were, contrary to the agreements among the Parties, by mistake or unintentional or other omission, assumed by Buyer or retained by Sellers or any of their respective Affiliates, then the Parties shall cooperate in good faith to effect the transfer or retransfer of such misallocated assets, and/or the assumption or reassumption of misallocated Liabilities, to or by the appropriate Person as promptly as practicable and shall not use the determination that remedial actions need to be taken to alter the original intent of the Parties with respect to the assets to be transferred to or Liabilities to be assumed by Buyer or retained by Sellers or any of their respective Affiliates. Each Party shall reimburse any other Party or make other financial adjustments or other adjustments to remedy any mistakes or omissions relating to any of the assets transferred or any of the Liabilities assumed or retained pursuant to this Section 12.3(d).

(e) Notwithstanding anything to the contrary in this Agreement or any Ancillary Agreement, neither this Agreement nor any Ancillary Agreement shall constitute an agreement to sell, assign, transfer, convey, deliver or assume any asset that would constitute a Transferred Asset if such asset is not transferable in accordance with applicable Law or with any requisite Consent. If the transfer or assignment of any asset intended to be transferred or

assigned hereunder is not consummated prior to or on the Closing Date, whether as a result of a prohibition on transfer due to a violation or breach of applicable Law or any other requisite Consent, then the Person retaining such asset shall thereafter hold such asset for the use and benefit, insofar as legally permitted and reasonably possible, of the Person entitled thereto until the consummation of the transfer or assignment thereof (or as otherwise mutually determined by the Parties). In addition, the Person retaining such asset shall use its reasonable best efforts to take such other actions as may reasonably be requested by the Person to whom such asset is to be transferred in order to place such Person, insofar as legally permitted and reasonably possible, in the same position as if such asset had been transferred as contemplated hereby and so that all the benefits and burdens relating to such asset, including possession, use, risk of loss, potential for gain, and dominion, control and command over such asset, are to inure from and after the Closing Date to the Person to whom such asset is to be transferred. Notwithstanding the foregoing, any such asset shall still be considered a Transferred Asset. This provision is intended, among other things, to cause all such assets that are considered Transferred Assets to be treated for all income tax and accounting purposes as if transferred as contemplated hereby, such that such assets are and will be, for all income tax and accounting purposes, owned by the Buyer, and the Parties will so treat such assets for all income tax and accounting purposes, except as required by Law. The Person retaining an asset due to the deferral of the transfer and assignment of such asset shall not be obligated, in connection with the foregoing, to expend any money or personnel in connection with the maintenance of the asset unless the necessary funds or expenses or costs associated with such maintenance are advanced by the Person to whom such asset is to be transferred, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by the Person to whom such asset is to be transferred; provided, however, that the Person retaining such asset shall, as promptly as practicable, provide notice to the Person to whom such asset is to be transferred of the amount of all such expenses and fees.

(f) Each Party hereto shall cooperate with each other Party hereto and shall set up procedures and notifications as are reasonably necessary or advisable to effectuate the transfers contemplated by this Section 12.3.

(g) For the avoidance of doubt, the transfer or assumption of any assets or Liabilities under this Section 12.3 shall be effected without any additional consideration payable by any Party hereto.

12.4 Transfer Formalities and Costs. Without limiting Section 14.1, all registration, filing and other formalities relating to or required for the transfer of the Transferred Assets shall be the sole responsibility of the Buyer. The Buyer shall pay all costs and expenses associated with or arising from the transfer of the Transferred Assets.

12.5 Insurance. Except as set forth in Section 2.3(b), from and after the Closing, the Business, the Transferred Assets and the Assumed Liabilities shall cease to be insured by Sellers' or their respective Affiliates' insurance policies or by any of their self-insurance programs or other similar arrangements, and Buyer (i) agrees to arrange for its own insurance policies (including self-insurance or similar arrangements funded directly or indirectly by Buyer or any of its Affiliates) with respect to the Business, the Transferred Assets and the Assumed Liabilities covering all periods from and after the Closing and (ii) without prejudice to any right to indemnification under this Agreement or any other Ancillary Agreement, agrees not to seek, through any means, to benefit from any of Seller's or its Affiliates' insurance policies which may provide coverage for claims relating in any way to the Business.

12.6 Non-Solicitation.

(a) From and after the Closing and until the eighteen (18)-month anniversary of the Closing Date, the Sellers shall not, and shall cause each of their respective Affiliates not to, directly or indirectly, solicit for employment or engagement, knowingly entice away, or hire or engage (whether as an employee, consultant, agent, contractor or otherwise) any Transferred Employee who is at or above a Consultant/Manager position; provided that the Sellers and their respective Affiliates shall not be precluded from soliciting, hiring or engaging any such person: (i) pursuant to a general solicitation of employment not targeted toward employees of the Buyer or its Affiliates, or (ii) whose employment or engagement, as applicable, with the Buyer or its Affiliates has been terminated at least six (6) months prior to such soliciting, hiring or engaging with the Sellers or their respective Affiliates.

