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 September 30, 2024

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 001-08610

AT&T INC.

Incorporated under the laws of the State of Delaware
I.R.S. Employer Identification Number 43-1301883

208 S. Akard St., Dallas, Texas 75202
Telephone Number: (210) 821-4105

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares (Par Value $1.00 Per Share)	T	New York Stock Exchange
Depositary Shares, each representing a 1/1000th interest in a share of 5.000% Perpetual Preferred Stock, Series A	T PRA	New York Stock Exchange
Depositary Shares, each representing a 1/1000th interest in a share of 4.750% Perpetual Preferred Stock, Series C	T PRC	New York Stock Exchange
AT&T Inc. Floating Rate Global Notes due March 6, 2025	T 25A	New York Stock Exchange
AT&T Inc. 3.550% Global Notes due November 18, 2025	T 25B	New York Stock Exchange
AT&T Inc. 3.500% Global Notes due December 17, 2025	T 25	New York Stock Exchange
AT&T Inc. 0.250% Global Notes due March 4, 2026	T 26E	New York Stock Exchange
AT&T Inc. 1.800% Global Notes due September 5, 2026	T 26D	New York Stock Exchange
AT&T Inc. 2.900% Global Notes due December 4, 2026	T 26A	New York Stock Exchange
AT&T Inc. 1.600% Global Notes due May 19, 2028	T 28C	New York Stock Exchange
AT&T Inc. 2.350% Global Notes due September 5, 2029	T 29D	New York Stock Exchange
AT&T Inc. 4.375% Global Notes due September 14, 2029	T 29B	New York Stock Exchange
AT&T Inc. 2.600% Global Notes due December 17, 2029	T 29A	New York Stock Exchange
AT&T Inc. 0.800% Global Notes due March 4, 2030	T 30B	New York Stock Exchange
AT&T Inc. 3.950% Global Notes due April 30, 2031	T 31F	New York Stock Exchange
AT&T Inc. 2.050% Global Notes due May 19, 2032	T 32A	New York Stock Exchange

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
AT&T Inc. 3.550% Global Notes due December 17, 2032	T 32	New York Stock Exchange
AT&T Inc. 5.200% Global Notes due November 18, 2033	T 33	New York Stock Exchange
AT&T Inc. 3.375% Global Notes due March 15, 2034	T 34	New York Stock Exchange
AT&T Inc. 4.300% Global Notes due November 18, 2034	T 34C	New York Stock Exchange
AT&T Inc. 2.450% Global Notes due March 15, 2035	T 35	New York Stock Exchange
AT&T Inc. 3.150% Global Notes due September 4, 2036	T 36A	New York Stock Exchange
AT&T Inc. 2.600% Global Notes due May 19, 2038	T 38C	New York Stock Exchange
AT&T Inc. 1.800% Global Notes due September 14, 2039	T 39B	New York Stock Exchange
AT&T Inc. 7.000% Global Notes due April 30, 2040	T 40	New York Stock Exchange
AT&T Inc. 4.250% Global Notes due June 1, 2043	T 43	New York Stock Exchange
AT&T Inc. 4.875% Global Notes due June 1, 2044	T 44	New York Stock Exchange

AT&T Inc. 4.000% Global Notes due June 1, 2049	T 49A	New York Stock Exchange
AT&T Inc. 4.250% Global Notes due March 1, 2050	T 50	New York Stock Exchange
AT&T Inc. 3.750% Global Notes due September 1, 2050	T 50A	New York Stock Exchange
AT&T Inc. 5.350% Global Notes due November 1, 2066	TBB	New York Stock Exchange
AT&T Inc. 5.625% Global Notes due August 1, 2067	TBC	New York Stock Exchange

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 ☒

At October 24, 2024, there were 7,175,289,157 common shares outstanding.

PART I - FINANCIAL INFORMATION
Item 1. Financial Statements

AT&T INC.
CONSOLIDATED STATEMENTS OF INCOME
Dollars in millions except per share amounts
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Operating Revenues				
Service	**$ 25,134**	$ 25,112	**$ 74,982**	$ 74,579
Equipment	**5,079**	5,238	**15,056**	15,827
Total operating revenues	**30,213**	30,350	**90,038**	90,406
Operating Expenses				
Cost of revenues				
Equipment	**4,933**	5,219	**14,891**	15,933
Other cost of revenues (exclusive of depreciation and amortization shown separately below)	**6,697**	6,835	**20,135**	20,279
Selling, general and administrative	**6,958**	7,205	**21,022**	21,389
Asset impairments and abandonments and restructuring	**4,422**	604	**5,061**	604
Depreciation and amortization	**5,087**	4,705	**15,206**	14,011
Total operating expenses	**28,097**	24,568	**76,315**	72,216
Operating Income	**2,116**	5,782	**13,723**	18,190
Other Income (Expense)				
Interest expense	**(1,675)**	(1,662)	**(5,098)**	(4,978)
Equity in net income of affiliates	**272**	420	**915**	1,338
Other income (expense) — net	**717**	440	**1,850**	2,362
Total other income (expense)	**(686)**	(802)	**(2,333)**	(1,278)
Income Before Income Taxes	**1,430**	4,980	**11,390**	16,912
Income tax expense	**1,285**	1,154	**3,545**	3,871
Net Income	**145**	3,826	**7,845**	13,041
Less: Net Income Attributable to Noncontrolling Interest	**(319)**	(331)	**(977)**	(829)
Net Income (Loss) Attributable to AT&T	**$ (174)**	$ 3,495	**$ 6,868**	$ 12,212
Less: Preferred Stock Dividends	**(52)**	(51)	**(153)**	(155)
Net Income (Loss) Attributable to Common Stock	**$ (226)**	$ 3,444	**$ 6,715**	$ 12,057
Basic Earnings (Loss) Per Share Attributable to Common Stock	**$ (0.03)**	$ 0.48	**$ 0.93**	$ 1.67
Diluted Earnings (Loss) Per Share Attributable to Common Stock	**$ (0.03)**	$ 0.48	**$ 0.93**	$ 1.67
Weighted Average Number of Common Shares Outstanding — Basic (in millions)	**7,202**	7,185	**7,197**	7,178
Weighted Average Number of Common Shares Outstanding — with Dilution (in millions)	**7,208**	7,185	**7,200**	7,280

See Notes to Consolidated Financial Statements.

AT&T INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Dollars in millions

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Net income	**$ 145**	$ 3,826	**$ 7,845**	$ 13,041
Other comprehensive income (loss), net of tax:				
Foreign currency:				
Translation adjustment, net of taxes of $(107), $(29), $(168) and $111	**(137)**	(90)	**(329)**	367
Reclassification adjustment included in net income, net of taxes of $0, $0, $(14) and $0	**—**	—	**127**	—
Securities:				
Net unrealized gains (losses), net of taxes of $6, $(12), $5 and $(8)	**30**	(37)	**13**	(25)
Reclassification adjustment included in net income, net of taxes of $0, $1, $3 and $3	**—**	2	**10**	7
Derivative instruments:				
Net unrealized gains (losses), net of taxes of $(102), $211, $(118) and $213	**(315)**	843	**(364)**	867
Reclassification adjustment included in net income, net of taxes of $4, $3, $11 and $9	**11**	12	**33**	35
Defined benefit postretirement plans:				
Amortization of net prior service credit included in net income, net of taxes of $(123), $(160),$(369) and $(481)	**(381)**	(490)	**(1,142)**	(1,472)
Other comprehensive income (loss)	**(792)**	240	**(1,652)**	(221)
Total comprehensive income (loss)	**(647)**	4,066	**6,193**	12,820
Less: Total comprehensive income attributable to noncontrolling interest	**(319)**	(331)	**(977)**	(829)
Total Comprehensive Income (Loss) Attributable to AT&T	**$ (966)**	$ 3,735	**$ 5,216**	$ 11,991

See Notes to Consolidated Financial Statements.

AT&T INC.

CONSOLIDATED BALANCE SHEETS

Dollars in millions except per share amounts

	September 30, 2024	December 31, 2023
Assets	**(Unaudited)**	
Current Assets		
Cash and cash equivalents	**$ 2,586**	$ 6,722
Accounts receivable – net of related allowances for credit loss of $403 and $499	**9,068**	10,289
Inventories	**2,529**	2,177
Prepaid and other current assets	**15,616**	17,270
Total current assets	**29,799**	36,458
Property, plant and equipment	**346,030**	339,891
Less: accumulated depreciation and amortization	**(218,066)**	(211,402)
Property, Plant and Equipment – Net	**127,964**	128,489
Goodwill – Net	**63,432**	67,854
Licenses – Net	**127,134**	127,219
Other Intangible Assets – Net	**5,256**	5,283
Investments in and Advances to Equity Affiliates	**281**	1,251
Operating Lease Right-Of-Use Assets	**20,779**	20,905
Other Assets	**19,074**	19,601
Total Assets	**$ 393,719**	$ 407,060
Liabilities and Stockholders' Equity		
Current Liabilities		
Debt maturing within one year	**$ 2,637**	$ 9,477
Accounts payable and accrued liabilities	**31,935**	35,852
Advanced billings and customer deposits	**4,059**	3,778
Dividends payable	**2,027**	2,020
Total current liabilities	**40,658**	51,127
Long-Term Debt	**126,375**	127,854
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**58,461**	58,666
Postemployment benefit obligation	**8,750**	8,734
Operating lease liabilities	**17,331**	17,568
Other noncurrent liabilities	**23,884**	23,696
Total deferred credits and other noncurrent liabilities	**108,426**	108,664
Redeemable Noncontrolling Interest	**1,978**	1,973
Stockholders' Equity		
Preferred stock ($1 par value, 10,000,000 authorized at September 30, 2024 and December 31, 2023):		
Series A (48,000 issued and outstanding at September 30, 2024 and December 31, 2023)	**—**	—
Series B (20,000 issued and outstanding at September 30, 2024 and December 31, 2023)	**—**	—
Series C (70,000 issued and outstanding at September 30, 2024 and December 31, 2023)	**—**	—
Common stock ($1 par value, 14,000,000,000 authorized at September 30, 2024 and December 31, 2023: issued 7,620,748,598 at September 30, 2024 and December 31, 2023)	**7,621**	7,621
Additional paid-in capital	**109,354**	114,519
Retained (deficit) earnings	**(185)**	(5,015)
Treasury stock (446,348,901 at September 30, 2024 and 470,685,237 at December 31, 2023, at cost)	**(15,087)**	(16,128)
Accumulated other comprehensive income	**648**	2,300
Noncontrolling interest	**13,931**	14,145
Total stockholders' equity	**116,282**	117,442
Total Liabilities and Stockholders' Equity	**$ 393,719**	$ 407,060

See Notes to Consolidated Financial Statements.

AT&T INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Dollars in millions

(Unaudited)

	Nine months ended September 30,	
	2024	2023
Operating Activities		
Net Income	**$ 7,845**	$ 13,041
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**15,206**	14,011
Provision for uncollectible accounts	**1,431**	1,409
Deferred income tax expense	**1,811**	3,163
Net (gain) loss on investments, net of impairments	**88**	335
Pension and postretirement benefit expense (credit)	**(1,412)**	(1,966)
Actuarial and settlement (gain) loss on pension and postretirement benefits - net	**—**	(145)
Asset impairments and abandonments and restructuring	**5,061**	604
Changes in operating assets and liabilities:		
Receivables	**574**	1,173
Inventories, prepaid and other current assets	**147**	57
Accounts payable and other accrued liabilities	**(4,503)**	(5,062)
Equipment installment receivables and related sales	**(899)**	(56)
Deferred customer contract acquisition and fulfillment costs	**490**	47
Postretirement claims and contributions	**(129)**	(715)
Other - net	**1,165**	1,040
Total adjustments	**19,030**	13,895
Net Cash Provided by Operating Activities	**26,875**	26,936
Investing Activities		
Capital expenditures	**(13,420)**	(13,252)
Acquisitions, net of cash acquired	**(322)**	(923)
Dispositions	**66**	66
Distributions from DIRECTV in excess of cumulative equity in earnings	**928**	1,447
(Purchases), sales and settlements of securities and investments - net	**1,153**	(1,043)
Other - net	**(532)**	(81)
Net Cash Used in Investing Activities	**(12,127)**	(13,786)
Financing Activities		
Net change in short-term borrowings with original maturities of three months or less	**—**	(914)
Issuance of other short-term borrowings	**491**	5,406
Repayment of other short-term borrowings	**(2,487)**	(979)
Issuance of long-term debt	**4**	9,633
Repayment of long-term debt	**(7,113)**	(11,889)
Repayment of note payable to DIRECTV	**—**	(130)
Payment of vendor financing	**(1,571)**	(4,736)
Purchase of treasury stock	**(202)**	(190)
Issuance of treasury stock	**2**	3
Issuance of preferred interests in subsidiary	**—**	7,151
Redemption of preferred interests in subsidiary	**—**	(5,333)
Dividends paid	**(6,171)**	(6,116)
Other - net	**(1,808)**	(1,190)
Net Cash Used in Financing Activities	**(18,855)**	(9,284)
Net increase (decrease) in cash and cash equivalents and restricted cash	**$ (4,107)**	$ 3,866
Cash and cash equivalents and restricted cash beginning of year	**6,833**	3,793
Cash and Cash Equivalents and Restricted Cash End of Period	**$ 2,726**	$ 7,659

See Notes to Consolidated Financial Statements.

AT&T INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Dollars and shares in millions except per share amounts

(Unaudited)

	Three months ended				Nine months ended			
	September 30, 2024		September 30, 2023		**September 30, 2024**		September 30, 2023	
	Shares	**Amount**	Shares	Amount	**Shares**	**Amount**	Shares	Amount
Preferred Stock - Series A								
Balance at beginning of period	**—**	**$ —**	—	$ —	**—**	**$ —**	—	$ —
Balance at end of period	**—**	**$ —**	—	$ —	**—**	**$ —**	—	$ —
Preferred Stock - Series B								
Balance at beginning of period	**—**	**$ —**	—	$ —	**—**	**$ —**	—	$ —
Balance at end of period	**—**	**$ —**	—	$ —	**—**	**$ —**	—	$ —
Preferred Stock - Series C								
Balance at beginning of period	**—**	**$ —**	—	$ —	**—**	**$ —**	—	$ —
Balance at end of period	**—**	**$ —**	—	$ —	**—**	**$ —**	—	$ —
Common Stock								
Balance at beginning of period	**7,621**	**$ 7,621**	7,621	$ 7,621	**7,621**	**$ 7,621**	7,621	$ 7,621
Balance at end of period	**7,621**	**$ 7,621**	7,621	$ 7,621	**7,621**	**$ 7,621**	7,621	$ 7,621
Additional Paid-In Capital								
Balance at beginning of period		**$ 111,515**		$ 118,833		**$ 114,519**		$ 123,610
Preferred stock dividends		**(36)**		(36)		**(134)**		(170)
Common stock dividends ($0.2775, $0.2775, $0.8325 and $0.8325 per share)		**(1,992)**		(1,997)		**(4,007)**		(5,998)
Issuance of treasury stock		**(84)**		(3)		**(500)**		(371)
Share-based payments		**(49)**		93		**(232)**		(181)
Redemption or reclassification of interest held by noncontrolling owners		**—**		—		**(292)**		—
Balance at end of period		**$ 109,354**		$ 116,890		**$ 109,354**		$ 116,890
Retained (Deficit) Earnings								
Balance at beginning of period		**$ 2**		$ (10,698)		**$ (5,015)**		$ (19,415)
Net income (loss) attributable to AT&T		**(174)**		3,495		**6,868**		12,212
Preferred stock dividends		**—**		—		**(36)**		—
Common stock dividends ($0.2775, $0.0000, $0.5550 and $0.0000 per share)		**(13)**		—		**(2,002)**		—
Balance at end of period		**$ (185)**		$ (7,203)		**$ (185)**		$ (7,203)

See Notes to Consolidated Financial Statements.

AT&T INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY - continued

Dollars and shares in millions except per share amounts

(Unaudited)

	Three months ended				Nine months ended			
	September 30, 2024		September 30, 2023		**September 30, 2024**		September 30, 2023	
	Shares	**Amount**	Shares	Amount	**Shares**	**Amount**	Shares	Amount
Treasury Stock								
Balance at beginning of period	**(451)**	**$ (15,268)**	(471)	$ (16,158)	**(471)**	**$ (16,128)**	(493)	$ (17,082)
Repurchase and acquisition of common stock	**(2)**	**(43)**	—	(1)	**(11)**	**(202)**	(10)	(190)
Reissuance of treasury stock	**7**	**224**	—	9	**36**	**1,243**	32	1,122
Balance at end of period	**(446)**	**$ (15,087)**	(471)	$ (16,150)	**(446)**	**$ (15,087)**	(471)	$ (16,150)
Accumulated Other Comprehensive Income Attributable to AT&T, net of tax								
Balance at beginning of period		**$ 1,440**		$ 2,305		**$ 2,300**		$ 2,766
Other comprehensive income (loss) attributable to AT&T		**(792)**		240		**(1,652)**		(221)
Balance at end of period		**$ 648**		$ 2,545		**$ 648**		$ 2,545
Noncontrolling Interest[1]								
Balance at beginning of period		**$ 14,037**		$ 14,172		**$ 14,145**		$ 8,957
Net income attributable to noncontrolling interest		**283**		295		**870**		787
Issuance and acquisition by noncontrolling owners		**—**		(1)		**—**		5,180
Redemption of noncontrolling interest		**—**		—		**(58)**		—
Distributions		**(389)**		(314)		**(1,026)**		(772)
Balance at end of period		**$ 13,931**		$ 14,152		**$ 13,931**		$ 14,152
Total Stockholders' Equity at beginning of period		**$ 119,347**		$ 116,075		**$ 117,442**		$ 106,457
Total Stockholders' Equity at end of period		**$ 116,282**		$ 117,855		**$ 116,282**		$ 117,855

[1] Excludes redeemable noncontrolling interest

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
Dollars in millions except per share amounts

NOTE 1. PREPARATION OF INTERIM FINANCIAL STATEMENTS

Basis of Presentation Throughout this document, AT&T Inc. is referred to as "we," "AT&T" or the "Company." The consolidated financial statements include the accounts of the Company and subsidiaries and affiliates which we control. AT&T is a holding company whose subsidiaries and affiliates operate worldwide in the telecommunications and technology industries. You should read this document in conjunction with the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2023. The results for the interim periods are not necessarily indicative of those for the full year. These consolidated financial statements include all adjustments that are necessary to present fairly the results for the presented interim periods, consisting of normal recurring accruals and other items.

All significant intercompany transactions are eliminated in the consolidation process. Investments in subsidiaries and partnerships which we do not control but have significant influence are accounted for under the equity method. Earnings from certain investments accounted for using the equity method are included in our results on a one quarter lag. We also record our proportionate share of our equity method investees' other comprehensive income (OCI) items, including translation adjustments.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions, including estimates of fair value, probable losses and expenses, that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Goodwill Impairment During the third quarter of 2024, we updated the long-term strategic plan of our Business Wireline reporting unit. The updated plans reflected lower long-term projected future cash flows associated with the industry-wide secular decline, including a faster-than-previously anticipated decline of legacy services. We identified this as an impairment indicator and performed an interim quantitative goodwill impairment test of our Business Wireline reporting unit. The interim impairment test methodology was consistent with our approach for annual impairment testing, using similar models updated with our current view of key inputs and assumptions. We concluded that the calculated fair value of the Business Wireline reporting unit was lower than the book value, resulting in a goodwill impairment. As a result, in the third quarter of 2024, we recorded a noncash goodwill impairment charge of $4,422 in our consolidated statements of income, which represented the entirety of Business Wireline reporting unit goodwill. "Goodwill – Net" included on our consolidated balance sheet at September 30, 2024 totaled $63,432, which is attributable to our Mobility and Consumer Wireline reporting units in the Communications segment. No indicators of impairment were identified for our Mobility and Consumer Wireline reporting units.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

NOTE 2. EARNINGS PER SHARE

A reconciliation of the numerators and denominators of basic and diluted earnings per share is shown in the table below:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Numerators				
Numerator for basic earnings per share:				
Net Income (Loss) Attributable to Common Stock	**$ (226)**	$ 3,444	**$ 6,715**	$ 12,057
Dilutive potential common shares:				
Mobility preferred interests	**—**	—	**—**	72
Share-based payment	**—**	—	**—**	10
Numerator for diluted earnings per share	**$ (226)**	$ 3,444	**$ 6,715**	$ 12,139
Denominators (000,000)				
Denominator for basic earnings per share:				
Weighted average number of common shares outstanding	**7,202**	7,185	**7,197**	7,178
Dilutive potential common shares:				
Mobility preferred interests (in shares)	**—**	—	**—**	95
Share-based payment (in shares)[1]	**6**	—	**3**	7
Denominator for diluted earnings per share	**7,208**	7,185	**7,200**	7,280

[1] For the three months ended September 30, 2024, dilutive potential common shares are not included in the computation of diluted earnings per share because their effect is antidilutive as a result of the net loss attributable to common stock.

On April 5, 2023, we repurchased all our Series A Cumulative Perpetual Preferred Membership Interests in AT&T Mobility II LLC (Mobility preferred interests). For periods prior to repurchase, under Accounting Standards Update (ASU) No. 2020-06, "Debt—Debt With Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity" (ASU 2020-06), the ability to settle the Mobility preferred interests in stock was reflected in our diluted earnings per share calculation.

NOTE 3. OTHER COMPREHENSIVE INCOME

Changes in the balances of each component included in accumulated OCI are presented below. All amounts are net of tax.

	Foreign Currency Translation Adjustment	Net Unrealized Gains (Losses) on Securities	Net Unrealized Gains (Losses) on Derivative Instruments	Defined Benefit Postretirement Plans	Accumulated Other Comprehensive Income (Loss)
Balance as of December 31, 2023	$ (1,337)	$ (57)	$ (1,029)	$ 4,723	$ 2,300
Other comprehensive income (loss) before reclassifications	(329)	13	(364)	—	(680)
Amounts reclassified from accumulated OCI	127 [1]	10 [1]	33 [2]	(1,142) [3]	(972)
Net other comprehensive income (loss)	(202)	23	(331)	(1,142)	(1,652)
Balance as of September 30, 2024	**$ (1,539)**	**$ (34)**	**$ (1,360)**	**$ 3,581**	**$ 648**

	Foreign Currency Translation Adjustment	Net Unrealized Gains (Losses) on Securities	Net Unrealized Gains (Losses) on Derivative Instruments	Defined Benefit Postretirement Plans	Accumulated Other Comprehensive Income (Loss)
Balance as of December 31, 2022	$ (1,800)	$ (90)	$ (1,998)	$ 6,654	$ 2,766
Other comprehensive income (loss) before reclassifications	367	(25)	867	—	1,209
Amounts reclassified from accumulated OCI	— [1]	7 [1]	35 [2]	(1,472) [3]	(1,430)
Net other comprehensive income (loss)	367	(18)	902	(1,472)	(221)
Balance as of September 30, 2023	$ (1,433)	$ (108)	$ (1,096)	$ 5,182	$ 2,545

[1] (Gains) losses are included in “Other income (expense) - net” in the consolidated statements of income.

[2] (Gains) losses are primarily included in “Interest expense” in the consolidated statements of income (see Note 7).

[3] The amortization of prior service credits associated with postretirement benefits are included in “Other income (expense) - net” in the consolidated statements of income (see Note 6).

NOTE 4. SEGMENT INFORMATION

Our segments are comprised of strategic business units or other operations that offer products and services to different customer segments over various technology platforms and/or in different geographies that are managed accordingly. We have two reportable segments: Communications and Latin America.

We also evaluate segment and business unit performance based on EBITDA and/or EBITDA margin, which is defined as operating income excluding depreciation and amortization. EBITDA is used as part of our management reporting and we believe EBITDA to be a relevant and useful measurement to our investors as it measures the cash generation potential of our business units. EBITDA does not give effect to depreciation and amortization expenses incurred in operating income nor is it burdened by cash used for debt service requirements and thus does not reflect available funds for distributions, reinvestment or other discretionary uses. EBITDA margin is EBITDA divided by total revenue.

The ***Communications segment*** provides wireless and wireline telecom and broadband services to consumers located in the U.S. and businesses globally. Our business strategies reflect integrated product offerings that cut across product lines and utilize shared assets. This segment contains the following business units:

- **Mobility** provides nationwide wireless service and equipment.
- **Business Wireline** provides advanced ethernet-based fiber services, IP Voice and managed professional services, as well as traditional voice and data services and related equipment to business customers. In the first quarter of 2024, we began

offering our fixed wireless access product that provides internet services delivered over our 5G wireless network where available.
- **Consumer Wireline** provides broadband services, including fiber connections that provide multi-gig services to residential customers in select locations and our fixed wireless access product that provides home internet services delivered over our 5G wireless network where available. Consumer Wireline also provides legacy telephony voice communication services.

The ***Latin America segment*** provides wireless services and equipment in Mexico.

Corporate and Other reconciles our segment results to consolidated operating income and income before income taxes.

Corporate includes:
- *DTV-related retained costs*, which are costs previously allocated to the Video business that were retained after the transaction, net of reimbursements from DIRECTV Entertainment Holdings, LLC (DIRECTV) under transition service agreements.
- *Parent administration support*, which includes costs borne by AT&T where the business units do not influence decision making.
- *Securitization fees* associated with our sales of receivables (see Note 8).
- *Value portfolio*, which are businesses no longer integral to our operations or which we no longer actively market.

Other items consist of:
- *Certain significant items*, which includes items associated with the merger and integration of acquired or divested businesses, including amortization of intangible assets, employee separation charges associated with voluntary and/or strategic offers, asset impairments and abandonments and restructuring, and other items for which the segments are not being evaluated.

"Interest expense," "Other income (expense) – net" and "Equity in net income of affiliates" are managed only on a total company basis and are, accordingly, reflected only in consolidated results.

For the three months ended September 30, 2024

	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)
Communications					
Mobility	**$ 21,052**	**$ 11,559**	**$ 9,493**	**$ 2,490**	**$ 7,003**
Business Wireline	**4,606**	**3,250**	**1,356**	**1,399**	**(43)**
Consumer Wireline	**3,416**	**2,296**	**1,120**	**924**	**196**
Total Communications	**29,074**	**17,105**	**11,969**	**4,813**	**7,156**
Latin America - Mexico	**1,022**	**854**	**168**	**158**	**10**
Segment Total	**30,096**	**17,959**	**12,137**	**4,971**	**7,166**
Corporate and Other					
Corporate:					
DTV-related retained costs	**—**	**107**	**(107)**	**95**	**(202)**
Parent administration support	**—**	**401**	**(401)**	**2**	**(403)**
Securitization fees	**31**	**134**	**(103)**	**—**	**(103)**
Value portfolio	**86**	**26**	**60**	**6**	**54**
Total Corporate	**117**	**668**	**(551)**	**103**	**(654)**
Certain significant items	**—**	**4,383**	**(4,383)**	**13**	**(4,396)**
Total Corporate and Other	**117**	**5,051**	**(4,934)**	**116**	**(5,050)**
AT&T Inc.	**$ 30,213**	**$ 23,010**	**$ 7,203**	**$ 5,087**	**$ 2,116**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

For the three months ended September 30, 2023

	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)
Communications					
Mobility	$ 20,692	$ 11,795	$ 8,897	$ 2,134	$ 6,763
Business Wireline	5,221	3,526	1,695	1,345	350
Consumer Wireline	3,331	2,300	1,031	871	160
Total Communications	29,244	17,621	11,623	4,350	7,273
Latin America - Mexico	992	837	155	184	(29)
Segment Total	30,236	18,458	11,778	4,534	7,244
Corporate and Other					
Corporate:					
DTV-related retained costs	—	167	(167)	144	(311)
Parent administration support	(1)	333	(334)	1	(335)
Securitization fees	25	164	(139)	—	(139)
Value portfolio	90	25	65	5	60
Total Corporate	114	689	(575)	150	(725)
Certain significant items	—	716	(716)	21	(737)
Total Corporate and Other	114	1,405	(1,291)	171	(1,462)
AT&T Inc.	$ 30,350	$ 19,863	$ 10,487	$ 4,705	$ 5,782

For the nine months ended September 30, 2024

	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)
Communications					
Mobility	**$ 62,126**	**$ 34,483**	**$ 27,643**	**$ 7,453**	**$ 20,190**
Business Wireline	**14,274**	**10,004**	**4,270**	**4,147**	**123**
Consumer Wireline	**10,113**	**6,801**	**3,312**	**2,719**	**593**
Total Communications	**86,513**	**51,288**	**35,225**	**14,319**	**20,906**
Latin America - Mexico	**3,188**	**2,662**	**526**	**507**	**19**
Segment Total	**89,701**	**53,950**	**35,751**	**14,826**	**20,925**
Corporate and Other					
Corporate:					
DTV-related retained costs	**—**	**357**	**(357)**	**317**	**(674)**
Parent administration support	**—**	**1,236**	**(1,236)**	**5**	**(1,241)**
Securitization fees	**86**	**449**	**(363)**	**—**	**(363)**
Value portfolio	**251**	**77**	**174**	**15**	**159**
Total Corporate	**337**	**2,119**	**(1,782)**	**337**	**(2,119)**
Certain significant items	**—**	**5,040**	**(5,040)**	**43**	**(5,083)**
Total Corporate and Other	**337**	**7,159**	**(6,822)**	**380**	**(7,202)**
AT&T Inc.	**$ 90,038**	**$ 61,109**	**$ 28,929**	**$ 15,206**	**$ 13,723**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

For the nine months ended September 30, 2023

	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)
Communications					
Mobility	$ 61,589	$ 35,587	$ 26,002	$ 6,355	$ 19,647
Business Wireline	15,831	10,699	5,132	4,008	1,124
Consumer Wireline	9,821	6,810	3,011	2,589	422
Total Communications	87,241	53,096	34,145	12,952	21,193
Latin America - Mexico	2,842	2,396	446	544	(98)
Segment Total	90,083	55,492	34,591	13,496	21,095
Corporate and Other					
Corporate:					
DTV-related retained costs	—	514	(514)	440	(954)
Parent administration support	(13)	1,039	(1,052)	4	(1,056)
Securitization fees	61	439	(378)	—	(378)
Value portfolio	275	77	198	16	182
Total Corporate	323	2,069	(1,746)	460	(2,206)
Certain significant items	—	644	(644)	55	(699)
Total Corporate and Other	323	2,713	(2,390)	515	(2,905)
AT&T Inc.	$ 90,406	$ 58,205	$ 32,201	$ 14,011	$ 18,190

The following table is a reconciliation of Segment Operating Income to "Income Before Income Taxes" reported in our consolidated statements of income:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Communications	**$ 7,156**	$ 7,273	**$ 20,906**	$ 21,193
Latin America	**10**	(29)	**19**	(98)
Segment Operating Income	**7,166**	7,244	**20,925**	21,095
Reconciling Items:				
Corporate	**(654)**	(725)	**(2,119)**	(2,206)
Transaction and other costs	**(34)**	(72)	**(101)**	(72)
Amortization of intangibles acquired	**(13)**	(21)	**(43)**	(55)
Asset impairments and abandonments and restructuring	**(4,422)**	(604)	**(5,061)**	(604)
Benefit-related gains (losses)	**73**	(40)	**122**	32
AT&T Operating Income	**2,116**	5,782	**13,723**	18,190
Interest expense	**1,675**	1,662	**5,098**	4,978
Equity in net income of affiliates	**272**	420	**915**	1,338
Other income (expense) — net	**717**	440	**1,850**	2,362
Income Before Income Taxes	**$ 1,430**	$ 4,980	**$ 11,390**	$ 16,912

NOTE 5. REVENUE RECOGNITION

Revenue Categories
The following tables set forth reported revenue by category and by business unit:

For the three months ended September 30, 2024

	Communications					
	Mobility	Business Wireline	Consumer Wireline	Latin America	Corporate & Other	Total
Wireless service	**$ 16,539**	**$ —**	**$ —**	**$ 645**	**$ —**	**$ 17,184**
Business service	**—**	**4,417**	**—**	**—**	**—**	**4,417**
Broadband	**—**	**—**	**2,838**	**—**	**—**	**2,838**
Legacy voice and data	**—**	**—**	**307**	**—**	**66**	**373**
Other	**—**	**—**	**271**	**—**	**51**	**322**
Total Service	**16,539**	**4,417**	**3,416**	**645**	**117**	**25,134**
Equipment	**4,513**	**189**	**—**	**377**	**—**	**5,079**
Total	**$ 21,052**	**$ 4,606**	**$ 3,416**	**$ 1,022**	**$ 117**	**$ 30,213**

For the three months ended September 30, 2023

	Communications					
	Mobility	Business Wireline	Consumer Wireline	Latin America	Corporate & Other	Total
Wireless service	$ 15,908	$ —	$ —	$ 672	$ —	$ 16,580
Business service	—	5,087	—	—	—	5,087
Broadband	—	—	2,667	—	—	2,667
Legacy voice and data	—	—	368	—	69	437
Other	—	—	296	—	45	341
Total Service	15,908	5,087	3,331	672	114	25,112
Equipment	4,784	134	—	320	—	5,238
Total	$ 20,692	$ 5,221	$ 3,331	$ 992	$ 114	$ 30,350

For the nine months ended September 30, 2024

	Communications					
	Mobility	Business Wireline	Consumer Wireline	Latin America	Corporate & Other	Total
Wireless service	**$ 48,810**	**$ —**	**$ —**	**$ 2,034**	**$ —**	**$ 50,844**
Business service	**—**	**13,688**	**—**	**—**	**—**	**13,688**
Broadband	**—**	**—**	**8,301**	**—**	**—**	**8,301**
Legacy voice and data	**—**	**—**	**972**	**—**	**190**	**1,162**
Other	**—**	**—**	**840**	**—**	**147**	**987**
Total Service	**48,810**	**13,688**	**10,113**	**2,034**	**337**	**74,982**
Equipment	**13,316**	**586**	**—**	**1,154**	**—**	**15,056**
Total	**$ 62,126**	**$ 14,274**	**$ 10,113**	**$ 3,188**	**$ 337**	**$ 90,038**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

For the nine months ended September 30, 2023

	Communications					
	Mobility	Business Wireline	Consumer Wireline	Latin America	Corporate & Other	Total
Wireless service	$ 47,136	$ —	$ —	$ 1,898	$ —	$ 49,034
Business service	—	15,401	—	—	—	15,401
Broadband	—	—	7,755	—	—	7,755
Legacy voice and data	—	—	1,147	—	232	1,379
Other	—	—	919	—	91	1,010
Total Service	47,136	15,401	9,821	1,898	323	74,579
Equipment	14,453	430	—	944	—	15,827
Total	$ 61,589	$ 15,831	$ 9,821	$ 2,842	$ 323	$ 90,406

Deferred Customer Contract Acquisition and Fulfillment Costs
Costs to acquire and fulfill customer contracts, including commissions on service activations for our Mobility, Business Wireline and Consumer Wireline services, are deferred and amortized over the contract period or expected customer relationship life, which typically ranges from three years to five years.

The following table presents the deferred customer contract acquisition and fulfillment costs included on our consolidated balance sheets:

Consolidated Balance Sheets	**September 30, 2024**	December 31, 2023
Deferred Acquisition Costs		
Prepaid and other current assets	**$ 3,185**	$ 3,233
Other Assets	**4,074**	4,077
Total deferred customer contract acquisition costs	**$ 7,259**	$ 7,310
Deferred Fulfillment Costs		
Prepaid and other current assets	**$ 2,155**	$ 2,340
Other Assets	**3,399**	3,843
Total deferred customer contract fulfillment costs	**$ 5,554**	$ 6,183

The following table presents deferred customer contract acquisition and fulfillment cost amortization, which are primarily included in “Selling, general and administrative” and “Other cost of revenues,” respectively, for the nine months ended:

Consolidated Statements of Income	**September 30, 2024**	September 30, 2023
Deferred acquisition cost amortization	**$ 2,733**	$ 2,568
Deferred fulfillment cost amortization	**1,916**	2,031

Contract Assets and Liabilities
A contract asset is recorded when revenue is recognized in advance of our right to bill and receive consideration. The contract asset will decrease as services are provided and billed. For example, when installment sales include promotional discounts (e.g., trade-in device credits) the difference between revenue recognized and consideration received is recorded as a contract asset to be amortized over the contract term.

Our contract assets primarily relate to our wireless businesses. Promotional equipment sales where we offer handset credits, which are allocated between equipment and service in proportion to their standalone selling prices, when customers commit to a

specified service period result in additional contract assets recognized. These contract assets will amortize over the service contract period, resulting in lower future service revenue.

When consideration is received in advance of the delivery of goods or services, a contract liability is recorded. Reductions in the contract liability will be recorded as we satisfy the performance obligations.

The following table presents contract assets and liabilities on our consolidated balance sheets:

Consolidated Balance Sheets	September 30, 2024	December 31, 2023
Contract asset	**$ 6,426**	$ 6,518
Current portion in "Prepaid and other current assets"	**3,674**	3,549
Contract liability	**4,219**	3,994
Current portion in "Advanced billings and customer deposits"	**3,938**	3,666

Our beginning of period contract liability recorded as customer contract revenue during 2024 was $3,512.

Remaining Performance Obligations
Remaining performance obligations represent services we are required to provide to customers under bundled or discounted arrangements, which are satisfied as services are provided over the contract term. In determining the transaction price allocated, we do not include non-recurring charges and estimates for usage, nor do we consider arrangements with an original expected duration of less than one year, which are primarily prepaid wireless and residential internet agreements.

Remaining performance obligations associated with business contracts reflect recurring charges billed, adjusted to reflect estimates for sales incentives and revenue adjustments. Performance obligations associated with wireless contracts are estimated using a portfolio approach in which we review all relevant promotional activities, calculating the remaining performance obligation using the average service component for the portfolio and the average device price. As of September 30, 2024, the aggregate amount of the transaction price allocated to remaining performance obligations was $38,581, of which we expect to recognize approximately 63% by the end of 2025, with the balance recognized thereafter.

NOTE 6. PENSION AND POSTRETIREMENT BENEFITS

Many of our employees are covered by one of our noncontributory pension plans. We also provide certain medical, dental, life insurance and death benefits to certain retired employees under various plans and accrue actuarially determined postretirement benefit costs. Our objective in funding these plans, in combination with the standards of the Employee Retirement Income Security Act of 1974, as amended (ERISA), is to accumulate assets sufficient to provide benefits described in the plans to employees upon their retirement. We do not have significant funding requirements in 2024.

We recognize actuarial gains and losses on pension and postretirement plan assets in our consolidated results as a component of "Other income (expense) – net" at our annual measurement date of December 31, unless earlier remeasurements are required.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

The following table details qualified pension and postretirement benefit costs included in the accompanying consolidated statements of income. The service cost component of net periodic pension (credit) cost is recorded in operating expenses in the consolidated statements of income while the remaining components are recorded in "Other income (expense) – net."

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Pension cost:				
Service cost – benefits earned during the period	**$ 122**	$ 122	**$ 365**	$ 365
Interest cost on projected benefit obligation	**396**	416	**1,189**	1,448
Expected return on assets	**(553)**	(570)	**(1,658)**	(1,999)
Amortization of prior service credit	**(21)**	(33)	**(65)**	(100)
Net pension (credit) cost before remeasurement	**(56)**	(65)	**(169)**	(286)
Actuarial (gain) loss	**—**	(71)	**—**	218
Settlement (gain) loss	**—**	—	**—**	(363)
Net pension (credit) cost	**$ (56)**	$ (136)	**$ (169)**	$ (431)
Postretirement cost:				
Service cost – benefits earned during the period	**$ 5**	$ 5	**$ 16**	$ 17
Interest cost on accumulated postretirement benefit obligation	**77**	85	**232**	255
Expected return on assets	**(15)**	(32)	**(45)**	(98)
Amortization of prior service credit	**(482)**	(618)	**(1,446)**	(1,854)
Net postretirement (credit) cost	**$ (415)**	$ (560)	**$ (1,243)**	$ (1,680)
Combined net pension and postretirement (credit) cost	**$ (471)**	$ (696)	**$ (1,412)**	$ (2,111)

We also provide senior- and middle-management employees with nonqualified, unfunded supplemental retirement and savings plans. Net supplemental pension benefits costs not included in the table above were $17 and $19 in the third quarter and $50 and $56 for the first nine months of 2024 and 2023, respectively.

NOTE 7. FAIR VALUE MEASUREMENTS AND DISCLOSURE

The Fair Value Measurement and Disclosure framework in ASC 820, "Fair Value Measurement," provides a three-tiered fair value hierarchy based on the reliability of the inputs used to determine fair value. Level 1 refers to fair values determined based on quoted prices in active markets for identical assets. Level 2 refers to fair values estimated using significant other observable inputs and Level 3 includes fair values estimated using significant unobservable inputs.

The level of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Our valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable value or reflective of future fair values. We believe our valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used since December 31, 2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

Long-Term Debt and Other Financial Instruments
The carrying amounts and estimated fair values of our long-term debt, including current maturities, and other financial instruments are summarized as follows:

	September 30, 2024		December 31, 2023	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Notes and debentures[1]	**$ 127,501**	**$ 124,536**	$ 133,402	$ 128,474
Commercial paper	**—**	**—**	2,091	2,091
Investment securities[2]	**3,092**	**3,092**	2,836	2,836

[1] Includes credit agreement borrowings.

[2] Excludes investments accounted for under the equity method.

The carrying amount of debt with an original maturity of less than one year approximates fair value. The fair value measurements used for notes and debentures are considered Level 2 and are determined using various methods, including quoted prices for identical or similar securities in both active and inactive markets.

Following is the fair value leveling for investment securities that are measured at fair value and derivatives as of September 30, 2024 and December 31, 2023. Derivatives designated as hedging instruments are reflected as “Prepaid and other current assets,” “Other Assets,” “Accounts payable and accrued liabilities,” and “Other noncurrent liabilities” on our consolidated balance sheets.

	September 30, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Equity Securities				
Domestic equities	**$ 1,143**	**$ —**	**$ —**	**$ 1,143**
International equities	**302**	**—**	**—**	**302**
Fixed income equities	**219**	**—**	**—**	**219**
Available-for-Sale Debt Securities	**—**	**1,198**	**—**	**1,198**
Asset Derivatives				
Cross-currency swaps	**—**	**367**	**—**	**367**
Liability Derivatives				
Cross-currency swaps	**—**	**(3,099)**	**—**	**(3,099)**

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Equity Securities				
Domestic equities	$ 1,002	$ —	$ —	$ 1,002
International equities	215	—	—	215
Fixed income equities	209	—	—	209
Available-for-Sale Debt Securities	—	1,228	—	1,228
Asset Derivatives				
Cross-currency swaps	—	424	—	424
Liability Derivatives				
Interest rate swaps	—	(2)	—	(2)
Cross-currency swaps	—	(3,601)	—	(3,601)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

Investment Securities
Our investment securities include both equity and debt securities that are measured at fair value, as well as equity securities without readily determinable fair values. A substantial portion of the fair values of our investment securities is estimated based on quoted market prices. Investments in equity securities not traded on a national securities exchange are valued at cost, less any impairment, and adjusted for changes resulting from observable, orderly transactions for identical or similar securities. Investments in debt securities not traded on a national securities exchange are valued using pricing models, quoted prices of securities with similar characteristics or discounted cash flows.

The components comprising total gains and losses in the period on equity securities are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Total gains (losses) recognized on equity securities	**$ 80**	$ (58)	**$ 206**	$ 107
Gains (losses) recognized on equity securities sold	**—**	(2)	**(8)**	(1)
Unrealized gains (losses) recognized on equity securities held at end of period	**$ 80**	$ (56)	**$ 214**	$ 108

At September 30, 2024, available-for-sale debt securities totaling $1,198 have maturities as follows - less than one year: $61; one to three years: $173; three to five years: $106; five or more years: $858.

Our cash equivalents (money market securities) and short-term investments (certificate and time deposits) are recorded at amortized cost, and the respective carrying amounts approximate fair values. Short-term investments are recorded in “Prepaid and other current assets” and our investment securities are recorded in “Other Assets” on the consolidated balance sheets.

Derivative Financial Instruments
We enter into derivative transactions to manage certain market risks, primarily interest rate risk and foreign currency exchange risk. This includes the use of interest rate swaps, interest rate locks, foreign exchange forward contracts and combined interest rate foreign exchange contracts (cross-currency swaps). We do not use derivatives for trading or speculative purposes. We record derivatives on our consolidated balance sheets at fair value that is derived from observable market data, including yield curves and foreign exchange rates (all of our derivatives are Level 2). Cash flows associated with derivative instruments are presented in the same category on the consolidated statements of cash flows as the item being hedged.

Fair Value Hedging Periodically, we enter into and designate fixed-to-floating interest rate swaps as fair value hedges. The purpose of these swaps is to manage interest rate risk by managing our mix of fixed-rate and floating-rate debt. These swaps involve the receipt of fixed-rate amounts for floating interest rate payments over the life of the swaps without exchange of the underlying principal amount.

We also designate most of our cross-currency swaps and foreign exchange contracts as fair value hedges. The purpose of these contracts is to hedge foreign currency risk associated with changes in spot rates on foreign denominated debt. For cross-currency hedges, we have elected to exclude the change in fair value of the swap related to both time value and cross-currency basis spread from the assessment of hedge effectiveness. For foreign exchange contracts, we have elected to exclude the change in fair value of forward points from the assessment of hedge effectiveness.

Unrealized and realized gains or losses from fair value hedges impact the same category on the consolidated statements of income as the item being hedged, including the earnings impact of excluded components. In instances where we have elected to exclude components from the assessment of hedge effectiveness related to fair value hedges, unrealized gains or losses on such excluded components are recorded as a component of accumulated OCI and recognized into earnings over the life of the hedging instrument. Unrealized gains on derivatives designated as fair value hedges are recorded at fair value as assets, and unrealized losses are recorded at fair market value as liabilities. Except for excluded components, changes in the fair value of derivative instruments designated as fair value hedges are offset against the change in fair value of the hedged assets or liabilities through earnings. In the nine months ended September 30, 2024 and 2023, no ineffectiveness was measured on fair value hedges.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

Cash Flow Hedging We designate some of our cross-currency swaps as cash flow hedges to hedge our exposure to variability in expected future cash flows that are attributable to foreign currency risk and interest rate risk generated from our foreign-denominated debt. These agreements include initial and final exchanges of principal from fixed foreign denominated amounts to fixed U.S. dollar denominated amounts, to be exchanged at a specified rate that is usually determined by the market spot rate upon issuance. They also include an interest rate swap of a fixed or floating foreign denominated interest rate to a fixed U.S. dollar denominated interest rate.

Unrealized gains on derivatives designated as cash flow hedges are recorded at fair value as assets and unrealized losses are recorded at fair value as liabilities. For derivative instruments designated as cash flow hedges, changes in fair value are reported as a component of accumulated OCI and are reclassified into the consolidated statements of income in the same period the hedged transaction affects earnings.

Periodically, we enter into and designate interest rate locks to partially hedge the risk of changes in interest payments attributable to increases in the benchmark interest rate during the period leading up to the probable issuance of fixed-rate debt. We designate our interest rate locks as cash flow hedges. Gains and losses when we settle our interest rate locks are amortized into income over the life of the related debt. Over the next 12 months, we expect to reclassify $59 from accumulated OCI to “Interest expense” due to the amortization of net losses on historical interest rate locks.

Collateral and Credit-Risk Contingency We have entered into agreements with our derivative counterparties establishing collateral thresholds based on respective credit ratings and netting agreements. At September 30, 2024, we had posted collateral of $670 (a deposit asset) and held collateral of $2 (a receipt liability). Under the agreements, if AT&T’s credit rating had been downgraded two ratings levels by Fitch Ratings, one level by S&P and one level by Moody’s before the final collateral exchange in September, we would have been required to post additional collateral of $52. If AT&T’s credit rating had been downgraded three ratings levels by Fitch Ratings, two levels by S&P, and two levels by Moody’s, we would have been required to post additional collateral of $2,661. At December 31, 2023, we had posted collateral of $670 (a deposit asset) and held collateral of $5 (a receipt liability). We do not offset the fair value of collateral, whether the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a payable) exists, against the fair value of the derivative instruments.

Following are the notional amounts of our outstanding derivative positions:

	September 30, 2024	December 31, 2023
Interest rate swaps	**$ —**	$ 1,750
Cross-currency swaps	**35,351**	38,006
Total	**$ 35,351**	$ 39,756

Following are the related hedged items affecting our financial position and performance:

Effect of Derivatives on the Consolidated Statements of Income

	Three months ended September 30,		Nine months ended September 30,	
Fair Value Hedging Relationships	**2024**	2023	**2024**	2023
Interest rate swaps ("Interest expense"):				
Gain (loss) on interest rate swaps	**$ 1**	$ (5)	**$ —**	$ (12)
Gain (loss) on long-term debt	**(1)**	5	**—**	12
Cross-currency swaps:				
Gain (loss) on cross-currency swaps	**1,308**	(1,066)	**884**	(297)
Gain (loss) on long-term debt	**(1,308)**	1,066	**(884)**	297
Gain (loss) recognized in accumulated OCI	**(412)**	1,005	**(482)**	1,045
Foreign exchange contracts:				
Gain (loss) on foreign exchange contracts	**—**	1	**—**	12
Gain (loss) on long-term debt	**—**	(1)	**—**	(12)
Gain (loss) recognized in accumulated OCI	**—**	18	**—**	12

In addition, the net swap settlements that accrued and settled in the periods above were offset against "Interest expense."

The following table presents information for our cash flow hedging relationships:

	Three months ended September 30,		Nine months ended September 30,	
Cash Flow Hedging Relationships	**2024**	2023	**2024**	2023
Cross-currency swaps:				
Gain (loss) recognized in accumulated OCI	**$ (5)**	$ 31	**$ —**	$ 23
Interest rate locks:				
Interest income (expense) reclassified from accumulated OCI into income	**(15)**	(15)	**(44)**	(44)

Nonrecurring Fair Value Measurements
In addition to assets and liabilities that are recorded at fair value on a recurring basis, impairment indicators may subject goodwill to nonrecurring fair value measurements. The implied fair value of the Business Wireline reporting unit was estimated using the discounted cash flow approach, which is considered Level 3. Goodwill related to the Business Wireline reporting unit was fully impaired at September 30, 2024 (see Note 1).

NOTE 8. SALES OF RECEIVABLES

We have agreements with various third-party financial institutions pertaining to the sales of certain types of our accounts receivable. The most significant of these programs are discussed in detail below and generally consist of (1) receivables arising from equipment installment plans, which are sold for cash and beneficial interests, such as deferred purchase price, when applicable, and (2) revolving trade receivables, which are sold for cash. Under the terms of our agreements for these programs, we continue to service the transferred receivables on behalf of the financial institutions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

The following table sets forth a summary of cash proceeds received, net of remittances paid, from sales of receivables:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Net cash received (paid) from equipment installment receivables program[1]	**$ (568)**	$ 293	**$ (1,121)**	$ 233
Net cash received (paid) from revolving receivables program	**938**	479	**1,185**	1,479
Net cash received (paid) from other programs	**—**	(376)	**—**	(632)
Total net cash impact to cash flows from operating activities[2]	**$ 370**	$ 396	**$ 64**	$ 1,080

[1] Cash from initial sales of $2,442 and $2,937 for the three months and $7,848 and $8,122 for the nine months ended September 30, 2024 and 2023, respectively.
[2] Net of facility fees.

The sales of receivables did not have a material impact on our consolidated statements of income or to "Total Assets" reported on our consolidated balance sheets. We reflect cash receipts on sold receivables as cash flows from operations in our consolidated statements of cash flows. In the event cash is received on the beneficial interests, those receipts are classified as cash flows from investing activities, when applicable.

Our equipment installment and revolving receivables programs are discussed in detail below. The following table sets forth a summary of the receivables and accounts being serviced:

	September 30, 2024		December 31, 2023	
	Equipment Installment	**Revolving**	Equipment Installment	Revolving
Gross receivables:	**$ 2,940**	**$ 195**	$ 3,714	$ 924
Balance sheet classification				
Accounts receivable				
Notes receivable	**1,665**	**—**	1,695	—
Trade receivables	**200**	**195**	548	924
Other Assets				
Noncurrent notes and trade receivables	**1,075**	**—**	1,471	—
Outstanding portfolio of receivables derecognized from our consolidated balance sheets	**$ 11,872**	**$ 2,770**	$ 12,027	$ 1,500
Cash proceeds received, net of remittances[1]	**8,470**	**2,770**	9,361	1,500

[1] Represents amounts to which financial institutions remain entitled, excluding the beneficial interests.

Equipment Installment Receivables Program
We offer our customers the option to purchase certain wireless devices in installments over a specified period of time and, in many cases, once certain conditions are met, they may be eligible to trade in the original equipment for a new device and have the remaining unpaid balance paid or settled.

We maintain a program under which we transfer a portion of these receivables through our bankruptcy-remote subsidiary in exchange for cash and beneficial interests. In the event a customer trades in a device prior to the end of the installment contract period, we agree to make a payment to the financial institutions equal to any outstanding remaining installment receivable balance. Accordingly, we record a guarantee obligation for this estimated amount at the time the receivables are transferred.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

The following table sets forth a summary of equipment installment receivables sold under this program:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Gross receivables sold[1]	**$ 2,469**	$ 2,968	**$ 7,930**	$ 8,215
Net receivables sold[2]	**2,340**	2,842	**7,535**	7,834
Cash proceeds received	**2,442**	2,937	**7,848**	8,122
Guarantee obligation recorded	**199**	249	**682**	697

[1] Receivables net of promotion credits.

[2] Receivables net of allowance and other reserves.

Beneficial interests, when applicable, and guarantee obligations are initially recorded at estimated fair value and subsequently adjusted for changes in present value of expected cash flows. The estimation of their fair values is based on remaining installment payments expected to be collected and the expected timing and value of device trade-ins. The estimated value of the device trade-ins considers prices offered to us by independent third parties and contemplates changes in value after the launch of a device model. The fair value measurements used for the beneficial interests and the guarantee obligation are considered Level 3 under the Fair Value Measurement and Disclosure framework (see Note 7).

The following table presents the previously transferred equipment installment receivables, which we repurchased in exchange for the associated beneficial interests:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Fair value of repurchased receivables	**$ 951**	$ 732	**$ 2,393**	$ 2,038
Carrying value of beneficial interests	**956**	740	**2,420**	2,051
Gain (loss) on repurchases[1]	**$ (5)**	$ (8)	**$ (27)**	$ (13)

[1] These gains (losses) are included in “Selling, general and administrative” expense in the consolidated statements of income.

At September 30, 2024 and December 31, 2023, our beneficial interests were $2,875 and $2,270, respectively, of which $1,681 and $1,296 are included in “Prepaid and other current assets” on our consolidated balance sheets, with the remainder in “Other Assets.” The guarantee obligation at September 30, 2024 and December 31, 2023 was $236 and $385, respectively, of which $121 and $111 are included in “Accounts payable and accrued liabilities” on our consolidated balance sheets, with the remainder in “Other noncurrent liabilities.” Our maximum exposure to loss as a result of selling these equipment installment receivables is limited to the total amount of our beneficial interests and guarantee obligation.

Revolving Receivables Program
During 2024, we expanded our revolving agreement to transfer up to $2,770 of certain receivables through our bankruptcy-remote subsidiaries to various financial institutions on a recurring basis in exchange for cash equal to the gross receivables transferred. This agreement is subject to renewal on an annual basis and the transfer limit may be expanded or reduced from time to time. As customers pay their balances, we transfer additional receivables into the program, resulting in our gross receivables sold exceeding net cash flow impacts (e.g., collect and reinvest). The transferred receivables are fully guaranteed by our bankruptcy-remote subsidiaries, which hold additional receivables in the amount of $195 that are pledged as collateral under this agreement. The transfers are recorded at fair value of the proceeds received and obligations assumed less derecognized receivables. Our maximum exposure to loss related to these receivables transferred is limited to the derecognized amount outstanding.

The following table sets forth a summary of the revolving receivables sold:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Gross receivables sold/cash proceeds received[1]	**$ 5,620**	$ 4,053	**$ 14,466**	$ 5,053
Total collections under revolving agreement	**4,650**	3,553	**13,196**	3,553
Net cash proceeds received	**$ 970**	$ 500	**$ 1,270**	$ 1,500
Net receivables sold[2]	**$ 5,463**	$ 3,958	**$ 14,075**	$ 4,940

[1] Includes initial sales of receivables of $970 and $500 for the three months and $1,270 and $1,500 for the nine months ended September 30, 2024 and 2023, respectively.

[2] Receivables net of allowance and other reserves.

NOTE 9. TRANSACTIONS WITH DIRECTV

We account for our investment in DIRECTV under the equity method and record our share of DIRECTV earnings as equity in net income of affiliates, with DIRECTV considered a related party. On September 29, 2024, we agreed to sell our interest in DIRECTV to TPG Capital for approximately $7,600 in cash payments through 2029, inclusive of third-quarter 2024 distributions of $623. In addition to quarterly distributions through 2025, including payout of common catch-up units, this consideration includes notes payable to AT&T of approximately $2,550 and a dividend of $1,150. The transaction is expected to close in mid-2025, pending customary closing conditions. We expect a gain on sale, whose amount will be dependent on the timing of close.

At September 30, 2024, our investment in DIRECTV was reduced to zero on our consolidated balance sheet, resulting from aggregate cash receipts exceeding our initial investment balance plus our cumulative equity in DIRECTV earnings. As we are not committed, implicitly or explicitly, to provide financial or other support to DIRECTV, we will record future cash distributions received in excess of our share of DIRECTV's earnings in "Equity in net income from affiliates" in the consolidated statements of income and as cash provided by operations in the consolidated statements of cash flows.

The following table sets forth our share of DIRECTV's earnings included in "Equity in net income of affiliates" and cash distributions received from DIRECTV:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
DIRECTV's earnings included in Equity in net income of affiliates	**$ 281**	$ 423	**$ 955**	$ 1,334
Distributions classified as operating activities	**$ 281**	$ 423	**$ 955**	$ 1,334
Distributions classified as investing activities	**342**	473	**928**	1,447
Cash distributions received from DIRECTV	**$ 623**	$ 896	**$ 1,883**	$ 2,781

For the three and nine months ended September 30, 2024, we billed DIRECTV approximately $129 and $408 under commercial arrangements and transition service agreements, which were recorded as a reduction to the operations and support expenses incurred.

At September 30, 2024, we had accounts receivable from DIRECTV of $268 and accounts payable to DIRECTV of $52.

NOTE 10. SUPPLIER AND VENDOR FINANCING PROGRAMS

Supplier Financing Program
We actively manage the timing of our supplier payments for operating items to optimize the use of our cash and seek to make payments on 90-day or greater terms, while providing suppliers with access to bank facilities that permit earlier payment at their cost. Our supplier financing program does not result in changes to our normal, contracted payment cycles or cash from operations.

At the supplier's election, they can receive payment of AT&T obligations prior to the scheduled due dates, at a discounted price from the third-party financial institution. The discounted price paid by participating suppliers is based on a variable rate that is indexed to the overnight borrowing rate. We agree to pay the financial institution the stated amount generally within 90 days of receipt of the invoice. We do not have pledged assets or other guarantees under our supplier financing program.

Suppliers had elected to sell to the third-party financial institutions $3,229 and $2,844 of our outstanding payment obligations as of September 30, 2024 and December 31, 2023, respectively. These amounts are included in "Accounts payable and accrued liabilities" on our consolidated balance sheets. Our supplier financing programs are reported as operating or investing (when capitalizable) activities in our statements of cash flows when paid.

Direct Supplier Financing
We also have arrangements with suppliers of handset inventory that allow us to extend the stated payment terms by up to 90 days at an additional cost to us (variable rate extension fee). We had $1,942 of direct supplier financing outstanding at September 30, 2024 and $5,442 as of December 31, 2023, which are included in "Accounts payable and accrued liabilities" on our consolidated balance sheets. Our direct supplier financing is reported as operating activities in our statements of cash flows when paid.

Vendor Financing
In connection with capital improvements and the acquisition of other productive assets, we negotiate favorable payment terms of 120 days or more (referred to as vendor financing), which are reported as financing activities in our statements of cash flows when paid. For the nine months ended September 30, 2024 and 2023, we recorded vendor financing commitments related to capital investments of $581 and $2,128, respectively. We had $1,660 of vendor financing payables at September 30, 2024, with $843 included in "Accounts payable and accrued liabilities" and $2,833 of vendor financing payables at December 31, 2023, with $1,975 included in "Accounts payable and accrued liabilities."

NOTE 11. ADDITIONAL FINANCIAL INFORMATION

Cash and Cash Flows
We typically maintain our restricted cash balances for purchases and sales of certain investment securities and funding of certain deferred compensation benefit payments.

The following table summarizes cash and cash equivalents and restricted cash balances contained on our consolidated balance sheets:

	September 30,		December 31,	
	2024	2023	2023	2022
Cash and cash equivalents	**$ 2,586**	$ 7,540	$ 6,722	$ 3,701
Restricted cash in Prepaid and other current assets	**1**	1	2	1
Restricted cash in Other Assets	**139**	118	109	91
Cash and Cash Equivalents and Restricted Cash	**$ 2,726**	$ 7,659	$ 6,833	$ 3,793

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

The following table summarizes cash paid during the periods for interest and income taxes:

	Nine months ended September 30,	
Cash paid (received) during the period for:	**2024**	2023
Interest	**$ 5,615**	$ 5,703
Income taxes, net of refunds	**882**	758

The following table summarizes capital expenditures:

	Nine months ended September 30,	
	2024	2023
Purchase of property and equipment	**$ 13,301**	$ 13,116
Interest during construction - capital expenditures[1]	**119**	136
Total Capital Expenditures	**$ 13,420**	$ 13,252

The following table summarizes acquisitions, net of cash acquired:

	Nine months ended September 30,	
	2024	2023
Business acquisitions	**$ —**	$ —
Spectrum acquisitions	**153**	309
Interest during construction - spectrum[1]	**169**	614
Total Acquisitions	**$ 322**	$ 923

[1] Total capitalized interest was $288 and $750 for the nine months ended September 30, 2024 and 2023, respectively.

Preferred Interests Issued by Subsidiaries

Tower Holdings Preferred Interests

In 2019, we issued $6,000 nonconvertible cumulative preferred interest in a wireless subsidiary (Tower Holdings) that holds interests in various tower assets and has the right to receive approximately $6,000 if the purchase options from the tower companies are exercised.

The membership interests in Tower Holdings consist of (1) common interests, which are held by a consolidated subsidiary of AT&T, and (2) two series of preferred interests (collectively the "2019 Tower preferred interests"). The September series (Tower Class A-1) of the preferred interests totals $1,500 and pays an initial preferred distribution of 5.0%, and the December series (Tower Class A-2) totals $4,500 and pays an initial preferred distribution of 4.75%. Distributions are paid quarterly, subject to declaration and reset every five years.

In August 2024, we amended the 2019 Tower preferred interests, effective November 2024, to reset the rate and restructure the membership interests whereby all of the 2019 Tower preferred interests shall be designated Fixed Rate Class A Limited Membership Interests (Tower Fixed Rate Interests). A portion of the Tower Fixed Rate Interests will move to Floating Rate Class A Limited Membership Interests (Tower Floating Rate Interests) each year over a five-year period. The Tower Fixed Rate Interests pay a preferred distribution of 5.90%, and the Tower Floating Rate Interests pay a preferred distribution equal to the Secured Overnight Financing Rate (SOFR) plus 250 basis points, as defined in the agreement. Any failure to declare or pay distributions on the Tower Fixed Rate Interests or Tower Floating Rate Interests (collectively, the "Tower preferred interests") would not impose any limitation on cash movement between affiliates, or our ability to declare a dividend on or repurchase AT&T shares. We can call the Tower Fixed Rate Interests at the issue price beginning in November 2029, and we can call the Tower Floating Rate Interests at any time. The Tower preferred interests are included in "Noncontrolling interest" on the consolidated balance sheets.

The holders of the Tower preferred interests have the option to require redemption upon the occurrence of certain contingent events, such as the failure of AT&T to pay the preferred distribution for two or more periods or to meet certain other requirements, including a minimum credit rating. If notice is given upon such an event, all other holders of equal or more subordinate classes of membership interests in Tower Holdings are entitled to receive the same form of consideration payable to the holders of the Tower preferred interests, resulting in a deemed liquidation for accounting purposes.

Telco LLC Preferred Interests
At September 30, 2024, and as of the date of this report, we had $7,250 outstanding cumulative preferred interests in a limited liability company (Telco LLC) that was formed to hold telecommunication-related assets. The cumulative preferred interests in Telco LLC are comprised of Telco Class A-1, A-2 and A-3 interests (collectively the "Telco preferred interests") and are included in "Noncontrolling interest" on the consolidated balance sheets (see Note 16 to AT&T's 2023 Annual Report on Form 10-K). The Telco preferred interests can be called at issue price beginning September 29, 2027. The holders of the Telco preferred interests have the option to require redemption upon the occurrence of certain contingent events, such as the failure of Telco LLC to pay the preferred distribution for two or more periods or to meet certain other requirements, including a minimum credit rating. If notice is given, all other holders of equal or more subordinate classes of members' equity are entitled to receive the same form of consideration payable to the holders of the Telco preferred interests, resulting in a deemed liquidation for accounting purposes.

In October 2024, we entered into an agreement to issue in the first quarter of 2025, an additional $2,250 of nonconvertible cumulative preferred interests in Telco LLC (Telco Class A-4). The Telco Class A-4 interests will pay an initial preferred distribution of 5.94% annually, subject to declaration, and subject to reset on November 1, 2028, and every four years thereafter. The Telco Class A-4 interests can be called at issue price beginning November 1, 2028, and are subject to the same redemption and liquidation rights as the Telco Class A-1, A-2 and A-3 interests. Upon the expected issuance in the first quarter of 2025, we intend to use the Telco Class A-4 proceeds to fund the redemption of preferred equity securities.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations
Dollars in millions except per share amounts

OVERVIEW

AT&T Inc. is referred to as "we," "AT&T" or the "Company" throughout this document. AT&T products and services are provided or offered by subsidiaries and affiliates of AT&T Inc. under the AT&T brand and not by AT&T Inc., and the names of the particular subsidiaries and affiliates providing the services generally have been omitted. AT&T is a holding company whose subsidiaries and affiliates operate worldwide in the telecommunications and technology industries. You should read this discussion in conjunction with the consolidated financial statements and accompanying notes (Notes).

We have two reportable segments: Communications and Latin America. Our segment results presented in Note 4 and discussed below follow our internal management reporting. Percentage increases and decreases that are not considered meaningful are denoted with a dash.

	Third Quarter			Nine-Month Period		
	2024	2023	Percent Change	**2024**	2023	Percent Change
Operating Revenues						
Communications	**$ 29,074**	$ 29,244	(0.6)%	**$ 86,513**	$ 87,241	(0.8)%
Latin America - Mexico	**1,022**	992	3.0	**3,188**	2,842	12.2
Corporate	**117**	114	2.6	**337**	323	4.3
AT&T Operating Revenues	**$ 30,213**	$ 30,350	(0.5)%	**$ 90,038**	$ 90,406	(0.4)%
Operating Income						
Communications	**$ 7,156**	$ 7,273	(1.6)%	**$ 20,906**	$ 21,193	(1.4)%
Latin America - Mexico	**10**	(29)	—	**19**	(98)	—
Segment Operating Income	**7,166**	7,244	(1.1)	**20,925**	21,095	(0.8)
Corporate	**(654)**	(725)	9.8	**(2,119)**	(2,206)	3.9
Certain significant items	**(4,396)**	(737)	—	**(5,083)**	(699)	—
AT&T Operating Income	**$ 2,116**	$ 5,782	(63.4)%	**$ 13,723**	$ 18,190	(24.6)%

The ***Communications segment*** provides services to businesses and consumers located in the U.S. and businesses globally. Our business strategies reflect integrated product offerings that cut across product lines and utilize shared assets. This segment contains the following business units:

- **Mobility** provides nationwide wireless service and equipment.
- **Business Wireline** provides advanced ethernet-based fiber services, IP Voice and managed professional services, as well as traditional voice and data services and related equipment to business customers. In the first quarter of 2024, we began offering our fixed wireless access product that provides internet services delivered over our 5G wireless network where available.
- **Consumer Wireline** provides broadband services, including fiber connections that provide multi-gig services to residential customers in select locations and our fixed wireless access product that provides home internet services delivered over our 5G wireless network where available. Consumer Wireline also provides legacy telephony voice communication services.

The ***Latin America segment*** provides wireless services and equipment in Mexico.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued
Dollars in millions except per share amounts

RESULTS OF OPERATIONS

Consolidated Results Our financial results are summarized in the discussions that follow. Additional analysis is discussed in our "Segment Results" section.

	Third Quarter			Nine-Month Period		
	2024	2023	Percent Change	**2024**	2023	Percent Change
Operating Revenues						
Service	**$ 25,134**	$ 25,112	0.1 %	**$ 74,982**	$ 74,579	0.5 %
Equipment	**5,079**	5,238	(3.0)	**15,056**	15,827	(4.9)
Total Operating Revenues	**30,213**	30,350	(0.5)	**90,038**	90,406	(0.4)
Operating Expenses						
Operations and support	**23,010**	19,863	15.8	**61,109**	58,205	5.0
Depreciation and amortization	**5,087**	4,705	8.1	**15,206**	14,011	8.5
Total Operating Expenses	**28,097**	24,568	14.4	**76,315**	72,216	5.7
Operating Income	**2,116**	5,782	(63.4)	**13,723**	18,190	(24.6)
Interest expense	**1,675**	1,662	0.8	**5,098**	4,978	2.4
Equity in net income of affiliates	**272**	420	(35.2)	**915**	1,338	(31.6)
Other income (expense) — net	**717**	440	63.0	**1,850**	2,362	(21.7)
Income Before Income Taxes	**1,430**	4,980	(71.3)	**11,390**	16,912	(32.7)
Net Income	**145**	3,826	(96.2)	**7,845**	13,041	(39.8)
Net Income (Loss) Attributable to AT&T	**(174)**	3,495	—	**6,868**	12,212	(43.8)
Net Income (Loss) Attributable to Common Stock	**$ (226)**	$ 3,444	— %	**$ 6,715**	$ 12,057	(44.3)%

Operating revenues decreased in the third quarter and for the first nine months of 2024, reflecting declines in Business Wireline service and Mobility equipment revenues, partially offset by Mobility service, Consumer Wireline and Mexico revenues.

Operations and support expenses increased in the third quarter and for the first nine months of 2024, primarily due to a $4,422 noncash goodwill impairment. We performed an interim goodwill impairment test of the Business Wireline reporting unit and concluded that the calculated fair value was lower than the book value, which was driven by a faster-than-previously anticipated industry-wide secular decline of legacy services (see Note 1). The increases were partially offset by lower Mobility equipment costs resulting from lower wireless sales volumes and expense declines from our continued transformation efforts.

Depreciation and amortization expense increased in the third quarter and for the first nine months of 2024, primarily due to the shortening of estimated economic lives of wireless network equipment that will be replaced earlier than originally anticipated with our Open RAN network modernization efforts. Also contributing to higher depreciation expense was the impact of ongoing capital spending for strategic initiatives such as fiber and network upgrades.

Operating income decreased in the third quarter and for the first nine months of 2024. Our operating income margin in the third quarter decreased from 19.1% in 2023 to 7.0% in 2024 and for the first nine months decreased from 20.1% in 2023 to 15.2% in 2024.

Interest expense increased in the third quarter and for the first nine months of 2024, primarily due to lower capitalized interest associated with spectrum acquisitions, mostly offset by lower debt balances. Interest expense for the first nine months of 2023 also included distributions on Mobility preferred interests, which were repurchased on April 5, 2023.

Equity in net income of affiliates decreased in the third quarter and for the first nine months of 2024, primarily due to the performance of our investment in DIRECTV, which included our share of a gain on a sale-leaseback transaction by DIRECTV of approximately $100 in the first quarter of 2023 (see Note 9).

Other income (expense) – net increased in the third quarter and decreased for the first nine months of 2024. The increase in the third quarter was primarily the result of a prior-year write-down of our SKY Mexico equity investment and higher returns on other benefit-related investments. These increases were partially offset by lower pension and postretirement benefit credits and an actuarial gain on our pension plan in 2023 with no corresponding remeasurement in 2024.

The decrease for the first nine months was primarily driven by lower pension and postretirement benefit credits in 2024 and net actuarial and settlement gains in 2023 with no corresponding remeasurement in 2024 (see Note 6) and an impairment recognized on a held-for-sale business, partially offset by the prior-year write-down of our SKY Mexico equity investment and higher returns on other benefit-related investments.

Income tax expense increased in the third quarter and decreased for the first nine months of 2024. The increase in the third quarter was primarily due to a higher effective tax rate driven by a goodwill impairment (see Note 1), which is not deductible for tax purposes. The decrease for the first nine months was primarily due to lower income before income tax.

Our effective tax rate was 89.9% in the third quarter of 2024 and 31.1% for the first nine months of 2024, versus 23.2% and 22.9% in the comparable periods in the prior year. The increase in our effective tax rates were primarily due to the goodwill impairment, which is not deductible for tax purposes.

COMMUNICATIONS SEGMENT	Third Quarter			Nine-Month Period		
	2024	2023	Percent Change	**2024**	2023	Percent Change
Segment Operating Revenues						
Mobility	**$ 21,052**	$ 20,692	1.7 %	**$ 62,126**	$ 61,589	0.9 %
Business Wireline	**4,606**	5,221	(11.8)	**14,274**	15,831	(9.8)
Consumer Wireline	**3,416**	3,331	2.6	**10,113**	9,821	3.0
Total Segment Operating Revenues	**$ 29,074**	$ 29,244	(0.6)%	**$ 86,513**	$ 87,241	(0.8)%
Segment Operating Income (Loss)						
Mobility	**$ 7,003**	$ 6,763	3.5 %	**$ 20,190**	$ 19,647	2.8 %
Business Wireline	**(43)**	350	—	**123**	1,124	(89.1)
Consumer Wireline	**196**	160	22.5	**593**	422	40.5
Total Segment Operating Income	**$ 7,156**	$ 7,273	(1.6)%	**$ 20,906**	$ 21,193	(1.4)%

Selected Subscribers and Connections

(in 000s)	September 30, **2024**	2023
Mobility Subscribers[1]	**116,066**	112,857
Total domestic broadband connections[2]	**15,344**	15,296
Network access lines in service	**3,486**	4,421
VoIP connections	**2,297**	2,649

[1] Effective with our first-quarter 2024 reporting, we have removed connected devices from our total Mobility subscribers, consistent with industry standards and our key performance metrics. Connected devices include data-centric devices such as session-based tablets, monitoring devices and primarily wholesale automobile systems.

[2] Excludes AT&T Internet Air for Business.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued
Dollars in millions except per share amounts

Operating revenues decreased in the third quarter and for the first nine months of 2024, primarily driven by declines in our Business Wireline business unit, which reflects lower demand for legacy services and product simplification, as well as the absence of revenues from our cybersecurity business that was contributed to a new cybersecurity joint venture, LevelBlue, in the second quarter of 2024. Revenue declines were also driven by lower Mobility equipment revenue. These decreases were partially offset by increases in our Mobility and Consumer Wireline business units, driven by gains in wireless and broadband services.

Operating income decreased in the third quarter and for the first nine months of 2024. Our Communications segment operating income margin in the third quarter decreased from 24.9% in 2023 to 24.6% in 2024 and for the first nine months decreased from 24.3% in 2023 to 24.2% in 2024.

Communications Business Unit Discussion
Mobility Results

	Third Quarter			Nine-Month Period		
	2024	2023	Percent Change	**2024**	2023	Percent Change
Operating revenues						
Service	**$ 16,539**	$ 15,908	4.0 %	**$ 48,810**	$ 47,136	3.6 %
Equipment	**4,513**	4,784	(5.7)	**13,316**	14,453	(7.9)
Total Operating Revenues	**21,052**	20,692	1.7	**62,126**	61,589	0.9
Operating expenses						
Operations and support	**11,559**	11,795	(2.0)	**34,483**	35,587	(3.1)
Depreciation and amortization	**2,490**	2,134	16.7	**7,453**	6,355	17.3
Total Operating Expenses	**14,049**	13,929	0.9	**41,936**	41,942	—
Operating Income	**$ 7,003**	$ 6,763	3.5 %	**$ 20,190**	$ 19,647	2.8 %

The following tables highlight other key measures of performance for Mobility:

Subscribers

	September 30,		Percent
(in 000s)	**2024**	2023	Change
Postpaid	**88,384**	86,365	2.3 %
Postpaid phone	**72,285**	70,757	2.2
Prepaid	**19,200**	19,391	(1.0)
Reseller	**8,482**	7,101	19.4
Total Mobility Subscribers[1]	**116,066**	112,857	2.8 %

[1] Effective with our first-quarter 2024 reporting, we have removed connected devices from our total Mobility subscribers, consistent with industry standards and our key performance metrics. Connected devices include data-centric devices such as session-based tablets, monitoring devices and primarily wholesale automobile systems.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued
Dollars in millions except per share amounts

Mobility Net Additions

	Third Quarter			Nine-Month Period		
(in 000s)	**2024**	2023	Percent Change	**2024**	2023	Percent Change
Postpaid Phone Net Additions	**403**	468	(13.9) %	**1,171**	1,218	(3.9) %
Total Phone Net Additions	**358**	494	(27.5)	**1,162**	1,407	(17.4)
Postpaid[2]	**429**	550	(22.0)	**1,411**	1,556	(9.3)
Prepaid	**(49)**	56	—	**34**	263	(87.1)
Reseller	**237**	401	(40.9)	**910**	941	(3.3)
Mobility Net Subscriber Additions[1]	**617**	1,007	(38.7) %	**2,355**	2,760	(14.7) %
Postpaid Churn[3]	**0.93 %**	0.95 %	(2)BP	**0.89 %**	0.97 %	(8)BP
Postpaid Phone-Only Churn[3]	**0.78 %**	0.79 %	(1)BP	**0.73 %**	0.80 %	(7)BP

[1] Excludes migrations between wireless subscriber categories, including connected devices, and acquisition-related activity during the period.

[2] In addition to postpaid phones, includes tablets and wearables and other. Tablet net adds (losses) were (21) and (36) for the quarters ended September 30, 2024 and 2023 and 31 and (85) for the first nine months ended September 30, 2024 and 2023. Wearables and other net adds were 47 and 118 for the quarters ended September 30, 2024 and 2023 and 209 and 423 for the first nine months ended September 30, 2024 and 2023.

[3] Calculated by dividing the aggregate number of wireless subscribers who canceled service during a month by the total number of wireless subscribers at the beginning of that month. The churn rate for the period is equal to the average of the churn rate for each month of that period.

Service revenue increased in the third quarter and for the first nine months of 2024. The increases are largely due to growth from subscriber gains and postpaid phone average revenue per subscriber (ARPU) growth. As part of our transformation activities and our focus on simplification, we aligned the timing of certain administrative fees and recorded approximately $90 of one-time revenues in the third quarter of 2024.

ARPU
ARPU increased in the third quarter and for the first nine months of 2024, reflecting pricing actions.

Churn
The effective management of subscriber churn is critical to our ability to maximize revenue growth and to maintain and improve margins. Postpaid churn and postpaid phone-only churn were lower in the third quarter and for the first nine months of 2024.

Equipment revenue decreased in the third quarter and for the first nine months of 2024, primarily driven by lower wireless device sales volumes.

Operations and support expenses decreased in the third quarter and for the first nine months of 2024, primarily due to lower equipment costs driven by lower wireless sales volumes.

Depreciation expense increased in the third quarter and for the first nine months of 2024, primarily due to shortening of estimated economic lives of wireless equipment that will be replaced earlier than originally anticipated with our Open RAN deployment and network transformation, and ongoing capital spending for network upgrades and expansion, which we expect to continue through the remainder of 2024.

Operating income increased in the third quarter and for the first nine months of 2024. Our Mobility operating income margin in the third quarter increased from 32.7% in 2023 to 33.3% in 2024 and for the first nine months increased from 31.9% in 2023 to 32.5% in 2024. Our Mobility EBITDA margin in the third quarter increased from 43.0% in 2023 to 45.1% in 2024 and for the first nine months increased from 42.2% in 2023 to 44.5% in 2024. EBITDA is defined as operating income excluding depreciation and amortization.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued
Dollars in millions except per share amounts

Business Wireline Results

	Third Quarter			Nine-Month Period		
	2024	2023	Percent Change	**2024**	2023	Percent Change
Operating revenues						
Service	**$ 4,417**	$ 5,087	(13.2)%	**$ 13,688**	$ 15,401	(11.1)%
Equipment	**189**	134	41.0	**586**	430	36.3
Total Operating Revenues	**4,606**	5,221	(11.8)	**14,274**	15,831	(9.8)
Operating expenses						
Operations and support	**3,250**	3,526	(7.8)	**10,004**	10,699	(6.5)
Depreciation and amortization	**1,399**	1,345	4.0	**4,147**	4,008	3.5
Total Operating Expenses	**4,649**	4,871	(4.6)	**14,151**	14,707	(3.8)
Operating Income (Loss)	**$ (43)**	$ 350	— %	**$ 123**	$ 1,124	(89.1)%

Service revenues decreased in the third quarter and for the first nine months of 2024, driven by lower demand for legacy voice, data and network services along with product simplification, partially offset by growth in connectivity services. We expect these trends to continue. Revenue declines also were impacted by prior-year intellectual property sales of approximately $100 and the absence of revenues from our cybersecurity business that was contributed to LevelBlue.

Equipment revenues increased in the third quarter and for the first nine months of 2024, driven by higher customer premises equipment sales, which are nonrecurring in nature.

Operations and support expenses decreased in the third quarter and for the first nine months of 2024, primarily driven by lower personnel costs associated with ongoing transformation initiatives, lower network access and customer support expenses and the contribution of our cybersecurity business. Partially offsetting the decreases for the first nine months were higher vendor credits in 2023 and higher equipment costs in 2024. As part of our transformation activities, we expect operations and support expense improvements through the remainder of 2024 as we further right size our operations in alignment with the strategic direction of the business.

Depreciation expense increased in the third quarter and for the first nine months of 2024, primarily due to ongoing capital investment for strategic initiatives such as fiber, which we expect to continue through the remainder of 2024.

Operating income decreased in the third quarter and for the first nine months of 2024. Our Business Wireline operating income margin in the third quarter decreased from 6.7% in 2023 to (0.9)% in 2024 and for the first nine months decreased from 7.1% in 2023 to 0.9% in 2024. Our Business Wireline EBITDA margin in the third quarter decreased from 32.5% in 2023 to 29.4% in 2024 and for the first nine months decreased from 32.4% in 2023 to 29.9% in 2024.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued
Dollars in millions except per share amounts

Consumer Wireline Results

	Third Quarter			Nine-Month Period		
	2024	2023	Percent Change	**2024**	2023	Percent Change
Operating revenues						
Broadband	**$ 2,838**	$ 2,667	6.4 %	**$ 8,301**	$ 7,755	7.0 %
Legacy voice and data services	**307**	368	(16.6)	**972**	1,147	(15.3)
Other service and equipment	**271**	296	(8.4)	**840**	919	(8.6)
Total Operating Revenues	**3,416**	3,331	2.6	**10,113**	9,821	3.0
Operating expenses						
Operations and support	**2,296**	2,300	(0.2)	**6,801**	6,810	(0.1)
Depreciation and amortization	**924**	871	6.1	**2,719**	2,589	5.0
Total Operating Expenses	**3,220**	3,171	1.5	**9,520**	9,399	1.3
Operating Income	**$ 196**	$ 160	22.5 %	**$ 593**	$ 422	40.5 %

The following tables highlight other key measures of performance for Consumer Wireline:

Connections

(in 000s)	September 30, **2024**	2023	Percent Change
Broadband Connections			
Total Broadband and DSL Connections	**13,972**	13,887	0.6 %
Broadband[1]	**13,864**	13,710	1.1
Fiber Broadband Connections	**9,024**	8,034	12.3
Voice Connections			
Retail Consumer Switched Access Lines	**1,386**	1,737	(20.2)
Consumer VoIP Connections	**1,716**	2,035	(15.7)
Total Retail Consumer Voice Connections	**3,102**	3,772	(17.8)%

[1] Includes AT&T Internet Air.

Broadband Net Additions

	Third Quarter			Nine-Month Period		
(in 000s)	**2024**	2023	Percent Change	**2024**	2023	Percent Change
Total Broadband and DSL Net Additions	**10**	(8)	— %	**82**	(104)	— %
Broadband Net Additions[1]	**28**	15	86.7	**135**	(43)	—
Fiber Broadband Net Additions	**226**	296	(23.6)%	**717**	819	(12.5)%

[1] Includes AT&T Internet Air.

Broadband revenues increased in the third quarter and for the first nine months of 2024, driven by an increase in fiber customers, which we expect to continue as we invest further in building our fiber footprint and higher ARPU, partially offset by declines in copper-based broadband services.

Legacy voice and data service revenues decreased in the third quarter and for the first nine months of 2024, reflecting the continued decline in demand for these services in favor of other technologies, such as wireless and fiber services.

Other service and equipment revenues decreased in the third quarter and for the first nine months of 2024, reflecting the continued decline in the number of VoIP customers.

Operations and support expenses decreased in the third quarter and for the first nine months of 2024. The expense decrease in the third quarter was primarily driven by lower customer support costs and network-related costs, partially offset by higher marketing expense. The expense decrease for the first nine months was driven by lower customer support costs and operating taxes that were offset by higher network-related costs as our fiber build scales.

Depreciation expense increased in the third quarter and for the first nine months of 2024, primarily due to ongoing capital spending for strategic initiatives such as fiber and network upgrades and expansion, which we expect to continue through the remainder of 2024.

Operating income increased in the third quarter and for the first nine months of 2024. Our Consumer Wireline operating income margin in the third quarter increased from 4.8% in 2023 to 5.7% in 2024 and for the first nine months increased from 4.3% in 2023 to 5.9% in 2024. Our Consumer Wireline EBITDA margin in the third quarter increased from 31.0% in 2023 to 32.8% in 2024 and for the first nine months increased from 30.7% in 2023 to 32.7% in 2024.

LATIN AMERICA SEGMENT	Third Quarter			Nine-Month Period		
	2024	2023	Percent Change	**2024**	2023	Percent Change
Segment Operating Revenues						
Service	**$ 645**	$ 672	(4.0)%	**$ 2,034**	$ 1,898	7.2 %
Equipment	**377**	320	17.8	**1,154**	944	22.2
Total Segment Operating Revenues	**1,022**	992	3.0	**3,188**	2,842	12.2
Segment Operating Expenses						
Operations and support	**854**	837	2.0	**2,662**	2,396	11.1
Depreciation and amortization	**158**	184	(14.1)	**507**	544	(6.8)
Total Segment Operating Expenses	**1,012**	1,021	(0.9)	**3,169**	2,940	7.8
Operating Income (Loss)	**$ 10**	$ (29)	— %	**$ 19**	$ (98)	— %

The following tables highlight other key measures of performance for Mexico:

Subscribers

(in 000s)	September 30, **2024**	2023	Percent Change
Mexico Wireless Subscribers			
Postpaid	**5,633**	5,085	10.8 %
Prepaid	**16,996**	16,213	4.8
Reseller	**282**	456	(38.2)
Total Mexico Wireless Subscribers	**22,911**	21,754	5.3 %

Mexico Wireless Net Additions

	Third Quarter			Nine-Month Period		
(in 000s)	**2024**	2023	Percent Change	**2024**	2023	Percent Change
Mexico Wireless Net Additions						
Postpaid	**139**	55	— %	**397**	160	— %
Prepaid	**187**	17	—	**333**	9	—
Reseller	**(51)**	(7)	—	**(135)**	(18)	—
Total Mexico Wireless Net Additions	**275**	65	— %	**595**	151	— %

Service revenues decreased in the third quarter and increased for the first nine months of 2024. The decrease in the third quarter was primarily due to unfavorable foreign exchange impacts, partially offset by growth in subscribers and ARPU. The increase for the first nine months reflects growth in subscribers and favorable exchange rates primarily from the first quarter of 2024.

Equipment revenues increased in the third quarter and for the first nine months of 2024. The increase in the third quarter was primarily driven by higher equipment sales, partially offset by unfavorable foreign exchange impacts. The increase for the first nine months was primarily driven by higher equipment sales and favorable exchange rates primarily from the first quarter of 2024.

Operations and support expenses increased in the third quarter and for the first nine months of 2024, primarily due to increased equipment and selling costs resulting from higher sales. Foreign exchange impacts were favorable in the third quarter and unfavorable for the first nine months. Approximately 4% of Mexico expenses are U.S. dollar based, with the remainder in the local currency.

Depreciation and amortization expense decreased in the third quarter and for the first nine months of 2024, primarily driven by lower in-service assets. Foreign exchange impacts were favorable in the third quarter and unfavorable for the first nine months.

Operating income improved in the third quarter and for the first nine months of 2024. Our Mexico operating income margin in the third quarter increased from (2.9)% in 2023 to 1.0% in 2024 and for the first nine months increased from (3.4)% in 2023 to 0.6% in 2024. Our Mexico EBITDA margin in the third quarter increased from 15.6% in 2023 to 16.4% in 2024 and for the first nine months increased from 15.7% in 2023 to 16.5% in 2024.

COMPETITIVE AND REGULATORY ENVIRONMENT

Overview AT&T subsidiaries operating within the United States are subject to federal and state regulatory authorities. AT&T subsidiaries operating outside the United States are subject to the jurisdiction of national and supranational regulatory authorities in the markets where service is provided.

In the Telecommunications Act of 1996 (Telecom Act), Congress established a national policy framework intended to bring the benefits of competition and investment in advanced telecommunications facilities and services to all Americans by opening all telecommunications markets to competition and reducing or eliminating regulatory burdens that harm consumer welfare. Nonetheless, since then, the FCC and some state regulatory commissions have maintained, re-imposed or expanded certain regulatory requirements that were imposed decades ago on our traditional wireline subsidiaries when they operated as legal monopolies. Recently, the FCC's regulatory approach has depended on control of the executive branch, eliminating a variety of antiquated and unnecessary regulations in a number of areas, while imposing or re-imposing regulations in other areas. We continue to support regulatory and legislative measures and efforts, at both the state and federal levels, to reduce inappropriate regulatory burdens that inhibit our ability to compete effectively and offer needed services to our customers, including initiatives to transition services from traditional networks to all IP-based networks. At the same time, we also seek to ensure that legacy regulations are not further extended to broadband or wireless services, which are subject to vigorous competition.

Until 2015, the FCC classified fixed and mobile consumer broadband internet access services as information services subject to minimal regulation. In 2015, the FCC reclassified such services as telecommunications services subject to broader regulation by

the FCC and imposed "net neutrality rules." Since then, the FCC has twice reversed course, most recently again reclassifying such services as telecommunications services subject to broader regulation by the FCC in an order adopted on April 25, 2024. Multiple trade associations and other parties have challenged the FCC's reclassification decision in appeals consolidated in the U.S. Court of Appeals for the Sixth Circuit. The trade associations have petitioned the Sixth Circuit to stay the FCC's order. On August 1, 2024, the Sixth Circuit issued a stay of the FCC order pending review of the appeals, holding that broadband providers are likely to succeed on the merits. The appeals are now being briefed, with oral argument scheduled for October 31, 2024.

Since 2018, some states have adopted legislation or issued executive orders that established state net neutrality rules, including California and Vermont. We expect additional states may seek to impose net neutrality and other requirements on broadband in the future.

On November 15, 2021, the Infrastructure Investment and Jobs Act (IIJA) was signed into law. The legislation appropriates $65,000 to support broadband deployment and adoption. The National Telecommunications and Information Agency (NTIA) is responsible for distributing more than $48,000 of this funding, including $42,500 in state grants for broadband deployment projects in unserved and underserved areas through the Broadband, Equity, Access, and Deployment (BEAD) Programs. NTIA and states are in the process of administering these grants. Where appropriate, AT&T has applied for, and in some cases has been awarded, and may continue to apply for grants under this or other government infrastructure programs. The IIJA also appropriated $14,200 for establishment of the Affordable Connectivity Program (ACP), an FCC-administered monthly, low-income broadband benefit program, in which AT&T participated. The ACP ended earlier this year.

On November 15, 2023, the FCC adopted rules to "facilitate" equal access to broadband and prevent digital discrimination in broadband access. The rules, which became effective March 22, 2024, prohibit covered entities from implementing policies or practices not justified by genuine issues of technical or economic feasibility, that differentially impact consumers' access to broadband internet access service based on prohibited characteristics (including income level, race, and ethnicity) or that have such differential impact, whether intentional or not. The rules broadly apply prospectively to all aspects of an ISP's service that could impact a consumer's ability to access broadband, including deployment, marketing, and credit checks, among other things. We may be required to answer complaints alleging that the company has violated the FCC rules and those complaints may seek relief, including changes to our business practices or civil forfeitures that could result in significant costs or reputational harm. It is currently uncertain how the FCC will implement and enforce these new rules. Several business and consumer-oriented associations have filed appeals challenging the rules and those appeals have been consolidated in the Eighth Circuit, which held oral argument on September 25, 2024.

Privacy-related legislation continues to be adopted or considered in a number of jurisdictions. Legislative, regulatory and litigation actions could result in increased costs of compliance, further regulation or claims against broadband internet access service providers and others, and increased uncertainty in the value and availability of data.