(b) Scope. The Parties acknowledge that the restrictions contained in this Section 12.6(a) are reasonable in scope and duration in light of the nature, size and location of the Business. The Parties further acknowledge that the restrictions contained in this Section 12.6(a) are necessary to protect Buyer's significant investment in the Business, including investment in goodwill. It is the desire and intent of the Parties that the provisions of this Section 12.6(a) be enforced to the fullest extent permissible under applicable Law. If any part of this Section 12.6 is held to be excessively broad as to duration, scope activity or subject, such part will be construed by limited and reducing it so as to be enforceable to the maximum extent permitted under applicable Law.

12.7 Additional Post-Closing Covenants. The Parties shall take the actions described on Schedule 12.7.

ARTICLE 13
INDEMNIFICATION

13.1 Indemnification by the Sellers. From and after the Closing, subject to the limitations contained in this Article 13, the Sellers shall jointly and severally indemnify the Buyer and its Affiliates and their respective officers, directors, employees, agents successors and assigns (the "Buyer Indemnified Parties") in respect of, and hold each Buyer Indemnified Party harmless against any and all Losses incurred or suffered by such Buyer Indemnified Party resulting from, arising out of or relating to:

(a) any inaccuracy in any representation or warranty of the Sellers contained in Article 3 as of the date hereof or as of the Closing Date (except to the extent such representation or warranty speaks as of a particular date, in which case such inaccuracy shall be determined as of such particular date) (without giving effect to any Material Adverse Effect or other materiality qualification or any similar qualification contained or incorporated directly or indirectly in such representation or warranty);

(b) any breach or failure by the Sellers to perform any covenant or agreement of any Seller contained in this Agreement;

(c) any failure to collect in full any amount of accounts receivable included in the Final NWC Statement; or

(d) any Excluded Liabilities.

13.2 Indemnification by Buyer. From and after the Closing, subject to the limitations contained in this Article 13, the Buyer shall indemnify the Sellers and their respective Affiliates and their respective and their respective officers, directors, employees, agents, successors and assigns (the "Seller Indemnified Parties") in respect of, and hold each Seller Indemnified Party harmless against, Losses incurred or suffered by such Seller Indemnified Party resulting from or arising out of:

(a) any inaccuracy in any representation or warranty of the Buyer contained in Article 4 as of the date hereof or as of the Closing Date (except to the extent such representation or warranty speaks as of a particular date, in which case such inaccuracy shall be determined as of such particular date) (without giving effect to any Buyer Material Adverse Effect or other materiality qualification or any similar qualification contained or incorporated directly or indirectly in such representation or warranty);

(b) any breach or failure by Buyer to perform any covenant or agreement of Buyer contained in this Agreement; or

(c) any Assumed Liabilities.

13.3 Indemnification Claims.

(a) An Indemnified Party shall give written notification to the Indemnifying Party of the commencement of any Third Party Claim. Such notification shall be given within thirty (30) days after receipt by the Indemnified Party of notice of such Third Party Claim, and shall describe in reasonable detail (to the extent known by the Indemnified Party) the facts constituting the basis for such Third Party Claim and the amount of damages claimed therein (if specified); provided, however, that no delay or failure on the part of the Indemnified Party in so notifying the Indemnifying Party shall relieve the Indemnifying Party of any liability or obligation hereunder except and only to the extent that the Indemnifying Party is actually prejudiced by such delay or failure. Within twenty (20) days after delivery of such notification, the Indemnifying Party shall have the right to, upon written notice thereof to the Indemnified Party, assume control of and conduct, at the Indemnifying Party's sole cost and expense, the defense of such Third Party Claim (with counsel of national standing reasonably satisfactory to the Indemnified Party); provided, that (i) as a condition precedent to the Indemnifying Party's right to assume and conduct such defense, within fifteen (15) days after the Indemnified Party has given notice of such Third Party Claim, (A) the Indemnifying Party must notify the Indemnified Party in writing that the Indemnifying Party shall undertake the defense of such Third Party Claim and (B) the Indemnifying Party must agree in writing with the Indemnified Party to unconditionally indemnify the Indemnified Party from and against all such Losses that the Indemnified Party may suffer or incur or to which the Indemnified Party may otherwise become subject and which arise from or as a result of or are connected with such Third Party Claim (subject to the limitations set forth in Section 13.6), and (ii) the Indemnifying Party may not assume control of the defense of or conduct the defense of, any Third Party Claim to the extent such claim constitutes a Third Party Claim (A) involving any criminal or quasi-criminal Proceeding, action, indictment, allegation or investigation or seeking to impose any criminal penalty, fine or other sanction, (B) made by any Governmental Authority or to which any Governmental Authority is a named party, (C) in which relief other than monetary Losses is sought, including any injunctive or other equitable relief, (D) which, if adversely determined, would reasonably be expected, in the good faith judgment of the Indemnified Party, to establish a precedent, custom or practice materially adverse to the continuing business interests or prospects of the Indemnified Party or its Affiliates, or (E) that could, in the good faith judgment