During 2020-2021, we deployed 5G nationwide on "low band" spectrum on macro towers. Executing on recent spectrum purchases, we announced ongoing construction and continuing deployment of 5G on 3.45 GHz and C-band spectrum in 2022 and beyond. Additional spectrum will be needed industrywide for 5G and future services. In 2023, the federal government released a national spectrum strategy that focused on spectrum sharing but did not include specific timelines to make additional spectrum bands available for 5G and future generations of service. As a result, the federal government's ability and intent to make sufficient spectrum available to the industry in needed timeframes remains uncertain.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued
Dollars in millions except per share amounts

LIQUIDITY AND CAPITAL RESOURCES

For nine months ended September 30,		**2024**		2023
Cash provided by operating activities	**$**	**26,875**	$	26,936
Cash used in investing activities		**(12,127)**		(13,786)
Cash used in financing activities		**(18,855)**		(9,284)

		September 30, 2024		December 31, 2023
Cash and cash equivalents	**$**	**2,586**	$	6,722
Total debt		**129,012**		137,331

We had $2,586 in cash and cash equivalents available at September 30, 2024, decreasing $4,136 since December 31, 2023. Cash and cash equivalents included cash of $1,062 and money market funds and other cash equivalents of $1,524. Approximately $965 of our cash and cash equivalents were held in accounts outside of the U.S. and may be subject to restrictions on repatriation.

For the first nine months of 2024, cash inflows were primarily provided by cash receipts from operations, including cash from our sale and transfer of our receivables to third parties and distributions from DIRECTV. These inflows were exceeded by cash used to meet the needs of the business, including, but not limited to, payment of operating expenses. The cash generated from operating activities was used to repay short-term borrowings and long-term debt, funding capital expenditures and vendor financing payments, and dividend payments to stockholders. We maintain availability under our credit facilities and our commercial paper program to meet our short-term liquidity requirements.

Cash Provided by Operating Activities
During the first nine months of 2024, cash provided by operating activities was $26,875, compared to $26,936 for the first nine months of 2023, reflecting the timing of working capital associated with device payments, as well as the expansion of committed, cost-efficient receivable sales programs in 2024, offset by operational growth.

We actively manage the timing of our supplier payments for operating items to optimize the use of our cash. Among other things, we seek to make payments on 90-day or greater terms, while providing the suppliers with access to bank facilities that permit earlier payments at their cost (referred to as supplier financing program). In addition, for payments to suppliers of handset inventory, as part of our working capital initiatives, we have arrangements that allow us to extend the stated payment terms by up to 90 days at an additional cost to us (referred to as direct supplier financing). The net impact of direct supplier financing, including principal and interest payments, was to decrease cash from operating activities approximately $3,648 and $3,054 for the nine months ended September 30, 2024 and 2023, respectively. All supplier financing payments are due within one year. (See Note 10)

Cash Used in Investing Activities
For the first nine months of 2024, cash used in investing activities totaled $12,127 and consisted primarily of $13,420 (including interest during construction) for capital expenditures. During the first nine months of 2024, we also paid $457 in cash on FirstNet sustainability payment. During the first nine months of 2024, we received a return of investment of $928 from DIRECTV representing distributions in excess of cumulative equity in earnings from DIRECTV (see Note 9).

For capital improvements, we have negotiated favorable vendor payment terms of 120 days or more (referred to as vendor financing) with some of our vendors, which are excluded from capital expenditures and reported as financing activities. For the first nine months of 2024, vendor financing payments were $1,571, compared to $4,736 for the first nine months of 2023. Capital expenditures for the first nine months of 2024 were $13,420, and when including $1,571 cash paid for vendor financing, capital investment was $14,991 ($2,997 lower than the prior-year comparable period).

The vast majority of our capital expenditures are spent on our networks, including product development and related support systems. During the first nine months of 2024, we placed $581 of productive assets (primarily software) in service under vendor

financing arrangements (compared to $2,128 in the prior-year comparable period). The amount of capital expenditures is influenced by demand for services and products, capacity needs and network enhancements.

Cash Provided by or Used in Financing Activities
For the first nine months of 2024, cash used in financing activities totaled $18,855 and was primarily comprised of debt repayments, payments of dividends and vendor financing payments.

A tabular summary of our debt activities for the nine months ended September 30, 2024 is as follows:

	First Quarter	Second Quarter	Third Quarter	Nine months ended September 30, 2024
Net commercial paper borrowings	$ 428	$ 262	$ (2,686)	$ (1,996)
Repayments				
USD notes	$ (2,300)	$ (1,615)	$ —	$ (3,915)
EUR notes	(2,181)	(32)	—	(2,213)
CAD notes	—	(442)	—	(442)
Other	(204)	(136)	(203)	(543)
Repayments of long-term debt	$ (4,685)	$ (2,225)	$ (203)	$ (7,113)

The weighted average interest rate of our long-term debt portfolio, including credit agreement borrowings and the impact of derivatives, was approximately 4.2% as of September 30, 2024 and as of December 31, 2023. We had $127,501 of total notes and debentures outstanding at September 30, 2024. This also included Euro, British pound sterling, Canadian dollar, Swiss franc, and Australian dollar denominated debt that totaled approximately $33,477.

At September 30, 2024, we had $2,637 of long-term debt maturing within one year. We had no outstanding commercial paper or other short-term borrowings on September 30, 2024. The weighted average interest rate on our outstanding short-term borrowings was approximately 6.0% as of December 31, 2023.

For the first nine months of 2024, we paid $1,571 of cash under our vendor financing program, compared to $4,736 in the prior-year comparable period. Total vendor financing payables included in our September 30, 2024 consolidated balance sheet were $1,660, with $843 due within one year (in "Accounts payable and accrued liabilities") and the remainder predominantly due within five years (in "Other noncurrent liabilities").

At September 30, 2024, we had approximately 144 million shares remaining from our share repurchase authorizations approved by the Board of Directors in 2014.

We paid dividends on common and preferred shares of $6,171 during the first nine months of 2024, compared with $6,116 for the first nine months of 2023.

Dividends on common stock declared by our Board of Directors totaled $0.8325 per share in the first nine months of 2024 and 2023. Our dividend policy considers the expectations and requirements of stockholders, capital funding requirements of AT&T and long-term growth opportunities.

Credit Facilities
The following summary of our various credit and loan agreements does not purport to be complete and is qualified in its entirety by reference to each agreement filed as exhibits to our Annual Report on Form 10-K.

We use credit facilities as a tool in managing our liquidity status. We currently have one $12,000 revolving credit agreement that terminates on November 18, 2028 (Revolving Credit Agreement). No amount was outstanding under the Revolving Credit Agreement as of September 30, 2024.

We also utilize other external financing sources, which include various credit arrangements supported by government agencies to support network equipment purchases as well as a commercial paper program.

Our Revolving Credit Agreement contains covenants that are customary for an issuer with investment grade senior debt credit rating as well as a net debt-to-EBITDA financial ratio covenant requiring AT&T to maintain, as of the last day of each fiscal quarter, a ratio of not more than 3.75-to-1. As of September 30, 2024, we were in compliance with the covenants for our credit facilities.

Collateral Arrangements
Most of our counterparty collateral arrangements require cash collateral posting by AT&T only when derivative market values exceed certain thresholds. Under these arrangements, which cover the majority of our approximate $35,400 derivative portfolio, counterparties are still required to post collateral. During the first nine months of 2024, we posted $3 of cash collateral, on a net basis. Cash postings under these arrangements vary with changes in credit ratings and netting agreements. (See Note 7)

Other
Our total capital consists of debt (long-term debt and debt maturing within one year), redeemable noncontrolling interest and stockholders' equity. Our capital structure does not include debt issued by our equity method investments. At September 30, 2024, our debt ratio was 52.2%, compared to 53.5% at September 30, 2023 and 53.5% at December 31, 2023. The debt ratio is affected by the same factors that affect total capital, and reflects our recent debt issuances, repayments and reclassifications related to redemption of noncontrolling interests.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

At September 30, 2024, we had no interest rate swaps.

We have fixed-to-fixed and floating-to-fixed cross-currency swaps on foreign currency-denominated debt instruments with a U.S. dollar notional value of $35,351 to hedge our exposure to changes in foreign currency exchange rates and interest rates. These derivatives have been designated as cash flow or fair value hedges with a net fair value of $(2,732) at September 30, 2024.

Item 4. Controls and Procedures

The registrant maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed by the registrant is recorded, processed, summarized, accumulated and communicated to its management, including its principal executive and principal financial officers, to allow timely decisions regarding required disclosure, and reported within the time periods specified in the SEC's rules and forms. The Chief Executive Officer and Chief Financial Officer have performed an evaluation of the effectiveness of the design and operation of the registrant's disclosure controls and procedures as of September 30, 2024. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the registrant's disclosure controls and procedures were effective as of September 30, 2024.

There have not been any changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

CAUTIONARY LANGUAGE CONCERNING FORWARD-LOOKING STATEMENTS

Information set forth in this report contains forward-looking statements that are subject to risks and uncertainties, and actual results could differ materially. Many of these factors are discussed in more detail in the "Risk Factors" section herein and in our most recent Form 10-K and Form 10-Q. We claim the protection of the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995.
The following factors could cause our future results to differ materially from those expressed in the forward-looking statements:

- Adverse economic and political changes, including inflation and rising interest rates, war or other hostilities, and public health emergencies, and our ability to access financial markets at favorable rates and terms.
- Increases in our benefit plans' costs, including due to worse-than-assumed investment returns and discount rates, mortality assumptions, medical cost trends, or healthcare laws or regulations.
- The final outcome of FCC and other federal, state or foreign government agency proceedings (including judicial review of such proceedings) and legislative and regulatory efforts involving issues important to our business, including, without limitation, pending Notices of Apparent Liability; the transition from legacy technologies to IP-based infrastructure, including the withdrawal of legacy TDM-based services; universal service; broadband deployment; wireless equipment siting regulations and, in particular, siting for 5G service; E911 services; rules concerning digital discrimination; competition policy; privacy; net neutrality; copyright protection; availability of new spectrum on fair and balanced terms; and wireless and satellite license awards and renewals, and our response to such legislative and regulatory efforts.
- Enactment of or changes to state, local, federal and/or foreign tax laws and regulations, and actions by tax agencies and judicial authorities that reduce our incentive to invest in our networks, and the resolution of disputes with any taxing jurisdictions, pertaining to our subsidiaries and foreign investments.
- U.S. and foreign laws and regulations regarding intellectual property rights protection and privacy, personal data protection and user consent, which are complex and rapidly evolving.
- Our ability to compete in an increasingly competitive industry and against competitors that can offer product/service offerings at lower prices due to lower cost structures and regulatory and legislative actions adverse to us, including non-regulation of comparable alternative technologies and/or government-owned or subsidized networks, and our response to such competition and emerging technologies.
- Disruption in our supply chain for a number of reasons, including, difficulties in obtaining export licenses for certain technology, an inability to secure component parts, lack of suppliers, general business disruption, workforce shortage, natural disasters, safety issues, vendor fraud, and economic and political instability, including disruptions in the capital markets, the outbreak of war or other hostilities, and public health emergencies.
- The development and delivery of attractive and profitable wireless and broadband offerings and devices, including our ability to match speeds offered by competitors; the impact of regulatory and build-out requirements; and the availability, cost and/or reliability of technologies required to provide such offerings.
- Our ability to adequately fund additional wireless spectrum and network development, deployment and maintenance; and regulations and conditions relating to spectrum use, licensing, obtaining additional spectrum, technical standards and deployment and usage, including network management rules.
- Our ability to manage growth in wireless data services, including network quality and acquisition of adequate spectrum at reasonable costs and terms.
- The outcome of pending, threatened or potential litigation and arbitration, including, without limitation, patent and product safety claims by or against third parties or claims based on alleged misconduct by employees.
- The impact from major equipment, software or other failures or errors that disrupt our networks or cyber incidents; the effect of security breaches related to the network or customer information; our inability to obtain handsets, equipment/software or have handsets, equipment/software serviced in a timely and cost-effective manner from suppliers; or severe weather conditions or other natural disasters including earthquakes and forest fires, public health emergencies, energy shortages, wars or terrorist attacks.
- The issuance by the FASB or other accounting oversight bodies of new or revised accounting standards.
- The uncertainty surrounding further congressional action regarding spending and taxation, which may result in changes in government spending and affect the ability and willingness of businesses and consumers to spend in general.
- Our ability to realize or sustain the expected benefits of our business transformation initiatives, which are designed to reduce costs, enable legacy rationalization, streamline distribution, remove redundancies and simplify and improve processes and support functions.
- Our ability to successfully complete divestitures, as well as achieve our expectations regarding the financial impact of completed and/or pending transactions.

Readers are cautioned that other factors discussed in this report and our most recent Form 10-K, although not enumerated here, also could materially affect our future earnings.

PART II – OTHER INFORMATION

Dollars in millions except per share amounts

Item 1A. Risk Factors

We discuss in our Annual Report on Form 10-K for the year ended December 31, 2023 and in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 various risks that may materially affect our business. We use this section to update this discussion to reflect material developments. For the third quarter of 2024, there were no such material developments.

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

(c) A summary of our repurchases of common stock during the third quarter of 2024 is as follows:

Period	(a) Total Number of Shares (or Units) Purchased[1, 2]	(b) Average Price Paid Per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs[1]	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under The Plans or Programs
July 1, 2024 - July 31, 2024	8,053	$ 18.82	—	143,731,972
August 1, 2024 - August 31, 2024	20,122	19.40	—	143,731,972
September 1, 2024 - September 30, 2024	2,003,853	21.63	—	143,731,972
Total	2,032,028	$ 21.59	—	

[1] In March 2014, our Board of Directors approved an authorization to repurchase up to 300 million shares of our common stock. The authorization has no expiration date.

[2] These shares were acquired through the withholding of taxes on the vesting of restricted stock and performance shares or in respect of the exercise price of options.

Item 5. Other Information

(c) During the quarter ended September 30, 2024, no director or officer (as defined in Rule 16a-1(f)) of the Company adopted or terminated a contract, instruction or written plan for the purchase or sale of securities of the Company intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) and/or a non-Rule 10b5-1 trading arrangement.

Item 6. Exhibits

The following exhibits are filed or incorporated by reference as a part of this report:

Exhibit Number	Exhibit Description
2.1	Securities Purchase Agreement, dated September 29, 2024, by and among AT&T Services, Inc., AT&T Diversified MVPD Holdings LLC, AT&T MVPD Holdings LLC, Merlin Parent 2024, Inc., TPG Partners IX, L.P. and DIRECTV Entertainment Holdings LLC*
10.1	Third Amended and Restated Limited Liability Corporation of NCWPCS MPL Holdings, LLC*
10.2	Short Term Incentive Plan
31	Rule 13a-14(a)/15d-14(a) Certifications
	31.1 Certification of Principal Executive Officer
	31.2 Certification of Principal Financial Officer
32	Section 1350 Certifications
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, formatted in Inline XBRL: (i) Consolidated Statements of Cash Flows, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Balance Sheets, and (v) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, (formatted as Inline XBRL and contained in Exhibit 101).

* Certain schedules (or similar attachments) have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant agrees to furnish copies of such schedules (or similar attachments) to the U.S. Securities and Exchange Commission upon request.

SIGNATURE

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

AT&T Inc.

October 29, 2024

/s/ Pascal Desroches
Pascal Desroches
Senior Executive Vice President
and Chief Financial Officer

Exhibit 2.1

SECURITIES PURCHASE AGREEMENT

by and among

AT&T DIVERSIFIED MVPD HOLDINGS LLC,

AT&T MVPD HOLDINGS LLC,

AT&T SERVICES, INC.,

TPG PARTNERS IX, L.P.,

DIRECTV ENTERTAINMENT HOLDINGS LLC

and

MERLIN PARENT 2024, INC.

Dated as of September 29, 2024

TABLE OF CONTENTS

Section 1.1 The Debt-Financed Distribution 2
Section 1.2 INVIDI Contribution 2
Section 1.3 Pre-Closing Reorganization 3
ARTICLE II PURCHASE AND SALE OF THE BLOCKER UNITS 3
Section 2.1 Purchase and Sale of the Blocker Units 3
Section 2.2 Purchase Price 3
Section 2.3 Upfront Consideration Adjustment 3
Section 2.4 Withholding 6
ARTICLE III CLOSING 7
Section 3.1 Closing 7
Section 3.2 Closing Actions 7
ARTICLE IV REPRESENTATIONS AND WARRANTIES OF AT&T 8
Section 4.1 Organization, Good Standing and Qualification 8
Section 4.2 Capitalization 8
Section 4.3 Authority; Approval 9
Section 4.4 Governmental Filings; No Violations 10
Section 4.5 Litigation 11
Section 4.6 Taxes 11
Section 4.7 Brokers and Finders 12
Section 4.8 Affiliate Agreements 12
Section 4.9 No Other Representations or Warranties 12
ARTICLE V REPRESENTATIONS AND WARRANTIES OF BUYER 13
Section 5.1 Organization, Good Standing and Qualification 13
Section 5.2 Authority; Approval 13
Section 5.3 Governmental Filings; No Violations 14
Section 5.4 Litigation 14
Section 5.5 Equity Financing 14
Section 5.6 Brokers and Finders 15
Section 5.7 Solvency 15
Section 5.8 No Other Representations or Warranties 16
ARTICLE VI COVENANTS 16
Section 6.1 Interim Operations of the Business 16

Section 6.2 Access and Information 18
Section 6.3 Cooperation and Efforts to Consummate Transactions; Status Updates 19
Section 6.4 Regulatory Filings/Approvals 19
Section 6.5 Third Party Consents 21
Section 6.6 Tax Matters 21
Section 6.7 Confidentiality 26
Section 6.8 Publicity 28
Section 6.9 Commercial/Transition Agreements 28
Section 6.10 Ancillary Agreements 28
Section 6.11 Patent Assignment Agreement. 29
Section 6.12 Reserved. 29
Section 6.13 Termination of Affiliate Agreements 29
Section 6.14 Release 29
Section 6.15 No Other Discussions 31
Section 6.16 Further Assurances 31
Section 6.17 Non-Solicit 31
Section 6.18 Cooperation and Efforts to Consummate the Denver Transaction 32
Section 6.19 Managers', Directors' and Officers' Indemnification 33
ARTICLE VII CONDITIONS TO CLOSING 34
Section 7.1 Conditions to Each Party's Obligation 34
Section 7.2 Conditions to Obligations of Buyer 34
Section 7.3 Conditions to Obligations of AT&T 35
ARTICLE VIII INDEMNIFICATION 35
Section 8.1 Survival 35
Section 8.2 Indemnification by AT&T 36
Section 8.3 Indemnification by Buyer 37
Section 8.4 Claim Procedures 37
Section 8.5 Losses and Recoveries 40
Section 8.6 Payments 41
Section 8.7 Exclusive Remedies and No Rights Against Nonparties 41
Section 8.8 Tax Treatment 42
ARTICLE IX TERMINATION 42
Section 9.1 Termination 42

Section 9.2 Effect of Termination 43
ARTICLE X MISCELLANEOUS 44
Section 10.1 Notices 44
Section 10.2 Amendment; Waiver 46
Section 10.3 Successors and Assigns 46
Section 10.4 Third Party Beneficiaries; Parties in Interest 47
Section 10.5 Expenses 47
Section 10.6 Entire Agreement 47
Section 10.7 Fulfillment of Obligations 47
Section 10.8 Dispute Resolution 47
Section 10.9 GOVERNING LAW AND VENUE; WAIVER OF JURY TRIAL; SPECIFIC PERFORMANCE 48
Section 10.10 Counterparts 49
Section 10.11 Interpretation; Construction 49
Section 10.12 Severability 51
Section 10.13 Obligations of Buyer and of AT&T 51
Section 10.14 AT&T Services Guarantee 51
Section 10.15 TPG Guarantee 52

ANNEXES AND EXHIBITS

Annex A – Definitions

Exhibit A – Term Sheet for Seller Note
Exhibit B – Term Sheet for Commercial/Transition Agreement
Exhibit C – Tax Matters
Exhibit D – Assigned Patents

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (this "Agreement"), dated as of September 29, 2024 (the "Execution Date"), is made by and among (i) AT&T Diversified MVPD Holdings LLC, a Delaware limited liability company ("AT&T"), (ii) solely for purposes of Section 10.14, AT&T Services, Inc., a Delaware corporation ("AT&T Services"), (iii) solely for purposes of Section 10.15, TPG Partners IX, L.P., a Delaware limited partnership ("Buyer Guarantor"), (iv) AT&T MVPD Holdings LLC, a Delaware limited liability company ("Blocker"), (v) DirecTV Entertainment Holdings LLC, a Delaware limited liability company (the "Company"), and (vi) Merlin Parent 2024, Inc., a Delaware corporation ("Buyer"). All of the signatories to this Agreement are collectively referred to as the "Parties" and individually as a "Party."

W I T N E S S E T H:

WHEREAS, as of the Execution Date, (i) AT&T is the sole record and beneficial owner of the outstanding equity interests of Blocker (the "Blocker Units"), (ii) Blocker owns 1,000 Junior Preferred Units, 1,000 Common Catch-Up Units and 70,000 Common Units (in each case, as defined in the Company Operating Agreement) (the "Blocker-Owned Company Interests") and (iii) TPG VIII Merlin Investment Holdings, LP, a Delaware limited partnership ("TPG VIII Merlin"), owns 1,000 Senior Preferred Units and 30,000 Common Units (in each case, as defined in the Company Operating Agreement);

WHEREAS, after the Execution Date, AT&T, the Company, Blocker, TPG VIII Merlin and certain of their respective Affiliates will use commercially reasonable efforts to consummate the Debt Financing and make the Debt-Financed Distribution as described in Section 1.1;

WHEREAS, after the Execution Date, Blocker and the Company will consummate the INVIDI Contribution as described in Section 1.2;

WHEREAS, effective no later than the day prior to the Closing Date, AT&T, Blocker and certain of their respective Affiliates will consummate the Pre-Closing Reorganization as described in and subject to the terms of Section 1.3;

WHEREAS, concurrently with the execution and delivery of this Agreement, and as a condition and inducement to AT&T's willingness to enter into this Agreement, Buyer has delivered to AT&T an executed and binding equity commitment letter (the "Equity Commitment Letter"), pursuant to which the Equity Financing Source has committed, subject to the terms and conditions therein, to provide the amount of cash equity financing in connection with the Transactions in the amount set forth therein for the purpose of funding the Upfront Consideration (the "Equity Financing"); and

WHEREAS, in connection with the Transactions, at the Closing, the Parties desire that Buyer purchases from AT&T, and AT&T issues and sells to Buyer, all of the Blocker Units held by AT&T as of the Closing, all on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements contained herein, the Parties agree as follows:

ARTICLE I

PRE-CLOSING AND OTHER ACTIONS

Section I.1 The Debt-Financed Distribution.

(a) The Company shall cause DIRECTV Financing, LLC, a Delaware limited liability company and wholly owned indirect Subsidiary of the Company, to use commercially reasonable efforts to consummate the Debt Financing on commercially reasonable terms on or prior to March 31, 2025. In the event the Debt Financing is consummated prior to the Closing, the Company shall cause to be distributed an amount in cash equal to the Debt-Financed Distribution Amount to the Company (via distribution to DirecTV Financing Holdco, LLC, and then from DirecTV Financing Holdco, LLC to the Company). Notwithstanding anything to the contrary set forth herein, the Company shall not be required to consummate the Debt Financing on terms that are not commercially reasonable.

(b) Upon receipt of the distribution contemplated by Section 1.1(a), the Company shall distribute (i) an amount equal to the Blocker Percentage of the Debt-Financed Distribution Amount to Blocker (the "Blocker Distribution Amount") and (ii) an amount equal to the TPG Percentage of the Debt-Financed Distribution Amount to TPG VIII Merlin (the "TPG VIII Merlin Distribution Amount").

(c) Upon receipt of the Blocker Distribution Amount, Blocker shall promptly distribute the Blocker Distribution Amount to AT&T (the foregoing transaction, together with the transactions set forth in Section 1.1(a)-Section 1.1(b), the "Debt-Financed Distribution").

(d) For the avoidance of doubt, in the event that the Company is unable to consummate the Debt Financing prior to the Closing or the Debt-Financed Distribution Amount is not available prior to Closing, the transactions contemplated by this Section 1.1 shall not be consummated, but the Closing shall otherwise occur in accordance with the other terms and conditions set forth in this Agreement. To the extent the Debt-Financed Distribution Amount is not available or the Company has not distributed the Blocker Distribution Amount to Blocker by March 31, 2025, (i) the Company shall continue to use commercially reasonable efforts to consummate the Debt Financing on commercially reasonable terms as promptly as practicable and (ii) an aggregate amount equal to the Blocker Distribution Amount, together with interest accruing on the unpaid Blocker Distribution Amount equal to 10% per annum commencing on April 1, 2025, shall be added to the principal balance of the Seller Note and paid by Buyer to AT&T, together with the Deferred Consideration, in each case, (A) at the applicable times specified therein or (B) if earlier, upon the Company's receipt of the Debt-Financing Distribution Amount. To the extent the Debt-Financed Distribution Amount exceeds $1,625,000,000, an amount equal to the Blocker Percentage of the excess distributed to Blocker as the Blocker Distribution Amount shall reduce the Synthetic Dividend Payment payable under the Seller Note (but not below zero).

Section I.2 INVIDI Contribution. No later than the earlier of December 31, 2024 or the consummation of the Debt-Financed Distribution, Blocker shall contribute all of its Equity Interests in INVIDI to the Company (with such Equity Interests in INVIDI valued in an amount not less than $30,000,000) in exchange for additional Common Units of the Company (valued in a manner consistent with the implied value of the Company) (the "INVIDI Contribution").

Section I.3 Pre-Closing Reorganization. At least one day prior to the Closing, AT&T, Blocker, and certain of their respective Affiliates will undertake either of the following (the "Pre-Closing Reorganization"): (a) cause all of the assets and liabilities of Blocker, other than with respect to the Business Assets, to be distributed or otherwise transferred to AT&T and/or one or more of its Affiliates (for the avoidance of doubt, other than Blocker and the Company or any of its Subsidiaries) (the "Excluded Assets and Excluded Liabilities") or (b) at AT&T's option and subject to Buyer's approval (such approval not to be unreasonably withheld, conditioned or delayed), consummate such other restructurings, contributions and/or repayments such that, following such restructurings, contributions and/or repayments, the sole material assets of Blocker are direct or indirect interests in the Business Assets.

ARTICLE II

PURCHASE AND SALE OF THE BLOCKER UNITS

Section II.1 Purchase and Sale of the Blocker Units. On the terms and subject to the conditions set forth herein, and in reliance on the representations, warranties, covenants and agreements contained herein, at the Closing and at least one day after the Pre-Closing Reorganization, AT&T shall sell, transfer, assign, convey and deliver to Buyer, and Buyer shall purchase and accept from AT&T, all of AT&T's right, title and interest in and to the Blocker Units, free and clear of all Encumbrances (other than any transfer restrictions imposed by federal and state securities laws, under the Blocker Operating Agreement and the Delaware Act).

Section II.2 Purchase Price. On the terms and subject to the conditions set forth herein, in consideration for the sale of the Blocker Units, Buyer shall (a) pay (or cause to be paid) to AT&T (by wire transfer of immediately available funds to the account designated in writing by AT&T to Buyer) an amount in cash equal to the Estimated Upfront Consideration, subject to adjustment pursuant to Section 2.3, which shall be payable by Buyer to AT&T within 364 days of the Closing (but no later than December 31, 2025), and (b) deliver to AT&T the Seller Note and, at the applicable times specified therein, deliver (or cause to be delivered) to AT&T all of the amounts that are payable to AT&T pursuant to the Seller Note and this Agreement (collectively, the "Deferred Consideration" and, together with the Final Upfront Consideration, the "Purchase Price").

Section II.3 Upfront Consideration Adjustment.

(a) Estimated Closing Statement. At least four Business Days prior to the Closing, AT&T shall deliver to Buyer a written statement (the "Estimated Closing Statement") setting forth AT&T's good-faith estimate of (i) the Blocker Liability Amount as of Closing, and (ii) the resulting calculation of the Upfront Consideration (the "Estimated Upfront Consideration"), in

each case, together with reasonably detailed supporting documents for the calculation thereof and which was prepared in accordance with the definitions as provided in this Agreement. AT&T will (x) reasonably cooperate with Buyer and its Representatives in connection with Buyer's review of the Estimated Closing Statement, including by providing reasonable access to all reasonably relevant personnel, books and records and other financial information (subject to execution of any customary work paper access letters required by them), in each case, during normal business hours and upon reasonable advance notice, required by Buyer for the purpose of reviewing the Estimated Closing Statement; provided, that AT&T shall not be required to provide access to any information that is subject to an attorney-client or an attorney work-product privilege, and (y) reasonably consider in good faith any revisions to the Estimated Closing Statement proposed by Buyer at least one Business Day prior to the Closing. To the extent AT&T and Buyer agree to any revisions to the Estimated Closing Statement in connection with Buyer's comments, AT&T shall deliver to Buyer prior to the Closing a revised Estimated Closing Statement including such revisions.

(b) Closing Statement.

(i) Promptly after the Closing Date and in any event no later than 120 days following the Closing Date, Buyer shall prepare and deliver to AT&T a written statement (the "Closing Statement") setting forth Buyer's good-faith calculation of (A) the Blocker Liability Amount as of Closing (the "Closing Blocker Liability Amount"), and (B) the resulting calculation of the Upfront Consideration (the "Closing Upfront Consideration"), in each case, together with reasonably detailed supporting documents for the calculation thereof and which was prepared in accordance with the definitions as provided in this Agreement.

(ii) If (x) AT&T does not object to Buyer's proposed Closing Statement by delivering a written notice of objection (a "Notice of Objection") to Buyer within 60 days following delivery thereof to AT&T (the "Objection Period") or (y) AT&T has accepted Buyer's proposed Closing Statement in writing, Buyer's calculations, including the calculation of the Closing Upfront Consideration and the Closing Blocker Liability Amount set forth in the Closing Statement, shall be deemed final and binding. The Notice of Objection delivered within the Objection Period pursuant to this Section 2.3(b)(ii) shall set forth AT&T's objections to the Closing Statement in reasonable detail with supporting materials together with an alternative Closing Statement, as applicable. During the Objection Period, Buyer and its Subsidiaries shall provide reasonable access to all reasonably relevant personnel, books and records and other financial information (subject to execution of any customary work paper access letters required by them), in each case, during normal business hours and upon reasonable advance notice, required by AT&T for the purpose of reviewing the Closing Statement and preparing a Notice of Objection; provided, that Buyer shall not be required to provide access to any information that is subject to an attorney-client or an attorney work-product privilege.

(iii) If AT&T delivers a Notice of Objection to Buyer within the Objection Period, then any element of Buyer's proposed Closing Statement that is not in dispute

under such Notice of Objection at the expiration of the Objection Period shall be deemed final and binding for purposes of this Section 2.3. Any disputed elements of the proposed Closing Statement ("Disputed Adjustment Amounts") shall be resolved as set forth in this Section 2.3(b)(iii).

(A) The Parties shall endeavor in good faith to resolve the Disputed Adjustment Amounts listed in such Notice of Objection. If a written agreement determining the Disputed Adjustment Amounts has not been reached within 30 days (or such longer period as may be agreed by AT&T and Buyer) following the delivery of the Notice of Objection, Buyer and AT&T shall, within 30 days following the delivery of the Notice of Objection, summarize its position regarding such dispute in a written document and submit such summaries, together with the Notice of Objection, Buyer's proposed Closing Statement, and any other document(s) Buyer or AT&T desire to submit, to the office of an impartial nationally recognized firm of independent certified public accountants mutually agreed in writing by AT&T and Buyer (the "Accounting Expert") who, acting as experts and not arbitrators, shall resolve the Disputed Adjustment Amounts and make any applicable adjustments to the Closing Upfront Consideration, the Closing Blocker Liability Amount, and the Closing Statement for purposes of this Section 2.3. AT&T and Buyer shall execute any agreement reasonably required by the Accounting Expert for its engagement hereunder.

(B) Within 30 days of the submission of all documentation with respect to the Notice of Objection to the Accounting Expert, the Accounting Expert shall render a decision regarding the Disputed Adjustment Amounts in accordance with this Section 2.3(b)(iii)(B). In making such decision, the Accounting Expert shall be bound by this Agreement, shall only resolve the Disputed Adjustment Amounts, shall make all adjustments regardless of materiality and shall not assign a value to any such Disputed Adjustment Amount outside the range of values assigned to such Disputed Adjustment Amount in the Closing Statement and the Notice of Objection, respectively. The Accounting Expert shall not conduct an independent investigation but shall instead base its determination on the written submissions of the Parties delivered pursuant to this Section 2.3 with respect to the Disputed Adjustment Amounts.

(C) The Accounting Expert's resolution of the Disputed Adjustment Amounts and its adjustments to the Closing Statement, the Closing Upfront Consideration, and the Closing Blocker Liability Amount set forth therein shall, in the absence of fraud or manifest error, be conclusive and binding upon the Parties for purposes of this Section 2.3. The Accounting Expert shall act as an expert, and not as an arbitrator, for the limited purpose of determining the resolution of the Disputed Adjustment Amounts and adjustments to the Closing Statement, the Closing Upfront Consideration, and the Closing Blocker Liability Amount and may not award damages, interest or penalties to any Party with respect to any matter. The Accounting Expert, once appointed, shall have no ex

parte communications with the Parties concerning the Disputed Adjustment Amounts. All communications between any Party and the Accounting Expert shall be conducted in writing, with copies sent simultaneously to the other Parties in writing. The costs and expenses of the Accounting Expert shall be allocated between Buyer and AT&T based upon the percentage of the contested amount submitted to the Accounting Expert that is ultimately awarded to Buyer on the one hand or AT&T on the other hand, such that Buyer bears a percentage of such costs and expenses equal to the percentage of the contested amount awarded to AT&T, and AT&T bears a percentage of such costs and expenses equal to the percentage of the contested amount awarded to Buyer.

(D) The Closing Upfront Consideration and the Closing Blocker Liability Amount shall be recalculated based upon the final determination (or deemed determination) of the Accounting Expert with respect to the Disputed Adjustment Amounts, and the Final Upfront Consideration and the Final Blocker Liability Amount, as so recalculated, shall be deemed to be conclusive and binding on the Parties for purposes of this Section 2.3.

(iv) Within five Business Days following the final determination of the Final Upfront Consideration in accordance with Section 2.3(b)(ii) or Section 2.3(b)(iii):

(A) if the Estimated Upfront Consideration exceeds the Final Upfront Consideration, AT&T shall pay, or cause to be paid, to Buyer the absolute value of the difference between the Final Upfront Consideration and the Estimated Upfront Consideration (by wire transfer of immediately available funds to the account designated in writing by Buyer to AT&T);

(B) if the Final Upfront Consideration equals the Estimated Upfront Consideration, then no adjustment to the Estimated Upfront Consideration shall be made and neither AT&T nor Buyer shall pay any amounts to the other pursuant to this Section 2.3(b); or

(C) if the Final Upfront Consideration exceeds the Estimated Upfront Consideration, Buyer shall pay, or cause to be paid, to AT&T the absolute value of the difference between the Final Upfront Consideration and the Estimated Upfront Consideration (by wire transfer of immediately available funds to the account designated in writing by AT&T to Buyer).

(c) Exclusive Remedy. Notwithstanding anything to the contrary set forth herein, other than with respect to Fraud claims, the process set forth in this Section 2.3 shall be the sole and exclusive remedy of the Parties for any disputes related to items required to be included or reflected in the calculation of the Final Upfront Consideration and the Final Blocker Liability Amount. No Buyer Indemnified Party may recover Losses under ARTICLE VIII to the extent such Losses are specifically taken into account in the calculation of the Final Upfront Consideration or the Final Blocker Liability Amount pursuant to this Section 2.3.

Section II.4 Withholding. Notwithstanding anything to the contrary set forth herein, the Parties and any other applicable withholding agent shall be entitled to deduct and withhold from any consideration payable hereunder or other payment otherwise payable pursuant to this Agreement (excluding, for the avoidance of doubt, any payments made under the Seller Note, the withholding obligations with respect to which will be solely governed by the terms of the Seller Note) the amounts required to be deducted and withheld under the Code, or any provision of any U.S. federal, state, territory, local or non-U.S. Tax Law. Buyer, AT&T or the applicable withholding agent, as applicable, shall use commercially reasonable efforts to provide prior written notice to the other Party prior to any deduction or withholding pursuant to this Section 2.4 to provide a reasonable opportunity to avoid such deductions and withholding (other than in the case of compensatory payments to employees). Any amounts so withheld shall be timely paid over to the appropriate Governmental Entity and treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

ARTICLE III

CLOSING

Section III.1 Closing. The closing of the sale and purchase of the Blocker Units provided for in this Agreement (the "Closing") shall occur at 10:00 a.m. New York City time, on the third Business Day following the date on which the last of the conditions set forth in ARTICLE VII (other than those conditions that by their nature are to be satisfied at the Closing but subject to the fulfillment or waiver of those conditions at the Closing) has been satisfied or waived. The Closing shall occur (a) remotely via electronic exchange of documents and signatures, or (b) at such other time and place or in such other manner as the Parties may mutually agree in writing; provided, in no event shall the Closing occur prior to the earliest of (i) the later of (x) July 1, 2025 or (y) two Business Days after the closing by TPG Partners X, L.P. of committed capital in excess of $5,000,000,000, (ii) September 1, 2025 and (iii) the date of the closing of the Denver Transaction, without the prior written consent of Buyer. The date on which the Closing occurs is called the "Closing Date."

Section III.2 Closing Actions. On the terms and subject to the conditions set forth herein, at or prior to the Closing, the following actions shall be taken and the following agreements, certificates and other documents shall be executed and delivered by the Parties:

(a) AT&T shall sell, transfer, assign, convey and deliver to Buyer, and Buyer shall purchase and accept from AT&T, the Blocker Units, free and clear of all Encumbrances (other than any transfer restrictions imposed by federal and state securities laws, under the Blocker Operating Agreement and the Delaware Act) in exchange for the right to receive payment of the Estimated Upfront Consideration (subject to adjustment pursuant to Section 2.3) and payments under the Seller Note from Buyer.

(b) AT&T shall deliver duly executed resignations of the managers, directors and officers of Blocker and the Company in form and substance reasonably satisfactory to Buyer, which resignations are effective as of (but contingent upon) the consummation of the Closing.

(c) AT&T shall deliver to Buyer a counterpart of each Ancillary Agreement executed by all of the parties to it other than Buyer or any Buyer Ancillary Counterparty, except for any Non-Finalized Agreements. Buyer shall deliver to AT&T an executed counterpart of each Ancillary Agreement to which it or a Buyer Ancillary Counterparty is a party, except for any Non-Finalized Agreements.

(d) AT&T shall deliver to Buyer at Closing a properly completed and duly executed IRS Form W-9 establishing that AT&T (or, if AT&T is a disregarded entity for U.S. federal income Tax purposes, AT&T's regarded owner) is exempt from backup withholding.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF AT&T

Except as set forth in the disclosure letter delivered to Buyer by AT&T concurrently with the execution and delivery of this Agreement (the "AT&T Disclosure Letter") (it being agreed that disclosure of any item in any section or subsection of the AT&T Disclosure Letter with respect to any representation, warranty or covenant set forth herein shall be deemed disclosure with respect to any other section or subsection to which the relevance of such item is reasonably apparent on the face of such disclosure), AT&T hereby represents and warrants to Buyer as follows as of the date of this Agreement and the Closing:

Section IV.1 Organization, Good Standing and Qualification. Each of AT&T and Blocker is a legal entity duly organized or formed, validly existing and in good standing under the Laws of its respective jurisdiction of organization. Each of AT&T and Blocker (a) has all requisite corporate or similar power and authority to own, lease and operate its properties and to carry on its business as is presently conducted by it and (b) is qualified to do business and is in good standing as a foreign corporation or other legal entity in each jurisdiction where the ownership, leasing or operation of its properties or conduct of the business conducted by it requires such qualification, except in the case of clauses (a) and (b) where the failure to be so qualified or in good standing, or to have such power or authority, would not, individually or in the aggregate, reasonably be expected to have a Seller Material Adverse Effect. Neither AT&T nor Blocker is, in any material respect, in default or in violation of any provisions of its respective organizational documents. The organizational documents of Blocker have been made available and are true and correct as amended through the date hereof and are in full force and effect.

Section IV.2 Capitalization.

(a) The issued and outstanding equity securities of Blocker consist solely of the Blocker Units, which are owned of record and beneficially by AT&T. All of the Blocker Units have been duly authorized, and are validly issued, fully paid and non-assessable.

(b) AT&T owns, of record and beneficially, all of the Blocker Units, free and clear of all Encumbrances (other than any transfer restrictions imposed by federal and state securities laws and those imposed under the Blocker Operating Agreement and the Delaware Act). At the

Closing, AT&T will convey and deliver to Buyer good and valid title to and ownership of the Blocker Units, free and clear of all Encumbrances (other than any transfer restrictions imposed by federal and state securities laws and those imposed under the Blocker Operating Agreement and the Delaware Act).

(c) Other than as set forth in the Blocker Operating Agreement, there are no preemptive or other outstanding rights, options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements or commitments of any character under which Blocker is or may become obligated to issue or sell, or giving any Person a right to subscribe for or acquire, or in any way dispose of, any such Blocker Units, or any securities or obligations exercisable or exchangeable for or convertible into, such Blocker Units, or any "tag-along," "drag-along" or similar rights with respect to such Blocker Units, and no securities or obligations evidencing such rights are authorized, issued or outstanding. Other than as set forth in the Blocker Operating Agreement, the Blocker Units are not subject to any voting trust agreement or other Contract restricting or otherwise relating to the voting, dividend rights or disposition of such Blocker Units. There are no phantom stock or similar rights providing economic benefits based, directly or indirectly, on the value or price of the Blocker Units.

(d) Blocker is not engaged in any material business activities other than (i) its direct or indirect ownership of the Business Assets, including any activities related or incidental thereto, (ii) activities in connection with this Agreement and the transactions contemplated hereby, (iii) engaging in transactions related to its Equity Interests or (iv) with respect to the Excluded Assets and Excluded Liabilities.

(e) Blocker beneficially owns, directly or indirectly (through one or more New Blocker Subsidiaries), all of the Blocker-Owned Company Interests (and any other interests in the Company owned by Blocker), free and clear of all Encumbrances (other than any created by Buyer, any transfer restrictions imposed by federal and state securities laws and those imposed under the Company Operating Agreement and the Delaware Act). Blocker beneficially owns, directly or indirectly (through one or more New Blocker Subsidiaries), all of its issued and outstanding Equity Interests in Merlin Manager and, as of the Execution Date, INVIDI, free and clear of all Encumbrances (other than any transfer restrictions imposed by federal and state securities laws and those imposed under the organizational documents of Merlin Manager and INVIDI, as applicable, and the Delaware Act). All of Blocker's direct and indirect (through any New Blocker Subsidiary) Equity Interests in Merlin Manager and INVIDI are duly authorized, and are validly issued, fully paid and non-assessable. Except in respect of any Excluded Assets and Excluded Liabilities (and only until the consummation of the Pre-Closing Reorganization), Blocker has no direct or indirect Subsidiary other than (i) the Company and its Subsidiaries, (ii) INVIDI and its Subsidiaries, and (iii) after the Pre-Closing Reorganization, New Blocker Subsidiaries.

Section IV.3 Authority; Approval. Each of AT&T, Blocker and each AT&T Ancillary Counterparty has all requisite corporate or other organizational power and authority to execute and deliver each of the Transaction Documents to which it is or shall be a party, to perform its obligations thereunder and to consummate the Transactions and the transactions contemplated by

the Ancillary Agreements. The execution, delivery and performance of this Agreement by AT&T and Blocker have been duly and validly authorized by all necessary organizational action on the part of AT&T and Blocker, as applicable. The execution, delivery and performance of each of the Ancillary Agreements to which AT&T, the applicable AT&T Ancillary Counterparty or Blocker is or will be a party has been, or at the Closing will be, duly and validly authorized by all necessary corporate or other action on the part of such Person. This Agreement has been, and each of the Ancillary Agreements will be at Closing, duly executed and delivered by AT&T, Blocker and each AT&T Ancillary Counterparty and Blocker and, when executed and delivered by Buyer and the other parties hereto and thereto, will constitute a valid and binding agreement of AT&T, Blocker, and each such AT&T Ancillary Counterparty, enforceable against such party pursuant to its terms, subject to bankruptcy, insolvency, fraudulent conveyance, preferential transfer, reorganization, moratorium and similar Laws relating to or affecting creditors' rights generally and subject to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) (the "Bankruptcy and Equity Exception").

Section IV.4 Governmental Filings; No Violations.

(a) Other than any necessary filings, notices, reports, consents, registrations, approvals, permits, expirations of waiting periods or authorizations (i) required under the HSR Act (if applicable) or the non-U.S. Antitrust Laws set forth on Section 4.4(a)(i) of the AT&T Disclosure Letter, (ii) required under the Securities Exchange Act of 1934, as amended, and the Securities Act of 1933, as amended (the "Securities Act"), (iii) with or to the Federal Communications Commission (the "FCC") pursuant to the Communications Act of 1934, as amended (the "Communications Act"), or applicable rules and regulations promulgated thereunder (together with the Communications Act, the "Communications Laws"), (iv) with or to any local or state Governmental Entities with jurisdiction to grant or otherwise oversee State and Local Operating Authority for businesses offering video and audio services, (v) with or to the non-U.S. and transnational regulatory bodies (each, a "Non-U.S. Regulator") and the non-U.S. and transnational Governmental Entities and other entities identified in Section 4.4(a)(v) of the AT&T Disclosure Letter pursuant to applicable Non-U.S. Regulatory Laws, (vi) any required Tax filings reflecting the Transactions or the Pre-Closing Reorganization or (vii) as set forth on Section 4.4(a)(vii) of the AT&T Disclosure Letter (collectively, the "Required Approvals"), no notices, reports or other filings are required to be made by AT&T or Blocker with, nor are any Permits required to be obtained by AT&T or Blocker from, any Governmental Entity, in connection with the execution, delivery and performance of the Transaction Documents by AT&T or Blocker or the consummation of the Transactions and the transactions contemplated by the Ancillary Agreements, except those that the failure to make or obtain would not, individually or in the aggregate, reasonably be expected to have a Seller Material Adverse Effect.

(b) To the Knowledge of AT&T, (i) it is in compliance in all material respects with the Communications Laws, including payment of all fees required thereunder, and (ii) there is no other reason relating to AT&T's non-compliance with the Communication Laws that any Required Approvals will not be received on a timely basis or that the performance by AT&T or any of its Affiliates of its obligations under this Agreement or the Ancillary Agreements or the

consummation of the transactions contemplated hereby or thereby would reasonably be expected to be prevented, delayed or materially impeded.

(c) The execution, delivery and performance by AT&T and Blocker of the Transaction Documents to which they are a party do not, and the consummation of the Transactions and the transactions contemplated by the Ancillary Agreements shall not, 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 properties or assets of AT&T and/or Blocker, in each case, under any provision of (i) the certificate of incorporation, bylaws or comparable governing documents of AT&T or Blocker, (ii) any material Contract binding upon AT&T or Blocker or (iii) assuming (solely with respect to performance of the Transaction Documents and consummation of the Transactions and the transactions contemplated by the Ancillary Agreements) compliance with the Required Approvals, any Law to which AT&T or Blocker is subject except, in the case of clauses (ii) and (iii) above, for any such breach, violation, termination, default, creation or acceleration that would not, individually or in the aggregate, reasonably be expected to have a Seller Material Adverse Effect.

Section IV.5 Litigation.

(a) As of the Execution Date, there are no civil, criminal or administrative actions, suits, demands, claims, hearings, arbitrations, investigations or other proceedings pending or, to the Knowledge of AT&T, threatened in writing against Blocker that would, individually or in the aggregate, reasonably be expected to have a Seller Material Adverse Effect.

(b) As of the Execution Date, neither AT&T to the extent related to the Business nor Blocker is a party to or subject to (i) the provisions of any investigation or inquiry (in each case, to the extent AT&T has received written notice thereof) or (ii) any Order of any Governmental Entity, in each case, that would, individually or in the aggregate, reasonably be expected to have a Seller Material Adverse Effect.

Section IV.6 Taxes. Except as would not reasonably be expected, individually or in the aggregate, to have a Seller Material Adverse Effect:

(a) Blocker has timely prepared and filed, or caused to be prepared and filed, with the appropriate Governmental Entity, all Tax Returns of Blocker that were required to be filed by it, taking into account any extensions of time to file. All such Tax Returns are true, complete and accurate in all material respects. Blocker has timely paid, or caused to be paid, all material Taxes due and payable by Blocker.

(b) No material deficiencies for any Taxes have been proposed, asserted or assessed in writing by any Governmental Entity against Blocker that are still pending. No extensions of the period for assessment of any Taxes are in effect with respect to any material liability of Blocker (other than extensions of time to file Tax Returns obtained in the Ordinary Course).

(c) There are no pending or threatened in writing audits, assessments or similar proceedings for any material liability in respect of Taxes of Blocker.

(d) Except with respect to consolidated, combined or similar groups the common parent of which is AT&T, Inc., a Delaware corporation (the "AT&T Consolidated Group"), Blocker does not have any material liability for the Taxes of any other Person under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or non-U.S. Law) or as a transferee or successor.

(e) Blocker is not a party to or bound by any Tax indemnity agreement, Tax sharing agreement, Tax allocation agreement or similar agreement (other than, in each case, (i) agreements solely between Blocker and its wholly-owned Subsidiaries, (ii) agreements solely among the members of the AT&T Consolidated Group or (iii) commercial Contracts the primary purpose of which is not the indemnification or sharing of Taxes (Contracts described in clause (iii), "Commercial Tax Agreements")).

(f) There are no Encumbrances for material Taxes upon any of the assets or properties of the Blocker, except for Permitted Encumbrances.

(g) Blocker has not participated in any "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4(b)(2).

(h) Blocker will not be required to include any material item of income in, or exclude any material item of deduction or loss from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of: (i) an adjustment under Section 481(a) of the Code (or any corresponding or similar provision of state, local or non-U.S. Tax Law) by reason of a change in (or improper use of a) method of accounting by Blocker on or prior to the Closing Date; (ii) a "closing agreement" described in Section 7121 of the Code (or any corresponding or similar provision of state, local or non-U.S. Tax Law) executed by or in respect of Blocker on or before the Closing Date; (iii) an intercompany transaction or excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local or non-U.S. Tax Law) in existence with respect to Blocker on or prior to the Closing Date; (iv) an installment sale or open transaction disposition made by Blocker on or prior to the Closing Date; or (v) a prepaid amount received by Blocker on or prior to the Closing Date.

(i) Blocker has not distributed stock of another Person, or had its stock distributed by another Person, in a transaction occurring during the two-year period ending on the date of this Agreement that was purported or intended to be governed in whole or in part by Sections 355 or 361 of the Code.

(j) Blocker is, and has been at all times since July 28, 2021, treated as a corporation for U.S. federal and applicable state and local income tax purposes.

Nothing in this Section 4.6 or otherwise in any Transaction Document (other than clauses (d), (h) or (i)) shall be construed as a representation or warranty with respect to (i) the amount or

availability in any Post-Closing Tax Period of any net operating loss, capital loss or other Tax asset or attribute arising in a Pre-Closing Tax Period, or (ii) any method of Tax accounting in respect of any Post-Closing Tax Period.

Section IV.7 Brokers and Finders. Neither AT&T nor Blocker has employed any investment banker, broker or finder or incurred or shall incur any liability for any brokerage payments, investment banking fees, commissions, finders' fees or other similar payments in connection with the Transactions, except that AT&T has engaged Goldman, Sachs & Co. LLC as its financial advisor in connection with the Transactions.

Section IV.8 Affiliate Agreements. Except (a) as set forth on Section 4.8 of the AT&T Disclosure Letter (the "Surviving Affiliate Arrangements") and (b) for any loans or other indebtedness, guarantees, Contracts or other arrangements terminated or released in full by Closing in accordance with Section 6.11 or Section 6.14(b), there are no loans or other indebtedness, guarantees, Contracts or other arrangements between Blocker, on the one hand, and AT&T or Affiliate of AT&T (other than the Company and its Subsidiaries), on the other hand (each, an "Affiliate Agreement").

Section IV.9 No Other Representations or Warranties.

(a) AT&T acknowledges and agrees that, except for the representations and warranties expressly set forth in this Agreement, the Ancillary Agreements and the certificate delivered pursuant to Section 7.3(d) of this Agreement, neither Buyer nor any other Person has made any express or implied representation or warranty with respect to the Transactions, Buyer, each Buyer Ancillary Counterparty or with respect to the accuracy or completeness of any other information provided, or made available, to AT&T or any of its Subsidiaries or their respective Affiliates in connection with the Transactions and AT&T has not relied on any representation or warranty other than those expressly set forth in this Agreement, the Ancillary Agreements and the certificate delivered pursuant to Section 7.3(d) of this Agreement. Without limiting the generality of the foregoing sentence, AT&T acknowledges and agrees that it has not relied on any other information provided, or made available, to AT&T or any of its Subsidiaries or their respective Affiliates in connection with the Transactions, and that neither Buyer nor any of its Affiliates or any other Person shall be subject to any liability to AT&T or any other Person resulting from (i) any misrepresentation or omission by Buyer or its Affiliates or any other Person with respect to such information or (ii) AT&T's use of, or the use by any of its Affiliates or any other Person of, any such information, unless any such information is expressly and specifically included in a representation or warranty set forth in this Agreement, the Ancillary Agreements or the certificate delivered pursuant to Section 7.3(d) of this Agreement.

(b) AT&T expressly disclaims any express or implied representation or warranty with respect to AT&T, Blocker or the Blocker Units (including any implied warranties that may otherwise be applicable because of the provisions of the UCC or any other applicable Law, including the warranties of merchantability and fitness for a particular purpose) or with respect to the accuracy or completeness of any other information provided, or made available, to Buyer or any of its Subsidiaries or their respective Affiliates in connection with the Transactions other than those expressly set forth in ARTICLE IV (as qualified by the AT&T Disclosure Letter).

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to AT&T as follows, as of the date of this Agreement and the Closing:

Section V.1 Organization, Good Standing and Qualification. Buyer (a) is a legal entity duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization, (b) has all requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and (c) is qualified to do business and is in good standing as a foreign corporation or other legal entity in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of the business conducted by it requires such qualification, except in the case of clause (b) or (c) where the failure to be so qualified or in good standing or, except in the case of clause (b) where the failure to have such power or authority, would not, individually or in the aggregate, reasonably be expected to have a Buyer Material Adverse Effect.

Section V.2 Authority; Approval. Buyer and each Buyer Ancillary Counterparty has all requisite corporate or other organizational power and authority to execute and deliver each of the Transaction Documents to which it is or shall be a party, to perform its obligations thereunder and to consummate the Transactions and the transactions contemplated by the Ancillary Agreements. The execution, delivery and performance of this Agreement by Buyer has been duly and validly authorized by all necessary organizational action on the part of Buyer. The execution, delivery and performance of each of the Ancillary Agreements to which Buyer and each Buyer Ancillary Counterparty is or will be a party has been, or at the Closing will be, duly and validly authorized by all necessary corporate or other action on the part of such Person. This Agreement has been, and each of the Ancillary Agreements will be at Closing, duly executed and delivered by Buyer or the applicable Buyer Ancillary Counterparty and, when executed and delivered by AT&T and the other parties hereto and thereto, will constitute a valid and binding agreement of Buyer and each such Buyer Ancillary Counterparty enforceable against such party pursuant to its terms, subject to the Bankruptcy and Equity Exception.

Section V.3 Governmental Filings; No Violations.

(a) Other than the Required Approvals, no notices, reports or other filings are required to be made by Buyer with, nor are any Permits required to be obtained by Buyer from, any Governmental Entity in connection with the execution, delivery and performance of the Transaction Documents by Buyer and the consummation of the Transactions and the transactions contemplated by the Ancillary Agreements, except those that the failure to make or obtain would not, individually or in the aggregate, reasonably be expected to have a Buyer Material Adverse Effect.

(b) The execution, delivery and performance by Buyer of the Transaction Documents to which it is a party do not, and the consummation of the Transactions and the transactions contemplated by the Ancillary Agreements shall not, 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 (i) the certificate of incorporation, bylaws or comparable governing documents of Buyer, (ii) any Contract (not terminable for convenience by the counterparty thereto on 90 days' notice or less) binding upon Buyer or (iii) assuming (solely with respect to performance of the Transaction Documents and consummation of the Transactions and the transactions contemplated by the Ancillary Agreements) compliance with the Required Approvals, any Law to which Buyer is subject except, in the case of clauses (ii) and (iii) above, for any such breach, violation, termination, default, creation or acceleration that would not, individually or in the aggregate, reasonably be expected to have, a Buyer Material Adverse Effect.

Section V.4 Litigation.

(a) As of the Execution Date, there are no civil, criminal or administrative actions, suits, demands, claims, hearings, arbitrations, investigations or other proceedings pending or, to the Knowledge of Buyer, threatened in writing against Buyer that would, individually or in the aggregate, reasonably be expected to have a Buyer Material Adverse Effect.

(b) As of the Execution Date, Buyer is not party to or subject to any investigation or inquiry or the provisions of any Order of any Governmental Entity that would, individually or in the aggregate, reasonably be expected to have a Buyer Material Adverse Effect.

Section V.5 Equity Financing. Subject to the terms and conditions set forth in the Equity Commitment Letter, as of the Closing Date, Buyer will have all of the funds necessary to pay the Upfront Consideration pursuant to Section 2.2(a) hereunder.

(a) The Equity Commitment Letter provides that AT&T is an express third party beneficiary thereto, solely for the purpose of seeking, and is entitled to seek, specific performance of Buyer's right to cause the Commitment (as defined in the Equity Commitment Letter) to be funded thereunder (but in such case only as and to the extent permitted pursuant to, and subject to the terms and conditions of, the Equity Commitment Letter) and for no other purpose and, in connection therewith, AT&T has the right to an injunction, or other appropriate form of specific performance or equitable relief, to cause Buyer to cause, or to directly cause, the Equity Financing Source to fund, directly or indirectly, the Equity Commitment as, and to the extent permitted by, the Equity Commitment Letter, in each case, when all of the conditions to funding the Equity Commitment set forth in the Equity Commitment Letter have been satisfied.

(b) The Equity Commitment Letter is a legal, valid and binding obligation of Buyer and, to the Knowledge of Buyer, each other party thereto, enforceable in accordance with its terms, subject to the Bankruptcy and Equity Exception, in full force and effect, and has not been amended, modified, withdrawn, terminated or rescinded in any respect. Buyer and its Affiliates have not taken any action, and, as of the Execution Date, no other event has occurred which (with or without notice, lapse of time or both) would, or would reasonably be expected to, (i) constitute a breach or default thereunder on the part of Buyer or (ii) result in the failure of any condition to the Equity Financing. As of the Execution Date, there are no other contracts, side letters, other written agreements, arrangements, conditions precedent, contingencies or other

provisions relating to the funding of the Transactions, to which Buyer or any of its Affiliates is a party, that would adversely affect the Equity Financing Source's ability to perform its obligations under the Equity Commitment Letter, other than as expressly set forth in the Equity Commitment Letter. Except as expressly set forth in the Equity Commitment Letter, there are no, and no party to the Equity Commitment Letter has any right to impose, and Buyer has no obligation to accept, conditions precedent to the obligation of the Equity Financing Source to provide the Equity Financing or any contingencies that would permit the Equity Financing Source to reduce the total amount of Equity Financing. As of the Execution Date, Buyer does not have any reason to believe that any of the conditions to the Equity Financing will not be satisfied on a timely basis or that the Equity Financing will not be available to Buyer on the date on which the Closing should occur pursuant to Section 3.1.

(c) The Equity Financing Source has the financial capacity to pay and perform its obligations under the Equity Commitment Letter, and all funds necessary to fulfill its obligations under the Equity Commitment Letter will be available to the Equity Financing Source when the Upfront Consideration is due pursuant to this Agreement as long as the Equity Commitment Letter remains in effect. For the avoidance of doubt, in no event shall the receipt or availability of any funds or financing by Buyer or any of its Affiliates, including any Equity Financing, be a condition to the consummation of the Closing.

Section V.6 Brokers and Finders. Buyer has not employed any investment banker, broker or finder or incurred or shall incur any liability for any brokerage payments, investment banking fees, commissions, finders' fees or other similar payments in connection with the Transactions.

Section V.7 Solvency. Assuming (a) the satisfaction of the conditions set forth in ARTICLE VII hereof and (b) the accuracy of the representations and warranties of AT&T and Blocker contained in ARTICLE IV hereof, immediately after consummating the Transactions, Buyer and its Subsidiaries (including the Company), on a consolidated basis, (i) will be able to pay their respective debts as they become due and matured in the ordinary course of business, (ii) shall own property having a fair saleable value, on a going concern basis, greater than the amounts required to pay their debts (including a reasonable estimate of the amount of all contingent Liabilities) as they become due and matured in the ordinary course of business and (iii) will not have an unreasonably small amount of capital to for the business in which they are engaged. No transfer of property is being made and no obligation is being incurred in connection with the Transactions with the intent to hinder, delay or defraud either present or future creditors of Buyer or the Company. In connection with the Transactions, Buyer has not incurred, nor does it plan to incur, debts beyond its ability to pay as they become absolute and matured.

Section V.8 No Other Representations or Warranties. Buyer acknowledges and agrees that, except for the representations and warranties expressly set forth in this Agreement (as qualified by the AT&T Disclosure Letter), the Ancillary Agreements and the certificate delivered pursuant to Section 7.2(e) of this Agreement, neither AT&T nor any other Person has made any express or implied representation or warranty with respect to the Transactions, AT&T or Blocker or the Blocker Units (including any implied warranties that may otherwise be applicable because

of the provisions of the UCC or any other applicable Law, including the warranties of merchantability and fitness for a particular purpose) or with respect to the accuracy or completeness of any other information provided, or made available, to Buyer or any of its Subsidiaries or their respective Affiliates in connection with the Transactions, and Buyer has not relied on any representation or warranty other than those expressly set forth in this Agreement (as qualified by the AT&T Disclosure Letter), the Ancillary Agreements and the certificate delivered pursuant to Section 7.2(e) of this Agreement.

ARTICLE VI

COVENANTS

Section VI.1 Interim Operations of the Business.

(a) During the period from the Execution Date until the Closing, except (v) as set forth in Section 6.1 of the AT&T Disclosure Letter, (w) as otherwise required by or provided for in this Agreement (including the INVIDI Contribution or Pre-Closing Reorganization), (x) as required by a Governmental Entity or applicable Law, or (y) as approved by Buyer in writing (such approval not to be unreasonably conditioned, withheld or delayed), Blocker shall, and AT&T shall cause Blocker to, (1) use commercially reasonable efforts to conduct its business in the Ordinary Course in all material respects and (2) not:

(i) (A) make any declaration or payment of any non-cash dividend or other non-cash distribution with respect to any of its capital stock or other equity interests; (B) repurchase, redeem, or otherwise acquire or cancel any of Blocker's capital stock or other equity interests; or (C) reclassify or amend the terms of issue with respect to Blocker's capital stock or other equity interests, or issue or sell any capital stock or other equity interests or options, warrants, calls, subscriptions or equity rights to purchase any capital stock or other equity interests of Blocker to any Person (other than AT&T);

(ii) acquire (by merger, consolidation, acquisition of Equity Interests or assets, or otherwise) any corporation, partnership, limited liability company, other business organization or division thereof or any equity interest therein;

(iii) enter into any line of business unrelated to the business conducted by Blocker, the Company, and its Subsidiaries as of the date hereof or discontinue any material line of business or any material business operations;

(iv) authorize or effect any amendment to or otherwise change the certificate of incorporation, bylaws or other organizational documents of Blocker;

(v) make any investment in another Person, other than investments in the Company or wholly owned Subsidiaries of the Company;

(vi) create or incur any material Encumbrance on the assets of Blocker that would not be released at or prior to Closing other than Permitted Encumbrances;

(vii) adopt a plan or agreement of complete or partial liquidation, dissolution, reorganization, or merger;

(viii) deposit any Blocker Units or Company Equity Securities into a voting trust or enter into a voting agreement or arrangement with respect to any Blocker Units or Company Equity Securities or grant any proxy with respect thereto;

(ix) make any changes with respect to material accounting policies or procedures of Blocker, other than changes as may be initiated by AT&T with respect to AT&T's ultimate parent's business generally and other than as may be required to conform to GAAP or by applicable Law;

(x) except in the Ordinary Course and solely with respect to Blocker or any New Blocker Subsidiaries, (A) amend any material Tax Return, (B) make, change or revoke any material Tax election or settle or compromise any material income Tax liability, (C) settle any audit, assessment, dispute, proceeding or investigation in respect of a material amount of Taxes (to the extent such action could be reasonably expected to affect Tax periods after the Closing), (D) surrender any right to claim a material Tax refund, (E) consent to any extension or waiver of the limitation period applicable to any material Tax claim or assessment, (F) enter into any material Contract in respect of Taxes with any Governmental Entity, (G) elect any material method of accounting for Tax purposes, (H) change any method of accounting for Tax purposes or (I) change any annual Tax accounting period, in each case, other than as required by applicable Law; and except with respect to any consolidated, unitary, combined or similar Tax Returns, including any Combined Tax Returns (other than such Tax Returns relating solely to Blocker and one or more New Blocker Subsidiaries);

(xi) transfer, sell, lease, license, mortgage, pledge, surrender, encumber, divest, cancel, fail to maintain, abandon or allow to lapse or expire or otherwise dispose of any material assets or properties of Blocker, including Blocker Units, except for sales or other dispositions of obsolete assets;

(xii) other than in the Ordinary Course, assign, transfer, forfeit, cancel, fail to renew, or fail to extend or defend any material Communications License or other material Permit, or take any action or pay any fee necessary to maintain such material Communications License or other material Permit;

(xiii) commence any Action or compromise or settle any Action (A) if the amount payable in connection therewith would be required to be paid on or after the Closing Date, (B) that would restrict the future activity or conduct of Blocker, the Company or any of its Subsidiaries in the conduct of their business, or (C) that would result in a finding or admission of a violation of Law or violation of the rights of any Person; or

(xiv) agree, authorize or commit to do any of the foregoing.

(b) Notwithstanding anything to the contrary set forth herein, Buyer acknowledges that (i) AT&T and its Affiliates may, prior to the Closing, effect the Pre-Closing Reorganization and INVIDI Contribution and (ii) the foregoing limitations of this Section 6.1 shall not apply to, or restrict the activities or operations of, Blocker with respect to the Excluded Assets and Excluded Liabilities.

(c) During the period from the Execution Date until the Closing, except (x) as otherwise required by this Agreement (including the Pre-Closing Reorganization, the Debt-Financed Distribution and the INVIDI Contribution), (y) as otherwise required by the Denver Agreement or the consummation of the Denver Transaction, or (z) as required by a Governmental Entity or applicable Law, the Company shall (i) use commercially reasonable efforts to conduct the Business in the Ordinary Course in all material respects, (ii) use, to the extent consistent with clause (i), commercially reasonable efforts to preserve the Business intact, maintain the Business as a going concern, and maintain existing relations with Governmental Entities and other third parties, including customers, suppliers, content providers, distributors, licensors, creditors, lessors, employees and business associates, (iii) make distributions to Blocker and TPG VIII Merlin (including Company Tax Distributions) in the Ordinary Course in accordance with the Company Operating Agreement, and (iv) not (1) accelerate or delay the collection of or discount any accounts receivable, (2) accelerate or delay the payment of accounts payable or defer expenses, (3) reduce inventories, (4) incur or repay indebtedness or (5) otherwise increase cash on hand, except in each case, in the Ordinary Course.

Section VI.2 Access and Information. Subject to applicable Antitrust Law, upon reasonable advance notice, AT&T shall, and shall cause its Subsidiaries to, afford Buyer's officers and other authorized representatives reasonable access, during normal business hours throughout the period prior to the Closing, to its books, records and work papers to the extent (x) relating to Blocker or the Business Assets and (y) reasonably required to prepare for the consummation of the Transactions and the ownership of the Business Assets following the Closing; provided, that no investigation pursuant to this Section 6.2 shall affect or be deemed to modify any AT&T Representation; provided, further, that the foregoing requirements shall not require AT&T (a) to permit any inspection, or to disclose any information, that would violate any of its obligations with respect to confidentiality, (b) to disclose any privileged information of the AT&T or any of its Subsidiaries or (c) to disclose any consolidated, unitary, combined or similar Tax Returns (or related work papers and communications) including AT&T or any of its Subsidiaries (other than such Tax Returns relating solely to Blocker or the Business Assets) or other Tax information that does not solely relate to Blocker or the Business Assets; provided, that in the case of clauses (a) and (b), AT&T shall provide Buyer's officers and other authorized representatives with information to the maximum extent possible and notify Buyer in writing the nature of any information or documents withheld. All requests for information made pursuant to this Section 6.2 shall be directed to Persons designated by AT&T. All such information shall be held confidential and treated as "Confidential Information" in accordance with the terms of the Company Operating Agreement.

Section VI.3 Cooperation and Efforts to Consummate Transactions; Status Updates.

(a) Cooperation and Efforts to Consummate the Transactions. On the terms and subject to the conditions set forth herein, from the Execution Date to the Closing, AT&T and Buyer shall cooperate with each other and use (and shall cause their respective Affiliates to use) their respective reasonable best efforts to take or cause to be taken all actions reasonably necessary on their part under this Agreement to consummate the Transactions as promptly as reasonably practicable.

(b) Status Updates. Subject to applicable Law and as required by any Governmental Entity, AT&T and Buyer shall each keep the other apprised of the status of matters relating to the consummation of the Transactions, including promptly furnishing the other with copies of notices or other communications (or where no such copies are available, a reasonably detailed description thereof) received by Buyer or AT&T, as the case may be, or any of their respective Affiliates, from any third party or any Governmental Entity with respect to the Transactions and the transactions contemplated by the Ancillary Agreements.

Section VI.4 Regulatory Filings/Approvals.

(a) Submission of Filings and Notices.

(i) Exchanging Information. AT&T and Buyer shall each, upon request by the other, furnish the other with all information (subject to, as necessary, redactions of commercially sensitive terms or the privileged information of such party or the exchange of information on an "outside counsel only" and "antitrust counsel only" basis) concerning itself, its Affiliates, directors, officers and 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 Buyer, AT&T or any of their respective Affiliates to any Governmental Entity in connection with the Transactions.

(ii) Initial Submissions. Subject to Section 10.5, AT&T and Buyer shall, and shall cause their respective Affiliates to, prepare and file as promptly as reasonably practicable all documentation to effect all necessary or advisable notices, reports and other filings and to obtain as promptly as practicable all permits, clearances, and approvals necessary or advisable to be obtained from any Governmental Entity (including any filings with State and Local Operating Authorities with jurisdiction to grant or otherwise oversee state and local operating authority for businesses offering video and audio services) in order to consummate the Transactions or operate the Business from and after the Closing. Without limiting the foregoing sentence, each of AT&T and Buyer shall, and shall cause their respective Affiliates to, make, or cause the applicable Person to make, its respective filing pursuant to (A) the HSR Act, if applicable, with respect to the Transactions, and (B) all applications required to be filed with respect to the FCC Licenses, in each case, as promptly as reasonably practicable after the Execution Date (and in any event no later than 14 days after the Execution Date) and prior to Buyer or the Company making any corresponding filings with respect to the Denver Transaction; provided, that any failure to make such filings within 14 days after the Execution Date shall not constitute a breach of this Agreement so long as such filings are made as promptly as reasonably practicable thereafter; provided, further, that 21 days after the

Execution Date, so long as Buyer has made its completed filing pursuant to the HSR Act with respect to the Transactions, the parties to the Denver Transaction may make any filings pursuant to the HSR Act and all applications required to be filed with the FCC with respect to the Denver Transaction, which shall not constitute a breach of this Agreement.

(iii) Subsequent Submissions. Subject to Section 10.5, AT&T and Buyer shall promptly provide all non-privileged information and documents requested by any Governmental Entity to the extent necessary or advisable to resolve any inquiry or investigation and to obtain as promptly as practicable all permits, clearances, and approvals necessary or advisable to be obtained from such Governmental Entity in order to consummate the Transactions, which may include re-submission of notices, reports and other filings in order to consummate the Transactions or operate the Business from and after the Closing while the Denver Transaction is pending.

(b) Conduct of Interactions with Governmental Entities. Notwithstanding any other provisions of this Agreement, AT&T and Buyer shall (i) jointly determine timing and strategy and be jointly responsible for the final content of any substantive oral or written joint communications with any applicable Governmental Entity, and (ii) jointly coordinate all activities with respect to seeking any Permits or State and Local Operating Authority of any Governmental Entity under any U.S. or non-U.S. Antitrust Laws and the Communications Laws. Buyer and AT&T shall have the right to review in advance (subject to, as necessary, redactions of commercially sensitive terms or the privileged information of such party or the exchange of information on an "outside counsel only" and "antitrust counsel only" basis) and, to the extent practicable, each shall consult with the other on and consider in good faith the views of the other in connection with, all the information relating to Buyer and AT&T, as the case may be, and any of their respective Affiliates, that appears in any filing made with, or written materials submitted to, any Governmental Entity in connection with the Transaction, provided, however, that in the event of any disagreement between AT&T and Buyer with respect to the matters described in the foregoing clause (i) or (ii), AT&T and Buyer shall cooperate and consult with one another and seek to resolve such disagreement reasonably and in good faith. In exercising the foregoing rights, Buyer and AT&T shall act reasonably and as promptly as practicable. Neither AT&T nor Buyer shall permit any of its officers or any other representatives or agents to participate in any meeting or substantive communication with any Governmental Entity in respect of any filing, investigation or other inquiry relating to the Transaction unless it consults with the other Party in advance and, to the extent permitted by such Governmental Entity, gives the other Party the opportunity to attend and participate thereat.

(c) Remedies. The Parties understand and agree that the reasonable best efforts of AT&T and Buyer pursuant to Section 6.3 shall be deemed to include proposing, negotiating, offering to agree to, agreeing to or effecting such conditions, commitments or restrictions on or related to the conduct of the Business (including amendments to or waivers of provisions of any agreement among any or all of the Parties that relate to the Business) as are necessary or proper to cause the expiration or termination of the applicable waiting periods or approval required under any Antitrust Law or the Communications Act or to avoid a suit by a Governmental Entity

seeking to enjoin the Transactions pursuant to any Antitrust Law or the Communications Act; provided that no Party shall be required to agree to any conditions, commitments or restrictions that, individually or in the aggregate, would reasonably be expected to adversely impact the assets, business, expected results of operation or financial condition of the Company, taken as a whole, or the Business (the occurrence thereof, a "Company Substantial Detriment"). Notwithstanding anything to the contrary set forth herein, none of the Parties' obligations shall include (i) proposing, negotiating, committing to and effecting, by consent decree, hold separate order, or otherwise, the sale, divestiture, license or disposition of, or holding separate (through the establishment of trust or otherwise) of its (or any of its Affiliates') assets, businesses or any portion thereof; or (ii) otherwise taking or committing to take actions that limit its or its Affiliates' freedom of action with respect to, or its ability to consolidate, control and retain, one or more of its or its Affiliates' businesses, product lines or assets.

(d) Coordination with Section 6.6. Notwithstanding anything to the contrary, this Section 6.4 shall not apply with respect to any communications with a Governmental Entity concerning Taxes, which shall be exclusively governed by Section 6.6 and Exhibit C.

Section VI.5 Third Party Consents. Except with respect to filings and approvals with Governmental Entities (which are addressed in Section 6.4), on the terms and subject to the conditions set forth herein, AT&T and Buyer shall cooperate with each other and use (and shall cause their respective controlled Affiliates to use) their respective commercially reasonable efforts to obtain any Consents required from third parties in connection with the consummation of the Transactions or the transactions contemplated by the Ancillary Agreements at or prior to the Closing. In no event shall any Party (or any of their respective Affiliates) other than Buyer be required to make any payment, incur any liability, commence any litigation or make any concession to obtain any Consents of third parties contemplated by this Section 6.5.

Section VI.6 Tax Matters.

(a) Post-Closing Actions. Except as expressly provided in this Agreement, without the prior written consent of AT&T (such consent not to be unreasonably withheld, conditioned or delayed), after the Closing, neither Buyer nor any of its Affiliates (including Blocker and its Subsidiaries) shall (i) make any election under Sections 338 or 336 of the Code or under Treasury Regulations Section 1.1502-36(d) in respect of Blocker or the Transactions, (ii) with respect to a Pre-Closing Tax Period in respect of Blocker, (1) amend, re-file, revoke or otherwise modify any Tax Return, (2) file any Tax Return for a Pre-Closing Tax Period in a manner inconsistent with the past practices of Blocker, (3) file any type of Tax Return in a jurisdiction in which Blocker or any of its Subsidiaries has not historically filed such type of Tax Returns, (4) make or modify any Tax election with retroactive effect to any Pre-Closing Tax Period, (5) extend or waive the statute of limitations with respect to the collection or assessment of Taxes or with respect to any Tax Return (other than as a result of obtaining extensions of time to file that are automatically granted), (6) enter into any voluntary disclosure agreement or similar proceedings with respect to Taxes, (7) enter into, request or otherwise initiate any discussions regarding any agreements or ruling from any applicable Governmental Entity, (iii) surrender or abandon a claim for Tax Refunds to which AT&T is entitled under Section 6.06(d) this

Agreement, or (iv) take any action that would reasonably be expected to affect clauses (ii) through (iv) of the definition of "Intended Tax Treatment". Blocker and Buyer (to the extent applicable) shall make a timely election to apply Rev. Proc. 2011-29 with respect to any success-based fees within the scope of such Rev. Proc. paid by Blocker in connection with the Transaction. AT&T and Buyer agree: (x) to treat all such deductible items with respect to such success-based fees that accrue on or prior to the Closing Date as being deductible by Blocker on (or prior to) the Closing Date to the extent supportable at a "more likely than not" (or higher) level of comfort (as determined by the applicable Tax Return preparer that is a "Big 4" accounting firm), (y) not to utilize the "next day rule" in Treasury Regulations Section 1.1502-76(b)(1)(ii)(B) (or any similar provision of state, local or non-U.S. Law) with respect to such deductions; and (z) that no election shall be made by any Party under Treasury Regulations Section 1.1502-76(b)(2) (or any similar provision of state, local, or non-U.S. Law) to ratably allocate items incurred by Blocker. For the avoidance of doubt, nothing in the preceding sentence shall be construed as prohibiting the Company or any of its Subsidiaries from making an election described in Section 6226 of the Code (or any similar provisions of state, local or non-U.S. Law) (it being understood and agreed that any liabilities imposed on Blocker as a result of any such election made after the Closing Date will be treated as Taxes imposed on Blocker that will not be subject to the Tax-related indemnification obligation of AT&T under Section 8.2). In furtherance of the foregoing, each Party will use commercially reasonable efforts to mitigate any Loss with respect to Pre-Closing Taxes for which a Party has an indemnification obligation to another Party pursuant to this Agreement.

(b) Straddle Period Taxes and Certain Other Matters. For all purposes of this Agreement, in the case of a Straddle Period, the amount of Taxes that are allocable to the portion of the Straddle Period ending on and including the Closing Date shall be: (i) in the case of Taxes that are based upon or related to income, gross or net sales, payments or receipts (including any Income Taxes), including payroll, employment or similar Taxes, deemed equal to the amount that would be payable if the taxable period ended on the Closing Date and (ii) in the case of all other Taxes, the amount of such Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of calendar days in the portion of the Straddle Period ending on and including the Closing Date, and the denominator of which is the number of calendar days in the entire Straddle Period; provided, any actions (except for such actions expressly contemplated by the Transaction Documents) taken by or at the direction of Buyer or any actions taken outside the Ordinary Course by Blocker, in each case, on the Closing Date following the Closing shall be deemed to have occurred on the day after the Closing Date. In the case of clause (i) of the preceding sentence, (x) the portion of exemptions, credits, allowances or deductions that are calculated on an annual basis (including depreciation and amortization deductions) that are allocable to the portion of the Straddle Period ending on and including the Closing Date shall be the amount of such exemptions, credits, allowances or deductions multiplied by a fraction, the numerator of which is the number of calendar days in the portion of the Straddle Period ending on and including the Closing Date, and the denominator of which is the number of calendar days in the entire Straddle Period, and (y) the taxable year of the Company, Merlin Manager and INVIDI, and any Subsidiary of any of them that is a "controlled foreign corporation" or "passive foreign investment company" for U.S. federal income Tax purposes, will, in each case, be deemed to close at the close of the Closing Date.

(c) Tax Returns of Blocker.

(i) AT&T Consolidated Group Returns. Notwithstanding anything to the contrary in any Transaction Document, AT&T shall have sole responsibility for the preparation of any consolidated, combined, affiliated or unitary Tax Return that includes Blocker and AT&T or any of its Affiliates (each, a "Combined Tax Return") and in no event will AT&T or any of its Subsidiaries or Affiliates be required to provide any information (including work papers) relating to, or a copy of, any Combined Tax Return (other than information relating solely to Blocker, the Company, Merlin Manager, INVIDI and/or their Subsidiaries).

(ii) Blocker Pre-Closing Tax Returns. AT&T shall have the right to prepare all Tax Returns of Blocker for any Pre-Closing Tax Period or Straddle Period (excluding Combined Tax Returns), the initial due date of which (taking into account any applicable extensions) is after Closing (the "Seller-Prepared Tax Returns"). Except as provided for in this Agreement or as required by Law, AT&T shall prepare the Seller-Prepared Tax Returns in a manner consistent with the past practice of Blocker. AT&T shall provide Buyer with a draft of each such Seller-Prepared Tax Return (i) in the case of Seller-Prepared Tax Returns filed on an annual (or longer) basis, no later than thirty (30) days prior to the due date for filing thereof (taking into account any applicable extensions) and (ii) in the case of all other Seller-Prepared Tax Returns, as soon as reasonably practicable prior to the due date for filing such Tax Return (taking into account any applicable extensions) for review and approval (not to be unreasonably withheld, conditioned or delayed). If Buyer and Seller cannot resolve any contested items on a Seller-Prepared Tax Return, such items shall be referred to the Accounting Expert and the provisions of Section 2.3(b) shall apply, mutatis mutandis. Following such approval (or the resolution of any remaining items by the Accounting Expert), Buyer shall cause Blocker to timely file all Seller-Prepared Tax Returns as prepared by AT&T and approved by Buyer (or as resolved by the Accounting Expert).

(d) Tax Refunds. From and after the Closing Date, AT&T shall be entitled to be paid the amount of any refunds or credits received or realized in cash or as a credit in lieu thereof, from a Governmental Entity by Buyer and Blocker in respect of Pre-Closing Taxes or Special Taxes that are actually paid prior to the Closing or indemnified by AT&T pursuant to Section 8.2, in each case along with any interest paid by the relevant Governmental Entity with respect thereto (each, a "Tax Refund"); provided that, (i) the amount of any Tax Refund shall be net of any Taxes or other costs of Buyer and its Affiliates attributable to obtaining, receiving, distributing or paying over such Tax Refund, and (ii) AT&T shall not be entitled to the amount of any Tax Refund to the extent such Tax Refund (x) arises as the result of a carryback of a loss or other Tax benefit arising in a Post-Closing Tax Period or (y) is required to be paid over to a third party pursuant to a Contract in existence prior to the Closing (other than this Agreement). Buyer shall pay to AT&T the amount of any Tax Refund to which AT&T is entitled pursuant to this Section 6.6(d) within five (5) Business Days after receipt or, in the case of a tax credit, the utilization of such tax credit to offset a Tax otherwise then due, thereof. At the request of AT&T, Buyer shall use its commercially reasonable efforts (including by carrying back any available

Tax attributes from a Pre-Closing Tax Period into an earlier Pre-Closing Tax Period to generate Tax Refunds to the extent permitted by Law) to realize any Tax Refund giving rise to amounts payable for the benefit of AT&T under this Section 6.6(d) and to cooperate with AT&T in obtaining such Tax Refunds. To the extent any Refund paid to AT&T is subsequently disallowed or required to be returned to the applicable Governmental Entity, AT&T agrees to promptly repay the amount of such Tax Refund, together with applicable interest and penalties, if any, to Buyer or its designee.

(e) Tax Claims.

(i) AT&T Consolidated Group. Notwithstanding anything to the contrary herein, AT&T shall have sole control of any Action with respect to any Combined Tax Return or any Taxes of the AT&T Consolidated Group (a "Combined Group Audit") and in no event will AT&T or any of its Subsidiaries or Affiliates be required to provide any information (including work papers) relating to, or a copy of, any Combined Group Audit (other than information relating solely to Blocker, the Company, Merlin Manager, INVIDI and/or their Subsidiaries).

(ii) Within ten (10) Business Days following Buyer's or Blocker's receiving written notice of any Action with respect to Pre-Closing Taxes for which AT&T would reasonably be expected to have liability under Section 8.2 or otherwise by operation of Law (each, a "Pre-Closing Tax Claim") shall give AT&T reasonably prompt written notice (a "Pre-Closing Tax Claim Notice") of any such claim, describing in reasonable detail the claim, the amount of such claim (if known and quantifiable) and the basis thereof and including copies of all applicable documents relating to such claim. The failure of Buyer and its Affiliates (including the Blocker and its Subsidiaries) to timely provide a Pre-Closing Tax Claim Notice to AT&T pursuant to this Section 6.6(e)(ii) shall not relieve AT&T of any liability that AT&T may have to any Person pursuant to this Agreement except to the extent AT&T is actually and materially prejudiced by such delay.

(iii) AT&T shall have the right to control the defense, appeal, or settlement of any Pre-Closing Tax Claim; provided, that except as provided in Section 6.6(e)(i), (i) Buyer shall have the right to participate, at Buyer's own cost and expense, in all material respects in defending against any such Pre-Closing Tax Claim, (ii) AT&T shall consult Buyer concerning the conduct of such Pre-Closing Tax Claim, (iii) AT&T shall keep Buyer reasonably informed of the progress of any such Pre-Closing Tax Claim, (iv) AT&T shall provide Buyer with a reasonable opportunity to comment on any written materials prior to their submission and accept any reasonable comments made by AT&T with respect thereto, (vi) a representative of Buyer, at Buyer's own cost and expense, shall be entitled to be present at all meetings with the relevant Tax authority and all other proceedings, and (vii) AT&T shall not settle, compromise or abandon any Pre-Closing Tax Claim without the prior written consent of Buyer (such consent not to be unreasonably withheld, conditioned, or delayed). These principles in this clause (e) shall

apply mutatis mutandis to any Special Tax Audit to the extent Buyer could otherwise control such Special Tax Audit.

(f) Cooperation on Tax Matters. Buyer, Blocker and AT&T shall use commercially reasonable efforts to cooperate fully, as and to the extent reasonably requested by the other party, in connection with the preparation and filing of Tax Returns pursuant to this Section 6.6 and any audit, litigation or other Action with respect to Taxes. Such cooperation shall include using commercially reasonable efforts to retain and (upon the other party request) provide records and information which are reasonably relevant to any such audit, litigation or other Action and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Buyer, Blocker and AT&T agree to use commercially reasonable efforts to retain all books and records with respect to Tax matters pertinent to the Blocker relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by Buyer or AT&T, any extensions thereof) of the respective taxable periods, and to use commercially reasonable efforts to abide by all record retention agreements entered into with any taxing authority. Notwithstanding anything to the contrary, nothing in this Section 6.6 shall be construed so as to give Buyer or any of its Affiliates (including Blocker and its Subsidiaries) any rights with respect to any Combined Tax Returns or Combined Group Audits (other than information relating solely to Blocker, the Company, Merlin Manager, INVIDI and/or their Subsidiaries).

(g) Transfer Taxes. All sales, use, value added, registration stamp, recording, documentary, conveyancing, transfer and similar Taxes, levies, charges and fees incurred in connection with the transactions contemplated by this Agreement (collectively, "Transfer Taxes"), shall be equally borne by Buyer and AT&T. All Transfer Taxes shall be timely paid, and all applicable filings, reports and returns shall be filed, as provided by applicable Law. The Parties shall cooperate in the preparation of any such filings, reports or returns with respect to Transfer Taxes.

(h) Coordination with Merlin LLCA.

(i) Except as set forth in this Section 6.6, Tax matters governed by the Merlin LLCA shall continue to be governed by the Merlin LLCA. Notwithstanding the preceding sentence, neither Buyer nor any of its Affiliates (including Blocker and its Subsidiaries) shall take (or fail to take) any action pursuant to the Merlin LLCA that is inconsistent with the Purchase Agreement.

(ii) The Parties hereby agree that the INVIDI Contribution will result in a "revaluation" of the assets of the Company and the capital accounts of the members of the Company in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(*f*). In connection with such revaluation, Kroll (or another nationally recognized valuation firm to be agreed upon by the Parties) will perform a valuation of the assets owned by the Company or any of its applicable Subsidiaries as of the date of the INVIDI Contribution and such valuation will be in form and substance reasonably acceptable to both Buyer and AT&T. For the avoidance of doubt, such valuation shall not be construed as determining the implied equity value of the Company for purposes of Section 1.2.

Subject to the receipt of a "should"-level (or higher) written an opinion from Gibson Dunn (or other nationally recognized law or accounting firm approved by the Company (such approval not to be unreasonably withheld, conditioned or delayed)) that is in form and substance reasonably satisfactory to the Company and its Tax Return preparers and auditors that such allocation is permitted under Section 752 of the Code and Treasury Regulations Section 1.752-3, the Company will, for purposes of Section 752 of the Code, allocate its liabilities in connection with such INVIDI Contribution in accordance with the methodology described in such opinion, it being understood, for the avoidance of doubt, that AT&T will bear the costs associated with the opinion, provided that, upon the request of AT&T, Buyer will bear up to $100,000 of such costs. AT&T shall be entitled to exercise the rights of Blocker under the Merlin LLCA with respect to any Tax Returns or Actions for which AT&T would reasonably be expected to have liability under Section 8.2.

(i) Intended Tax Treatment. For all U.S. federal (and relevant state and local) Income Tax Purposes, the Parties intend that (i) the Debt-Financed Distribution is a distribution described in Section 731(a) of the Code (and similar provisions of state and local Law), (ii) the Blocker will be allocated for purposes of Section 752 of the Code an amount of incremental liabilities incurred to finance the Debt-Financed Distribution at least equal to Blocker's share of the Debt-Financed Distribution, (iii) the purchase contemplated by this Agreement is a sale by AT&T of the stock of Blocker to Buyer, and (iv) other than with respect to stated interest/coupon and imputed interest, all payments made under the Seller Note are payments in consideration of the purchase described in clause (iii) (each and collectively, the "Intended Tax Treatment"). The Parties shall not take any position inconsistent with the Intended Tax Treatment described in this Section 6.6(i) except to the extent required by a "determination" within the meaning of Section 1313(a)(1) of the Code (and similar provisions of state and local Law).

(j) Tax Sharing Agreements. Any and all existing Tax sharing, Tax indemnification or Tax allocation agreements or arrangements (other than Commercial Tax Agreements, and excluding, for the avoidance of doubt, this Agreement and the Merlin Contribution Agreement), written or unwritten, between any member of the AT&T Consolidated Group, AT&T or any of its Affiliates (other than, for the avoidance of doubt, Blocker, the Company, Merlin Manager, INVIDI and any of their Subsidiaries) (each, an "AT&T Affiliate Member"), on the one hand, and Blocker, the Company, Merlin Manager, INVIDI and any of their Subsidiaries (each, an "Blocker Affiliate Member"), on the other hand, if not previously terminated, shall be terminated as of the Closing Date with respect to each Blocker Affiliate Member, such that no Blocker Affiliate Member shall have any further liability to AT&T or any AT&T Affiliate Member and neither AT&T nor any AT&T Affiliate Member shall have any further liability to any Blocker Affiliate Member, without any further action by the parties thereto. Following the Closing Date, no member of the AT&T Consolidated Group, on the one hand, and Blocker Affiliate Members, on the other hand, shall have any further rights, liabilities or obligations thereunder.

(k) Certain Tax Matters. The provisions of Exhibit C are hereby incorporated by reference.

(l) Interpretation. For purposes of this Section 6.6 and Exhibit C, any references to a particular agreement (including the Merlin LLCA and the Company Operating Agreement) shall be deemed to refer to such agreement as it is in effect on the Execution Date (and, for the avoidance of doubt, without regard to any amendment to such agreement made after the Execution Date).

Section VI.7 Confidentiality.

(a) Each of Buyer and AT&T acknowledges that the information being provided to it in connection with the Transactions is subject to the terms of the Company Operating Agreement, the terms of which are incorporated herein by reference in their entirety; provided, that actions taken by Buyer and AT&T to the extent necessary in order to comply with their respective obligations under Section 6.4 and Section 6.5 hereunder shall not be deemed to be in violation of this Section 6.7 or the Company Operating Agreement; provided, further that nothing in the Company Operating Agreement and this Agreement prevents the disclosure of such information to Buyer's current and prospective direct or indirect investors (including limited partners) and actual and potential Debt Financing Sources as part of a customary arrangement of the Debt Financing, and each of their respective Representatives in the ordinary course of business consistent with past practice; provided, further, that Buyer acknowledges and agrees that from the date hereof to the Closing Date, Buyer's current and prospective direct or indirect investors (including limited partners) and actual and potential Debt Financing Sources shall, to the extent they receive such information, be deemed to be Representatives subject to the obligations set forth in the Company Operating Agreement. Effective upon the Closing, the Company Operating Agreement shall terminate with respect to information to the extent relating to the Business and the Company.