of the Indemnified Party, reasonably be expected to result in Losses in excess of the Cap (and for purposes of any claims with respect to breaches of the representations and warranties other than the Seller Fundamental Representations or the Buyer Fundamental Representations, as applicable) or otherwise in excess of the maximum liability of the Seller Indemnifying Parties or the Buyer Indemnifying Parties, as applicable under this Article 13. For avoidance of doubt, in the event that a Seller or one or more of its Affiliates and the Buyer or one or more of its Affiliates is named in an Proceeding, such Seller and the Buyer shall be entitled to assume the control of and conduct of their own defense and select counsel of their own choosing to defend their respective interests in such Proceeding.

(b) If the Indemnifying Party does not so assume or does not have the right to so assume control of the defense of a Third Party Claim, the Indemnified Party shall control such defense. The Non-Controlling Party may participate in such defense, and may hire separate counsel at its own expense. The Controlling Party shall keep the Non-Controlling Party reasonably advised of the status of such Third Party Claim and the defense thereof and shall consider in good faith recommendations made by the Non-Controlling Party with respect thereto. The Non-Controlling Party shall furnish the Controlling Party with such information as it may have with respect to such Third Party Claim (including copies of any summons, complaint or other pleading which may have been served on such party and any written claim, demand, invoice, billing or other document evidencing or asserting the same) and shall otherwise reasonably cooperate with and assist the Controlling Party in the defense of such Third Party Claim, including by (i) furnishing and, upon request, procuring the attendance of potential witnesses for interview, preparation, submission of witness statements and the giving of evidence at any related hearing, (ii) promptly furnishing documentary evidence to the extent available to it or its Affiliates, and (iii) providing access to any other relevant party, including any Representatives of the Non-Controlling Party as reasonably needed. Notwithstanding the foregoing, the fees and expenses of counsel to the Indemnified Party with respect to a Third Party Claim shall be considered Losses for purposes of this Agreement only if (A) the Indemnified Party shall have determined in good faith that an actual or potential conflict of interest makes representation by the same counsel or the counsel selected by the Indemnifying Party inappropriate or (B) the Indemnifying Party shall have authorized in writing the Indemnified Party to employ separate counsel at the Indemnifying Party's expense. The Indemnifying Party shall not agree to any settlement of, or the entry of any judgment arising from, any Third Party Claim without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld, delayed or conditioned), unless the relief consists solely of money Losses to be paid by the Indemnifying Party. The Indemnified Party shall not agree to any settlement of, or the entry of any judgment arising from, any such Third Party Claim without the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld, delayed or conditioned).

(c) In order to seek indemnification under this Article 13, an Indemnified Party shall deliver a Claim Notice to the Indemnifying Party.

(d) Within twenty (20) days after delivery of a Claim Notice, the Indemnifying Party shall deliver to the Indemnified Party a written response (the "Response"), in which the Indemnifying Party shall: (i) agree that the Indemnified Party is entitled to receive all of the Claimed Amount (in which case the Response shall be accompanied by a payment by the Indemnifying Party to the Indemnified Party of the Claimed Amount, by check or by wire transfer), (ii) agree that the Indemnified Party is entitled to receive the part, but not all, of the Claimed Amount (the "Agreed Amount") (in which case the Response shall be accompanied

by a payment by the Indemnifying Party to the Indemnified Party of the Agreed Amount, by check or by wire transfer), or (iii) dispute that the Indemnified Party is entitled to receive any of the Claimed Amount (whereupon the Indemnifying Party and the Indemnified Party agree that the dispute shall be resolved in accordance with Section 14.5).

13.4 Survival of Representations and Warranties and Covenants. The representations and warranties set forth in Sections 3.1, 3.2, 3.15(a) and 3.18 (the "Seller Fundamental Representations") and Sections 4.1, 4.2 and 4.6 (the "Buyer Fundamental Representations") shall survive the Closing for three (3) years from the Closing Date and then expire. All representations and warranties in this Agreement other than the Seller Fundamental Representations and Buyer Fundamental Representations shall survive the Closing for eighteen (18) months from the Closing Date. All covenants and agreements set forth herein which by their terms contemplate actions or impose obligations prior to or at the Closing shall survive the Closing for eighteen (18) months from the Closing Date and then expire. All covenants and agreements set forth herein which by their terms contemplate actions or impose obligations following the Closing shall survive the Closing and remain in full force and effect in accordance with their terms. If an Indemnified Party delivers to an Indemnifying Party, before expiration of a representation or warranty or covenant or agreement, either a Claim Notice based upon a breach of such representation or warranty, or an Expected Claim Notice based upon a breach of such representation or warranty or covenant, then the applicable representation or warranty or covenant shall survive until, but only for purposes of, the resolution of the matter covered in reasonable detail by such notice. If the Proceeding or written claim with respect to which an Expected Claim Notice has been given is definitively withdrawn or resolved in favor of the Indemnified Party, the Indemnified Party shall promptly so notify the Indemnifying Party.

13.5 Treatment of Indemnification Payments. Any payments made to an Indemnified Party pursuant to this Article 13 shall be treated as an adjustment to the Final Purchase Price for Tax purposes and such treatment shall govern for all purposes hereof except to the extent that the applicable Laws or Taxing Authority of a particular jurisdiction require otherwise.

13.6 Limitations on Indemnification.

(a) No amount shall be payable to an Indemnified Party in satisfaction of any claim for indemnification pursuant to Section 13.1(a) or 13.2(a), as applicable, for which the aggregate amount of Losses of the Indemnified Party arising therefrom, together with all related claims, is less than $50,000; provided, that the limitation set forth in this Section 13.6(a) shall not apply unless and until the aggregate amount of all Losses of the Indemnified Party resulting from, arising out of or relating to breaches of representations and warranties contained in this Agreement exceeds the Deductible Amount.

(b) No claim may be made by an Indemnified Party against an Indemnifying Party for indemnification pursuant to Section 13.1(a) or Section 13.2(a), as applicable, unless and until the Indemnified Party has sustained aggregate Losses for which it is entitled to indemnification pursuant to Section 13.1(a) or Section 13.2(a), as applicable, in excess of $14,000,000 in the aggregate (the "Deductible Amount") and then only to the extent such aggregate amount exceeds the Deductible Amount, provided, however, that the Deductible Amount shall not apply with respect to any Losses resulting from, arising out of or relating to breaches of the Seller Fundamental Representations or the Buyer Fundamental Representations, and none of such Losses shall count towards the satisfaction of the Deductible Amount. The maximum aggregate recovery of the Indemnified Parties from the Indemnifying

Parties pursuant to Section 13.1(a) or Section 13.2(a), as applicable, shall not exceed an amount equal to $140,000,000 the ("Cap"), except with respect to breaches of the Seller Fundamental Representations or Buyer Fundamental Representations, which are subject to Section 13.6(c).

(c) The maximum aggregate liability or recovery of all Buyer Indemnified Parties from all Seller Indemnifying Parties under this Article 13 or otherwise pursuant to this Agreement, including for Fraud, shall not exceed an amount equal to the Final Purchase Price actually received by the Sellers. The maximum aggregate liability or recovery of all Seller Indemnified Parties from all Buyer Indemnifying Parties under this Article 13 or otherwise pursuant to this Agreement, including for Fraud, shall not exceed an amount equal to the Final Purchase Price actually received by the Sellers and the Sellers shall have no indemnification for Losses under this Article 13 by any Indemnified Party if such Liabilities are taken into account in the calculation of Net Working Capital. No Indemnified Party shall be entitled to be indemnified, paid or reimbursed more than once for the same Losses.

13.7 Exclusivity of Remedy for Monetary Damages. The Buyer and the Sellers acknowledge and agree that indemnification pursuant to this Article 13 shall be the sole and exclusive remedy of the Indemnified Parties for money damages for any and all Losses from and after the Closing in connection with any breach of a representation or warranty or non-performance of any covenant or agreement set forth in this Agreement; provided, that in the event of (a) any breach of the representation or warranty of the Company contained in Section 3.15, Buyer shall be entitled to elect to receive such services in accordance with Section 1.5 of the Transition Services Agreement and the Sellers shall have no further liability with respect to any related breach of representation or warranty of the Sellers contained in Section 3.15 hereunder and (b) any breach of any covenant or obligation of the Sellers set forth in Section 2.1, Buyer shall be entitled to elect to receive the transfer and delivery of such assets, rights or properties to cure such breach, and Sellers shall be promptly obligated to comply with such election. In the event such election is made and complied with, such amounts shall not be considered for any purposes set forth in Section 13.6 hereto.

13.8 Effect of Insurance and Other Recoveries. The amount of any Losses for which indemnification is provided under this Article 13 shall be reduced by any insurance proceeds actually received by the Indemnified Party or any of its Affiliates in connection with the facts giving rise to the right of indemnification (less the amount of the actual costs and expenses incurred in procuring such proceeds).

13.9 Effect of Investigation. The representations, warranties, covenants and agreements of the Indemnifying Party, and the Indemnified Party's right to indemnification with respect thereto, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Indemnified Party (including by any of its Representatives) or by reason of the fact that the Indemnified Party or any of its Representatives knew or should have known that any such representation or warranty is, was or might be inaccurate or that any such covenant or agreement is, was or might have been breached or not fulfilled or by reason of the Indemnified Party's waiver of any condition set forth in Section 9.2 or Section 9.3, as applicable.