(b) During the period commencing on the Closing Date and ending on the fifth anniversary thereof, AT&T shall, and shall cause its controlled Affiliates and Representatives to, keep confidential and not disclose to any Person documents and information, whether in written, oral or other form, concerning Buyer or any of its Affiliates (including the Company and after the Closing, Blocker), the Company or any of its Subsidiaries or the terms of this Agreement (other than to its Representatives owing them a duty of confidentiality). This Section 6.7(b) shall not apply to disclosure of information (i) relating to the conduct of AT&T's business other than the Business, (ii) pursuant to a press release or public statement made in accordance with Section 6.8 or to the extent that such information is generally known to the public through no fault of AT&T or any of its Affiliates or Representatives, (iii) to the extent that it is required to be disclosed by applicable Law, the rules and regulations of, or pursuant to any agreement of, a stock exchange or trading system, or subpoena, summons or legal process or (iv) in connection with the preparation and filing of any Tax Return or in the conduct or defense of any Action with respect to Taxes; provided that any such disclosure, except with respect to the matters described in clause (iv), shall to the extent permissible by Law be made after (A) consultation with Buyer and (B) allowing Buyer the reasonable opportunity to contest such disclosure and reasonably cooperating with Buyer, as requested by Buyer at Buyer's expense.

(c) During the period commencing on the Closing Date and ending on the fifth anniversary thereof, Buyer shall, and shall cause its controlled Affiliates (including the Company and after the Closing, Blocker) and Representatives to, keep confidential and not disclose to any Person documents and information, whether in written, oral or other form, concerning AT&T or any of its Affiliates or any of their Subsidiaries or the terms of this Agreement (other than to its Representatives owing them a duty of confidentiality). This Section 6.7(c) shall not apply to disclosure of information (i) pursuant to a press release or public statement made in accordance with Section 6.8 or to the extent that such information is generally known to the public through no fault of Buyer or any of its Affiliates (including the Company and Blocker) or Representatives, (ii) to the extent that it is required to be disclosed by applicable Law, the rules and regulations of, or pursuant to any agreement of, a stock exchange or trading system, or subpoena, summons or legal process or (iii) in connection with the preparation and filing of any Tax Return or in the conduct or defense of any Action with respect to Taxes; provided that any such disclosure, except with respect to the matters described in clause (iii), shall to the extent permissible by Law be made after (A) consultation with AT&T and (B) allowing AT&T the reasonable opportunity to contest such disclosure and reasonably cooperating with AT&T, as requested by AT&T at AT&T's expense.

Section VI.8 Publicity. On and after the Execution Date and through the Closing Date, Buyer and AT&T each shall consult with each other, provide each other with a reasonable opportunity to review and give due consideration to reasonable comments made by each other prior to issuing any press releases or otherwise making public announcements with respect to the Transactions and prior to making any filings with any third party or any Governmental Entity with respect thereto, and none of the Parties shall issue any press release or public statement without the prior written approval of Buyer and AT&T, which approval shall not be unreasonably withheld, conditioned or delayed; provided, that in no event shall the foregoing apply to (i) any communications with employees of AT&T and its Affiliates or union representatives of AT&T and its Affiliates in connection with any collective bargaining agreement to the extent required by applicable Law, (ii) any statements, disclosures or communications that are consistent in tone and substance with previous public statements, disclosures or communications made by it in compliance with this Section 6.8 (or jointly made by AT&T and Buyer, if applicable) or to the extent that they have been reviewed and previously approved by the other Party, (iii) any communications by Buyer and its Affiliates to their and their Affiliates current and prospective direct and indirect investors in connection with the customary and ordinary course fundraising, marketing, informational or reporting activities of Buyer or its Affiliates that are consistent in tone and substance with previous public statements, disclosures or communications made by it in compliance with this Section 6.8, (iv) any communications made in connection with the preparation and filing of any Tax Return or in the conduct or defense of any Action with respect to Taxes or (v) any communications required by applicable Law or by obligations pursuant to any listing agreement with or rules of any national securities exchange or interdealer quotation service or by the request of any Governmental Entity. Notwithstanding the foregoing, this Section 6.8 shall not apply to or in any way restrict public communications to the extent they do not address this Agreement or the Transactions.

Section VI.9 Commercial/Transition Agreements. Notwithstanding anything in the Commercial/Transition Agreements to the contrary, unless otherwise agreed to by Buyer and AT&T in writing, the Parties agree (on their own behalf and, as applicable, on behalf of each party to the Commercial/Transition Agreements) that each Commercial/Transition Agreement and Exhibit B is in full effect as of the Execution Date and will remain in full effect until the Closing Date or for such longer period as set forth in the applicable Commercial/Transition Agreement or Exhibit B (and each product or service made available to the Company or its Subsidiaries thereunder as of the Execution Date or that is otherwise reasonably necessary for the Company or its Subsidiaries to continue to operate will be provided thereunder until the Closing Date). As promptly as practicable after the Execution Date, and in any event within the earlier of 90 days of the Execution Date or the Closing, Buyer and AT&T shall cooperate and negotiate in good faith to determine the appropriate termination date of the MSA Service Schedule No. 3 (HBO Integrated Experience).

Section VI.10 Ancillary Agreements.

(a) As promptly as practicable after the Execution Date, and in any event within the earlier of 90 days of the Execution Date or the Closing, Buyer and AT&T shall use their respective reasonable best efforts to finalize the long forms of the Ancillary Agreements, including the Separation and Services Agreement as described in this Agreement and the term sheet attached as Exhibit B and the Seller Note as described in the term sheet attached as Exhibit A, including to complete any schedules, annexes or exhibits thereto (the "Long Form Agreements"). The Parties acknowledge and agree that the Ancillary Agreements form an integral part of this Agreement and the Transactions and each Party will commit the requisite time and resources (and bear the related expenses consistent with Section 10.5) of its applicable Representatives as necessary or advisable to finalize the Ancillary Agreements. Notwithstanding the foregoing or anything to the contrary set forth herein, the reasonable best efforts standard set forth in this Section 6.10 shall not be deemed to require AT&T, Blocker, the Company or its Subsidiaries, or Buyer to accept any economic or other terms or conditions that are adverse to any of AT&T, Blocker, the Company or its Subsidiaries, or Buyer other than (i) such terms and conditions that are adverse to any of AT&T, Blocker, the Company or its Subsidiaries, or Buyer in any *de minimis* respect (as measured with respect to and in the context of the applicable Ancillary Agreement) or (ii) in the case of the Seller Note or the Separation and Services Agreement, such terms and conditions set forth in Exhibit A or Exhibit B, as applicable, attached hereto.

(b) At the Closing, Buyer shall execute and deliver each Long Form Agreement, and AT&T shall, and shall cause each of Blocker and AT&T's Affiliates to, execute and deliver each Long Form Agreement to which it is a party (in each case, to the extent a Long Form Agreement has been agreed); provided that if any Long Form Agreement is not finalized by the Closing, the term sheet attached as Exhibit A or Exhibit B, as applicable, shall be the operative Seller Note or Separation and Services Agreement at the Closing (any such agreement for which a Long Form Agreement is not finalized, a "Non-Finalized Agreement").

Section VI.11 Patent Assignment Agreement. As promptly as practicable after the Execution Date, and in any event within the earlier of 90 days of the Execution Date or the Closing, Buyer and AT&T will cooperate and negotiate in good faith to determine whether AT&T's and its Affiliates' rights, title, and interests in and to the patents and patent applications set forth on Exhibit D ("Assigned Patents") would be assigned to DIRECTV, LLC or Buyer's designee. Following the Execution Date, and for so long as AT&T and its Affiliates own the Assigned Patents, at least thirty (30) days prior to any abandonment by AT&T or any of its Affiliates of any Assigned Patents, AT&T will notify Buyer in writing of such abandonment and, upon Buyer's request, assign such Assigned Patents to DIRECTV, LLC or Buyer's designee, at no cost.

Section VI.12 Reserved.

Section VI.13 Termination of Affiliate Agreements. Except as directed by Buyer in writing to AT&T prior to the Closing and except for the Surviving Affiliate Agreements and Commercial/Transition Agreements, at or prior to the Closing, all Affiliate Agreements shall, notwithstanding any terms thereof to the contrary, automatically and without any further action be terminated and be of no further force and effect, in each case with respect to Blocker, such that Blocker shall have no further liability to AT&T or any Affiliate of AT&T and neither AT&T nor any Affiliate of AT&T shall have any further liability to Blocker.

Section VI.14 Release.

(a) Effective as of the Closing, Buyer, on behalf of itself and its Subsidiaries (including the Company and Blocker) and its and their respective successors, assigns, Representatives, administrators, executors, beneficiaries, agents and its controlled Affiliates (collectively, the "Buyer Releasing Persons"), hereby unconditionally and irrevocably waives, releases, remises and forever discharges any rights, claims and Losses of any type that any Buyer Releasing Person has had, now has or might now or hereafter have against, as applicable, AT&T and its Affiliates (excluding Blocker and the Company) and each of their respective individual, joint or mutual, past, present and future representatives, Affiliates, stockholders, Subsidiaries, successors and assigns (collectively, the "Seller Released Persons") in respect of, relating to or arising in connection with (x) such Seller Released Persons' ownership of Blocker Units or equity interests in the Company which existed on or prior to the Closing Date, or (y) the Business contemporaneously with or prior to the Closing, except: (i) for rights, claims and Losses under any Commercial/Transition Agreement or any Surviving Affiliate Agreement or arising from and after the Execution Date under the terms of this Agreement or any Ancillary Agreement, (ii) as otherwise expressly contemplated by the terms of this Agreement, any Ancillary Agreement, any Commercial/Transition Agreement or any Surviving Affiliate Agreement, (iii) in the case of Fraud, or (iv) any bona fide rights, claims and Losses that are notified in good faith to a Seller Released Person in writing by a Buyer Releasing Person prior to the Closing; provided, that no rights, claims and Losses arising under any Ancillary Agreement or any arrangements not contemplated to be terminated at the Closing pursuant to the terms hereof are waived, released, remised or discharged pursuant to this Section 6.14. Buyer, on behalf of the Buyer Releasing Persons, acknowledges that the releases and waivers in this

Section 6.14 have been agreed upon and given in light of such facts and that the releases and waivers are intended to apply to all claims, causes of action, Orders, assessments, damages, deficiencies, losses, fines, interest, liabilities (including any indebtedness), obligations, penalties, executions and covenants.

(b) Effective as of the Closing, AT&T, on behalf of itself and its successors, assigns, Representatives, administrators, executors, beneficiaries, agents and its controlled Affiliates (collectively, the "Seller Releasing Persons"), hereby unconditionally and irrevocably waives, releases, remises and forever discharges any rights, claims and Losses of any type that any Seller Releasing Person has had, now has or might now or hereafter have against, as applicable, Buyer, Blocker, the Company, and each of their respective individual, joint or mutual, past, present and future representatives, Affiliates, stockholders, Subsidiaries, successors and assigns (collectively, the "Buyer Released Persons") in respect of, relating to or arising in connection with such Seller Releasing Persons' ownership of the Blocker Units which existed on or prior to the Closing Date, except: (i) for rights, claims and Losses under any Commercial/Transition Agreement or any Surviving Affiliate Agreement or arising from and after the Execution Date under the terms of this Agreement or any Ancillary Agreement, (ii) as otherwise expressly contemplated by the terms of this Agreement, any Ancillary Agreement, any Commercial/Transition Agreement or any Surviving Affiliate Agreement, (iii) for rights to indemnification, exculpation or advancement of expenses under any employment or under the organizational documents of any Buyer Released Person, in each case existing as of the date hereof, of (x) Blocker in respect of the directors or officers of Blocker or (y) of the Company in respect of the managers of the Company appointed by AT&T, (iv) in the case of Fraud, or (v) any bona fide rights, claims and Losses that are notified in good faith to a Buyer Released Person in writing by a Seller Releasing Person prior to the Closing; provided, that no rights, claims and Losses arising under any Ancillary Agreement or any arrangements not contemplated to be terminated at the Closing pursuant to the terms hereof are waived, released, remised or discharged pursuant to this Section 6.14. AT&T, on behalf of the Seller Releasing Persons, acknowledges that the releases and waivers in this Section 6.14 have been agreed upon and given in light of such facts and that the releases and waivers are intended to apply to all claims, causes of action, Orders, assessments, damages, deficiencies, losses, fines, interest, liabilities (including any indebtedness), obligations, penalties, executions and covenants.

Section VI.15 No Other Discussions. Between the Execution Date and the Closing, AT&T shall not, and shall cause its Affiliates and its and its Affiliates' officers and directors not to, and shall instruct and use its reasonable best efforts to cause its and their respective other Representatives not to, directly or indirectly (except as otherwise contemplated by this Agreement), (a) solicit, initiate, encourage, or knowingly facilitate any inquiry with respect to or that would reasonably be expected to lead to, or the making or submission of, any proposal for the direct or indirect acquisition, exchange, refinancing of, or similar transaction involving or relating to any Equity Interests of Blocker or the Company, whether by merger, stock purchase, asset sale or otherwise, but excluding sales of inventory and obsolete assets in the Ordinary Course (an "Acquisition Proposal"), (b) participate in any negotiations regarding, or furnish to any Person any nonpublic information relating or with respect to, any Acquisition Proposal, or in response to any inquiries or proposals that would reasonably be expected to lead to any

Acquisition Proposal, (c) engage in negotiations with any Person with respect to any Acquisition Proposal or (d) enter into any letter of intent or similar document or any agreement or commitment providing for, any Acquisition Proposal. AT&T shall, and shall direct its Affiliates and its and its Affiliates' officers and directors, and shall instruct and use its reasonable best efforts to cause its and their respective other Representatives to, immediately cease and cause to be terminated all existing discussions, negotiations and other communications with any Person conducted heretofore with respect to the Transactions. AT&T shall notify Buyer immediately if any Person makes any proposal, offer, inquiry or contact with respect to any of the foregoing (whether solicited or unsolicited).

Section VI.16 Further Assurances. On the terms and subject to the conditions set forth herein, from time to time after the Closing Date, each Party agrees to use commercially reasonable efforts to promptly execute, acknowledge and deliver, and to cause its Affiliates to promptly execute, acknowledge and deliver, any assurances, documents or instruments of transfer, conveyance, assignment and assumption reasonably requested by the other Party and necessary for the requesting Party to satisfy its obligations hereunder and deliver the Blocker Units to Buyer in accordance with the terms hereof. Other than in the Ordinary Course (including pursuant to the terms of any Contract in effect on the Execution Date or entered into in the Ordinary Course), prior to the Closing, AT&T and the AT&T Restricted Affiliates shall not knowingly take any action that is specifically designed or intended to have the effect of discouraging any lessor, licensor, supplier, distributor or customer of the Business with whom the Business then has a relationship from maintaining in all material respects the same relationship with the Company and Blocker after the Closing as it maintained prior to the Closing.

Section VI.17 Non-Solicit.

(a) During the period commencing on the Closing Date and ending on the first anniversary thereof, AT&T shall not, and shall cause the AT&T Restricted Affiliates not to (i) solicit, recruit or attempt to solicit or recruit for hire, retention or employment any Specified Business Employee, or (ii) hire, retain, employ or otherwise engage any Person (to be mutually agreed upon in writing by AT&T and Buyer as soon as reasonably practicable following the Execution Date) (each, a "Specified Business Employee") as an employee, contractor, agent or consultant; provided, however, that (x) no Person shall be considered a Specified Business Employee unless such Specified Business Employee is employed by Buyer, the Company or its Subsidiaries and holds a title of senior vice president (or more senior) and (y) in no event shall the number of Specified Business Employees exceed 40; provided, further, that this Section 6.17(a) shall not prevent AT&T or any of its Affiliates from (A) soliciting, recruiting or attempting to solicit or recruit, or hiring, retaining employing or otherwise engaging, any Specified Business Employee whose employment has been terminated twelve (12) months prior to commencement of any such action or employment (or other similar) discussions between AT&T, its Affiliates or any of its Representatives and such Specified Business Employee or (B) making general employment solicitations such as through advertisements in publicly available media or solicitations by search firms so long as such advertisements or solicitations are not targeted at any Specified Business Employee.

(b) Each Party expressly acknowledges and agrees that the restrictions contained in this Section 6.17 are reasonable in all respects (including with respect to subject matter, time period and geographical area) and such restrictions are necessary to protect Buyer's interests in, and value of, the Company, the Business Assets and the Blocker Units (including the goodwill related thereto) and were a material and necessary inducement for Buyer (on behalf of itself and its Affiliates) and AT&T (on behalf of itself and its Affiliates) to agree to this Agreement and the transactions contemplated hereby. In the event that any covenant contained in this Section 6.17 is ever adjudicated to exceed the time, geographic, product or service, or other limitations permitted by applicable Law in any jurisdiction, then any court is expressly empowered to reform such covenant, and such covenant will be deemed reformed, in such jurisdiction to the maximum time, geographic, product or service, or other limitations permitted by applicable Law (it being specifically acknowledged and agreed by the Parties that it is their continuing desire that each covenant in this Section 6.17 be enforced to the full extent of its terms and conditions). The covenants contained in this Section 6.17 and each provision of this Agreement are severable and distinct covenants and provisions. The invalidity or unenforceability of any such covenant or provision as written will not invalidate or render unenforceable the remaining covenants or provisions of this Agreement, and any such invalidity or unenforceability in any jurisdiction shall not affect the validity or enforceability of such covenant or provision in another jurisdiction. AT&T acknowledges and agrees that should AT&T or any of its Affiliates violate any of the covenants contained in this Section 6.17 that are applicable to such restricted party, it will be difficult to determine the resulting damages to Buyer and its Affiliates and, in addition to any other remedies Buyer and its Affiliates may have, Buyer and its Affiliates shall be entitled to temporary injunctive relief without being required to post a bond and permanent injunctive relief without the necessity of proving actual damage.

Section VI.18 Cooperation and Efforts to Consummate the Denver Transaction. AT&T and its Affiliates, other than the Company and its Subsidiaries, shall not have any obligations under the Denver Agreement or otherwise with respect to the Denver Transaction. Notwithstanding the foregoing, AT&T and the AT&T Restricted Affiliates (a) shall cause the managers of the Company appointed by AT&T to vote in favor of and approve the Denver Transaction, and (b) shall reasonably cooperate with the Company and furnish any necessary information and documentary materials concerning itself, its Affiliates, directors, officers and stockholders and such other matters, and reasonable assistance as the Company may reasonably request in connection with the Company's preparation of any statement, filing, notice, submission or application made by or on behalf of the Company, Buyer or any of their respective Affiliates to any Governmental Entity in connection with the Denver Transaction; provided, notwithstanding anything to the contrary in any definitive agreement for the Denver Transaction, in no event shall AT&T be required to (i) make any filings with any Governmental Entity, (ii) accept any conditions, commitments or restrictions on AT&T or any of its Affiliates (other than the Company and its Subsidiaries), (iii) divest, transfer, sell or otherwise dispose of or hold separate (or agree to do any of the foregoing) any business, asset, or portion thereof, in each case, with respect to the Denver Transaction or (iv) incur any liability or Loss directly or indirectly as a result of AT&T's or any of its Affiliates' failure to take any action described in the foregoing clauses (i) through (iii) ("Denver Losses"). Buyer and its Affiliates, including the Company and its Subsidiaries, shall not be permitted to consummate the closing of the Denver Transaction

prior to the Closing. The Company shall indemnify, defend and hold harmless each AT&T Indemnified Party for, from, against and in respect of any and all Denver Losses. This Section 6.18 shall survive any termination of this Agreement unless this Agreement is terminated by Buyer pursuant to Section 9.1(d).

Section VI.19 Managers', Directors' and Officers' Indemnification.

(a) Buyer agrees that all rights to indemnification, exculpation or advancement of expenses now existing in favor of the managers, directors and officers of Blocker, the Company or any of its Subsidiaries, as provided in the Blocker's, the Company's or such Subsidiary's operating agreement, certificate of incorporation, bylaws or other similar governing documents, in each case, in effect on the date hereof, whether asserted or claimed prior to, at or after the Closing (including, for the avoidance of doubt, in connection with (i) the Transactions and (ii) actions to enforce this provision or any other indemnification, exculpation, contribution or advancement right of any of the foregoing), shall survive the Closing and shall continue in full force and effect to the fullest extent permitted under applicable Law and for a period of not less than six years. From and after the Closing, Buyer shall not, and shall cause its Affiliates (including the Company and its Subsidiaries) not to, amend, repeal or otherwise modify the indemnification provisions of Blocker's, the Company's or any of its Subsidiaries' operating agreement, certificate of incorporation, bylaws or other similar governing documents as in effect at the Closing in any manner that would adversely affect the rights thereunder of individuals who at the Closing were managers, directors or officers of Blocker, the Company or its Subsidiaries.

(b) In the event Buyer, Blocker, the Company or its Subsidiaries or any of their respective successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity in such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then and in either such case, Buyer shall make proper provision so that the successors and assigns of Buyer, Blocker, the Company or its Subsidiaries, as the case may be, shall assume the obligations set forth in this Section 6.19.

(c) The provisions of this Section 6.19 shall survive the consummation of the Closing and continue for the periods specified herein. This Section 6.19 is intended to benefit the managers, directors and officers of Blocker, the Company and its Subsidiaries and any other Person or entity (and their respective heirs, successors and assigns) referenced in this Section 6.19 or indemnified hereunder, each of whom may enforce the provisions of this Section 6.19 (whether or not parties to this Agreement). Each of the Persons referenced in the immediately preceding sentence are intended to be third party beneficiaries of this Section 6.19.

ARTICLE VII

CONDITIONS TO CLOSING

Section VII.1 Conditions to Each Party's Obligation. The respective obligations of each Party to consummate the Closing are subject to the satisfaction or waiver at or prior to the Closing of the following conditions:

(a) Regulatory Approvals. (i) If applicable, the statutory waiting period (and any extensions thereof) applicable to the consummation of the Transactions under the HSR Act shall have expired and, to the extent applicable, any agreement between the Parties, on the one hand, and the Federal Trade Commission or the Antitrust Division of the United States Department of Justice or any other applicable Governmental Entity, on the other hand, not to consummate the Transactions shall have expired or otherwise been terminated, and (ii) the clearances and approvals from the FCC applicable to the consummation of the Transactions shall have been obtained and, in each case, such expiration, clearance or approval shall be in full force without the imposition of any term, limitation, condition or restriction that has resulted in or would reasonably be expected to result in a Company Substantial Detriment.

(b) Orders and Litigation. No Governmental Entity of competent jurisdiction shall have enacted, issued or promulgated, any Order or Law (whether temporary, preliminary or permanent) that is in effect and has the effect of making the Transactions illegal or otherwise restraining or prohibiting consummation of the Transactions.

Section VII.2 Conditions to Obligations of Buyer. The obligation of Buyer to consummate the Closing is subject to the satisfaction or waiver at or prior to the Closing of the following conditions:

(a) Representations and Warranties of AT&T. Each of the AT&T Representations (other than the representations and warranties set forth in Sections 4.2(a), 4.2(b), 4.2(c) and 4.2(e)) shall be true and correct (without giving effect to any "materiality" qualifiers, including "Seller Material Adverse Effect," contained therein) in all material respects 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 speaks as of an earlier date, in which case such representation and warranty shall be true and correct (without giving effect to any "materiality" qualifiers, including "Seller Material Adverse Effect," contained therein) in all material respects as of such earlier date). The representations and warranties set forth in Sections 4.2(a), 4.2(b), 4.2(c) and 4.2(e) shall be true and correct (without giving effect to any "materiality" qualifiers, including "Seller Material Adverse Effect," contained therein) in all but *de minimis* respects 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 speaks as of an earlier date, in which case such representation and warranty shall be true and correct (without giving effect to any "materiality" qualifiers, including "Seller Material Adverse Effect," contained therein) in all but *de minimis* respects as of such earlier date).

(b) Performance of Obligations of AT&T and Blocker. Each of AT&T and Blocker shall have performed and complied with each of the covenants required to be performed by it under this Agreement on or prior to the Closing Date in all material respects.

(c) Pre-Closing Reorganization. AT&T shall have consummated the Pre-Closing Reorganization and shall have delivered to Buyer evidence, in form and substance reasonably acceptable to Buyer, of the completion of the Pre-Closing Reorganization.

(d) Ancillary Agreements. AT&T shall have delivered to Buyer a counterpart of each Ancillary Agreement executed by all of the parties to it other than Buyer or any Buyer Ancillary Counterparty, except for any Non-Finalized Agreements.

(e) Closing Certificate. Buyer shall have received at Closing a certificate signed on behalf of AT&T and Blocker by a duly authorized executive officer of AT&T and Blocker and dated the Closing Date, certifying that the conditions set forth in Section 7.2(a) and Section 7.2(b) have been satisfied.

Section VII.3 Conditions to Obligations of AT&T. The obligations of AT&T to consummate the Closing are subject to the satisfaction or waiver at or prior to the Closing of the following conditions:

(a) Representations and Warranties of Buyer. Each of the Buyer Representations shall be true and correct (without giving effect to any "materiality" qualifiers, including "Buyer Material Adverse Effect," contained therein) in all material respects 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 material respects (without giving effect to any "materiality" qualifiers, including "Buyer Material Adverse Effect," contained therein) as of such earlier date).

(b) Performance of Obligations of Buyer. Buyer shall have performed and complied with each of the covenants required to be performed by it under this Agreement on or prior to the Closing Date in all material respects.

(c) Ancillary Agreements. Buyer shall have delivered to AT&T an executed counterpart of each Ancillary Agreement to which it or a Buyer Ancillary Counterparty is a party, except for any Non-Finalized Agreements.

(d) Closing Certificate. AT&T shall have received at the Closing a certificate signed on behalf of Buyer by a duly authorized executive officer of and dated the Closing Date, certifying that the conditions set forth in Section 7.3(a) and Section 7.3(b) have been satisfied.

ARTICLE VIII

INDEMNIFICATION

Section VIII.1 Survival. Claims arising out of representations and warranties of AT&T and Buyer set forth in this Agreement shall survive the Closing until the date that is 12 months following the Closing; provided, that the foregoing limitations will not apply to claims based upon Fraud. Claims arising out of agreements, covenants and obligations of a Party set forth in this Agreement that, by their nature, were to be performed at or prior to Closing (including the covenants set forth in Section 6.1) shall not survive the Closing and shall automatically terminate as of the Closing, and claims arising out of any other covenants, agreements and obligations set forth in this Agreement shall survive until such obligations have been fully performed or

otherwise satisfied in accordance with their terms. The provisions set forth in this ARTICLE VIII and in ARTICLE X shall survive the Closing indefinitely; provided, AT&T's indemnification obligation under Section 8.2(a)(iii) shall survive until 30 days following the expiration of the applicable statute of limitations for the subject matter underlying such indemnification, and AT&T's indemnification obligation under Section 8.2(a)(iv) shall survive in accordance with the provisions of Exhibit C. No Party shall have any liability to any Person with respect to claims arising out of representations and warranties of AT&T and Buyer set forth in this Agreement following the applicable survival date specified herein, which supersedes any statute of limitations that would otherwise apply, and no Party shall thereafter assert any claim, cause of action, right or remedy, or any Action, with respect to such provision or the subject matter thereof. Notwithstanding the foregoing in this Section 8.1, if any Claim Notice has been provided to the Indemnifying Party in accordance with Section 8.4 prior to the applicable survival date, then any such claim provided therein, if then unresolved, will survive the expiration of the applicable survival period until such claim is resolved.

Section VIII.2 Indemnification by AT&T.

(a) Following the Closing until the applicable survival dates provided in Section 8.1, AT&T shall indemnify, defend and hold harmless Buyer, its Affiliates and their respective successors and permitted assigns, in their capacity as such (each a "Buyer Indemnified Party" and, collectively, the "Buyer Indemnified Parties") for, from, against and in respect of any and all Losses whether or not involving a Third Party Claim incurred or suffered as the result of, arising out of or relating to, directly or indirectly:

(i) any breach by AT&T of, or inaccuracy in (or any Third Party Claim that alleges facts that, if proven, would constitute a breach of or inaccuracy in), any AT&T Representation (without giving effect to any "materiality" qualifiers, including "Seller Material Adverse Effect," contained therein (other than with respect to references to materiality qualifications in Section 4.2(d));

(ii) any breach or violation by AT&T of any covenant, agreement or obligation of AT&T to be performed after the Closing set forth in this Agreement, any Ancillary Agreement or any certificate delivered by AT&T in connection herewith;

(iii) Pre-Closing Taxes;

(iv) Special Taxes;

(v) any Fraud committed by AT&T or its Affiliates or its Representatives in connection with this Agreement or the Transactions; or

(vi) the Excluded Assets and Excluded Liabilities.

(b) AT&T shall not have any liability in respect of Losses of the type described in Section 8.2(a) (other than any Losses with respect to Taxes described in clause (ii) of the

definition of Pre-Closing Taxes) to the extent that the aggregate amount of such Losses exceeds the amount of the Purchase Price actually received by AT&T.

(c) The provisions of Exhibit C are hereby incorporated by reference. To the extent any provision in this Article VIII is inconsistent with any provision in Exhibit C, the provisions of Exhibit C shall govern.

Section VIII.3 Indemnification by Buyer.

(a) Following the Closing until the applicable survival dates provided in Section 8.1, Buyer shall indemnify, defend and hold harmless AT&T and its Affiliates and their respective successors and permitted assigns, in their capacity as such (each an "AT&T Indemnified Party" and collectively, the "AT&T Indemnified Parties"), for, from, against and in respect of any and all Losses whether or not involving a Third Party Claim incurred or suffered as the result of, arising out of or relating to, directly or indirectly:

(i) any breach by Buyer of, or inaccuracy in (or any Third Party Claim that alleges facts that, if proven, would constitute a breach of or inaccuracy in) any Buyer Representation (without giving effect to any "materiality" qualifiers, including "Buyer Material Adverse Effect," contained therein);

(ii) any breach or violation by Buyer of any covenant, agreement or obligation of Buyer to be performed after the Closing set forth in this Agreement, any Ancillary Agreement or any certificate delivered by Buyer in connection herewith; or

(iii) any Fraud committed by Buyer in connection with this Agreement or the Transactions.

Section VIII.4 Claim Procedures.

(a) In order for a Buyer Indemnified Party or an AT&T Indemnified Party (any of them, an "Indemnified Party") to duly make a valid claim under Section 8.2 or Section 8.3, the Indemnified Party must (promptly, but in no event more than 20 Business Days, following the first date following the Closing Date on which such Indemnified Party has knowledge of facts, matters or circumstances from which it is reasonably apparent that such an occurrence is likely to have occurred; provided, that no failure to give notice of such claim prior to the expiration of such 20 Business Day period will relieve such Indemnifying Party from any obligation under this ARTICLE VIII, except to the extent such failure actually and materially prejudices such Indemnifying Party) provide written notice to AT&T (for claims made by Buyer Indemnified Parties) or to Buyer (for claims made by AT&T Indemnified Parties) (the recipient of such notice, the "Indemnifying Party"), which notice shall set forth a description in reasonable detail of the occurrence(s) specified in Section 8.2 or Section 8.3 which the Indemnified Party alleges to have occurred, a reasonable description of the facts and circumstances giving rise to such occurrences in light of the facts and circumstances then known to the Indemnified Party, the estimated amount of Losses actually incurred or suffered as the result thereof (to the extent then ascertainable), and a description of any other remedy sought in connection therewith, any

relevant time constraints relating thereto and, to the extent practicable, any other material details pertaining thereto (a "Claim Notice"); provided, that no defect in the information contained in such Claim Notice from the Indemnified Party to any Indemnifying Party will relieve such Indemnifying Party from any obligation under this ARTICLE VIII except to the extent such defect actually and materially prejudices such Indemnifying Party. The Indemnified Party shall cooperate with and provide to the Indemnifying Party such information under the Indemnified Party's control as the Indemnifying Party may reasonably request for the purposes of determining the validity of the allegations made in the Claim Notice and shall keep the Indemnifying Party reasonably and promptly informed of factual and procedural developments (including additional information which may come under the Indemnified Party's control) in connection therewith. The Indemnifying Party and the Indemnified Party shall use reasonable best efforts to avoid production of confidential information (consistent with applicable Law) to third parties and to cause all communications among employees, counsel and others representing any party to a Third Party Claim to be made so as to preserve any applicable attorney-client or work product privileges.

(b) In the event the Claim Notice results from any Action asserted or threatened against the Indemnified Party by a third party (other than a Tax Claim) (a "Third Party Claim"):

(i) The Indemnified Party shall provide the Claim Notice to the Indemnifying Party no later than the 20th Business Day following the Indemnified Party's receipt of the Third Party Claim, and in any event no later than the 20th Business Day preceding the date by which an appearance is required to be made before a court, arbitrator or other tribunal or an answer or similar pleading is required to be filed in a litigation or other proceeding; provided that if either such Business Day occurs on or prior to the Closing Date, the Claim Notice shall be timely provided if it is provided no later than the Business Day following the Closing Date; provided, that no failure by the Indemnified Party to give such Claim Notice during such 20 Business Day period will relieve the Indemnifying Party from any obligation under this ARTICLE VIII, except to the extent such failure actually and materially prejudices such Indemnifying Party.

(ii) During the period ending on the earlier of the 15th calendar day following the Indemnifying Party's receipt of the Claim Notice and the fifth calendar day preceding the date on which an appearance is required to be made before a court, arbitrator or other tribunal or an answer or similar pleading is required to be filed in a litigation or other proceeding, the Indemnifying Party shall be entitled to notify the Indemnified Party of its election to assume and control the defense of the Third Party Claim, stating that the Indemnifying Party will, and thereby covenants to, indemnify, defend and hold harmless the Indemnified Party from and against the entirety of any and all Losses the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third Party Claim.

(A) In the event that the Indemnifying Party duly and timely makes such election, the Indemnifying Party shall defend the Indemnified Party by appropriate proceedings and shall have the sole power (as between the

Indemnifying Party and the Indemnified Party and their respective Affiliates) to direct and control such defense and the settlement, arbitration, litigation and appellate strategy relating to the Third Party Claim; provided, however, that no Indemnifying Party shall have the right to assume control of the defense of such Third Party Claim if: (i) it relates to or otherwise arises in connection with any criminal or regulatory enforcement Action, (ii) it seeks injunctive or equitable relief, (iii) the Indemnified Party shall have reasonably concluded that there exists an actual or potential conflict of interest between the Indemnifying Party and the Indemnified Party in connection with the defense of the Third Party Claim, (iv) settlement of, an adverse judgment with respect to, or the conduct of the defense of the Third Party Claim by the Indemnifying Party is, in the good faith judgment of the Indemnified Party, likely to be adverse to, the Indemnified Party's reputation or continuing business interests (including its relationships with current or potential customers, suppliers or other parties material to the conduct of its business), (v) at any point the Indemnifying Party fails to conduct the defense of the Third Party Claim actively and diligently or (vi) such Third Party Claim is primarily related to Taxes. The Indemnified Party shall be entitled but not obligated to participate in any such defense and to employ separate counsel of its choosing for such purpose; provided, that the fees and expenses shall be borne by the Indemnified Party and shall not be recoverable from such Indemnifying Party under this Section 8.4 unless the Indemnifying Party fails to conduct the defense of the Third Party Claim actively and diligently. If the Indemnifying Party shall control the defense of any such claim, the Indemnifying Party shall not consent to the entry of any judgment or enter into any compromise or settlement with respect to such claims without the prior written consent of the Indemnified Party (which consent shall not be unreasonably conditioned, withheld or delayed), unless such judgment, settlement, compromise or offer to settle, compromise or cease to defend such Third Party Claim (x) provides for the payment by the Indemnifying Party of money as sole relief for the claimant, (y) results in the full and general release of all Indemnified Parties from all liabilities arising or relating to, or in connection with, the Third Party Claim, and (z) involves no finding or admission of any violation of Law or the rights of any Person and no effect on any other claims that may be made against the Indemnified Party or any of its Affiliates or the Company or any of its Subsidiaries.

(B) If the Indemnifying Party does not duly and timely make such election, or otherwise at any time fails to conduct the defense of the Third Party Claim actively and diligently, the Indemnified Party shall be entitled but not obligated (subject to Section 8.6) to notify the Indemnifying Party of its election to assume and control such defense from the Indemnifying Party, whereupon the Indemnified Party and not the Indemnifying Party shall have the powers described in the first sentence of Section 8.4(b)(ii)(A); provided that the Indemnified Party's right to be indemnified, defended, held harmless and reimbursed in respect of the Third Party Claim shall not otherwise be affected by such election; provided, further, that the Indemnified Party may not settle any such matter without the

prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld, conditioned or delayed) if the Indemnified Party is seeking or shall seek indemnification hereunder with respect to such matter, unless the Indemnified Party assumed control of the defense of the Third Party Claim because the Indemnifying Party failed to conduct such defense actively and diligently. In the event that the Indemnified Person conducts the defense of the Third Party Claim pursuant to this Section 8.4(b)(ii)(B), the Indemnifying Party will (i) advance the Indemnified Person promptly and periodically for the costs of defending against the Third Party Claim (including reasonable attorneys' fees and expenses) and (ii) remain responsible for any and all other Losses that the Indemnified Person may incur or suffer resulting from, arising out of, relating to, in the nature of or caused by the Third Party Claim to the fullest extent provided in this ARTICLE VIII**.** Except as expressly contemplated by this Section 8.4(b)(ii)(B), the Indemnifying Party shall have no liability with respect to a Third Party Claim settled without its prior written consent.

(iii) The Indemnified Party and the Indemnifying Party shall cooperate in order to ensure the proper and adequate investigation and defense of all Third Party Claims, including by providing reasonable access to each other's relevant business records, documents and employees, for purposes of investigation, document production, testimony and otherwise. The Indemnified Party and the Indemnifying Party shall keep each other fully and promptly informed with respect to the status of all Third Party Claims and shall deliver to each other copies of all material written notices and documents (including court papers) received by the other that relate to any Third Party Claims. The Person controlling the defense of a Third Party Claim shall in good faith allow the Indemnifying Party or Indemnified Party, as the case may be, to make comments to the materials filed or submitted in such defense, and shall consider such comments in good faith.

(c) Notwithstanding anything to the contrary, this Section 8.4 shall not apply with respect to any Third Party Claim with respect to Taxes, which are exclusively governed by Section 6.6 and Exhibit C.

Section VIII.5 Losses and Recoveries.

(a) Limitations on Losses. Notwithstanding anything to the contrary set forth herein, except to the extent awarded by a court to a third party pursuant to a Third Party Claim, no Indemnifying Party shall have any liability for any (i) consequential, indirect, speculative or incidental damages (except, in each case, to the extent such damages are reasonably foreseeable at the time that the applicable action was taken) or (ii) punitive or exemplary damages. The amount of any Losses shall be net of any Tax benefit arising from the incurrence or payment of any such Losses (determined on a "with and without" basis), which Tax benefit is realized by Buyer or Blocker in cash or as a reduction to cash Tax liabilities (x) in the taxable year in which such Losses are incurred (y) in any prior taxable year, as a result of the carryback of such Losses, or (z) in the subsequent taxable year.

(b) Insurance. Subject to Exhibit C, in calculating the amount of any Loss, the proceeds actually received by the Indemnified Party or any of its Affiliates (net of Taxes (other than Income Taxes) and other costs associated with the receipt or recovery of such amounts under any insurance policy, increases in insurance premiums and reasonable out-of-pocket legal fees, costs and expenses incurred by the Indemnified Party), or pursuant to any claim, recovery, settlement or payment by or against any other Person, in each case to the extent relating to the matters described in the Claim Notice, shall be deducted, except to the extent that the adjustment itself would excuse, exclude or limit the coverage of all or part of such Loss. The Indemnified Party shall use commercially reasonable efforts to recover any such insurance proceeds to the same extent such Indemnified Party would recover such proceeds if such Losses were not subject to indemnification hereunder.

(c) [Reserved.]

(d) Purchase Price Adjustment. No Buyer Indemnified Party shall be entitled to be indemnified, defended, held harmless or reimbursed for, from or against any Losses to the extent such Losses are included in the calculation of the Final Upfront Consideration or the Final Blocker Liability Amount pursuant to Section 2.3.

(e) Reimbursement. If an Indemnified Party recovers an amount from a third party in respect of a Loss after all or a portion of such Loss has been paid by an Indemnifying Party pursuant to this ARTICLE VIII, the Indemnified Party shall promptly remit to the Indemnifying Party the excess (if any) of (i) the amount paid by the Indemnifying Party in respect of such Loss, plus the amount received from the third party in respect thereof (the "Total Recovered Amount"), less (ii) the full amount of the Loss, less (iii) any reasonable out-of-pocket legal fees, Taxes, increases in premiums, costs and expenses actually incurred or suffered by the Indemnified Party in connection with recovering the amount received from the third party. Where the Total Recovered Amount does not allow the Indemnified Party to recover the full amount of the Loss, the Indemnified Party has no obligation to remit to the Indemnifying Party any amount pursuant to this Section 8.5(e) unless and until the Indemnified Party has recovered the full amount of the relevant Loss.

(f) No Double Recovery. No Indemnified Party shall be entitled to recover more than once in respect of the same Loss (notwithstanding that such Loss may result from more than one of the occurrences specified in Section 8.2 or Section 8.3, as the case may be).

Section VIII.6 Payments. The exclusive remedy for any Losses for which the Buyer Indemnified Parties are indemnified under Section 8.2 shall be in the form of a payment from the Indemnifying Party to the Indemnified Party in the amount of any Loss for which it is liable hereunder, in immediately available funds, to an account specified by the Indemnified Party no later than five Business Days following any Final Determination of the claims set forth in the related Claim Notice. The exclusive remedy for any Losses for which the AT&T Indemnified Parties are indemnified under Section 8.3 shall be in the form of a payment from the Indemnifying Party to the Indemnified Party in the amount of any Loss for which it is liable hereunder, in immediately available funds, to an account specified by the Indemnified Party no later than five Business Days following any Final Determination of the claims set forth in the

related Claim Notice. Except as otherwise set forth herein, each Party, on its behalf and on behalf of its Affiliates, hereby waives any rights of set-off, netting, offset, recoupment or similar rights that such Party or its Affiliates may have with respect to any amounts owed under this ARTICLE VIII against any other amounts owed under this Agreement. All payments made by an Indemnifying Party to an Indemnified Party in respect of any claim pursuant to Section 8.2 or Section 8.3 shall be treated as adjustments to the consideration paid pursuant to the Transactions for Tax purposes, except as otherwise required by Law.

Section VIII.7 Exclusive Remedies and No Rights Against Nonparties.

(a) Following the Closing, no Party shall assert against any other Party any claim, cause of action, right or remedy, or any Action, relating to this Agreement, the Transactions or any document or instrument delivered in connection herewith or therewith, other than (i) as set forth in Section 2.3(c), (ii) claims pursuant to this ARTICLE VIII, (iii) claims for Fraud, (iv) claims pursuant to Section 10.9Section 10.9(d) (*Specific Performance*) with respect to covenants to be performed at or following the Closing, and (v) claims pursuant to the terms of any other Transaction Document as permitted thereunder; provided, that the foregoing limitations on the remedies of a Party will not apply to claims based upon Fraud. Following the Closing, the claims and remedies specified in clauses (i) through (v) of the previous sentence shall constitute the Parties' sole and exclusive rights and remedies available to the Indemnified Parties for all Losses or other claims relating to or arising out of this Agreement, the Transactions and any document or instrument delivered in connection herewith or therewith, and shall supersede all other rights and remedies available at law or in equity (including any right of rescission). Accordingly, effective as of the Closing, each Party hereby irrevocably waives and discharges, and releases each other Party, to the fullest extent permitted under applicable Law, from, all other claims, causes of action and Actions relating thereto.

(b) In addition to Section 8.7(a), this Agreement may only be enforced against, and any Action, right or remedy that may be based upon, arise out of or relate to this Agreement, any other Transaction Document or the Transactions, or the negotiation, execution or performance of this Agreement, may only be made against the Persons that are expressly identified as Parties in their capacities as parties to this Agreement, and no Party shall at any time assert against any Person (other than a Party) which is a director, officer, employee, stockholder, general or limited partner, member, manager, agent or Affiliate or representative of, or Debt Financing Source to, another Party (each, a "Nonparty"), any claim, cause of action, right or remedy, or any Action, relating to this Agreement, any other Transaction Document, the Transactions or any document or instrument delivered in connection herewith or therewith other than for Fraud. Each Party hereby waives and discharges any such claim, cause of action, right, remedy and Action, and releases (and agrees to execute and deliver any instrument necessary to effectuate the release of) each Nonparty therefrom other than for Fraud. The provisions of this Section 8.7(b) are for the benefit of and shall be enforceable by each Nonparty, which is an intended third party beneficiary of this Section 8.7(b) and Section 6.14 in connection herewith. Notwithstanding anything to the contrary in this Section 8.7, in no event shall the foregoing be construed to waive any claim of the Company against the Debt Financing Sources pursuant to the transactions contemplated thereunder.

Section VIII.8 Tax Treatment. The Parties intend for any payments made under Section 2.3 or this Article VIII to be treated as an adjustment to the Purchase Price for all U.S. federal (and applicable state, local and non-U.S.) Tax purposes to the maximum extent permitted by Law.

ARTICLE IX

TERMINATION

Section IX.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by written agreement of AT&T and Buyer;

(b) by either Buyer or AT&T, by giving written notice of such termination to the other Party, if:

(i) the Closing shall not have occurred on or prior to the Outside Date; provided, however, that if on the Outside Date the conditions set forth in Sections 7.1(a) and 7.1(b) have not been satisfied or waived on or prior to such date, AT&T may extend the Outside Date, at its sole discretion, by a period not to extend beyond the then-current "Outside Date" as defined in the Denver Agreement; or

(ii) any Order permanently restraining or prohibiting consummation of the Transactions shall become final and non-appealable;

(c) by AT&T, if Buyer shall have breached or failed to perform, as applicable, any representation, warranty, covenant or agreement on the part of Buyer set forth in this Agreement (including an obligation to consummate the Transactions), which breach or failure to perform (i) if occurring or continuing on the Closing Date, would give rise to the failure of a condition set forth in Section 7.1 or Section 7.3, and (ii) is not curable or, if curable, is not cured within the earlier of (A) 30 days after written notice thereof is given by AT&T to Buyer and (B) the Outside Date; provided, that AT&T shall not have the right to terminate this Agreement pursuant to this Section 9.1(c) if AT&T is then in material breach of any of its representations, warranties, covenants or other agreements hereunder such that, if occurring or continuing on the Closing Date, it would give rise to the failure of a condition set forth in Section 7.1 or Section 7.2; or

(d) by Buyer, if AT&T shall have breached or failed to perform, as applicable, any representation, warranty, covenant or agreement on the part of AT&T set forth in this Agreement (including an obligation to consummate the Transactions), which breach or failure to perform (i) if occurring or continuing on the Closing Date, would give rise to the failure of a condition set forth in Section 7.1 or Section 7.2, and (ii) is not curable or, if curable, is not cured within the earlier of (A) 30 days after written notice thereof is given by Buyer to AT&T and (B) the Outside Date; provided, that Buyer shall not have the right to terminate this Agreement pursuant to this Section 9.1(d) if Buyer is then in material breach of any of its representations, warranties,

covenants or other agreements hereunder such that, if occurring or continuing on the Closing Date, it would give rise to the failure of a condition set forth in Section 7.1 or Section 7.3.