13.10 Mitigation. The Buyer and each of the Sellers shall use its respective commercially reasonable efforts to mitigate any claim or liability that a Buyer Indemnified Party or a Seller Indemnified Party, as applicable, asserts under this Article 13. The Indemnified Party shall use reasonable best efforts to recover from insurance policies or other applicable sources of recovery the maximum portion of any Losses of such Indemnified Party.

13.11 No Recourse. This Agreement and the Ancillary Agreements may only be enforced against, and any claim or cause of action based upon, arising out of, or related to this Agreement or the Ancillary Agreements or the transactions contemplated hereby may only be brought against, the Persons that are expressly named as parties hereto or thereto and then only with respect to, and to the extent of, the specific obligations set forth herein and therein with respect to such party. Except to the extent a named party to this Agreement or the Ancillary Agreements (and then only to the extent of the specific obligations undertaken by such named party in this Agreement or the Ancillary Agreements and not otherwise), no past, present or future equity holder, controlling person, director, officer, employee, agent, attorney, Affiliate, member, manager, general or limited partner, stockholder, investor or assignee of any party to this Agreement, nor any past, present or future equity holder, controlling person, director, officer, employee, agent, attorney, Affiliate, member, manager, general or limited partner, stockholder, investor or assignee of any of the foregoing, shall have any liability or obligation (whether in contract, tort, equity or otherwise) for any one or more of the representations, warranties, covenants, agreements or other obligations or liabilities of the Sellers or the Buyer under this Agreement or the Ancillary Agreements (whether for indemnification or otherwise) of or for any claim based on, arising out of, or related to this Agreement, the Ancillary Agreements or the transactions contemplated hereby or thereby.

ARTICLE 14
MISCELLANEOUS

14.1 Fees and Expenses. Except as otherwise provided in this Agreement, each Party shall bear its own expenses and the expenses of its Subsidiaries in connection with the preparation, negotiation, execution and performance of this Agreement and the transactions contemplated herein, including all fees and expenses of any of its Representatives. Each Party shall each bear the fees and expenses of any broker, finder or investment bank retained by such Party or Parties and their respective Affiliates in connection with the Transaction. For the avoidance of doubt, the Purchase Price represents the consideration agreed among the Parties for the Transferred Assets and the Assumed Liabilities and does not include any costs or expenses, including fees and other charges, incurred in connection with the preparation, negotiation and execution of this Agreement and the consummation of the Transaction which shall be payable in accordance with this Section 14.1.

14.2 Further Actions. Each of the Parties hereto shall use reasonable best efforts to take, or cause to be taken, all appropriate action, do or cause to be done all things necessary, proper or advisable under applicable Law and execute and deliver such documents and other papers as may be required to consummate the Transaction and transfer all of the Transferred Assets and Assumed Liabilities. Notwithstanding anything to the contrary in this Agreement, no requirement to use “reasonable best efforts” under this Agreement shall require any Party or its Subsidiaries to pay any consent or similar fees to a Third Party or to agree to any adverse amendment to any Contract or any concession with any Third Party. For avoidance of doubt, this Agreement does not create any obligation on the Sellers to consummate the NTM Merger or take any actions to close the NTM Merger other than those provided in the NTM Merger Agreement and the Sellers shall not have any liability to Buyer as a result of any failure of the NTM Merger to be consummated or as a result of the termination of the NTM Merger Agreement in accordance with its terms.

14.3 Governing Law. This Agreement, and all claims or causes of action based upon, arising out of, or related to this Agreement or the transactions contemplated hereby, shall be governed by, and construed in accordance with, the Laws of the State of New York, without

giving effect to principles or rules of conflict of laws to the extent such principles or rules would require or permit the application of Laws of another jurisdiction.

14.4 Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION ARISING OUT OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO (I) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SUIT OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT, BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 14.4.

14.5 Submission to Jurisdiction. Any Proceedings based upon, arising out of or related to this Agreement or the Transaction shall be brought exclusively in the federal courts located in the State of New York, and, if it has or can acquire jurisdiction, in the United States District Court for the Southern District of New York located therein, provided, however, that if such federal courts have finally determined that they do not have jurisdiction over such Proceeding, such Proceeding shall be heard and determined exclusively in any New York state court sitting in the Borough of Manhattan of The City of New York, and, in each case, appellate courts therefrom. Each of the Parties hereto irrevocably submits to the exclusive jurisdiction of each such court in any such Proceedings, waives any objection it may now or hereafter have to personal jurisdiction, venue or to convenience of forum, agrees that all claims in respect of the Proceedings shall be heard and determined only in any such court, and agrees not to bring any Proceedings arising out of or relating to this Agreement or the Transaction in any other court (including state court prior to the time that a final determination of non-jurisdiction has occurred). Nothing herein contained shall be deemed to affect the right of any Party to serve process in any manner permitted by Law or to commence Proceedings or otherwise proceed against any other Party in any other jurisdiction, in each case, to enforce judgments obtained in any Proceeding brought pursuant to this Section 14.5.

14.6 Specific Performance. The Parties acknowledge that, in view of the uniqueness of the Business and the transactions contemplated by this Agreement, each of the Sellers and the Buyer would not have an adequate remedy at law for money damages in the event that this Agreement has not been performed in accordance with its terms, and therefore agrees that, in addition to all other remedies available at law or in equity, the other Party shall be entitled to an injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement by the other (as applicable), and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other (as applicable). Each of the Sellers and the Buyer agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief on the basis that any other Party has an adequate remedy at law or that any award of specific performance is not an appropriate remedy for any reason at law or in equity. Any Party seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement shall not be required to provide any bond or other security in connection with any such order or injunction.

14.7 Amendment. This Agreement may not be amended, modified or supplemented except upon the execution and delivery of a written agreement executed by the Parties.

14.8 No Assignment. The Buyer may assign its rights, interest or obligations under this Agreement to any of the direct or indirect Subsidiaries of Buyer, provided that (a) no such assignment shall relieve the Buyer of its obligations to the Sellers hereunder and (b) the assignment will not result in any incremental Taxes or other costs or expenses for which any Seller or any Affiliate of any Seller would be responsible, provided that with respect to clause (b), such Seller's or Affiliate's remedy shall be a reimbursement of such costs and expenses. Either Seller may assign its rights, interest or obligations under this Agreement to any of its direct or indirect Subsidiaries, provided that (a) no such assignment shall relieve such Seller of its obligations to the Buyer hereunder and (b) the assignment will not result in any incremental Taxes or other costs or expenses for which the Buyer or any of its Affiliate would be responsible, provided that with respect to clause (b), the Buyer's or such Affiliate's remedy shall be a reimbursement of such costs and expenses. Other than the preceding, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any Party without the prior written consent of the Buyer, in the case of assignment by any Seller, and of the Sellers, in the case of any assignment by the Buyer. Subject to the preceding sentence, this Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

14.9 Waiver. The Parties' rights and remedies are cumulative and not alternative. Any of the terms or conditions of this Agreement which may be lawfully waived may be waived in writing at any time by each Party which is entitled to the benefits thereof. Any waiver of any of the provisions of this Agreement by any Party shall be binding only if set forth in an instrument in writing signed on behalf of such Party. No failure or delay in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement shall be deemed to or shall constitute a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege shall be deemed to or shall preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege hereof.

14.10 Withholding. The Buyer shall be entitled to deduct and withhold from any payments to be made hereunder only such amounts, if any, that it is required to deduct and withhold on account of Taxes under applicable Law; provided, however, that Buyer shall use reasonable best efforts to give the Sellers written notice (including reasonable detail regarding the basis for such withholding and the amount of the proposed withholding) at least ten (10) Business Days before any such deduction or withholding and cooperate with the Sellers to mitigate or eliminate any such withholding to the extent permitted by applicable Law. To the extent any amounts are so deducted and withheld in accordance with the previous sentence, and duly and timely deposited with the appropriate Governmental Authority by the Buyer, such amounts shall be treated for purposes of this Agreement as having been paid to the Sellers in respect of which such deduction and withholding was made.

14.11 Notices. All notices hereunder will be in writing and in the English language and will be deemed to have been received (a) upon receipt of a registered letter, (b) the next Business Day following proper deposit with an internationally recognized express overnight delivery service or (c) upon receipt of an electronic transmission, upon confirmation of such receipt in writing (which may be via email) by the recipient thereof. Notices will be addressed as follows:

If to Sprint:

Sprint Corporation
6200 Sprint Parkway
Overland Park, Kansas 66251
Attention: General Counsel
Email: office.chief.legal.officer@sprint.com

with a copy (which shall not constitute notice) to:

Morrison & Foerster LLP
425 Market Street
San Francisco, California 94105
Attention: Brandon C. Parris
Email: BParris@mofo.com

If to TMUS, or after the closing of the NTM Merger, to Sprint:

T-Mobile US, Inc.
12920 SE 38th Street
Bellevue, Washington 98006
Attention: Dave Miller
Email: dave.miller@t-mobile.com

with a copy (which shall not constitute notice) to:

Latham & Watkins LLP
885 Third Avenue
New York, New York 10022
Attention: David Allinson, Josh Dubofsky, Tom Malone
Email: David.Allinson@lw.com, Josh.Dubofsky@lw.com, Thomas.Malone@lw.com

with a copy (which shall not constitute notice) to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Adam O. Emmerich, David K. Lam
Email: AOEmmerich@wlrk.com, DKLam@wlrk.com

If to the Buyer:

DISH Network Corporation
9601 S. Meridian Boulevard
Englewood, CO 80112
Attn: General Counsel
Email: tim.messner@dish.com; jeffrey.blum@dish.com; thomas.cullen@dish.com

with a copy (which shall not constitute notice) to:

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Attn: Scott Miller and Scott Crofton
Email: millersc@sullcrom.com; croftons@sullcrom.com

or to such other address as any Party may, from time to time, designate in a written notice given in like manner.