Section IX.2 Effect of Termination. In the event of termination of this Agreement pursuant to this ARTICLE IX, this Agreement shall become void and of no effect with no liability to any Person on the part of any Party (or of any of its Representatives or Affiliates); provided, however, that (a) no such termination shall relieve any Party of any liability or damages to the other Party resulting from any knowing and intentional breach of this Agreement; provided, further, that no Party shall have any liability in respect of damages relating to the termination of this Agreement exceeding $2,000,000,000 (the "Damages Cap"), and (b) the provisions set forth in this Section 9.2, Section 6.18 (if applicable in accordance with the terms thereof) and ARTICLE X shall survive the termination of this Agreement. For the avoidance of doubt, any termination of the Denver Agreement or delay of the consummation of the Denver Transaction shall not constitute a basis for the termination of, or result in the failure of a closing condition in ARTICLE VII to be satisfied under, this Agreement.

ARTICLE X

MISCELLANEOUS

Section X.1 Notices. All notices and other communications to be given or made hereunder shall be in writing and shall be deemed to have been duly given or made on the date of delivery to the recipient thereof if received prior to 5:00 p.m. in the place of delivery and such day is a Business Day (or otherwise on the next succeeding Business Day) if (a) served by personal delivery or by an internationally recognized overnight courier service to the Person for whom it is intended, (b) delivered by registered or certified mail, return receipt requested or (c) sent by email, as provided in this Section 10.1, provided that the email is confirmed orally or in writing by the recipient thereof (excluding out-of-office replies or other automatically generated responses):

To AT&T:

AT&T Diversified MVPD Holdings LLC
208 S. Akard St.; 32nd Floor
Dallas, TX 75225
Attn.: Robert LaGrone
Email: rl6464@att.com

With a copy to:

AVP-Senior Legal Counsel
AT&T Services, Inc.
208 S. Akard St., 31st Floor
Dallas, Texas 75225
Attn.: Bill Caldwell
Email: wc2842@att.com

With a copy to:

Gibson, Dunn & Crutcher LLP
2001 Ross Avenue, Suite 2100
Dallas, Texas 75201
Attn.: Robert B. Little / Joe Orien
Email: rlittle@gibsondunn.com / jorien@gibsondunn.com

To AT&T Services:

AT&T Services, Inc.
208 S. Akard St.; 32nd Floor
Dallas, TX 75225
Attn.: Robert LaGrone
Email: rl6464@att.com

With a copy to:

AVP-Senior Legal Counsel
AT&T Services, Inc.
208 S. Akard St., 31st Floor
Dallas, Texas 75225
Attn.: Bill Caldwell
Email: wc2842@att.com

With a copy to:

Gibson, Dunn & Crutcher LLP
2001 Ross Avenue, Suite 2100
Dallas, Texas 75201
Attn.: Robert B. Little / Joe Orien
Email: rlittle@gibsondunn.com / jorien@gibsondunn.com

To Blocker (prior to the Closing):

AT&T MVPD Holdings LLC
208 S. Akard St.; 32nd Floor
Dallas, TX 75225
Attn.: Robert LaGrone
Email: rl6464@att.com

With a copy to:

AVP-Senior Legal Counsel
AT&T Services, Inc.
208 S. Akard St., 31st Floor
Dallas, Texas 75225

Attn.: Bill Caldwell
Email: wc2842@att.com

With a copy to:

Gibson, Dunn & Crutcher LLP
2001 Ross Avenue, Suite 2100
Dallas, Texas 75201
Attn.: Robert B. Little / Joe Orien
Email: rlittle@gibsondunn.com / jorien@gibsondunn.com

To the Company:

DirecTV Entertainment Holdings LLC
2260 E Imperial Hwy
El Segundo, CA 90245
Attn.: Michael Hartman, General Counsel
Email: michael.hartman@directv.com

With a copy to:

Ropes & Gray LLP
Three Embarcadero Center
San Francisco, CA 94111
Attn.: Jason Freedman / Minh-Chau Le / James Davis
Email: jason.freedman@ropesgray.com / minh-chau.le@ropesgray.com / james.davis@ropesgray.com

To Buyer or Buyer Guarantor:

Merlin Parent 2024, Inc.
c/o TPG Capital, L.P.
301 Commerce Street, Suite 3300
Fort Worth, TX 76102
Attn.: Office of the General Counsel
E-mail: officeofgeneralcounsel@tpg.com

With a copy to:

Ropes & Gray LLP
Three Embarcadero Center
San Francisco, CA 94111
Attn.: Jason Freedman / Minh-Chau Le / James Davis
Email: jason.freedman@ropesgray.com / minh-chau.le@ropesgray.com / james.davis@ropesgray.com

or to such other Person or addressees as may be designated in writing by the Party to receive such notice as provided above; provided, however, that copies shall be provided to outside counsel for convenience only, such copies shall not, in and of themselves, constitute notice and the failure to provide any such copy shall not alter the effectiveness of any notice or other communication otherwise duly made or given.

Section X.2 Amendment; Waiver. Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by both Buyer and AT&T, or in the case of a waiver, by the Party granting the waiver. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Law except as provided in ARTICLE VIII.

Section X.3 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, legal representatives and permitted assigns. No Party to this Agreement may assign any of its rights or delegate any of its obligations under this Agreement, by operation of Law or otherwise, directly or indirectly, without the prior written consent of the other Party. Any purported assignment in violation of this Agreement is void; provided, that Buyer may at any time in its sole discretion and without the consent of any other Party assign, in whole or in part, its rights and obligations under this Agreement to an Affiliate, but no such assignment shall relieve Buyer of any Liability or obligations hereunder.

Section X.4 Third Party Beneficiaries; Parties in Interest. Except as provided in ARTICLE VIII only, which is intended to benefit, and to be enforceable by, the parties specified therein, there shall be no third party beneficiaries of this Agreement, any Ancillary Agreement or any exhibit, annex or schedule hereto or thereto, and none of them shall confer on any Person other than the Parties and thereto any claim, cause of action, right or remedy including any right to contract or any right to employment or service or continued employment or service; provided, however, each Nonparty is an express third party beneficiary of Section 6.19, Section 8.7(b), Section 10.3 and Section 10.14. Without limiting the foregoing sentence, except to the extent set forth herein, no direct or indirect holder of any equity interests or securities of either AT&T or Buyer (whether such holder is a limited or general partner, member, stockholder or otherwise), nor any officer, director, agent, representative or Affiliates of either AT&T or Buyer, nor any controlling Person of AT&T, Buyer or their respective Affiliates, shall have any Liability or obligation arising under this Agreement or the Transactions.

Section X.5 Expenses. Except as otherwise provided in this Agreement and the Ancillary Agreements and whether or not the Transactions are consummated, all costs and expenses (including fees and expenses of counsel and financial advisors, if any) incurred in connection with this Agreement and the Transactions shall be paid by the Party incurring such costs and expenses; provided, that AT&T and Buyer shall each be responsible for 50% of all fees and payments to any Governmental Entity (including filing fees) and all third party legal,

economist and other professional fees incurred in order to obtain any consent, clearance, registration, assignment, approval, Permit or authorization or any expiration or termination or a waiting period; provided further, that any subsequent filing fees and payments to any Governmental Entity pursuant to the HSR Act with respect to the Transactions that arise as a result of the Denver Transaction shall be paid by Buyer and its Affiliates.

Section X.6 Entire Agreement. This Agreement (including any exhibits or schedules hereto) and the Ancillary Agreements constitute the entire agreement and supersede all other prior agreements, understandings, representations and warranties both written and oral, among the Parties, with respect to the subject matter hereof.

Section X.7 Fulfillment of Obligations. Any obligation of any Party to any other Party under this Agreement which obligation is performed, satisfied or fulfilled completely by an Affiliate of such Party, shall be deemed to have been performed, satisfied or fulfilled by such Party.

Section X.8 Dispute Resolution. Unless otherwise specified herein, including Section 2.3, and except in respect of any claim for injunctive and provisional relief (including specific performance), any dispute arising out of or relating to this Agreement shall first be escalated to an ad hoc committee consisting of senior representatives of AT&T, on the one hand, and Buyer, on the other, to attempt to achieve mutually satisfactory resolution within 30 days; provided that any 30-day period shall be automatically shortened to the extent required to preserve a claim prior to expiration of the applicable survival period (as set forth in Section 8.1).

Section X.9 GOVERNING LAW AND VENUE; WAIVER OF JURY TRIAL; SPECIFIC PERFORMANCE.

(a) This Agreement, and all Actions (whether in contract, tort or statute) that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement), shall be governed by, and enforced in accordance with, the Laws of the State of Delaware, including its statutes of limitations, without giving effect to any borrowing statute or applicable principles of conflicts of law to the extent that the application of the laws (including statutes of limitation) of another jurisdiction (whether of the State of Delaware or any other jurisdiction) would be required thereby.

(b) Each Party agrees that it shall bring any Action in respect of any claim based upon, arising out of or relating to this Agreement or the Transactions exclusively in the Court of Chancery of the State of Delaware or if such court does not have jurisdiction over such Action, such Action shall be heard and determined exclusively in any federal court located in the State of Delaware or any other Delaware state court (the "Chosen Courts") and solely in connection with claims arising under or relating to this Agreement (i) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to the laying of venue in any such action or proceeding in the Chosen Courts, (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any Party and (iv) agrees that mailing of

process or other papers in connection with any such Action in the manner provided in Section 10.1 or in such other manner as may be permitted by Law shall be valid and sufficient service thereof.

(c) EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HEREBY ACKNOWLEDGES AND CERTIFIES (I) THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY ACTION OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) IT MAKES THIS WAIVER VOLUNTARILY AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS SET FORTH IN THIS Section 10.9(c).

(d) The Parties acknowledge and agree that irreparable damage would occur and that the Parties would not have any adequate remedy at law if any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached, and that monetary damages, even if available, would not be an adequate remedy therefor. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions to prevent breaches or threatened breaches of this Agreement and to enforce specifically the performance of the terms and provisions hereof to prevent breaches or threatened breaches in accordance with this Section 10.9, without proof of actual damages (and each Party hereby waives any requirement for the security or posting of any bond in connection with such remedy), this being in addition to any other remedy to which they are entitled at law or in equity. The Parties further agree not to assert that a remedy of specific enforcement is unenforceable, invalid, contrary to applicable Law or inequitable for any reason, and not to assert that a remedy of monetary damages would provide an adequate remedy for any such breach or that the Parties otherwise have an adequate remedy at law.

(e) Without limitation of any of the foregoing, only if (i) all of the conditions set forth in ARTICLE VII to such Party's obligation to consummate the Closing have either been satisfied or previously waived (other than with respect to conditions that relate to delivery of items to be delivered at the Closing and those conditions that by their nature are to be satisfied by actions taken at the Closing, but are capable of being satisfied at such time), (ii) the non-breaching Party has irrevocably confirmed in writing to the breaching Party that all of the conditions set forth in ARTICLE VII to the non-breaching Party's obligation to consummate the Closing have either been satisfied or will be waived at Closing (other than with respect to conditions that relate to delivery of items to be delivered at the Closing and those conditions that by their nature are to be satisfied by actions taken at the Closing, but are capable of being satisfied at such time), and (iii) the breaching Party fails to consummate the Closing by the third Business Day after the delivery of the notice described in clause (ii), then the non-breaching Party shall be entitled to specific

performance to cause the Closing to occur; provided, that the foregoing shall not limit or be deemed to limit the non-breaching Party from seeking any monetary damages remedy against the breaching Party in accordance with this Agreement, subject to Section 9.2 and this Section 10.9; provided, further, that, notwithstanding the foregoing or anything to the contrary herein, under no circumstances shall a Party be permitted or entitled to retain both a grant of specific performance to cause the Closing to occur under this Section 10.9 and payment of any monetary damages (subject to the cap set forth in Section 9.2).

(f) Notwithstanding anything to the contrary in this Agreement, following the Closing, each Party shall not have any claim for money damages pursuant to this Agreement against the other Parties except in accordance with Section 2.3 and ARTICLE VIII.

Section X.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same Agreement.

Section X.11 Interpretation; Construction.

(a) The table of contents and headings herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof. Where a reference in this Agreement is made to an Annex, Exhibit, Article, Section or Schedule, such reference shall be to an Annex, Exhibit, Article, Section or Schedule to this Agreement unless otherwise indicated.

(b) If a term is defined as one part of speech (such as a noun), it shall have a corresponding meaning when used as another part of speech (such as a verb). The terms defined in the singular have a comparable meaning when used in the plural and vice versa. The rule known as the *ejusdem generis* rule shall not apply, and, accordingly, general words introduced by the word "other" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things. Unless the context of this Agreement clearly requires otherwise, words importing the masculine gender shall include the feminine and neutral genders and vice versa. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The word "or" shall not be exclusive. Currency amounts referenced herein are in U.S. Dollars. Any capitalized term used in any Schedule or Exhibit but not otherwise defined therein shall have the meaning given to them as set forth in this Agreement. All accounting terms used herein and not expressly defined herein shall have the meanings given to them under GAAP. References to "written" or "in writing" include documents in electronic form or transmission by email.

(c) Except as otherwise specifically provided herein, all references in this Agreement to any Law include the rules and regulations promulgated thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be

read as referring to such amended, re-enacted, consolidated or replaced provision and shall also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith; provided, that for purposes of any representations and warranties set forth in this Agreement that are made as of a specific date, references to any Law shall be deemed to refer to such Law as amended as of such date.

(d) Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified. Whenever any action must be taken hereunder on or by a day that is not a Business Day, then such action may be validly taken on or by the next day that is a Business Day.

(e) The Parties have drafted this Agreement jointly through the exchange of drafts hereof, so no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

(f) Neither the specification of any dollar amount in any representation or warranty set forth in this Agreement nor the inclusion of any specific item in any Schedule or section of the AT&T Disclosure Letter is intended to imply that such amount, or higher or lower amounts, or the item so included or other items, are or are not material, and no Party shall use the fact of setting forth of any such amount or the inclusion of any such item in any dispute or controversy between the Parties as to whether any obligation, item or matter not described herein or included in any Schedule or section of the AT&T Disclosure Letter is or is not material for purposes of this Agreement. Neither the specification of any item or matter in any representation or warranty set forth in this Agreement nor the inclusion of any specific item in any Schedule or section of the AT&T Disclosure Letter is intended to imply that such item or matter, or other items or matters, are or are not in the Ordinary Course, and no Party shall use the fact of the setting forth or the inclusion of any specific item or matter in any dispute or controversy between the Parties as to whether any obligation, item or matter not described herein or included in any Schedule or section of the AT&T Disclosure Letter is or is not in the Ordinary Course for purposes of this Agreement.

Section X.12 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority of competent jurisdiction to be invalid, void or unenforceable, or the application of such provision, covenant or restriction to any Person or any circumstance, is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision, covenant or restriction to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application of such provision, in any other jurisdiction and the remainder of the terms, provisions, covenants and

restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section X.13 Obligations of Buyer and of AT&T. Whenever this Agreement requires a Subsidiary of Buyer to take any action, such requirement shall be deemed to include an undertaking on the part of Buyer to cause such Subsidiary to take such action. Whenever this Agreement requires a Subsidiary of AT&T to take any action, such requirement shall be deemed to include an undertaking on the part of AT&T to cause such Subsidiary to take such action.

Section X.14 AT&T Services Guarantee.

(a) In consideration of Buyer entering into this Agreement, AT&T Services hereby absolutely, unconditionally and irrevocably guarantees to Buyer, as a primary obligor and not merely as a surety, as a continuing obligation, the due and punctual performance and discharge of all of AT&T's and Blocker's obligations set forth hereunder and should AT&T or Blocker fail to perform such obligations when due pursuant to and in accordance with the terms and conditions of this Agreement, AT&T Services promises to pay on demand the applicable amount that AT&T, or Blocker is liable to pay under this Agreement. AT&T Services' obligations under this Section 10.14 shall be in addition to any rights Buyer and its Affiliates may have under any other agreement. Buyer and its Affiliates may enforce their respective rights against AT&T Services without first having recourse to any such other agreement or exercising any rights or remedies against AT&T or Blocker.

(b) AT&T Services represents and warrants to Buyer as of the date hereof and as of the Closing Date as follows:

(i) AT&T Services is an entity duly formed, validly existing and in good standing under the applicable laws of Delaware. AT&T Services has full requisite organizational power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

(ii) The execution, delivery, and performance by AT&T Services of this Agreement have been and the consummation of its obligations hereunder has been, duly and validly authorized and approved by all necessary corporate or other action of AT&T Services, and no further approval by AT&T Services or other corporate proceedings on the part of AT&T Services is necessary to authorize this Agreement or to perform its obligations hereunder.

(iii) This Agreement has been duly and validly executed and delivered by AT&T Services, and (assuming due authorization, execution and delivery by AT&T Services) this Agreement constitutes a valid and binding obligation of AT&T Services enforceable against it in accordance with its terms, subject to the Bankruptcy and Equity Exception.

(c) AT&T Services' liability to Buyer and its Affiliates under this Section 10.14 shall not be discharged or impaired by: (i) any amendment, variation or assignment of this Agreement

or any waiver of its or their terms; (ii) any release of, or granting of time or other indulgence to, AT&T or any of its Affiliates (other than AT&T Services) by any third party; or (iii) any winding up, dissolution, reconstruction, legal limitation, incapacity or lack of corporate power or authority or other circumstance affecting AT&T or any of its respective Affiliates (other than AT&T Services).

(d) All representations, warranties and obligations set forth in this Section 10.14 shall survive the Closing indefinitely.

Section X.15 TPG Guarantee.

(a) In consideration of AT&T entering into this Agreement, Buyer Guarantor hereby absolutely, unconditionally and irrevocably guarantees to AT&T, as a primary obligor and not merely as a surety, as a continuing obligation, the due and punctual performance and discharge of Buyer's payment obligations (i) set forth in Section 2.2(a) and (ii) in the event that this Agreement is terminated pursuant to Section 9.1, in respect of damages relating to the termination of this Agreement, subject to the Damages Cap, and should Buyer fail to perform such obligations when due pursuant to and in accordance with the terms and conditions of this Agreement, Buyer Guarantor promises to pay on demand the applicable amount that Buyer is liable to pay under this Agreement. Buyer Guarantor's obligations under this Section 10.15 shall be in addition to any rights AT&T and its Affiliates may have under any other agreement. AT&T and its Affiliates may enforce their respective rights against Buyer Guarantor without first having recourse to any such other agreement or exercising any rights or remedies against Buyer.

(b) Buyer Guarantor represents and warrants to AT&T as of the date hereof and as of the Closing Date as follows:

(i) Buyer Guarantor is an entity duly formed, validly existing and in good standing under the applicable laws of Delaware. Buyer Guarantor has full requisite organizational power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

(ii) The execution, delivery, and performance by Buyer Guarantor of this Agreement have been and the consummation of its obligations hereunder has been, duly and validly authorized and approved by all necessary limited partnership or other action of Buyer Guarantor, and no further approval by Buyer Guarantor or other corporate proceedings on the part of Buyer Guarantor is necessary to authorize this Agreement or to perform its obligations hereunder.

(iii) This Agreement has been duly and validly executed and delivered by Buyer Guarantor, and (assuming due authorization, execution and delivery by Buyer Guarantor) this Agreement constitutes a valid and binding obligation of Buyer Guarantor enforceable against it in accordance with its terms, subject to the Bankruptcy and Equity Exception.

(c) Buyer Guarantor's liability to AT&T and its Affiliates under this Section 10.15 shall not be discharged or impaired by: (i) any amendment, variation or assignment of this Agreement or any waiver of its or their terms; (ii) any release of, or granting of time or other indulgence to, Buyer or any of its Affiliates (other than Buyer Guarantor) by any third party; or (iii) any winding up, dissolution, reconstruction, legal limitation, incapacity or lack of corporate power or authority or other circumstance affecting Buyer or any of its respective Affiliates (other than Buyer Guarantor).

(d) All representations, warranties and obligations set forth in this Section 10.15 shall survive the Closing indefinitely.

IN WITNESS WHEREOF, the Parties have executed or caused this Agreement to be executed as of the date first written above.

AT&T DIVERSIFIED MVPD HOLDINGS LLC

By: /s/ Robert LaGrone
Name: Robert LaGrone
Title: President and Chief Executive Officer

AT&T MVPD HOLDINGS LLC

By: /s/ Robert LaGrone
Name: Robert LaGrone
Title: President and Chief Executive Officer

AT&T SERVICES, INC.

By: /s/ Robert LaGrone
Name: Robert LaGrone
Title: Senior Vice President – Corporate Development

DIRECTV ENTERTAINMENT HOLDINGS LLC

By: /s/ Michael Hartman
Name: Michael Hartman
Title: General Counsel and Chief External Affairs Officer

MERLIN PARENT 2024, INC.

By: /s/ Deirdre Cummings
Name: Deirdre Cummings
Title: Authorized Signatory

TPG PARTNERS IX, L.P.

By: TPG GenPar IX, L.P.
its general partner
By: TPG GenPar IX Advisors, LLC
its general partner

By: /s/ Martin Davidson
Name: Martin Davidson
Title: Chief Accounting Officer

ANNEX A

Definitions

As used in this Agreement, the following terms have the meanings set forth in this Annex A:

"Acquisition Proposal" has the meaning set forth in Section 6.15.

"Action" means any action, suit, claim, complaint, litigation, investigation, audit, proceeding, charge, mediation, arbitration or other similar dispute.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made (for purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise).

"Agreement" has the meaning set forth in the Preamble.

"Ancillary Agreements" means the Separation and Services Agreement, the Assignment Agreement and the Seller Note.

"Antitrust Law" means all U.S. and non-U.S. antitrust, competition or other 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 of competition through merger or acquisition.

"Assignment Agreement" means an assignment agreement by and between Buyer and AT&T for the assignment and transfer of the Blocker Units to Buyer, in form and substance reasonably satisfactory to Buyer.

"AT&T" has the meaning set forth in the Preamble.

"AT&T Ancillary Counterparty" means any Affiliate of AT&T contemplated to be a party to an Ancillary Agreement.

"AT&T Consolidated Group" has the meaning set forth in Section 4.6.

"AT&T Disclosure Letter" has the meaning set forth in the introductory sentence of ARTICLE IV.

"AT&T Indemnified Parties" has the meaning set forth in Section 8.3(a).

"AT&T Representations" means the representations made by AT&T in ARTICLE IV.

"AT&T Restricted Affiliates" means any Affiliates of AT&T that are consolidated in the financial statements filed with AT&T, Inc.'s periodic reports under the Securities Act.

"AT&T Services" has the meaning set forth in the Preamble.

"Bankruptcy and Equity Exception" has the meaning set forth in Section 4.4.

"Base Purchase Price" means $2,000,000,000.

"Blocker Liability Amount" means all accrued but unpaid debts, liabilities, fines, penalties, commitments and obligations of Blocker as of the Closing of any kind, whether fixed, contingent or absolute, matured or unmatured, liquidated or unliquidated, asserted or not asserted, known or unknown, determined, determinable or otherwise, whenever or however arising (including, whether arising out of any contract or tort based on negligence or strict liability) and whether or not the same would be required by GAAP to be reflected in financial statements or disclosed in the notes thereto; provided, the Blocker Liability Amount shall not include any amounts with respect to Taxes.

"Blocker Percentage" means the percentage of the issued and outstanding Common Units of the Company held by Blocker, which is 70% on the Execution Date, subject to increase to take into account the issuance of the Common Units of the Company issued pursuant to the INVIDI Contribution.

"Blocker Operating Agreement" means the Limited Liability Company Agreement of Blocker, dated as of February 19, 2021.

"Blocker-Owned Company Interests" has the meaning set forth in the Recitals.

"Business" means each of the DIRECTV Satellite Business, the DIRECTV OTT Business and the U-verse IPTV Business, which in each case includes their respective linear, streaming, VOD, pay-per-view, electronic sell through and other video distribution platforms, and any ancillary activities, including productions such as Red Zone and Fantasy Zone, but specifically excludes the Excluded Assets and Excluded Liabilities.

"Business Assets" means the Equity Interests held by Blocker in the Company, Merlin Manager and INVIDI.

"Business Day" means any day ending at 11:59 p.m. (Eastern Standard Time) other than a Saturday, a Sunday or a day on which banks in the City of New York and City of San Francisco are authorized or obligated by Law or executive order to close.

"Buyer" has the meaning set forth in the Preamble.

"Buyer Affiliated Parties" has the meaning set forth in Section 6.6(h).

"Buyer Ancillary Counterparty" means any Affiliate of Buyer contemplated to be a party to an Ancillary Agreement.

"Buyer Guarantor" has the meaning set forth in the Preamble.

"Buyer Indemnified Parties" has the meaning set forth in Section 8.2(a).

"Buyer Material Adverse Effect" means any Change that would, individually or in the aggregate with any other Changes, prevent, delay or materially impede the performance by Buyer of its obligations under this Agreement or the Ancillary Agreements or the consummation of the transactions contemplated hereby or thereby.

"Buyer Released Person" has the meaning set forth in Section 6.14(b).

"Buyer Releasing Person" has the meaning set forth in Section 6.14(a).

"Buyer Representations" means the representations made by Buyer in ARTICLE V.

"Change" means any event, fact, condition, circumstance, change, occurrence, development or effect.

"Chosen Courts" has the meaning set forth in Section 10.9(b).

"Claim Notice" has the meaning set forth in Section 8.4(a).

"Closing" has the meaning set forth in Section 3.1.

"Closing Date" has the meaning set forth in Section 3.1.

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

"Combined Group Audit" has the meaning set forth in Section 6.6(e).

"Combined Tax Return" has the meaning set forth in Section 6.6(c).

"Commercial Agreements" or "CAs" means each of the following, as amended:

(i) Intellectual Property License Agreement, dated as of July 31, 2021, by and among the parties identified therein;

(ii) Master Services Agreement ("MSA"), dated as of July 31, 2021, by and between the parties identified therein, including Service Schedule No. 1 (Product Bundling and Sales), Service Schedule No. 3 (HBO Integrated Experience), Service Schedule No. 4 (AT&T Owned and Authorized Retail), Amended and Restated Service Schedule No. 5 (Business Video Sales), the Amended and Restated Service Schedule No.

No. 7 (Fixed Wireless Internet), and Service Schedule No. 8 (In Home Experts), but expressly excluding Service Schedule No. 6 (Indirect Dealers), Service Schedule No. 9 (Preferred Internet Providers), Service Schedule No. 10 (Protection Plan), and Service Schedule No. 11 (Advertising and Sales Relationship);

(iii) Service Agreement, dated as of July 31, 2021, by and between the parties identified therein;

(iv) Amended and Restated Co-Existence Agreement, dated as of November 1, 2021, by and among the parties identified therein;

(v) Trademark License Agreement, dated as of July 31, 2021, by and among the parties identified therein; and

(vi) AT&T Affiliate Data Sharing Agreement, dated as of December 31, 2019, by and among the entities identified therein (as amended from time to time).

"Commercial/Transition Agreement" means the TSA and the CAs.

"Commercial Tax Agreements" has the meaning set forth in Section 4.6.

"Communications Act" has the meaning set forth in Section 4.4(a).

"Communications Laws" has the meaning set forth in Section 4.4(a).

"Communications Licenses" means (i) the FCC Licenses and (ii) all Permits (other than the FCC Licenses) related to the Business issued or granted to the Company or AT&T or an Affiliate of AT&T by any Governmental Entity, authorizing the Company or AT&T or its Affiliate to provide video or broadcasting services, including direct broadcast satellite services, or to own, operate or install video or broadcasting networks and facilities, including satellites, or to use radio frequencies, in each case, in connection with the Business.

"Company" has the meaning set forth in the Preamble.

"Company Equity Interests" means the Equity Interests of the Company.

"Company Operating Agreement" means the Amended and Restated Limited Liability Company Agreement of the Company, dated as of July 31, 2021.

"Company Tax Distributions" means Tax Distributions as defined in and made pursuant to the Company Operating Agreement.

"Consent" means any consent, license, permit, waiver, approval, clearance, grant, exemption, declaration, authorization or order of, or filing or registration with, or notification to, any Person that is not a Governmental Entity or AT&T, Buyer or any Affiliate thereof, or under any applicable Law.

"Contract" means any written agreement, undertaking, lease, license, contract, note, mortgage, indenture, arrangement or other written obligation.

"Damages Cap" has the meaning set forth in Section 9.2.

"Debt Financing" means the debt financing to be obtained by the Company or its Subsidiaries to finance the Debt-Financed Distribution from the Company to Blocker and TPG VIII Merlin.

"Debt-Financed Distribution" has the meaning set forth in Section 1.1(c).

"Debt-Financed Distribution Amount" means an amount equal to at least $1,625,000,000.

"Debt Financing Sources" means the entities that provide the Debt Financing (including the parties to any joinder agreements, credit agreements or other definitive agreements relating thereto) and, in each case, their Affiliates and their and their respective Affiliates' respective former, current and future direct or indirect Affiliates, representatives, shareholders, members, managers, general or limited partners, management companies, investment vehicles, officers, directors, employees, agents and representatives and each of their respective successors and assigns.

"Delaware Act" means the Delaware Limited Liability Company Act, 6 Del. C. § 18-101, *et seq.*

"Denver Agreement" means that certain Equity Purchase Agreement, dated as of the date hereof, by and between EchoStar Corporation, a Nevada corporation, and DIRECTV Holdings, LLC, a Delaware limited liability company.

"Denver Losses" has the meaning set forth in Section 6.18.

"Denver Transaction" means the Transactions as defined in the Denver Agreement.

"DIRECTV OTT Business" means the Company's or its Affiliates' over-the-top ("OTT") business whereby the Company or an Affiliate thereof distributes programming signal(s) or feed(s), and/or video-on-demand assets, using any internet technologies on an OTT basis, including the DirecTV Stream and DirecTVi experiences.

"DIRECTV Satellite Business" means the Company's distribution business whereby the Company distributes programming signal(s) or feed(s), and/or video-on-demand assets, by satellite signal(s) to customers, including by a DIRECTV turnaround earth-station facility that compresses and processes the signal(s) or feed(s) and then uplinks it to a direct-to-home communications satellite.

"Encumbrance" means any lien, charge, pledge, security interest, claim or other encumbrance.

"Equity Commitment Letter" has the meaning set forth in the Recitals.

"Equity Financing" has the meaning set forth in the Recitals.

"Equity Financing Source" means TPG Partners IX, L.P.

"Equity Interests" means all shares, interests, participations, or other equivalents (however designated) of capital stock of a corporation and any ownership interests in a Person (other than a corporation), including membership interests, partnership interests, joint venture interests, and beneficial interests, and any and all warrants, options, convertible or exchangeable securities, or other rights to purchase or otherwise acquire any of the foregoing.

"Excluded Assets and Excluded Liabilities" has the meaning set forth in Section 1.3.

"Excluded IPTV Backend" means AT&T's or its Affiliates' Internet protocol video aggregation center(s), national closed fiber optic IP network, video hub offices, local distribution plant and related facilities.

"Execution Date" has the meaning set forth in the Preamble.

"FCC" has the meaning set forth in Section 4.4(a).

"FCC License" means each Permit that is issued or granted by the FCC that is related to the Business or necessary to conduct the Business.

"Final Blocker Liability Amount" means the Blocker Liability Amount, as finally determined pursuant to Section 2.3.

"Final Determination" means an occurrence where (a) the parties to the dispute have reached an agreement in writing, (b) a court of competent jurisdiction shall have entered a final and non-appealable Order or judgment or (c) an arbitration or like panel shall have rendered a final non-appealable determination with respect to disputes the parties have agreed to submit thereto.

"Final Upfront Consideration" means the Upfront Consideration, as finally determined pursuant to Section 2.3.

"Fraud" means actual and intentional fraud with respect to the representations and warranties in this Agreement, the Ancillary Agreements and any certificate delivered in connection with this Agreement that involves a knowing and intentional misrepresentation or omission made by a Person with the intent that the other Person rely thereon, and for the avoidance of doubt, does not include constructive fraud or other claims based on constructive knowledge, negligent misrepresentation, recklessness or similar theories.

"GAAP" means United States generally accepted accounting principles.

"Governmental Entity" means any U.S. or non-U.S. governmental or regulatory authority, agency, commission, body, court or other legislative, executive, judicial or administrative governmental entity at any level, or any agency, department or instrumentality thereof, or any mediator, arbitrator or arbitral body.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"Income Taxes" means any income, franchise, margin or similar Tax (however denominated), and any withholding Tax with respect thereto.

"Indemnified Party" has the meaning set forth in Section 8.4(a).

"Indemnifying Party" has the meaning set forth in Section 8.4(a).

"INVIDI" means Inception Holdco, LLC, a Delaware limited liability company.

"INVIDI Contribution" has the meaning set forth in Section 1.2.

"Knowledge" or any similar phrase means the collective actual knowledge after reasonable due inquiry of (a) the individuals listed on Section 1.1(a) of the AT&T Disclosure Letter with respect to AT&T and (b) the following individuals with respect to Buyer: David Trujillo, John Flynn, and Kris Wong.

"Law" means any federal, state, local or non-U.S. law, statute or ordinance, common law, or any rule, regulation, FCC policy, standard, judgment, Order, writ, injunction, decree, arbitration award, agency requirement, license or Permit, or other governmental restriction, in each case having the force and effect of law, or any similar form of decision or approval of, or determination by, or any binding interpretation or administration of any of the foregoing by, any Governmental Entity that is issued, enacted, adopted, promulgated, implemented or otherwise put in effect by or under the authority of any Governmental Entity.

"Liabilities" means all debts, liabilities, fines, penalties, commitments and obligations of any kind, whether fixed, contingent or absolute, matured or unmatured, liquidated or unliquidated, accrued or not accrued, asserted or not asserted, known or unknown, determined, determinable or otherwise, whenever or however arising (including, whether arising out of any contract or tort based on negligence or strict liability) and whether or not the same would be required by GAAP to be reflected in financial statements or disclosed in the notes thereto.

"Long Form Agreement" has the meaning set forth in Section 6.10.

"Losses" means any actual damages, losses, payments, Taxes, and reasonable and documented out-of-pocket fees, costs and expenses (including Third Party Claim expenses to the extent provided by ARTICLE VIII).

"Merlin Contribution Agreement" means the Agreement of Contribution and Subscription by and among AT&T Services, V Holdco LLC, V Opco LLC, and TPG VIII Merlin, dated as of February 25, 2021.

"Merlin LLCA" means the Amended and Restated Limited Liability Company Operating Agreement of Merlin Manager as of June 1, 2022.

"Merlin Manager" means Merlin Manager, LLC, a Delaware limited liability company.

"New Blocker Subsidiary" means any Subsidiary of Blocker formed pursuant to the Pre-Closing Reorganization.

"Nonparty" has the meaning set forth in Section 8.7(b).

"Non-U.S. Regulator" has the meaning set forth in Section 4.4(a).

"Notice of Objection" has the meaning set forth in Section 2.3(b)(ii).

"Objection Period" has the meaning set forth in Section 2.3(b)(ii).

"Order" means any administrative decision or award, decree, injunction, judgment, order, verdict, quasi-judicial decision or award, ruling or writ, stipulation of, or entered with, any arbitrator, mediator or Governmental Entity.

"Ordinary Course" means (a) with respect to the conduct of the Business, consistent in all material respects with the normal day-to-day customs, practices and procedures of the Business or (b) with respect to the conduct of any other business, consistent in all material respects with the normal day-to-day customs, practices and procedures of such business.

"Outside Date" means October 31, 2025.

"Parties" and "Party" have the meanings set forth in the Preamble.

"Permit" means any consent, license, permit, franchise, waiver, approval, authorization, certificate, registration or filing issued by, obtained from or made with a Governmental Entity, other than any State and Local Operating Authority.

"Permitted Encumbrances" means (a) mechanics', carriers', workmen's, repairmen's or other similar Encumbrances arising or incurred in the Ordinary Course, provided that the obligations in respect of which such encumbrances were created are not delinquent or otherwise being contested in good faith by appropriate proceedings by AT&T or its Subsidiaries are for which appropriate reserves have been established in accordance with GAAP, (b) Encumbrances for Taxes not yet delinquent or that are being contested in good faith through appropriate proceedings and for which adequate reserves have been established in accordance with GAAP, (c) with respect to real property, (i) easements, quasi-easements, licenses, covenants, rights-of-way, rights of re-entry or other similar restrictions, including any other

agreements, conditions or restrictions that would be shown by a current title report or other similar report or listing, (ii) any conditions or other matters that may be shown by a current and accurate survey or physical inspection and (iii) zoning, building, subdivision or other similar requirements or restrictions, none of which interfere with the present use of such property; provided that the foregoing clauses (i), (ii) and (iii) of this clause (c) do not in the aggregate materially interfere with the existing use by AT&T and its Subsidiaries or in the aggregate materially impair the value thereof, and provided further that the obligations in respect of which such encumbrances were created are not delinquent or otherwise in default, (d) with respect to leasehold interests, mortgages and other Encumbrances incurred, created, assumed or permitted to exist and arising by, through or under a landlord or owner of any leased real property, (e) Encumbrances, charges, fees or assessments for business parks, industrial parks or other similar organizations not yet due or delinquent, (f) Encumbrances incurred in the Ordinary Course that are not material in amount or effect on the Business, (g) Encumbrances that would not, individually or in the aggregate, materially impair the conduct of the Business, (h) Encumbrances that shall be released concurrently with or prior to the Closing, (i) non-exclusive licenses, covenants not to sue or other similar rights with respect to intellectual property rights granted in the Ordinary Course or (j) Encumbrances in respect of the Debt Financing.

"Person" means any natural person, corporation, association, company, partnership (general or limited), limited liability company, business trust, trust, joint venture, joint stock or other company, organization, unincorporated association, Governmental Entity, or other entity of any kind.

"Pre-Closing Reorganization" has the meaning set forth in Section 1.3.

"Pre-Closing Tax Claim" has the meaning set forth in Section 6.6(e).

"Pre-Closing Tax Claim Notice" has the meaning set forth in Section 6.6(e).

"Pre-Closing Tax Period" means any tax period ending on or prior to the Closing Date and the portion of any Straddle Period through the Closing Date.

"Pre-Closing Taxes" means any Liability for (i) Taxes of Blocker or any New Blocker Subsidiary for any Pre-Closing Tax Period, determined, in the case of a Straddle Period, in accordance with Section 6.6(b), (ii) Taxes of any member of an affiliated, consolidated, combined, unitary or similar group of which Blocker or any New Blocker Subsidiary is or was a member on or prior to the Closing Date (or of the Company or any Subsidiaries thereof, to the extent both the Company or such Subsidiary, on the one hand, and Blocker or any New Blocker Subsidiary, on the other hand, each were members of such affiliated, consolidated, combined, unitary or similar group prior to the Closing Date) under Treasury Regulation Section 1.1502-6 (or any similar provisions of state or local Law), (iii) Taxes for which the Blocker or any New Blocker Subsidiary is liable by Contract (other than under any Commercial Tax Agreements) that relates to an event or transaction occurring before the Closing, (iv) any Taxes imposed on Blocker or any New Blocker Subsidiary as a result of the INVIDI Contribution, the Pre-Closing Reorganization or any Excluded Assets or Excluded Liabilities. Notwithstanding the preceding sentence or anything to the contrary in any Transaction Document, "Pre-Closing Taxes" excludes

Taxes (A) imposed solely in respect of Blocker's receipt of the Debt-Financed Distribution as a result of the Company's failure to allocate to Blocker an amount of the incremental liabilities incurred to finance the Dividend at least equal to Blocker's share of the Dividend under Section 752 of the Code, (B) imposed on the Company or any of its Subsidiaries (including with respect to any "imputed underpayment" within the meaning of Section 6225 of the Code (and similar provisions of state and local Law)) (other than any liability attributable to the Blocker or a direct or indirect equityholder of the Blocker and that is not economically attributable to the Company or any of its Subsidiaries but is imposed on the Company or any of its Subsidiaries solely by reason of a provision of state or local Tax Law that is similar to Treasury Regulations Section 1.1502-6), (C) imposed on the Blocker or any of its Subsidiaries as a result of any election made after the Closing Date by the Company or any of its Subsidiaries under Section 6226 of the Code (or any similar action or election, including under Section 6227 of the Code) or as a result of the Company ceasing to exist on or after the Closing Date under Treasury Regulation Section 301.6241-3(b)(1), or (D) any Special Taxes.

"Post-Closing Tax Period" means any tax period beginning after the Closing Date and the portion of any Straddle Period beginning after the Closing Date.

"Representative" of a Person means any officer, director or employee of such Person or any investment banker, attorney, accountant or other advisor, agent or representative of such Person.

"Required Approvals" has the meaning set forth in Section 4.4(a).

"Securities Act" has the meaning set forth in Section 4.4(a).

"Seller Material Adverse Effect" means any Change that would, individually or in the aggregate with any other Changes, prevent, delay or materially impede the performance by AT&T or Blocker of its obligations under this Agreement or the Ancillary Agreements or the consummation of the transactions contemplated hereby or thereby.

"Seller Note" means a promissory note, by and among Buyer, AT&T and Blocker, in form and substance reasonably satisfactory to the Parties, containing the terms set forth on Exhibit A.

"Seller-Prepared Tax Returns" has the meaning set forth in Section 6.6(c).

"Seller Released Person" has the meaning set forth in Section 6.14(a).

"Seller Releasing Person" has the meaning set forth in Section 6.14(b).

"Separation and Services Agreement" means a separation and services agreement in a customary form to be agreed by the Parties, obligating AT&T and certain of its Affiliates to provide to Buyer and certain of its Affiliates after the Closing, separation services on the terms set forth on Exhibit B and amending or otherwise affecting certain agreements related to certain Commercial/Transition Agreements as described on Exhibit B.

"Special Taxes" has the meaning set forth in Exhibit C.

"Special Tax Audit" means any claim, audit, litigation or other proceeding with respect to the Taxes of any Special Taxable Entity for which AT&T is reasonably expected to be required to make a payment pursuant to Section 8.2(a)(iv).

"State and Local Operating Authority" means each video service agreement and video service certification or similar authorization granted by a Governmental Entity authorizing provision of IPTV video services.

"Straddle Period" means any tax period that includes, but does not end on, the Closing Date.

"Subsidiary" means, with respect to any Person, any other Person of which at least a majority of the securities or ownership interests having by their terms ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions is directly or indirectly owned or controlled by such Person and/or by one or more of its Subsidiaries.

"Surviving Affiliate Arrangements" has the meaning set forth in Section 4.8.

"Tax Returns" means any return, declaration, report, election claim for refund, statement, information return, or other document required or permitted to be filed with, or filed with, a Governmental Entity with respect to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Taxes" means all federal, state or local and all foreign taxes, including income, gross receipts, windfall profits, value added, severance, property, escheat, abandoned or unclaimed property, customs, duties, alternative, production, transfer, ad valorem, sales, use, duty, license, excise, franchise, stamp, employment, estimated, withholding or other taxes, fees, assessments or charges in the nature of a tax, whether disputed or not, together with any interest, penalties, additions to tax or additional amounts imposed with respect thereto.

"Third Party" means any Person, other than AT&T, the Company, Blocker, Buyer, and each of their respective Affiliates.

"Third Party Claim" has the meaning set forth in Section 8.4(b).

"Total Recovered Amount" has the meaning set forth in Section 8.5(e).

"TPG Percentage" means the percentage of the issued and outstanding Common Units of the Company held by TPG VIII Merlin, which is 30% on the Execution Date, subject to reduction to take into account the issuance of the Common Units of the Company issued pursuant to the INVIDI Contribution.

"TPG VIII Merlin" has the meaning set forth in the Recitals.

"Transaction Documents" means collectively this Agreement and the Ancillary Agreements.

"Transactions" means the transactions contemplated by this Agreement, including the Pre-Closing Reorganization, the INVIDI Contribution and the Debt-Financed Distribution.

"Transfer Taxes" has the meaning set forth in Section 6.6(g).

"Transition Services Agreement" or "TSA" means, as amended, the Transition Services Agreement, dated as of July 31, 2021, by and between AT&T Services, Inc. and DIRECTV Entertainment Holdings LLC, including all individual Services (as defined in therein) that are being provided to either party thereunder as of the Execution Date, but excluding all individual Services (as defined in therein) that are not being provided to either party thereunder as of the Execution Date.

"UCC" means the U.S. Uniform Commercial Code.

"Upfront Consideration" means (a) the Base Purchase Price, less (b) the Blocker Liability Amount as of the Closing.

"U-verse IPTV Business" means the Company's or AT&T's or its Affiliates' IPTV distribution business that is currently branded "U-verse" whereby the Company or AT&T or an Affiliate thereof distributes video programming signal(s) or feed(s), and/or video-on-demand assets to subscribers via an Internet protocol network using the Excluded IPTV Backend.

SELLER NOTE TERM SHEET[1]

Term	**Summary**
Borrower:	The Buyer (in such capacity, the "**Borrower**").
Guarantors:	AT&T MVPD Holdings LLC (the "**Blocker**") and all of its direct or indirect subsidiaries other than DIRECTV Entertainment Holdings, LLC (the "**Company**") or any subsidiaries thereof.
Loan Parties:	The Borrower and the Guarantors.
Security:	(1) Borrower's equity interests in Blocker; and (2) Blocker's equity interests in its direct subsidiaries (including the Company but not the assets of the Company). The loan and guarantees will not be subordinated to any other indebtedness and the liens thereon will be first priority. Any foreclosure or exercise of remedies by the Agent or the Lenders shall be subject, as applicable, to FCC regulations (if any).
Initial Lender:	AT&T Diversified MVPD Holdings LLC (in such capacity, together with any permitted assigns, the "**Lender**").
Agent:	A designee of the Lender and reasonably acceptable to the Borrower (the "**Agent**").
Principal Amount:	Amounts prepaid or repaid cannot be reborrowed. The principal amount of the Seller Note shall be determined as set forth below. If the Closing occurs prior to distribution by the Company to Blocker of the Dividend, the aggregate amount of Blocker's share of the unpaid Dividend, plus interest on the unpaid Dividend at a rate equal to 10% per annum accruing from and after April 1, 2025, will be added to the Scheduled Payments in respect of the Synthetic Distribution Payments that apply after the Closing Date as set forth below in equal installments on the Scheduled Payment Due Dates therefor (or, if earlier, upon the Company's receipt of the Debt Financing) (the "Unpaid Dividend Adjustment"). Lender shall be entitled to the Synthetic Distribution Payments set forth below (subject to the adjustments set forth below) solely to the extent the Closing occurs prior to December 31, 2025. After the Closing, subject to the following paragraphs, the principal amount under the Seller Note will be increase in the following payment amounts (each such payment, a "Scheduled Payment") on the schedule set forth below (the applicable payment accrual date, the "Scheduled Payment Date") (which, for the avoidance of doubt, (x) does not include Common Catch Up Unreturned Contributions with respect to Blocker's Common Catch Up Units and (y) shall be subject to the Unpaid Dividend Adjustment in respect of Synthetic Distribution Payments set forth below), in each case plus all accrued and unpaid interest (if any) in respect of the Imputed Rate as of such Scheduled Payment Date with respect to such Scheduled Payment; provided, that with respect to any Synthetic Distribution Payment due after the Closing, each such payment amount will be reduced by an amount equal to the portion of such Synthetic Distribution Payment attributable to the post-Closing portion of the applicable quarter multiplied by the Applicable Percentage. For the avoidance of doubt, (a) other than with respect to interest on any Scheduled Payment that has not accrued at the Imputed Rate, interest on each Scheduled Payment shall solely accrue from and after the applicable Scheduled Payment Date as set forth herein and (b) the principal under the Note in respect of each Scheduled Payment (together with any PIK Interest in respect thereof) shall

be due and payable on the Maturity Date.