14.12 Complete Agreement. This Agreement and the other documents and writings referred to herein or delivered pursuant hereto (including the Ancillary Agreements and, with respect to Sprint and TMUS only, the NTM Merger Agreement) contain the entire understanding of the Parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof and thereof. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. Each of Sprint (for itself and its Affiliates and the Parent Affiliates) and TMUS (for itself and its Affiliates and the Parent Affiliates) agrees that the entry into, and performance of its respective obligations under, this Agreement, are consistent with and in furtherance of each party's obligations under the NTM Merger Agreement, and that such actions shall not (i) be deemed to amend, modify the terms of or expand the obligations of the parties under the NTM Merger Agreement, and (ii) so long as the performance of such party's obligations under this Agreement are in accordance with the terms of this Agreement, serve as a basis for a claim of breach of any applicable representation, warranty or covenant by such party in the NTM Merger Agreement.

14.13 Publicity. From and after the date hereof, the Parties will consult with each other and will mutually agree upon any publication or press release of any nature with respect to this Agreement or the Transaction and shall not issue any such publication or press release prior to such consultation and agreement except (i) as may be required by applicable Law or by obligations pursuant to any listing agreement with any securities exchange or any securities exchange rule or regulation, (ii) to the extent the information contained in such publication or press release relating to this Agreement or the transactions contemplated hereby is substantially consistent with the information included in a press release or other public statement to which the Parties have previously mutually agreed. Notwithstanding the foregoing and for avoidance of doubt, this Section 14.13 shall not limit TMUS's and Sprint's ability to issue publications or press releases relating to the NTM Merger, including publications or press releases that specifically reference the Transaction. The Parties agree that the initial press release to be issued with respect to the Transaction shall be in the form agreed by the Parties.

14.14 Severability. Any provision of this Agreement that is determined to be invalid, illegal or unenforceable by any court of competent jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions hereof in such jurisdiction or rendering that or any other provision of this Agreement invalid, illegal or unenforceable in any other jurisdiction.

14.15 Third Parties. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any Person or corporation, other than the Parties and their

permitted successors or assigns, any legal or equitable rights, remedies or claims under or by reason of this Agreement or any provision of this Agreement.

14.16 Waiver of Conflicts. Latham & Watkins LLP, DLA Piper, Cleary Gottlieb Steen & Hamilton LLP and Wachtell, Lipton, Rosen & Katz have acted as legal counsel to the TMUS, its Affiliates and its Parent Affiliates prior to the Closing and Morrison & Foerster LLP and Skadden, Arps, Slate, Meagher & Flom LLP has acted as legal counsel to Sprint, its Affiliates and its Parent Affiliates prior to the Closing (each such legal counsel, "Prior Counsel"). Each Prior Counsel intends to act as legal counsel to the Sellers, their respective Affiliates and their respective Parent Affiliates after the Closing. The Buyer hereby waives, on its own behalf and agrees to cause its Affiliates to waive, any conflicts that may arise in connection with Prior Counsel representing the Sellers, their respective Affiliates or their respective Parent Affiliates after the Closing to the extent such representation relates to the Business or the Transaction. All communications involving attorney-client confidences between the Sellers, their respective Affiliates and their respective Parent Affiliates and Prior Counsel in the course of the negotiation, documentation and consummation of the Transaction (the "Counsel Communications") shall be deemed to be attorney-client confidences that belong solely to the Sellers, their respective Affiliates and their respective Parent Affiliates. Accordingly, the Buyer shall not have access to any such communications, or to the files of Prior Counsel relating to its engagement, whether or not the Closing shall have occurred.

14.17 Bulk Transfer Laws. The Buyer hereby waives compliance by the Sellers and their respective Affiliates with the provisions of any bulk sales, bulk transfer or other similar Laws of any jurisdiction in connection with the Transaction.

14.18 No Other Duties. The only duties and obligations of the Parties under this Agreement are as specifically set forth in this Agreement, and no other duties or obligations shall be implied in fact, Law or equity, or under any principle of fiduciary obligation.

14.19 Counterparts and Delivery. This Agreement may be executed in two or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. Any signed counterpart of this Agreement may be delivered by facsimile or other form of electronic transmission (e.g., pdf), with the same legal force and effect as delivery of an originally signed agreement.

[*signature page follows*]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed as of and on the date first above written.

T-MOBILE US, INC.