Scheduled Payment	Scheduled Payment Amount	Scheduled Payment Date
Q4 2024 Synthetic Distribution Payment	$534,000,000	12/31/2024
Q1 2025 Synthetic Distribution Payment	$340,500,000	3/31/2025
Q2 2025 Synthetic Distribution Payment	$212,500,000	6/30/2025
Q3 2025 Synthetic Distribution Payment	$313,500,000	9/30/2025
Q4 2025 Synthetic Distribution Payment	$467,500,000	12/31/2025
Synthetic Dividend Payment	$43,750,000	12/31/2025
Q1 2029 Deferred Consideration Payment	$125,000,000	3/31/2029
Q2 2029 Deferred Consideration Payment	$125,000,000	6/30/2029
Q3 2029 Deferred Consideration Payment	$125,000,000	9/30/2029
Q4 2029 Deferred Consideration Payment	$125,000,000	12/31/2029

To the extent the Company has distributed a quarterly payment to Blocker with respect to any of Q4 2024, Q1 2025, Q2 2025, Q3 2025 or Q4 2025 before the Closing in an amount equal to or in excess of the corresponding Synthetic Distribution Payment Amount set forth above for such quarter, then the corresponding Scheduled Payment for such quarter in respect thereof will not be included in the Seller Note and the amount of the Seller Note will be reduced by (1) the Excess Amount, less (2) the product of (a) the Excess Amount, multiplied by (b) the Applicable Percentage, with such reduction made to the earliest payment(s) due under the Seller Note.

The "Excess Amount" shall equal (1) the quarterly payment made to Blocker with respect to such quarter, less (2) the corresponding Synthetic Distribution Payment amount for such quarter.

The "Applicable Percentage" shall equal the product of (1) (a) 1 divided by (b) the Assumed Tax Rate (as calculated under the Company LLCA in effect as of the closing date), multiplied by (2) (a) with respect to the portion of each payment attributable to the post-Closing portion of a given quarter, the Blocker's effective U.S. tax rate for such quarter and (b) with respect to the portion of each payment attributable to the pre-Closing portion of a given quarter, the Blocker's combined U.S. federal and any applicable state and local marginal tax rate (taking into account any U.S. federal tax deduction for state and local taxes paid allowed by applicable law) with respect to the taxable income giving rise to such payment (or portion thereof).

EXAMPLE: For Q4 2024, the Company makes a distribution of $570,000,000 to Blocker. The Seller Note principal amount will not be increased by any portion of the Q4 2024 Synthetic Distribution Payment because the Q4 2024 Synthetic Distribution Payment is less than the distribution the Blocker received from the Company with respect to Q4 2024. Further, the Seller Note principal amount will be reduced by an amount equal to (1) $36,000,000, less (2) the product of (a) $36,000,000, multiplied by (b) the Applicable Percentage.

To the extent any such quarterly Synthetic Distribution Payment is made before Closing in an amount less than the corresponding Synthetic Distribution Payment amount for such quarter, then an amount equal to (1) the Deficient Amount, less (2) the product of (a) the Deficient Amount, multiplied by (b) the Applicable Percentage, will be included in the Seller Note, plus simple interest accruing at a rate equal to 10% per annum commencing on the date of such deficient quarterly payment due date listed in the table above through the Closing Date.

The "Deficient Amount" shall equal (1) the Synthetic Distribution Payment amount with respect to such quarter, less (2) the quarterly payment made to Blocker with respect to such quarter.

EXAMPLE: For Q4 2024, the Company makes a distribution of $500,000,000 to Blocker. The Seller Note principal amount will be increased by an amount equal to (1) $34,000,000, less (2) the product of (a) $34,000,000, multiplied by (b) the Applicable Percentage.

Any amount included in the Seller Note described in the preceding three paragraphs will continue to accrue interest at a rate equal to 10% per annum (from the due date listed in the table above).

For example, if Closing occurs on December 15, 2024 and the Q4 2024 quarterly distribution payment has been made in an amount equal to the corresponding Synthetic Distribution Payment amount for such quarter, the amounts of the Synthetic Distribution Payments for Q1 2025, Q2 2025, Q3 2025 and Q4 2025 will be included in the Seller Note. If Closing occurs on November 15, 2025 and the Q4 2025 quarterly distribution payment has not been made, only the amount of the Q4 2025 Synthetic Distribution Payment, plus the percentage of the amount of quarterly distribution that was less than the corresponding Synthetic Distribution Payment amount, calculated as shown above, will be included in the Seller Note.

Common Catch-Up Unreturned Contributions with respect to Blocker's Common Catch-Up Units, to the extent they are not fully paid to Blocker prior to the Closing, will be added to the principal amount under the Seller Note (and will be paid to Lender) solely when and if Blocker actually receives distributions from the Company in accordance with the current LLCA that reduce the "Common Catch-Up Unreturned Contribution".

The payment by the Blocker to the Lender in respect of such "Common Catch-Up Unreturned Contribution" shall be deemed to reduce such increase in the principal amount under the Note in respect thereof on a dollar for dollar basis, and no interest shall accrue under the Note in respect thereof.

[1] Capitalized terms used herein without definition will have the meanings ascribed to them in the Purchase Agreement to which this Term Sheet is attached.

Interest Rate	The principal amount under the Seller Note in respect of each Scheduled Payment as set forth above will accrue interest at a rate equal to 10% per annum (from the Scheduled Payment Date in respect thereof) (the "Principal Interest"). All accrued but unpaid interest due under the Seller Note shall be deemed to be paid in kind (and increase the outstanding principal amount under the Seller Note) on a quarterly basis. In addition, the 2029 Deferred Consideration Payments will bear stated interest from and after the Closing through the Scheduled Payment Date in respect thereof payable in cash at 50% of the rate sufficient to cover Lender's (or Lender's direct or indirect owners') anticipated aggregate federal and state income tax liability arising as a result of the application of section 483 of the Code (and similar provisions of state and local law) to such payments, calculated based on a combined then-effective company rate (the "Imputed Interest"). To the extent the Closing occurs on or prior to the earliest of (i) the later of (x) July 1, 2025 or (y) two Business Days after the closing by TPG Partners X, L.P. of committed capital in excess of $5,000,000,000, (ii) September 1, 2025 and (iii) the date of the closing of the Denver Transaction (such earliest date, the "Inside Date"), Imputed Interest shall be deemed to be paid in kind (and increase the outstanding principal amount under the Seller Note) on a quarterly basis during the period beginning at the Closing to the Inside Date, and thereafter shall be paid in cash. If the Closing occurs after the Inside Date, Imputed Interest shall be paid in cash.
Default Interest:	Interest on any past due but unpaid amount payable under the Seller Note during the existence of an Event of Default (defined below) will accrue at the rate of 10.00% per annum in excess of the non-default Interest Rate in effect at the time of such default.
Final Maturity:	December 31, 2031
Optional Prepayments:	The Seller Note may be voluntarily prepaid at any time without premium or penalty. Optional prepayments will be applied to the next succeeding tranche of principal to become due.
Mandatory Prepayments:	100% of net cash proceeds from incurrence of indebtedness for borrowed money by the Borrower or any of its subsidiaries, to the extent not prohibited by existing agreements of the Company's subsidiaries as in effect on the date hereof (other than as permitted by the Seller Note). If any portion of the Company's membership interests (other than the receipt by the Company of primary proceeds from an IPO), or a material portion of the Company's assets, are issued or sold after Closing for cash, any cash proceeds received by the Blocker in such issuance or sale (net of amounts to satisfy tax and other expenses incurred in connection with the sale) will be applied to repay the Seller Note promptly and without any reinvestment rights.
Documentation Precedent:	The definitive financing documentation for the seller note (the "**Seller Note**") shall be based on that certain credit agreement among DIRECTV Financing, LLC, as borrower, DIRECTV Financing Holdco, LLC, as holdings, the guarantors party thereto, Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent, and the lenders party thereto from time to time as in effect on the date hereof (the "**Documentation Precedent**") with appropriate modifications for "Holdco" debt and giving due regard to the $750 million senior secured notes offering due in 2030 and issued by DIRECTV Financing, LLC and DIRECTV Financing Co-Obligor, Inc (the "**Documentation Principles**"). For the avoidance of doubt, the Seller Note will only include provisions relevant to term loans denominated in US Dollars and will not include Incremental Facilities, Refinancing Facilities or Loan Extension provisions. The Seller Note will include customary liability management transaction protections (with respect to liability management transactions that are materially adverse to the Lender) to be mutually agreed that is customarily applicable to holdco debt.
Representations and Warranties:	The representations and warranties will apply to the Loan Parties and their respective subsidiaries and be substantially consistent with the Documentation Principles, with such modifications to be reasonably agreed, and shall be limited to the following: existence, qualification and power; compliance with laws; authorization; no contravention; governmental authorization; binding effect; no material adverse effect; ownership of property; margin regulations; Investment Company Act; solvency; USA PARIOT Act; anti-terrorism laws; collateral documents.

Affirmative Covenants:

The affirmative covenants will apply to the Loan Parties and their respective subsidiaries and be substantially consistent with the Documentation Principles, with such modifications to be reasonably agreed, and shall be limited to the following: financial statements (which may be satisfied by delivery of the financial statements delivered to the Company's senior secured lenders); certificates; other information; notices; payment of obligations; preservation of existence, etc.; maintenance of properties; maintenance of insurance; compliance with laws; books and records; inspection rights; covenant to guarantee obligations and give security; further assurances and post-closing covenants; and transactions with affiliates.

The affirmative covenants will also provide that Borrower will cause Blocker to distribute to Borrower any Distributable Excess Cash Flow (as defined in the Company LLCA (as defined below)) that has been distributed by the Company to Blocker (provided that Blocker may withhold amounts necessary to pay taxes). It is understood and agreed that the Company shall distribute all Distributable Excess Cash Flow (as defined in the Company LLCA as in effect on the date of the Agreement) in the manner and at the times set forth in the Company LLCA, and that Blocker shall not consent to any amendment, modification or waiver under the Company LLCA that reduces the amount of Distributable Excess Cash Flow to be received by the Blocker after the date of the Agreement.

Negative Covenants:

The negative covenants will apply to the Loan Parties and their respective subsidiaries and be substantially consistent with the Documentation Principles, with such modifications to be reasonably agreed, and shall be limited to the following: indebtedness (provided that the Borrower will not be permitted to incur additional Indebtedness); fundamental changes; change in nature of business; burdensome agreements; accounting changes; holdings.

The negative covenants will also provide:

- with respect to the indebtedness covenant, (x) subject to clause (y) below, baskets, thresholds and exceptions with respect to the incurrence of indebtedness by the Company and its subsidiaries shall be set based on the dollar baskets applicable to the Company and its restricted subsidiaries in the form of "New DTV Issuer Notes Indenture" attached as Appendix B-1 of the Exchange Offer Memorandum, dated September 30, 2024 with respect to the notes issued by Dish DBS Corporation (the "**Reference Form Indenture**"), and giving effect to a 15% cushion to all dollar baskets (*provided* that the corresponding basket in the Seller Note to the "credit facilities" basket set forth in Section 4.09(b) of the Reference Form Indenture shall provide that the aggregate dollar amount of such basket attributable to the New DTV Notes shall not be included unless and until the DTV Transactions are consummated) and (y) the unlimited ratio debt basket in respect of indebtedness incurred by the Company and its subsidiaries shall be set at a Total Net Leverage Ratio of the Company of 2.50:1.00;
- a restricted payments covenant applicable to the Loan Parties (provided that (i) there will not be prohibitions on payments to Borrower), (ii) amounts received by Blocker in respect of its Common Catch-Up Units will not be permitted to be used for distributions by the Borrower and shall instead be used solely to reduce the Common Catch-Up Unreturned Contributions under the Seller Note and (iii) the Seller Note shall permit distributions by the Borrower in respect of amounts received by Blocker in respect of Tax Distributions and/or other amounts received pursuant to the distribution waterfall (other than Common Catch-Up Unreturned Contributions) under the Company LLCA restrictions on amendments to the Amended and Restated Limited Liability Company Agreement of the Company dated July 31, 2021 (the "Company LLCA") that modify the distribution waterfall in a manner adverse to the Blocker (it being understood that any modification that makes distributions of any remaining Distributable Excess Cash Flow in the last step of the waterfall optional rather than mandatory shall be deemed to be adverse to the Blocker), reduce the dividend rate in respect of Tax Distributions (as defined in the Company LLCA) or that impairs or restricts the rights or remedies of the Blocker;
- a new covenant applicable to the Company stating that: after the Closing until the Common Catch-Up Unreturned Contributions are paid in full, the Company will not accelerate or delay the collection of or discount any accounts receivable, accelerate or delay the payment of accounts payable or defer expenses, reduce inventories, incur or repay indebtedness or otherwise increase cash on hand in each case, that would reduce or delay payment of the Common Catch-Up Unreturned Contributions, except in the ordinary course of business consistent with past practice; and
- a new covenant applicable to the Blocker stating that if the Common Catch-Up Unreturned Contributions are not paid in full by December 31, 2025, from and after January 1, 2026, all amounts received by Blocker in respect of Tax Distributions shall be applied to paying the Common Catch-Up Unreturned Contributions and not for any other purpose until the Common Catch-Up Unreturned Contributions are paid in full.

Events of Default:	Events of Default will be substantially consistent with the Documentation Principles, with such modifications to be agreed. For the avoidance of doubt, consummation of an IPO by the Company will not result in an Event of Default.
Assignment:	The Seller Note will be binding on Borrower and Borrower's successors and assigns. The Borrower may not assign the Seller Note without the Lender's prior written consent. The Lender may not assign the Seller Note (other than to a controlled affiliate of the Lender) without the Borrower's prior written consent so long as no Event of Default has occurred and is continuing; provided that the Lender may not assign the Seller Note to any Person that is not a United States resident Person for United States tax reporting purposes without the prior written consent of the Borrower.
Governing Law:	New York.

Exhibit 10.1

THIRD AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

NCWPCS MPL HOLDINGS, LLC,

a Delaware Limited Liability Company

TABLE OF CONTENTS

Page

1.1 Formation; No State-Law Partnership 2
1.2 Name 2
1.3 Purpose; Powers 2
1.4 Principal Place of Business 2
1.5 Term 2
1.6 Filings; Agent for Service of Process 3
1.7 Title to Assets 3
1.8 Payments of Individual Obligations 3
1.9 Outside Activities 3
1.10 Authorization 3
1.11 Definitions 3
1.12 Other Terms 21

SECTION 2 MEMBERS' CAPITAL CONTRIBUTIONS AND CAPITAL ACCOUNTS 22

2.1 Initial Capital Contribution 22
2.2 Additional Contributions 23
2.3 Other Matters; Capital Accounts 23
2.4 Additional Issuances 24
2.5 Non-Transferred Assets 24

SECTION 3 ALLOCATIONS 25

3.1 Profits and Losses 25
3.2 Special Allocations 25
3.3 Curative Allocations 26
3.4 Loss Limitation 26
3.5 Other Allocation Rules 27
3.6 Tax Allocations: Code Section 704(c) 27

SECTION 4 DISTRIBUTIONS 27

4.1 Amounts Distributed 27
4.2 Tax Withholding 28
4.3 Limitations on Distributions 29
4.4 Distributions and Payments to Members 30
4.5 Term SOFR Not Determinable 30

SECTION 5 MANAGEMENT; OPERATIONS 30

5.1 Authority of the Managing Member 30
5.2 Independent Managers 31
5.3 Managing Member and Officer Liability 32
5.4 Limitations on the Company's Activities; Certain Separateness Covenants 32
5.5 Certain Other Covenants 35
5.6 Compensation; Expenses 37
5.7 Withdrawal 38
5.8 Portfolio Requirements 38
5.9 Officers 38
5.10 Tower Asset Index 39

SECTION 6 ROLE OF MEMBERS 39

6.1 Rights or Powers 39
6.2 Voting Rights 40
6.3 Meetings and Consents of the Members 40
6.4 Withdrawal/Resignation 40
6.5 Member Compensation 40
6.6 Members' Liability 41
6.7 Indemnification 41
6.8 Confidentiality 42
6.9 Partition 43
6.10 Transactions Between a Member and the Company 43

SECTION 7 PREFERRED RETURN RESETS AND REMARKETINGS 44

7.1 Class A Preferred Return Rate Reset 44

SECTION 8 COVENANTS 46

8.1 Covenants 46

SECTION 9 ACCOUNTING, BOOKS, AND RECORDS 47

9.1 Accounting, Books, and Records 47
9.2 Reports 47
9.3 Rule 144A Information 49
9.4 Tax Matters 49

SECTION 10 AMENDMENTS 50

10.1 Amendments 50

SECTION 11 TRANSFERS; PURCHASE 51

11.1 Restriction on Transfers 51
11.2 Permitted Transfers 51
11.3 Conditions to Permitted Transfers 52
11.4 Prohibited Transfers 53
11.5 Rights of Unadmitted Assignees 53
11.6 Admission as Substituted Members 53
11.7 Distributions and Allocations in Respect of Transferred Membership Interests 55

SECTION 12 POWER OF ATTORNEY 56

12.1 Managing Member as Attorney-In-Fact 56
12.2 Nature of Special Power 56

SECTION 13 DISSOLUTION AND WINDING UP 57

13.1 Liquidation Event 57
13.2 Winding Up 58
13.3 Deficit Capital Accounts; Reserves 58
13.4 Rights of Members 59
13.5 Guaranteed Payments During Period of Liquidation 59
13.6 Allocations and Distributions During Period of Liquidation 59
13.7 Liquidating Distributions 59

13.8 The Liquidator 59

SECTION 14 NOTICE EVENTS 60

14.1 Notice Events 60
14.2 Liquidation Event Notice 60
14.3 Enforcement of Rights with respect to Demand Notes and other Transaction Documents 61

SECTION 15 REDEMPTION AND CONVERSION 61

15.1 Optional Redemption 61
15.2 Redemption Process 62
15.3 Treatment as Purchase Under Section 741 62
15.4 Automatic Conversion 62

SECTION 16 ADMINISTRATIVE AGENT 62

16.1 Authorization and Authority 62
16.2 Administrative Agent Individually 63
16.3 Duties of Administrative Agent; Exculpatory Provisions. 63
16.4 Reliance by Administrative Agent 64
16.5 Delegation of Duties 64
16.6 Resignation of Agent 64
16.7 Non-Reliance on Administrative Agent and Other Class A Limited Members 65
16.8 Fees; Indemnification 65

SECTION 17 MISCELLANEOUS 66

17.1 Notices 66
17.2 Binding Effect 66
17.3 Construction 66
17.4 Time 66
17.5 Headings 66
17.6 Severability 66
17.7 Governing Law 67
17.8 Consent to Jurisdiction 67
17.9 WAIVER OF JURY TRIAL 67
17.10 Counterpart Execution 67
17.11 Specific Performance 67
17.12 Entire Agreement 67
17.13 No Third Party Beneficiaries 67
17.14 Waiver 67
17.15 Non-Petition 68
17.16 Non-Business Days 68
17.17 Effectiveness 68

EXHIBITS

Exhibit A Form of Demand Note
Exhibit B Form of Class A Mandatory Remarketing Agreement
Exhibit C-1 Form of Class A Limited Membership Interest Certificate
Exhibit C-2 Form of Class B Common Membership Interest Certificate

SCHEDULES

Schedule A Membership Registry
Schedule B Valuation Methodology
Schedule C Leasing Companies
Schedule D Index Methodology

THIRD AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

NCWPCS MPL HOLDINGS, LLC

This THIRD AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this "***Agreement***") of NCWPCS MPL Holdings, LLC, a Delaware limited liability company (the "***Company***"), is entered into as of August 7, 2024 and shall become effective as of November 1, 2024 (the "***Effective Date***"), by and among New Cingular Wireless PCS, LLC, a Delaware limited liability company, as the Managing Member and a Class B Common Member, AT&T Investment & Tower Holdings, LLC, a Delaware limited liability company and a Class B Common Member ("***Tower Holdings***"), the Class A Limited Members listed on Schedule A attached hereto and Candace R. Corra and Gordon W. Stewart, as the Independent Managers, pursuant to the provisions of the Act, on the following terms and conditions (capitalized terms used herein without definition shall have the meanings specified in Section 1.11);

WHEREAS, the Company was formed as a limited liability company under and pursuant to the provisions of the Act and upon the terms and conditions set forth in the Limited Liability Company Agreement of the Company, dated as of August 5, 2016 (the "***Original LLC Agreement***"), with the Managing Member becoming at that time the sole member of the Company owning one hundred percent (100%) of the limited liability company interest in the Company in consideration of a capital contribution of $100.00;

WHEREAS, the Members agreed to amend and restate the Original LLC Agreement in its entirety as set forth in the Amended and Restated Limited Liability Company Agreement of the Company, dated as of September 26, 2019 (the "***A&R LLC Agreement***");

WHEREAS, the Members agreed to amend and restate the A&R LLC Agreement in its entirety as set forth in the Second Amended and Restated Limited Liability Company Agreement of the Company, dated as of December 11, 2019 (the "***Second A&R LLC Agreement***");

WHEREAS, in accordance with the Class A Reset Procedure set forth in Section 7.1(b) of the Second A&R LLC Agreement, the Company and all of the holders of Class A Limited Membership Interests have agreed upon the Class A Preferred Return Rate and desire to enter into this Agreement to make amendments to the Second A&R LLC Agreement as are necessary or appropriate to give effect to such agreement; and

WHEREAS, in order to reflect (a) the agreed upon Class A Preferred Return Rate, (b) the reclassification of the Class A Limited Membership Interests outstanding immediately prior to the Effective Date into Fixed Rate Class A Limited Membership Interests and (c) the transactions contemplated herein and in the other Transaction Documents, the Members have agreed to amend and restate the Second A&R LLC Agreement in its entirety as set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1

THE COMPANY

1.1 Formation; No State-Law Partnership. The fact that the Certificate of Formation is on file in the office of the Secretary of State of the State of Delaware shall constitute notice that the Company is a limited liability company. Pursuant to Section 18-201(d) of the Act, the Original LLC Agreement was effective as of the date of the filing of the Certificate of Formation. From the date of this Agreement, the rights and liabilities of the Members shall be as provided under the Act, the Certificate of Formation, and this Agreement. To the extent that the rights, powers, duties, obligations and liabilities of any Member (in its capacity as such) are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the Act, control. The Members intend that the Company not be a partnership (including a limited partnership) or joint venture, and that no Member be a partner or joint venturer of any other Member, for any purposes (including Section 303 of the United States Federal Bankruptcy Code) other than tax purposes and that this Agreement may not be construed to suggest otherwise.

1.2 Name. The name of the Company shall continue to be NCWPCS MPL Holdings, LLC and all business of the Company shall be conducted in such name or, as determined by the Managing Member, under any other name, provided that any such other name would not cause the Company to violate Section 5.4 of this Agreement.

1.3 Purpose; Powers.

(a) The sole purposes of the Company are:

(i) to conduct the Permitted Business; and

(ii) to do such other things and engage in any other activities that are necessary, convenient, or incidental to the foregoing purpose.

(b) The Company has the power to do any and all acts necessary, appropriate, proper, advisable, incidental, or convenient to, and in furtherance of, the purposes of the Company set forth in this Section 1.3 and has any and all powers that may be exercised on behalf of the Company by the Managing Member pursuant to Section 5 that are consistent with Section 1.3(a).

1.4 Principal Place of Business. The principal place of business of the Company shall be at 208 S. Akard Street, Room 1843, Dallas, Texas 75202. The Managing Member may change the principal place of business of the Company to any other place within or without the State of Delaware. The initial registered office of the Company in the State of Delaware is located at The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

1.5 Term. The term of the Company commenced on the date the Certificate of Formation was filed in the office of the Secretary of State of the State of Delaware in accordance with the Act and shall continue until the dissolution and the completion of the winding up of the Company in accordance with Section 13. The existence of the Company as a separate legal entity and this Agreement shall continue until the cancellation of the Certificate of Formation in accordance with the Act.

1.6 Filings; Agent for Service of Process.

(a) The Managing Member, or an agent of the Managing Member, was authorized to execute and cause the Certificate of Formation to be filed in the office of the Secretary of State of the State of Delaware as an authorized person within the meaning of, and otherwise in accordance with, the Act.

(b) The registered agent for service of process on the Company in the State of Delaware shall be The Corporation Trust Company or any successor as appointed by the Managing Member in accordance with the Act.

(c) Upon the dissolution and completion of the winding up of the Company in accordance with and subject to Section 13, the Liquidator, as an authorized person within the meaning of the Act, shall promptly execute and cause to be filed a Certificate of Cancellation in accordance with the Act and the laws of any other jurisdictions in which the Liquidator deems such filing or any similar filing to be necessary or advisable.

1.7 Title to Assets. All Property owned by the Company shall be owned by the Company as an entity, and all Property owned by any Subsidiary of the Company shall be owned by such Subsidiary, and no Member shall have any ownership interest in such assets in its individual name. Each Member's Membership Interest in the Company shall be personal property for all purposes. The Company shall hold title to all of its assets in the name of the Company, and each Subsidiary of the Company shall hold title to all of its assets in the name of such Subsidiary, and in each case not in the name of any Member.

1.8 Payments of Individual Obligations. The Company's credit and assets shall be used solely for the benefit of the Company, and no asset of the Company shall be transferred in satisfaction of, or encumbered for, or in payment of, any individual obligation of any Member.

1.9 Outside Activities. Neither this Agreement nor any of the other Transaction Documents nor any activity undertaken pursuant hereto or thereto shall prevent any Member, Independent Manager or any Affiliates of such Member or Independent Manager from engaging in whatever activities they choose, and any such activities may be undertaken without having or incurring any obligation to offer any interest in such activities to the Company, any Member or Independent Manager, or require any Member or Independent Manager to permit the Company or any other Member or Independent Manager or its Affiliates to participate in any such activities, and as a material part of the consideration for the execution of this Agreement by each Member and Independent Manager, each Member and Independent Manager hereby waives, relinquishes, and renounces any such right or claim of participation.

1.10 Authorization. Notwithstanding any provision in this Agreement, including Section 5, the Managing Member, on behalf of the Company, is hereby authorized to cause the Company to execute and deliver, and perform its obligations under, the Transaction Documents to which the Company is a party, all without any further action, consent, or approval of any Person.

1.11 Definitions. Unless otherwise specifically stated, the capitalized terms used in this Agreement shall have the following meanings:

"***A&R LLC Agreement***" has the meaning set forth in the Recitals.

"***Acceptable Rating***" means, with respect to any Person, (a) a senior unsecured debt rating of at least "BBB-" by S&P and "Baa3" by Moody's or (b) a senior unsecured debt rating of at least "BBB-" by

S&P or "Baa3" by Moody's and the absence of such rating by both Moody's and S&P does not trigger or otherwise result in any requirement that any debt of such Person be secured by any lien on any assets or property of such Person.

"***Act***" means the Delaware Limited Liability Company Act, 6 Del. Code Ann. Section 18-101, *et seq.* (or any corresponding provisions of succeeding law).

"***Adjusted Capital Account***" means, with respect to any Member, the balance in such Member's Capital Account as of the end of the relevant Allocation Year, after giving effect to the following adjustments:

(a) credit to such Capital Account any amounts which such Member is obligated to restore or is deemed obligated to restore pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) and the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(b) debit to such Capital Account the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6).

The foregoing definition of "Adjusted Capital Account" is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"***Adjusted Capital Account Deficit***" means, with respect to any Member, the deficit balance, if any, in such Member's Adjusted Capital Account as of the end of the relevant Allocation Year.

"***Administrative Agent***" has the meaning set forth in Section 16.1.

"***Administrative Agent Indemnitee***" has the meaning set forth in Section 16.8(b).

"***Affiliate***" means, with respect to any specified Person, (a) any Person directly or indirectly controlling, controlled by, or under common control with such specified Person, or (b) any officer, director, general partner, managing member or manager, trustee of, or Person serving in a similar capacity with respect to, such specified Person. For purposes of this definition, the terms "controlling," "controlled by," or "under common control with" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person or entity, whether through the ownership of voting securities, by contract, or otherwise. For the avoidance of doubt, (x) a Person shall be deemed to control any of its Subsidiaries and (y) a Member shall not be deemed to be an Affiliate of the Company or any other Member, and the Company shall not be deemed to be an Affiliate of any Member, solely as a result of such Member's ownership of Membership Interests; provided, however, that the Company and its Subsidiaries shall be deemed to be Affiliates of the Managing Member.

"***Agreement***" has the meaning set forth in the Preamble.

"***Allocation Year***" means (a) the period commencing on the date of this Agreement and ending on December 31, 2024, (b) any subsequent twelve (12) month period commencing on January 1 and ending on December 31 or (c) any portion of the period described in clauses (a) or (b) for which the Company is required to allocate Profits, Losses, and other items of Company income, gain, loss, or deduction pursuant to Section 3 unless the Company is required by Section 706 of the Code to use a different tax year, in which case "Allocation Year" shall mean such different tax year (or relevant portion thereof).

"***American Tower Agreements***" means that certain Agreement to Sublease, dated as of August 25, 2000, by and among SBC Wireless, Inc., Spectrasite Holdings, Inc., Southern Towers, Inc. and the other parties thereto, together with the schedules and exhibits thereto and each of the other "Transaction Documents" as defined therein.

"***AMT Common Stock***" has the meaning set forth in Schedule D.

"***AMT Enterprise Value***" has the meaning set forth in Schedule D.

"***AMT Index***" has the meaning set forth in Schedule D.

"***AMT Multiple***" has the meaning set forth in Schedule D.

"***AMT Total Revenue***" has the meaning set forth in Schedule D.

"***AMT Tower Enterprise Value***" has the meaning set forth in Schedule D.

"***AMT Tower Revenue***" has the meaning set forth in Schedule D.

"***AMT Weight***" has the meaning set forth in Schedule D.

"***Anti-Corruption Laws***" means, as to any Person, all laws, rules and regulations of any jurisdiction applicable to such Person concerning or relating to bribery, corruption or money laundering.

"***Assignment Agreement***" means that certain Distribution, Assignment and Assumption Agreement, dated as of October 31, 2019, by and among SBC Tower Holdings LLC and Tower Holdings.

"***AT&T Cash Management System***" means AT&T's Treasury Interco Payment System, used for processing payments and collections on behalf of the Managing Member and its Affiliates.

"***Bankruptcy***" means, with respect to any Person, a Voluntary Bankruptcy or an Involuntary Bankruptcy.

"***BHC Act***" means the U.S. Bank Holding Company Act of 1956 and any regulations, including Regulation Y of the Board of Governors of the Federal Reserve System, promulgated thereunder and interpretations thereof.

"***BHC Member***" means a Class A Limited Member that (a) is subject to the BHC Act, or is directly or indirectly "controlled" (as that term is defined in the BHC Act) by a company that is subject to the BHC Act and (b) indicates or indicated its intent to be treated as a BHC Member in writing to the Managing Member on or before the closing at which such Member is admitted to the Company.

"***Bid***" means an irrevocable offer to purchase in any Class A Mandatory Remarketing all, but not less than all, of the outstanding Class A Limited Membership Interests for cash in immediately available funds at a price per Class A Limited Membership Interest equal to the Unrecovered Capital with respect to such outstanding Class A Limited Membership Interests with the applicable Class A Preferred Return Rate equal to (x) the Bid Rate specified in such irrevocable offer to purchase in connection with any Class A Mandatory Remarketing in which the Managing Member has requested Bids for a fixed Class A Preferred Return Rate or (y)(1) the Bid Rate specified in such irrevocable offer to purchase in connection

with any Class A Mandatory Remarketing in which the Managing Member has requested Bids for a floating Class A Preferred Return Rate plus (2) the Remarketing Benchmark Rate.

"***Bid Rate***" means, in connection with any Class A Mandatory Remarketing, a number of basis points submitted in connection with a Bid.

"***Breakage Costs***" means, with respect to any Class A Limited Member, any amounts required to compensate such Class A Limited Member for any actual losses, costs or expenses that it may actually incur as a result of a transaction described in Section 13.2 or Section 15 that results in such Class A Limited Member receiving any payment in cash in respect of any Class A Limited Membership Interest on a day other than, (a) in the case of any Fixed Rate Class A Limited Membership Interests, a Class A Reset Date, and (b) in the case of any Floating Rate Class A Limited Membership Interests, the last day of a Class A Distribution Period, in each case including any loss (excluding loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds and the early termination or unwinding of any swap or other hedging arrangement entered into by such Class A Limited Member, as set forth in a certificate of such Class A Limited Member (which certificate shall include the methodology for calculating, and the calculation of, the amount of such actual loss or expense, in reasonable detail based on observable market references).

"***Business Day***" means any day that is not a Saturday, a Sunday, or a day on which banking institutions located in New York, New York are authorized or obligated by law to close.

"***Capital Account***" means, with respect to any Member of the Company, the capital account maintained for such Member in accordance with the capital account maintenance rules of Regulations Section 1.704-1(b).

"***Capital Contributions***" means, with respect to any Member of the Company, the amount of cash and the initial Gross Asset Value of any Property (other than cash) contributed to the Company by such Member, as set forth on Schedule A hereto, as such Schedule A may be updated from time to time in accordance with this Agreement.

"***Capital Lease Obligations***" means, with respect to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP; provided, however, that, notwithstanding the foregoing, in no event will any lease that would have been categorized as an operating lease as determined in accordance with GAAP prior to giving effect to the Accounting Standards Codification Topic 842, Leases, or any other changes in GAAP subsequent to the date of this Agreement, be considered a Capital Lease Obligation for purposes of this Agreement.

"***Cash Available for Distribution***" means, for any Class A Distribution Period, the cash held by the Company less the portion thereof used to pay or establish reasonable reserves for all Expenses of the Company (including Taxes), all as determined by the Managing Member in good faith and in its commercially reasonable judgment. Cash Available for Distribution will not be reduced by Depreciation or similar non-cash allowances, and will be increased by any reductions of reserves previously established pursuant to the first sentence of this definition.

"***Cash Equivalents***" means any of the following: (a) readily marketable direct obligations of the government of the United States or any agency or instrumentality thereof or obligations unconditionally

guaranteed by the full faith and credit of the government of the United States or (b) insured certificates of deposit of or time or demand deposits with any commercial bank that is a member of the Federal Reserve System, the parent of which issues commercial paper rated P-1 (or the then equivalent grade) by Moody's and A-1+ (or the then equivalent grade) by S&P, is organized under the laws of the United States or any state thereof and the long term unsecured debt of which is rated A2 or better by Moody's and A or better by S&P; provided, however, that all obligations and securities described in clauses (a) and (b) above (1) will not have an original maturity of longer than ninety (90) days, (2) will not include any obligations or securities denominated in a currency other than Dollars, (3) will not include any obligations or securities that provide for the extension of the original stated maturity thereof without the consent of any holder thereof affected thereby, (4) will not include any obligations or securities the payment or repayment of principal in respect of which is an amount determined by reference to any formula or index, or which is subject to any contingency, (5) will not include any obligations or securities that require the holder thereof to make advances to, or to purchase additional obligations or securities issued by, the issuer of such obligations or securities after the original date of issuance of such obligations or securities, and (6) will not include any obligation of or security issued by the Company or any of its Affiliates.

"***Cause***" means, with respect to an Independent Manager, (a) acts or omissions by such Independent Manager constituting fraud, dishonesty, negligence, misconduct or other deliberate action which causes injury to the Company or an act by such Independent Manager involving moral turpitude or a serious crime or (b) that such Independent Manager no longer meets the definition of "Independent Manager" set forth in this Agreement.

"***CCI Common Stock***" has the meaning set forth in Schedule D.

"***CCI Enterprise Value***" has the meaning set forth in Schedule D.

"***CCI Index***" has the meaning set forth in Schedule D.

"***CCI Multiple***" has the meaning set forth in Schedule D.

"***CCI Total Revenue***" has the meaning set forth in Schedule D.

"***CCI Tower Enterprise Value***" has the meaning set forth in Schedule D.

"***CCI Tower Revenue***" has the meaning set forth in Schedule D.

"***CCI Weight***" has the meaning set forth in Schedule D.

"***Certificate of Cancellation***" means a certificate filed in accordance with 6 Del. Code Ann. Section 18-203.

"***Certificate of Formation***" means the Certificate of Formation filed with the Secretary of State of the State of Delaware pursuant to the Act to form the Company, as originally executed on August 3, 2016 and as amended, modified, supplemented, or restated from time to time, as the context requires.

"***Class A Distribution Date***" means each February 1, May 1, August 1 and November 1 occurring prior to a Liquidation Event or, if such date is not a Business Day, the next succeeding Business Day.

"***Class A Distribution Period***" means the applicable period from (and including) a Class A Distribution Date to (but excluding) the next subsequent Class A Distribution Date.

"***Class A Failed Mandatory Remarketing****"* has the meaning set forth in Section 7.1(c)(v)(1).

"***Class A Failed Mandatory Remarketing Rate***" means, in respect of any Class A Distribution Period commencing on the occurrence of a Class A Failed Mandatory Remarketing, a rate per annum equal to the sum of (a) the then applicable reference rate use in Parent Applicable Credit Facility, plus (b) the non-default margin above such reference rate (including the applicable facility fee, if any) provided in Parent Applicable Credit Facility, plus (c) one hundred and thirty-five and a half (135.5) basis points, plus (d) seventy five (75) basis points multiplied by the number of Class A Failed Mandatory Remarketing Reset Dates since the most recent sale and purchase of all of the Class A Limited Membership Interests pursuant to a Class A Mandatory Remarketing.

"***Class A Failed Mandatory Remarketing Reset Date****"* has the meaning set forth in Section 7.1(c)(v)(1).

"***Class A Limited Member Preferred Return***" means, with respect to any Class A Limited Member, the return that will accrue during each Class A Distribution Period or portion thereof on the amount of such Class A Limited Member's Unrecovered Capital during such Class A Distribution Period, accrued (but not computed) daily at a rate equal to the applicable Class A Preferred Return Rate, computed using the actual number of days elapsed over a three hundred and sixty (360) day year.

"***Class A Limited Members***" means the Members of the Company that hold Class A Limited Membership Interests, in such capacity.

"***Class A Limited Membership Interests***" means Fixed Rate Class A Limited Membership Interests and Floating Rate Class A Limited Membership Interests.

"***Class A Mandatory Remarketing***" has the meaning set forth in Section 7.1(c)(i).

"***Class A Mandatory Remarketing Agent***" means, with respect to any Class A Mandatory Remarketing, MUFG or, if MUFG is unwilling or unable to serve as the Class A Mandatory Remarketing Agent or has ceased to own at least fifty percent (50%) of the Class A Limited Membership Interests held on the date hereof or has been replaced pursuant to the Class A Mandatory Remarketing Agreement, another remarketing agent selected by the Managing Member that would qualify as a Reference Corporate Dealer.

"***Class A Mandatory Remarketing Agreement***" means a remarketing agreement, substantially in the form of Exhibit B attached hereto, entered into by the Company and the Class A Mandatory Remarketing Agent, and including a fee due to any Class A Mandatory Remarketing Agent acceptable to the Company.

"***Class A Mandatory Remarketing Date***" means the date reasonably agreed by the Managing Member and the Class A Mandatory Remarketing Agent on which a Class A Mandatory Remarketing is conducted, which shall, unless otherwise agreed by the Managing Member and the Class A Mandatory Remarketing Agent, be a date no earlier than the twentieth (20^{th}) Business Day, and no later than the fifth (5^{th}) Business Day, prior to the applicable Class A Reset Date; provided, however, that the Managing Member and the Class A Mandatory Remarketing Agent may not, without the consent of all of the Class A Limited Members, agree on a Class A Mandatory Remarketing Date that is later than the applicable Class A Reset Date.

"***Class A Preferred Return Rate***" means (i) with respect to Fixed Rate Class A Limited Membership Interests, the Fixed Rate Class A Preferred Return Rate and (ii) with respect to Floating Rate Class A Limited Membership Interests, the Floating Rate Class A Preferred Return Rate.

"***Class A Purchase Date***" has the meaning set forth in Section 15.2(a).

"***Class A Purchase Price***" has the meaning set forth in Section 15.1(a).

"***Class A Reset Date***" means, as applicable, (a) November 1, 2029 or, if such date is not a Business Day, the next succeeding Business Day, or (b) the first Class A Distribution Date following the fifth anniversary of the immediately preceding Class A Reset Date, provided, however, that in the event of a Class A Failed Mandatory Remarketing, the date that is three (3) months following such Class A Failed Mandatory Remarketing Reset Date shall be a Class A Reset Date.

"***Class A Reset Period***" means the period beginning on (and including) November 1, 2024 and ending on (but excluding) the initial Class A Reset Date and each period thereafter beginning on (and including) a Class A Reset Date and ending on (but excluding) the immediately succeeding Class A Reset Date.

"***Class A-1 Subscription Agreement***" means the Subscription Agreement, dated as of September 26, 2019, by and among MUFG, Parent Company and the Company.

"***Class A-2 Subscription Agreement***" means the Subscription Agreement, dated as of December 11, 2019, by and among MUFG, Parent Company, the Company and (i) Intesa Sanpaolo S.p.A., (ii) SG Mortgage Finance Corp., (iii) Wells Fargo Bank, N.A., (iv) Banco Santander S.A., New York Branch, (v) Sumitomo Mitsui Banking Corporation, (vi) Royal Bank of Canada and (vii) Banco Bilbao Vizcaya Argentaria, S.A. New York Branch.

"***Class B Common Members***" means the Members of the Company that hold Class B Common Membership Interests, in such capacity.

"***Class B Common Membership Interests***" has the meaning set forth in Section 2.1(a).

"***Code***" means the United States Internal Revenue Code of 1986.

"***Company***" has the meaning set forth in the Preamble.

"***Company Minimum Gain***" has the same meaning as "partnership minimum gain" set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

"***Confidential Information***" has the meaning set forth in Section 6.8(a).

"***Consultation Period***" has the meaning set forth in Section 7.1(b).

"***Crown Castle Agreements***" means that certain Master Agreement, dated October 18, 2013, by and among Parent Company, Crown Castle International Corp. and the other parties thereto, together with the schedules and exhibits thereto and each of the "Collateral Agreements" as defined therein.

"***Demand Note***" means a demand note, substantially in the form of Exhibit A attached hereto, duly executed and delivered by Parent Company in favor of the Company.

"***Depreciation***" means, for each Allocation Year, an amount equal to the depreciation, amortization, depletion or other cost recovery deduction allowable with respect to an asset for such Allocation Year for U.S. federal income tax purposes, except that with respect to any asset whose Gross Asset Value differs from its adjusted tax basis for U.S. federal income tax purposes at the beginning of such Allocation Year, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the U.S. federal income tax depreciation, amortization, or other cost recovery deduction for such Allocation Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for U.S. federal income tax purposes of an asset at the beginning of such Allocation Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Managing Member.

"***Dollars***" means United States dollars.

"***Effective Date***" has the meaning set forth in the Preamble.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, and the regulations promulgated and rulings issued thereunder.

"***Exchange Act***" means the Securities Exchange Act of 1934, and the rules and regulations promulgated thereunder.

"***Expenses***" means any and all costs, liabilities, obligations, losses, damages, penalties, interest, Taxes, claims (including, but not limited to negligence, strict or absolute liability, liability in tort and liabilities arising out of violation of laws or regulatory requirements of any kind), actions, suits, costs, expenses, and disbursements (including, without duplication, reasonable legal fees and expenses).

"***Fee Letters***" means one or more letter agreements, dated as of the date hereof, by and between the Company and applicable Affiliates of certain Class A Limited Members.

"***Final Determination***" means (a) a decision, judgment, decree or other order by any court of competent jurisdiction, which decision, judgment, decree or other order has become final after all allowable appeals (other than appeals to the United States Supreme Court) by either party to the action have been exhausted or the time for filing such appeals has expired, (b) a closing agreement entered into under Section 7121 of the Code or any other settlement agreement entered into in connection with an administrative or judicial proceeding entered into in accordance with this Agreement, (c) the expiration of the time for instituting suit with respect to the claimed deficiency or (d) the expiration of the time for instituting a claim for refund, or if such a claim was filed, the expiration of the time for instituting suit with respect thereto.

"***Fiscal Quarter***" means each subsequent three-month period commencing on the day after the last day of the prior Fiscal Quarter and ending on the last day of December, March, June and September (or on the date of a final distribution pursuant to Section 13).

"***Fiscal Year***" means an annual accounting period ending December 31 of each year during the term of the Company; provided, however, that the last such Fiscal Year shall be the period beginning on January 1 of the calendar year in which the final liquidation and termination of the Company is completed and ending on the date such final liquidation and termination is completed. To the extent any computation or other provision hereof provides for an action to be taken on a Fiscal Year basis, an appropriate proration or other adjustment shall be made in respect of the first or final Fiscal Year to reflect that such period is less than a full calendar year period.

"***Fixed Rate Class A Limited Membership Interests***" has the meaning set forth in Section 2.1(a).

"***Fixed Rate Class A Preferred Return Rate***" means (a) for any Class A Distribution Period (or a portion thereof) occurring during the Class A Reset Period beginning on November 1, 2024, 5.90% per annum or (b) for any Class A Distribution Period or portion thereof occurring during any other Class A Reset Period, the Fixed Rate Class A Preferred Return Reset Rate; provided, however, that the Class A Preferred Return Rate for any Class A Distribution Period commencing on the occurrence of a Class A Failed Mandatory Remarketing shall equal the Class A Failed Mandatory Remarketing Rate for such Class A Distribution Period.

"***Fixed Rate Class A Preferred Return Reset Rate***" means, in respect of any Class A Reset Period, (a) if the Company and all of the holders of the Class A Limited Membership Interests reach agreement pursuant to Section 7.1(b), the rate agreed to by such parties in respect of Fixed Rate Class A Limited Membership Interests pursuant to Section 7.1(b) and (b) otherwise the rate determined in accordance with Section 7.1(c).

"***Floating Rate Class A Limited Membership Interests***" has the meaning set forth in Section 2.1(a).