By: _____
Name:
Title:

SPRINT CORPORATION

By: _____
Name:
Title:

DISH NETWORK CORPORATION

By: _____
Name:
Title:

[*Signature Page to Asset Purchase Agreement (Prepaid Business)*]

Annex A

Table of Defined Terms

Term	Section
"$"	Section 1.3(o)
"401(k) Plan"	Section 1.1
"Accounting Firm"	Section 2.5(d)
"Acquisition Proposal"	Section 5.6
"Affiliate"	Section 1.1
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"Agreement"	Preamble
"Allocation Notice of Objection"	Section 2.6(a)
"Amended and Restated Confidentiality Agreement"	Section 1.1
"Ancillary Agreements"	Section 1.1
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"Business Confidential Information"	Section 12.1(c)
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Term	**Section**
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"Covered Taxes"	Section 7.3
"Deductible Amount"	Section 13.6
"Disclosure Schedules"	Article 3
"DOJ"	Section 1.1
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"Dollar"	Section 1.3(o)
"dollar"	Section 1.3(o)
"DT"	Definition of "Affiliate"
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"Example Net Working Capital Statement"	Section 1.1
"Excluded Assets"	Section 2.2(b)
"Excluded Liability"	Section 2.3(b)
"Exhibits"	Section 1.3(m)
"Expected Claim Notice"	Section 1.1
"FCC"	Section 1.1
"FCC 214 Application"	Section 1.1
"FCC 214 Approval"	Section 1.1
"FCC Consent"	Section 1.1
"FCC MNSA Approval"	Section 1.1
"Federal Trade Commission Act"	Section 1.1
"Governing Document"	Section 1.1
"Governmental Authority"	Section 1.1
"Governmental Order"	Section 1.1
"HSR Act"	Section 1.1
"Indebtedness"	Section 1.1
"Indemnified Party"	Section 1.1
"Indemnifying Party"	Section 1.1
"Intellectual Property"	Section 1.1
"Inventory"	Section 1.1
"IRS"	Section 3.10(e)
"Knowledge of the Sellers"	Section 1.1
"Law"	Section 1.1
"Liabilities"	Section 1.1
"Loss"	Section 1.1
"Marks"	Section 1.1
"Material Adverse Effect"	Section 1.1
"MNSA"	Section 1.1
"Month Start Date"	Section 10.1

Term	Section
"Non-Controlling Party"	Section 1.1
"Notice of Objection"	Section 2.5(c)(i)
"NTM Network"	Section 1.1
"NWC Statement"	Section 2.5(a)
"Ordinary Course of Business"	Section 1.1
"Parent Affiliates"	Section 1.1
"Parties"	Preamble
"Party"	Preamble
"Patents"	Section 1.1
"Permit"	Section 1.1
"Permitted Encumbrances"	Section 1.1
"Person"	Section 1.1
"Plan"	Section 1.1
"Prior Counsel"	Section 14.16
"Proceedings"	Section 1.1
"Purchase Price"	Section 2.4
"Records"	Section 1.1
"Registered Intellectual Property"	Section 1.1
"Regulatory Approvals"	Section 1.1
"Rejected Inventory"	Section 5.11(a)
"Remedy Exceptions"	Section 3.2
"Representatives"	Section 1.1
"Response"	Section 13.3(d)
"Retention Agreements"	Section 6.8
"Schedules"	Section 1.3(m)
"Sections"	Section 1.3(m)
"Seller Fundamental Representations"	Section 13.4
"Seller Indemnified Parties"	Section 13.2
"Sellers Cure Period"	Section 11.1(b)(i)
"Sellers"	Preamble
"Short-Form IP Assignment Agreement"	Section 1.1
"SoftBank"	Definition of "Affiliate"
"Software"	Section 1.1
"Specified Assets"	Section 1.1
"Specified Liabilities"	Section 1.1
"Sprint Prepaid Business"	Section 1.1
"Straddle Period"	Section 7.3
"Subsidiary"	Section 1.1
"Tax Return"	Section 1.1
"Tax"	Section 1.1
"Taxes"	Section 1.1

Term	**Section**
"Taxing Authority"	Section 1.1
"Termination Date"	Section 1.1
"Terminating Buyer Breach"	Section 11.1(c)(i)
"Terminating Sellers Breach"	Section 11.1(b)(i)
"Third Party Claim"	Section 1.1
"Third Party"	Section 1.1
"Transaction"	Section 1.1
"Transaction Bonuses"	Section 1.1
"Transaction Process"	Section 1.1
"Transfer Taxes"	Section 7.4
"Transferred Assets"	Section 2.1(a)
"Transferred Contract"	Section 1.1
"Transferred Employees"	Section 6.1
"Transferred Intellectual Property"	Section 1.1
"Transferred Records"	Section 1.1
"Transition Services Agreement"	Section 1.1
"Virgin License"	Section 8.1(c)
"Virgin Mobile Business"	Section 1.1

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: July 29, 2019

/s/ W. Erik Carlson
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Section 302 Certification

I, Paul W. Orban, 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: July 29, 2019

/s/ Paul W. Orban
Executive 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, 2019 (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: July 29, 2019

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, 2019 (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: July 29, 2019

Name: */s/ Paul W. Orban*

Title: Executive 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.