"***Floating Rate Class A Preferred Return Rate***" means (a) for any Class A Distribution Period (or a portion thereof) occurring during the initial Class A Reset Period, a per annum rate equal to the Term SOFR *plus* 250 basis points for such Class A Distribution Period or (b) for any Class A Distribution Period or portion thereof occurring during any other Class A Reset Period, the Floating Rate Class A Preferred Return Reset Rate; provided, however, that the Class A Preferred Return Rate for any Class A Distribution Period commencing on the occurrence of a Class A Failed Mandatory Remarketing shall equal the Class A Failed Mandatory Remarketing Rate for such Class A Distribution Period.

"***Floating Rate Class A Preferred Return Reset Rate***" means, in respect of any Class A Reset Period, (a) if the Company and all of the holders of the Class A Limited Membership Interests reach agreement pursuant to Section 7.1(b), the rate agreed to by such parties in respect of Floating Rate Class A Limited Membership Interests pursuant to Section 7.1(b) and (b) otherwise the rate determined in accordance with Section 7.1(c).

"***Flow-Through Entity***" has the meaning set forth in Section 8.1(b).

"***GAAP***" means generally accepted accounting principles in the United States in effect from time to time.

"***Gross Asset Value***" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) the initial Gross Asset Value of any Property contributed (or deemed contributed) by a Member to the Company shall be the gross fair market value of such asset as agreed to by such contributing Member and the Managing Member;

(b) the Gross Asset Values of all items of Property shall be adjusted to equal their respective fair market value as of the following times: (i) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution, (ii) the distribution by the Company to a Member of more than a de minimis amount of Property as consideration for an interest in the Company, (iii) the liquidation of the

Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g) and (iv) any other time specified in Regulations Section 1.704-1(b)(2)(iv)(f)(5);

(c) the Gross Asset Value of any item of Property distributed to any Member shall be adjusted to equal the fair market value of such item on the date of distribution; and

(d) the Gross Asset Value of each item of Property shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m), subparagraph (vi) of the definition of "Profits" and "Losses" and Section 3.2(a); provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (d) to the extent that an adjustment pursuant to subparagraph (b) is required in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (d).

(e) If the Gross Asset Value of an item of Property has been determined or adjusted pursuant to subparagraph (a), (b), or (d), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset, for purposes of computing Profits and Losses.

"***Indebtedness***" means, with respect to a specified Person, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services, (c) all obligations of such Person evidenced by bonds, notes, debentures, or other similar instruments, (d) all indebtedness of such Person created or arising under any conditional sale or other title retention agreement (whether or not the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of such Person as lessee under leases which have been or should be, in accordance with GAAP, recorded as leases, including Capital Lease Obligations, (f) all obligations, contingent or otherwise, of such Person under acceptance, letter of credit or similar facilities, (g) all obligations of such Person to purchase, redeem, retire, defease, or otherwise acquire for value any partnership interests of such Person, and (h) all Indebtedness referred to in clauses (a) through (g) above guaranteed directly or indirectly by such Person through an agreement (A) to pay or purchase such Indebtedness or to advance or supply funds for the payment or purchase of such Indebtedness, (B) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Indebtedness or to assure the holder of such Indebtedness against loss, (C) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered), or (D) otherwise to assure clauses (a) through (g) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any lien on property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for payment of such Indebtedness; provided, however, that in no event shall Indebtedness include (x) prepaid rent of any kind in connection with the Crown Castle Agreements, American Tower Agreements or Vertical Bridge Agreements, to the extent such prepaid rent (1) was in existence on September 26, 2019 (in the case of prepaid rent in connection with the Crown Castle Agreements), (2) was in existence on December 11, 2019 (in the case of the American Tower Agreements or Vertical Bridge Agreements) or (3) is in existence on the date of (and as a result of) a Subsequent Closing (or equivalent term) pursuant to the Crown Castle Agreements or the Vertical Bridge Agreements, (y) any advances to the Company under the AT&T Cash Management System or (z) trade payables incurred in the ordinary course of business.

"***Independent Manager***" means an individual who has prior experience as an independent director, independent manager or independent member with at least three years of employment experience and who is provided by Corporation Service Company, CT Corporation, TMF Group New York LLC, National Registered Agents, Inc., Global Securitization Services, Inc., Stewart Management Company, Wilmington Trust, or, if none of those companies is then providing professional independent managers, another nationally-recognized company, in each case that is not an Affiliate of the Company and that provides professional independent managers and other corporate services in the ordinary course of its business, and which individual is duly appointed as an Independent Manager and is not, and has never been, and shall not while serving as Independent Manager be, any of the following:

(a) a member, partner, equityholder (except for publicly traded shares of any direct or indirect parent of the Company), manager, director, officer or employee of the Company, the Member or any of their respective equityholders or Affiliates (other than as an Independent Manager of the Company or an Affiliate of the Company that is not in the direct chain of ownership of the Company and that is required by a creditor to be a single purpose bankruptcy remote entity, provided that such Independent Manager is employed by a company that routinely provides professional independent managers in the ordinary course of its business);

(b) a creditor (except for publicly traded debt of any direct or indirect parent of the Company), supplier or service provider (including provider of professional services) to the Company, or any of its equityholders or Affiliates (other than a nationally-recognized company that routinely provides professional independent directors or managers and other corporate services to the Company or any of its equityholders or Affiliates in the ordinary course of its business);

(c) a family member of any such member, partner, equityholder, manager, director, officer, employee, creditor, supplier or service provider; or

(d) a Person that controls (whether directly, indirectly or otherwise) any of (a), (b) or (c) above.

A natural person who otherwise satisfies the foregoing definition and satisfies subparagraph (a) by reason of being the Independent Manager (or independent manager or director of a "special purpose entity" which is an Affiliate of the Company) shall be qualified to serve as an Independent Manager of the Company, provided that the fees that such individual earns from serving as Independent Manager (or independent manager or director of any Affiliate of the Company) in any given year constitute in the aggregate less than five percent (5%) of such individual's annual income for that year.

"***Independent Manager Management Agreement***" means the Indemnity and Fee Agreement, dated as of September 26, 2019, by and among Candace R. Corra, Gordon W. Stewart and the Company. The Independent Manager Management Agreement is deemed incorporated into, and a part of, this Agreement.

"***Index Advisor***" means TAP Advisors, or such other similar valuation firm as mutually agreed by the Managing Member and Required Class A Limited Members from time to time.

"***Index Methodology***" means the methodology set forth in Schedule D, as may be revised from time to time pursuant to Section 5.10.

"***Investment Company Act***" means the Investment Company Act of 1940, and the rules and regulations promulgated thereunder.

"***Involuntary Bankruptcy***" means, with respect to any Person, without the consent of such Person, the entering of an order for relief or approving a petition for relief or reorganization or any other petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or other similar relief under any present or future bankruptcy, insolvency, or similar statute, law, or regulation, or the filing of any such petition against such Person, which petition shall not be dismissed within sixty (60) days, or without the consent or acquiescence of such Person, the entering of an order appointing a trustee, custodian, receiver, or Liquidator of such Person or of all or any substantial part of the property of such Person, which order shall not be dismissed within sixty (60) days. The foregoing is intended to supersede and replace the events listed in Sections 18-101 and 18-304 of the Act with respect to any Member.

"***IRS***" means the U.S. Internal Revenue Service.

"***Leasing Companies***" means each of the entities set forth in Schedule C, as may be amended from time to time by the Managing Member in connection with contributions pursuant to Section 2.2.

"***Letter Agreement***" means the Letter Agreement, dated as of the date hereof, by and among the Parent Company and the parties hereto.

"***Lien***" means any lien, security interest or other charge or encumbrance of any kind, including the lien or retained security title of a conditional vendor.

"***Liquidation Event***" has the meaning set forth in Section 13.1(a).

"***Liquidation Event Notice***" has the meaning set forth in Section 14.2.

"***Liquidation Period***" has the meaning set forth in Section 13.5.

"***Liquidation Period Guaranteed Payment Date***" means each February 1, May 1, August 1 and November 1 occurring during the Liquidation Period and on the date on which all of the assets of the Company are distributed to the Members.

"***Liquidator***" has the meaning set forth in Section 13.8.

"***Losses***" has the meaning set forth in the definition of "Profits" and "Losses."

"***Managing Member***" initially means New Cingular Wireless PCS, LLC and thereafter means any Person designated as the Managing Member pursuant to Section 5.7, each in its capacity as the manager of the Company.

"***Material Action***" means to (a) consolidate or merge the Company with or into any Person, (b) sell, convey, transfer, assign, sublease, encumber or otherwise hypothecate or dispose of the Company's interest in and to any Property (except for the transactions expressly contemplated herein, in the other Transaction Documents or under the Crown Castle Agreements, American Tower Agreements or Vertical Bridge Agreements), (c) sell all or substantially all of the assets of the Company (except in connection with the exercise of the purchase options under the Crown Castle Agreements, American Tower Agreements or Vertical Bridge Agreements), (d) commence any case, proceeding or other action

on behalf of the Company under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, relief from debts or the protection of debtors generally, (e) institute proceedings to have the Company be adjudicated bankrupt or insolvent, (f) consent to or in any way collude with the institution of bankruptcy or insolvency proceedings against the Company, (g) file a petition seeking, or consent to, reorganization, arrangement, adjustment, winding-up, dissolution, composition, liquidation or other relief with respect to the Company or its debts under any applicable federal or state law relating to bankruptcy or insolvency, (h) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or a substantial part of its property, (i) make any assignment for the benefit of creditors of the Company, (j) admit in writing the Company's inability to pay its debts generally as they become due, (k) take any action in furtherance of any such action or (l) to the fullest extent permitted by law, dissolve or liquidate the Company.

"***Material Adverse Effect***" means, with respect to any Person, a material adverse effect on (a) the business, operations, properties or financial condition of such Person and its Subsidiaries taken as a whole, (b) the ability of such Person to perform its payment obligations under this Agreement or any of the Transaction Documents to which it is a party, (c) the ability of the Company to make distributions of the Class A Limited Member Preferred Return to the Class A Limited Members on each Class A Distribution Date or (d) any of the material rights or remedies available against such Person under this Agreement or any of the Transaction Documents to which such Person is a party.

"***Material Affiliate***" means, in the case of the Managing Member or the Parent Company, any Parent Company Entity that is a party to any Transaction Document.

"***Member***" means a Class A Limited Member or a Class B Common Member. A Member is a "member" of the Company for purposes of the Act.

"***Member Indemnitee***" has the meaning set forth in Section 6.7(a).

"***Member Nonrecourse Debt***" has the same meaning as the term "partner nonrecourse debt" set forth in Regulations Section 1.704−2(b)(4).

"***Member Nonrecourse Debt Minimum Gain***" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

"***Member Nonrecourse Deductions***" has the same meaning as the term "partner nonrecourse deductions" set forth in Regulations Sections 1.704-2(i)(1) and 1.704-2(i)(2).

"***Membership Interest***" means any limited liability company interest in the Company authorized by Section 2.1(a) representing the Capital Contributions made by a Member or its predecessors in interest, and including, except as set forth in Section 11.5, any and all benefits to which the holder of such an interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. Each Membership Interest and a certificate, if any, representing such interest shall constitute a "security" within the meaning of (a) Article 8 of the Uniform Commercial Code (including Section 8-102(a)(15) thereof) as in effect from time to time in the States of Delaware and New York and (b) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws (as

amended in 1999 by the American Law Institute and the National Conference of Commissioners on Uniform State Laws). In its capacity as issuer of the "securities" constituting Membership Interests, the "issuer's jurisdiction" (within the meaning of Section 8-110(d) of the Uniform Commercial Code) is the State of Delaware.

"***Membership Registry***" has the meaning set forth in Section 2.1(b).

"***Moody's***" means Moody's Investor Service, Inc. or its successor.

"***MUFG***" means MUFG Bank, Ltd., New York Branch or one or more of its Affiliates organized under the laws of the United States or any state thereof.

"***NCW Contribution Agreement***" means that certain Contribution Agreement, dated as of December 11, 2019, by and between the Company and the Managing Member.

"***Non-Transferred Asset***" has the meaning set forth in Section 2.5.

"***Nonrecourse Deductions***" has the meaning set forth in Regulations Sections 1.704-2(b)(1) and 1.704-2(c).

"***Nonrecourse Liability***" has the meaning set forth in Regulations Section 1.704-2(b)(3).

"***Notice Event***" has the meaning set forth in Section 14.1.

*"**OFAC**"* means Office of Foreign Assets Control of the US Department of the Treasury.

"***Officers***" has the meaning set forth in Section 5.9(a).

"***Original LLC Agreement***" has the meaning set forth in the Recitals.

"***Parent Applicable Credit Facility***" means, for purposes of calculating the Class A Failed Mandatory Remarketing Rate, (a) the $12,000,000,000 Amended and Restated Credit Agreement, dated as of November 18, 2022 (the "***Existing Parent Credit Facility***"), among Parent Company, the lenders parties thereto and Citibank, N.A., as administrative agent, as such facility may be amended, restated, refinanced or replaced from time to time so long as such facility as amended, restated, refinanced or replaced is widely syndicated and with similar tenor to the Existing Parent Credit Facility, and (b) if no such facility exists, the most widely syndicated unsecured floating-rate credit facility of Parent Company as of the date of the corresponding Class A Failed Mandatory Remarketing having a tenor similar to the Existing Parent Credit Facility.

"***Parent Company***" means AT&T Inc.

"***Parent Company Entity***" means Parent Company or any of its Subsidiaries (other than the Company).

"***Paying Agent***" means The Bank of New York Mellon, a New York banking corporation.

"***Paying Agency Agreement***" means that certain Paying Agency Agreement, dated as of December 11, 2019, by and between the Company and the Paying Agent.

"***Permitted Assets***" means: (a) one or more Demand Notes, (b) the Tower Assets and (c) cash and Cash Equivalents.

"***Permitted Business***" means (a) providing debt financing to Parent Company evidenced by Demand Notes (and possessing and exercising the rights and remedies attendant thereto), (b) directly or indirectly owning and leasing Permitted Assets and (c) engaging in other activities incidental to the foregoing, in the case of each of the foregoing clauses (a) through (c) on such terms as determined by the Managing Member in its reasonable discretion and otherwise in accordance with this Agreement, the other Transaction Documents and applicable law.

"***Preferred Return Distributions***" means distributions under Section 4.1(a).

"***Permitted Transfer***" has the meaning set forth in Section 11.2(d).

"***Permitted Transferee***" has the meaning set forth in Section 11.2(d).

"***Person***" means any individual, partnership (whether general or limited), limited liability company, corporation, trust, estate, association, nominee, or other entity.

"***Portfolio Compliance Certificate***" means a written certificate of the Managing Member signed by a Responsible Officer stating that (a) as of the date stated therein and for the period covered thereby, the Permitted Assets held by the Company satisfied the Portfolio Requirements (showing in reasonable detail calculations reasonably necessary to determine such compliance) and (b) identifying any asset held by the Company or any of its Subsidiaries that is not a Permitted Asset.

"***Portfolio Requirements***" has the meaning set forth in Section 5.8.

"***Prime Rate***" means the rate of interest last quoted by *The Wall Street Journal* as the "Prime Rate" in the U.S. or, if *The Wall Street Journal* ceases to quote such rate, the per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Managing Member) or any similar release by the Federal Reserve Board (as determined by the Managing Member).

"***Profits***" and "***Losses***" mean, for each Allocation Year, an amount equal to the Company's taxable income or loss for such Allocation Year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

(a) any income of the Company that is exempt from U.S. federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be added to such taxable income or loss;

(b) any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be subtracted from such taxable income or loss;

(c) in the event the Gross Asset Value of any item of Property is adjusted pursuant to subparagraph (b) or (c) of the definition of "Gross Asset Value," the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the Gross Asset Value of the item of Property) or an item of loss (if the adjustment decreases the Gross Asset Value of the item of Property) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses;

(d) gain or loss resulting from any disposition of any Property with respect to which gain or loss is recognized for U.S. federal income tax purposes shall be computed by reference to the Gross Asset Value of the item of Property disposed of, notwithstanding that the adjusted tax basis of such Property differs from its Gross Asset Value;

(e) in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Allocation Year, computed in accordance with the definition of "Depreciation";

(f) to the extent an adjustment to the adjusted tax basis of any item of Property pursuant to Code Section 734(b) or Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's Membership Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the item of Property) or loss (if the adjustment decreases such basis) from the disposition of such item of Property and shall be taken into account for purposes of computing Profits or Losses; and

(g) notwithstanding any other provision of this definition, any items that are specially allocated pursuant to Section 3.2 or Section 3.3 shall not be taken into account in computing Profits or Losses.

The amounts of the items of Company income, gain, loss, or deduction available to be specially allocated pursuant to Section 3.2 or Section 3.3 shall be determined by applying rules analogous to those set forth in subparagraphs (a) through (f) above.

"***Property***" means all real and personal property held or acquired by the Company, including cash, and any improvements thereto, and shall include both tangible and intangible property.

"***Proposed Replacement Index Methodology***" has the meaning set forth in Section 5.10.

"***PTP***" means a "publicly traded partnership," as defined in Code Section 7704, taxable as a corporation for U.S. federal income tax purposes.

"***Purchase Options Adjustments Factor***" has the meaning set forth in Schedule B.

"***Reconstitution Period***" has the meaning set forth in Section 13.1(b).

"***Reference Corporate Dealer***" means a leading dealer of publicly traded debt securities selected by the Managing Member, which dealer shall be a Qualified Institutional Buyer (as defined in Rule 144A under the Securities Act).

"***Regulations***" means the Treasury Regulations promulgated under the Code.

"***Regulatory Allocations***" has the meaning set forth in Section 3.3.

"***Remarketing Benchmark Rate***" means the rate specified by the Managing Member to the Class A Mandatory Remarketing Agent in connection with any Class A Mandatory Remarketing in which the Managing Member has requested Bids for a floating Class A Preferred Return Rate.

"***Representatives***" has the meaning set forth in Section 6.8(a).

"***Required Class A Limited Members***" means the holder or holders of more than fifty percent (50%) of any outstanding Class A Limited Membership Interests entitled to vote hereunder. If, at any relevant time, some but not all of the outstanding Class A Limited Membership Interests are owned by Parent Company or any of its Affiliates, then in determining whether holders of the requisite percentage of the Class A Limited Membership Interests have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, the Class A Limited Membership Interests owned by Parent Company or any of its Affiliates shall be disregarded and deemed not to be outstanding.

"***Responsible Officer***" means an officer of Parent Company or one of its Affiliates familiar with the financial affairs of the Company.

"***S&P***" means Standard & Poor's Rating Services, a division of The McGraw-Hill Corporation or its successor.

"***Sanctions***" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union or His Majesty's Treasury of the United Kingdom.

"***Second A&R LLC Agreement***" has the meaning set forth in the Recitals.

"***Secondary Purchase Agreement***" means an agreement containing customary terms and conditions to be dated as of the applicable Class A Reset Date (or such other date permitted by applicable law) among the Company, the Selling Class A Holders, the Class A Mandatory Remarketing Agent, and the Secondary Purchasers (selected in the manner provided in Section 7.1(c)) providing for the purchase of the Class A Limited Membership Interests by the Secondary Purchasers; provided, however, that (a) the only representations by a holder will be regarding such holder's good and marketable title to the Class A Limited Membership Interests and (b) the only obligation of a Selling Class A Holder shall be to sell the Class A Limited Membership Interests pursuant to a successful Class A Mandatory Remarketing.

"***Secondary Purchasers***" has the meaning set forth in Section 7.1(c)(iii).

"***Securities Act***" means the Securities Act of 1933, and the rules and regulations promulgated thereunder.

"***Selling Class A Holders***" has the meaning set forth in Section 7.1(c)(iv).

"***SOFR***" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"***SOFR Administrator***" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate selected by the Managing Member in its reasonable discretion).

"***Subsidiary***" means, with respect to any Person, any corporation, association or other business entity of which such Person, directly or indirectly, owns more than fifty percent (50%) of the issued and outstanding shares of capital stock or equity interests entitling such Person, directly or indirectly, to elect a majority of the directors of such corporation, association or other business entity or to otherwise control the management of such Person.

"***Tax Matters Representative***" has the meaning set forth in Section 9.4(a).

"***Taxes***" means any and all taxes (including net income, gross income, franchise, ad valorem, gross receipts, sales, use, property, and stamp taxes), and any and all levies, imposts, duties, charges, assessments, or withholdings in the nature of a tax, now existing or hereafter created or adopted, together with any and all penalties, fines, additions to tax, and interest thereon.

"***Term SOFR***" means, with respect to a Class A Distribution Period, the Term SOFR Reference Rate for a 3-month tenor on the day (such day, the "***Periodic Term SOFR Determination Day***") that is two (2) U.S. Government Securities Business Days prior to the first day of such Class A Distribution Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for a 3-month tenor has not been published by the Term SOFR Administrator, then the Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator, so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day.

"***Term SOFR Administrator***" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Managing Member in its reasonable discretion).

"***Term SOFR Reference Rate***" means the forward-looking term rate based on SOFR.

"***Three Month Period***" means each period commencing on each February 1, May 1, August 1 and November 1 and ending on (and excluding) May 1, August 1, November 1 and February 1, respectively (or on the date of a final distribution pursuant to Section 13).

"***Tower Asset Index***" means the Tower Asset Index, as determined by the Index Advisor pursuant to Section 5.10 and Schedule D.

"***Tower Assets***" means the equity interests in the Leasing Companies held by the Company from time to time.

"***Tower Company Operator***" means CCATT LLC, a Delaware limited liability company, American Tower Asset Sub II, LLC, a Delaware limited liability company, successor in interest to Southern Towers, Inc., a Delaware corporation, and Vertical Bridge Towers, LLC, a Delaware limited liability company, and such other entities performing similar services to Parent Company or its Affiliates as the Managing Member may specify from time to time.

"***Tower Holdings***" has the meaning set forth in the Preamble.

"***Tower Holdings Contribution Agreement***" means that certain Contribution Agreement, dated as of December 11, 2019, by and between the Company and Tower Holdings.

"***Transaction Documents***" means, collectively, this Agreement, the Letter Agreement, the Class A-1 Subscription Agreement, the Class A-2 Subscription Agreement, the NCW Contribution Agreement, the Tower Holdings Contribution Agreement, the Fee Letters, the Independent Manager Management Agreement and the Demand Notes. Each of such documents shall constitute a "Transaction Document" at such time as such document is executed and delivered by all of the necessary parties thereto.

"***Transfer***" means, as a noun, any voluntary or involuntary transfer, sale, exchange, any instrument that seeks to transfer an economic interest, or other disposition, and any hypothecation, pledge or other encumbrance, and, as a verb, voluntarily or involuntarily to transfer, sell, exchange, enter into any instrument that seeks to transfer an economic interest, or otherwise dispose of, and, except when used in reference to any Membership Interest, to hypothecate, pledge or otherwise encumber. The word "Transferred" has a meaning correlative thereto. The term "Transfer" shall include the use of a participation, derivative (such as a total return swap, credit linked note or credit default swap), financial instrument or similar contract the value of which is determined in whole or in part by reference to some or all of the Class A Limited Membership Interests for the purpose of either (a) transferring the benefit of gain and/or risk of loss on such Class A Limited Membership Interests or (b) hedging such Class A Limited Membership Interests; provided, for the avoidance of doubt, that interest rate or currency hedges and credit default swaps referencing Affiliates of the Company shall not be deemed to be Transfers hereunder.

"***U.S. Government Securities Business Day***" means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"***U.S. Net Taxpayer Members***" has the meaning set forth in Section 4.2.

"***United States***" or "***U.S.***" means the United States of America.

"***Unrecovered Capital***" means, for any Member, as of any date, the positive remainder, if any, of the Capital Contributions of such Member to the Company, less the amount of cash distributions in respect of such Capital Contributions (excluding any distributions of the Class A Limited Member Preferred Return), plus in the case of any Class A Limited Member, any accrued but undistributed Class A Limited Member Preferred Return through the applicable date. For the avoidance of doubt, (a) distributions to a Member under Section 4 will not be treated as in respect of such Member's Capital Contributions and (b) any accrued but undistributed Class A Limited Member Preferred Return as of any Class A Distribution Date shall be added to the Unrecovered Capital as of such Class A Distribution Date.

"***Valuation Methodology***" has the meaning set forth in Schedule B.

"***Value***" means (i) with respect to the Tower Assets, the value as determined according to the most recent valuation conducted pursuant to Section 5.8, (ii) with respect to the Demand Notes, the aggregate principal amount thereof and (iii) with respect to cash and Cash Equivalents, the face value thereof.

"***Vertical Bridge Agreements***" means that certain Master Agreement, dated as of October 28, 2014, among Parent Company, Vertical Bridge Holdings, LLC, Vertical Bridge Towers, LLC and the other parties thereto, together with the schedules and exhibits thereto and each of the "Collateral Agreements" as defined therein.

"***Voluntary Bankruptcy***" means, with respect to any Person, (a) the inability of such Person generally to pay its debts as such debts become due, or an admission in writing by such Person of its inability to pay its debts generally or a general assignment by such Person for the benefit of creditors, (b) the filing of any petition or answer by such Person seeking to adjudicate itself as bankrupt or insolvent, or seeking for itself any liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of such Person or its debts under any law relating to bankruptcy, insolvency, or reorganization or relief of debtors, or seeking, consenting to, or acquiescing in the entry of an order for relief or the appointment of a receiver, trustee, custodian, or other similar official for such Person or for any substantial part of its property, or (c) action taken by such Person to authorize any of the actions set forth above.

"***Winning Bid***" has the meaning set forth in Section 7.1(c)(ii)(5).

"***Winning Bid Rate***" has the meaning set forth in Section 7.1(c)(ii)(5).

1.12 Other Terms. Unless the content shall require otherwise:

(a) the definitions contained in this Agreement are applicable to the singular and the plural forms of such terms and to the masculine, feminine and neuter genders of such terms, and correlative forms of such terms have corresponding meanings;

(b) reference to "include," "includes," and "including" shall be deemed to be followed by the phrase "without limitation";

(c) reference in this Agreement to "herein," "hereby," "hereof," or "hereunder," or any similar formulation, shall be deemed to refer to this Agreement as a whole and not to any particular provisions of this Agreement;

(d) any reference to a statute, rule or regulation is to that statute, rule or regulation as now enacted or as the same may from time to time be amended, re-enacted or expressly replaced;

(e) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth therein);

(f) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns;

(g) the term "or" is used in its inclusive sense ("and/or"); and

(h) all references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context requires otherwise.

SECTION 2

MEMBERS' CAPITAL CONTRIBUTIONS AND CAPITAL ACCOUNTS

2.1 Initial Capital Contribution.

(a) The Company is authorized to issue two (2) classes of Membership Interests. One such class of voting, participating Membership Interests shall be designated as the "***Class B Common Membership Interests***," and the other class shall be a class of non-voting, non-participating Membership Interests, which shall consist of two (2) series designated as the "***Fixed Rate Class A Limited Membership Interests***" and the "***Floating Rate Class A Limited Membership Interests***". The Managing Member and each other Member acknowledges and agrees hereby that all Class A Limited Membership Interests shall rank, with respect to all distributions by the Company and rights on liquidation, dissolution or winding up of the Company and as otherwise provided in this Agreement, (i) senior to Class B Common Membership Interests and any other limited liability interests in the Company in all respects and (ii) pari passu in respect of each other Class A Limited Membership Interest in all respects (with the Class A Limited Member Preferred Return to be paid ratably). For the avoidance of doubt, the parties hereto agree that, except as provided in Sections 5.5(d), 15.1 and 15.4, all Class A Limited Membership Interests of any class or series shall have identical rights and obligations hereunder, other than in respect of their applicable Class A Preferred Return Rates.

(b) The name, mailing address and the Membership Interests of each Member shall be as set forth on Schedule A (the "***Membership Registry***"). As of the Effective Date, each Member shall have made such Capital Contributions to the Company as is set forth opposite such Member's name on the Membership Registry. In return for such initial Capital Contributions, the Company has issued to each of the Members the Membership Interests set forth opposite such Member's name on the Membership Registry. The Managing Member shall update the Membership Registry from time to time to reflect the addition, substitution, withdrawal or resignation of any Member and otherwise as necessary to reflect changes to the information therein. An update to the Membership Registry made in accordance with this Agreement shall not be deemed an amendment to this Agreement. Following reasonable request by a Member, the Managing Member shall provide such Member a copy of the then-current Membership Registry. Any reference in this Agreement to the Membership Registry shall be deemed a reference to the Membership Registry as amended and in effect from time to time. All Membership Interests shall be represented by certificates in the forms of Exhibit C-1 and Exhibit C-2 attached hereto and the Managing Member is expressly authorized to execute such certificates on behalf of the Company and to deliver such certificates to each Member.

(c) For the avoidance of doubt, and as indicated on the Membership Registry, the Managing Member (as of the date of this Agreement) and Tower Holdings are the only Class B Common Members of the Company as of the date of this Agreement.

2.2 Additional Contributions. No Member will be required to make any additional Capital Contributions, unless a Member has agreed to make an additional Capital Contribution and unless agreed upon by the Managing Member. Any Class B Common Member or any of its Affiliates may contribute from time to time such additional cash or other property as it may determine; provided, however, that any Capital Contribution made by any Class B Common Member or any of its Affiliates pursuant to this Section 2.2 shall consist of Permitted Assets and the Company shall, after giving effect to the additional contribution, satisfy each of the Portfolio Requirements.

2.3 Other Matters; Capital Accounts.

(a) Except as otherwise provided in Sections 4, 7, 11 and 13, or in the Act, no Member shall demand or receive a return of its Capital Contributions or withdraw from the Company without the consent of all Members. Under circumstances requiring a return of any Capital Contributions, no Member shall have the right to receive Property other than cash except as may be specifically provided in this Agreement.

(b) No Member shall receive any interest or draw with respect to its Capital Contributions or its Capital Account, except as otherwise provided in this Agreement.

(c) The Members shall not be liable for the debts, liabilities, contracts, or any other obligations of the Company. Except as otherwise provided by mandatory provisions of applicable state law and except with respect to the obligation of the Members to return to the Company a distribution made to any Member in violation of the Act at a time when such Member knew the distribution would violate the Act, such Member shall be liable only to make its Capital Contribution and shall not be required to lend any funds to the Company or, after its Capital Contribution has been made, to make any additional Capital Contributions to the Company.

(d) The Managing Member shall not have any personal liability for the repayment of any Capital Contributions of the Members.

(e) The Capital Account for each Member shall be maintained in accordance with the following provisions:

(i) to each Member's Capital Account there shall be credited (1) such Member's Capital Contributions (including any amounts deemed contributed to the Company), (2) such Member's distributive share of Profits and any items in the nature of income or gain that are specially allocated to such Member pursuant to Sections 3.2 or 3.3, and (3) the amount of any Company liabilities assumed by such Member or that are secured by any Property distributed to such Member;

(ii) to each Member's Capital Account there shall be debited (1) the amount of cash and the Gross Asset Value of any Property distributed to such Member pursuant to any provision of this Agreement, (2) such Member's distributive share of Losses and any items in the nature of deduction, expense, or loss which are specially allocated to such Member pursuant to Sections 3.2 or 3.3, and (3) the amount of any liabilities of such Member assumed by the Company or that are secured by any property contributed by such Member to the Company;

(iii) in the event a Membership Interest is Transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the Transferred Membership Interest; and

(iv) in determining the amount of any liability for purposes of subparagraphs (i) and (ii) above there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Code Section 704(b) and the Regulations thereunder, and shall be interpreted and applied in a manner consistent therewith. In the event the Managing Member shall determine in good faith and on a commercially reasonable basis that it is prudent to modify the

manner in which the Capital Accounts, or any debits or credits thereto are computed in order to comply with such Regulations, the Managing Member may make such modification; provided, however, that the Managing Member shall promptly give each other Member written notice of such modification.

2.4 Additional Issuances. The Company shall not issue additional Class A Limited Membership Interests. The Company reserves the right to issue one or more additional classes of Membership Interests with rights, privileges, preferences and restrictions junior in all respects to those of the Class A Limited Membership Interests. Each Member hereby agrees to enter into any amendments to this Agreement and the other Transaction Documents as are necessary or appropriate to give effect to the transactions contemplated by the foregoing sentence.

2.5 Non-Transferred Assets. Notwithstanding anything to the contrary in this Agreement, the Company and its Subsidiaries may distribute, transfer and assign any asset that is either (a) set forth on Schedule A to the Assignment Agreement, (b) an equity interest in any Person that is not a direct or indirect wholly owned Subsidiary of the Company or (c) any asset that is not a Permitted Asset, in each case to the extent such asset has not been distributed, transferred or assigned prior to the date hereof (each such asset, a "***Non-Transferred Asset***"). The Managing Member and the Company shall use their respective commercially reasonable efforts to promptly distribute, transfer and assign the Non-Transferred Assets. All distributions, transfers and assignments pursuant to this Section 2.5 shall be at the sole cost of the Managing Member and the Managing Member shall indemnify the Company from any costs or liabilities in connection with this Section 2.5. Subject to this Section 2.5, the Company and the Managing Member shall not be deemed to be in breach of any provision of this Agreement in connection with the Non-Transferred Assets pending the distribution, transfer or assignment contemplated by this Section 2.5. For the avoidance of doubt, with respect to any Non-Transferred Asset, it is intended that the relevant distributee, transferee or assignee (and not the Company and its Subsidiaries) shall hold the benefits and burdens of ownership of such Non-Transferred Asset as of the Effective Time (as defined in the Assignment Agreement), the distributee, transferee or assignee shall be treated as the beneficial owner of the Non-Transferred Asset for all Tax and other purposes (including in determining the Capital Accounts and allocations of Profit and Losses of the Company) and the Company (or the relevant Subsidiary) shall hold the Non-Transferred Asset as nominee or trustee for the benefit of the distributee, transferee or assignee until the Non-Transferred Asset has been formally registered in the name of the distributee, transferee or assignee.

SECTION 3

ALLOCATIONS

3.1 Profits and Losses

(a) After the application of Section 3.2, Profits and Losses for each Allocation Year shall be allocated among the Members in a manner such that the Capital Account of each Member, immediately after making such allocation, and after taking into account actual distributions made during such Allocation Year, is as nearly as possible, equal to: (i) the distributions that would be made to such Member if the Company were dissolved, its affairs wound up and its assets sold for cash equal to their Gross Asset Values (limited with respect to each Nonrecourse Liability to the Gross Asset Value of the assets securing such Nonrecourse Liability) and the net assets distributed in accordance with Section 13 to the Members minus (ii) such Member's share of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain. Subject to the other provisions of this Section 3, an allocation to a Member of a share of Profit or Loss shall be treated as an allocation of the same share of each item of income, gain, loss or deduction that is taken into account in computing Profits or Losses.

(b) The distributions to the Class A Limited Members of the Class A Limited Member Preferred Return shall be characterized as a guaranteed payment under Code Section 707(c), and the corresponding deduction shall be allocated to the Members holding Class B Common Membership Interests pro rata in proportion to their holdings of Class B Common Membership Interests.

3.2 Special Allocations. The following special allocations shall be made in the following order:

(a) **Minimum Gain Chargeback**. Except as otherwise provided in Regulations Section 1.704-2(f), notwithstanding any other provision of this Section 3, if there is a net decrease in Company Minimum Gain during any Allocation Year, each Member shall be specially allocated items of Company income and gain for such Allocation Year (and, if necessary, subsequent Allocation Years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 3.2(a) is intended to comply with the minimum gain chargeback requirement in Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(b) **Member Minimum Gain Chargeback**. Except as otherwise provided in Regulations Section 1.704-2(i)(4), notwithstanding any other provision of this Section 3, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Allocation Year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such Allocation Year (and, if necessary, subsequent Allocation Years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 3.2(b) is intended to comply with the minimum

gain chargeback requirement in Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) **Qualified Income Offset**. In the event that any Member unexpectedly receives any adjustments, allocations, or distributions described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Company income and gain shall be allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible; provided, however, that an allocation pursuant to this Section 3.2(c) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Section 3 have been tentatively made as if this Section 3.2(c) were not in this Agreement.

(d) **Gross Income Allocation**. In the event that any Member has an Adjusted Capital Account Deficit at the end of any Allocation Year, each such Member shall be allocated items of Company income and gain in the amount of such deficit as quickly as possible; provided, however, that an allocation pursuant to this Section 3.2(d) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Section 3 have been tentatively made as if Section 3.2(c) and this Section 3.2(d) were not in this Agreement.

(e) **Nonrecourse Deductions**. Nonrecourse Deductions for any Allocation Year shall be allocated to the Members holding Class B Common Membership Interests pro rata in proportion to their holdings of Class B Common Membership Interests.

(f) **Member Nonrecourse Deductions**. Any Member Nonrecourse Deductions for any Allocation Year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

(g) **Section 754 Adjustments**. To the extent an adjustment to the adjusted tax basis of any Company asset, pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(2) or 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of such Member's Membership Interest, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in accordance with their interests in the Company in the event Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Member to whom such distribution was made in the event Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

3.3 ***Curative Allocations***. The allocations set forth in Sections 3.2 and 3.4 (the "***Regulatory Allocations***") are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, the Regulatory Allocations shall be offset either with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 3.3. Therefore, notwithstanding any other provision of this Section 3 (other than the Regulatory Allocations), the Managing Member shall make such offsetting special allocations of Company income, gain, loss, or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of this Agreement. In exercising its discretion under this Section 3.3, the Managing Member shall take into account future

Regulatory Allocations that, although not yet made, are likely to offset other Regulatory Allocations previously made.

3.4 Loss Limitation. Losses allocated pursuant to Section 3.1 hereof shall not exceed the maximum amount of Losses that can be allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Allocation Year. In the event some, but not all, of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 3.1, the limitation set forth in this Section 3.4 shall be applied on a Member by Member basis and Losses not allocable to any Member as a result of such limitation shall be allocated to the other Members in accordance with the positive balances in such Member's Capital Accounts so as to allocate the maximum permissible Losses to each Member under Regulations Section 1.704-1(b)(2)(ii)(d).

3.5 Other Allocation Rules.

(a) Profits, Losses, and any other items of income, gain, loss, or deduction shall be allocated to the Members pursuant to this Section 3 as of the last day of each Fiscal Year; provided, however, that Profits, Losses, and such other items shall also be allocated at such times as the Gross Asset Values of the Company's assets are adjusted pursuant to subparagraph (ii) of the definition of "Gross Asset Value" in Section 1.11.

(b) For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be determined on a daily, monthly or other basis as determined by the Managing Member using any permissible method under Code Section 706 and the Regulations thereunder.

(c) The Members are aware of the income tax consequences of the allocations made by this Section 3 and hereby agree to be bound by the provisions of this Section 3 in reporting their shares of Company income and loss for income tax purposes, except as otherwise required by law.

3.6 Tax Allocations: Code Section 704(c). In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any Property contributed (or deemed contributed) to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such Property to the Company for U.S. federal income tax purposes and its initial Gross Asset Value (computed in accordance with the definition of "Gross Asset Value"). Such allocation shall be made in any permitted manner determined by the Managing Member, including any remedial or curative allocation methods permitted under Section 704(c) of the Code and the Regulations promulgated thereunder.

In the event the Gross Asset Value of any Property is adjusted pursuant to subparagraph (ii) of the definition of "Gross Asset Value," subsequent allocations of income, gain, loss, and deduction with respect to such Property shall take account of any variation between the adjusted basis of such Property for U.S. federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder. Such allocation shall be made in any permitted manner determined by the Managing Member, including any remedial or curative allocation methods permitted under Section 704(c) of the Code and the Regulations promulgated thereunder.

Allocations pursuant to this Section 3.6 are solely for purposes of federal, state, and local Taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, other items or distributions pursuant to any provision of this Agreement.

SECTION 4

DISTRIBUTIONS

4.1 Amounts Distributed.

(a) **Preferred Return Distributions**. Except as otherwise provided in Section 13, the Company shall make distributions, if, as and when declared by the Managing Member, to the Class A Limited Members on each Class A Distribution Date, in an amount equal to the cumulative amount of the Class A Limited Member Preferred Return accrued in respect of the related Class A Distribution Period for each such Class A Limited Member's Unrecovered Capital. Distributions pursuant to this Section 4.1(a) (including any distributions made subsequent to the Class A Distribution Date on which they were required to be made but prior to the succeeding Class A Distribution Date on which distributions are required to be made) shall be made to the Class A Limited Members of record fifteen (15) days prior to the relevant Class A Distribution Date. In the event that Managing Member declares a distribution in an amount less than the cumulative Class A Limited Member Preferred Return in respect of a particular Class A Distribution Period, and without limiting any other rights of the Class A Limited Members, the aggregate amount of the distribution shall be allocated between the Fixed Rate Class A Limited Membership Interests and, to the extent issued by the Company, the Floating Rate Class A Limited Membership Interests in the same proportion as would have been the case had the full amount been declared and such amount shall be paid to the holders of Fixed Rate Class A Limited Membership Interests and Floating Rate Class A Limited Membership Interests, as applicable, pro rata in proportion to their Unrecovered Capital of such class of Membership Interest. The Company shall make the distributions pursuant to this Section 4.1(a) to the Paying Agent or, at the Company's option, the Administrative Agent (if any) for the account of the Class A Limited Members, by wire transfer of same day funds in Dollars to such account as the Paying Agent or the Administrative Agent, as applicable, shall have designated in writing to the Company from time to time. The Company shall cause the Paying Agent or the Administrative Agent, as applicable, to promptly thereafter distribute, from funds furnished by the Company, to each Class A Limited Member to such account or accounts as each Class A Limited Member shall have designated in writing to the Paying Agent or the Administrative Agent, as applicable, from time to time, the amount due to such Class A Limited Member pursuant to this Section 4.1(a).

(b) **Other Distributions**. Any Cash Available for Distribution remaining after any distribution required pursuant to Section 4.1(a) or Section 13 to the Class A Limited Members has been made may be distributed by the Company to the Class B Common Members in such amounts as determined by the Managing Member, provided that (i) all distributions of the Class A Limited Member Preferred Return for all prior Class A Distribution Dates have been made, (ii) the Company will be in compliance with the Portfolio Requirements after giving effect to such distribution, (iii) a Notice Event described in Section 14.1(a) has not occurred, (iv) neither the Company nor the Managing Member is in breach of its obligations under this Agreement in any material respect, which breach remains uncured, and (v) any such permitted distribution is made promptly after the declaration thereof.

(c) **Limitation**. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to a Member on account of its Membership Interests if such distribution would violate the Act or other applicable law.

4.2 Tax Withholding. All payments and allocations to be made hereunder to the Members shall be made without setoff or counterclaim and free and clear of, and without any deduction for, any Taxes, unless otherwise required by law. The Company agrees not to withhold on Preferred Return

Distributions to Members (such Members, "***U.S. Net Taxpayer Members***") that have provided the Company with a true, correct and complete (a) IRS Form W-9 (excluding an IRS Form W-9 indicating that backup withholding is required) or (b) IRS Form W-8ECI, except as provided below. However, if the Company determines, in its reasonable discretion exercised in good faith and based on advice of its tax advisor, that any Taxes are required to be withheld under applicable law from any amounts distributable, payable or allocable to any Member hereunder (including in connection with any Class A Mandatory Remarketing), the Company or other relevant payor shall be entitled to deduct or withhold such Taxes and shall timely pay such Taxes to the relevant governmental entity in accordance with applicable law. Prior to making any deduction or withholding from Preferred Return Distributions to a U.S. Net Taxpayer Member, the Company shall provide ten (10) Business Days' prior written notice to the extent reasonably practicable (and to the extent such notice is not reasonably practicable, shall provide written notice as soon as reasonably practicable) to such Member of the amounts subject to deduction or withholding and a reasonable opportunity to provide forms or other documentation that would eliminate or mitigate such deduction or withholding. To the extent payments are required to be made by the Company to a governmental entity on behalf of or with respect to a Member in accordance with this Section 4.2 in an amount that exceeds the amount deducted or withheld with respect to such Member, the excess amount shall, at the election of the Managing Member, (i) be applied to and reduce the next distribution(s) otherwise payable to such Member under this Agreement (except to the extent of any payment for penalties attributable to the Company's gross negligence or willful misconduct) or (ii) be paid by the Member to the Company within thirty (30) days of written notice from the Managing Member requesting indemnification as described below. Any amount withheld pursuant to the Code or any other provision of federal, state or local tax or other law with respect to any distribution or payment to a Member shall be treated as an amount distributed or paid to such Member for all purposes under this Agreement. Each Member (including, for the avoidance of doubt, a former Member) agrees to indemnify the Company in full for any Taxes required to be paid to a governmental entity or regulatory authority in excess of amounts previously withheld by the Company with respect to such Member to the extent such Taxes are specifically attributable to such Member, including any interest, penalties (other than penalties attributable to the Company's gross negligence or willful misconduct) and reasonable out-of-pocket Expenses associated with such payments. For the avoidance of doubt, the Members agree for purposes of the immediately preceding sentence that failure to withhold under Section 1446 of the Code with respect to Preferred Return Distributions to U.S. Net Taxpayer Members would not constitute gross negligence or willful misconduct under current law. If it is asserted by the IRS that the Company is or was required to withhold tax under Section 1446 of the Code on any Preferred Return Distribution to any U.S. Net Taxpayer Member but (i) failed to do so, or (ii) paid less than the amount required under Section 1446 of the Code or the Regulations thereunder, the applicable Member agrees to cooperate to use commercially reasonable efforts to eliminate, mitigate and reduce any such withholding, any liability of the Company for tax that the Company is asserted to have failed to withhold and any associated penalties. The Managing Member agrees, absent a change in law occurring after the date hereof that would require withholding, that to the extent a Member provides (i) an IRS Form W-9 or (ii) a withholding certificate obtained through an application on IRS Form 8288-B or the procedures set forth in Rev. Proc. 2000-35 or any successor forms or procedures thereto, as applicable, (or evidence of the request for a withholding certificate) reducing or eliminating amounts otherwise required to be withheld or deducted and paid to the IRS prior to the date of any transaction giving rise to the obligation to withhold or deduct amounts attributable to such Member, it shall not withhold or deduct and pay over to the IRS any amount in excess of the amount required to be so withheld or deducted and paid as provided for on such withholding certificate provided under the foregoing clause (ii); provided that in the case of a pending request for such withholding certificate, the Managing Member shall be entitled to withhold the full amount required to be withheld or deducted, but shall not be entitled to pay over to the IRS any amount until: (a) the issuance of such withholding certificate by the IRS and, at such time, shall only pay over to the IRS the amount

required to be paid pursuant to such withholding certificate or (b) the IRS issues a notice of denial with respect to the request for such withholding certificate. For the avoidance of doubt, any amounts withheld or deducted attributable to a Member in excess of the amount required to be paid to the IRS under the preceding sentence shall be payable to such Member. The obligations of an applicable Member under this Section 4.2 shall survive the termination, dissolution, liquidation and winding up of the Company, the withdrawal of any Member or the transfer of any Member's interest in the Company, and for purposes of this Section 4.2, the Company shall be treated as continuing in existence.

4.3 Limitations on Distributions. The Company shall make no distributions to the Members except (i) as provided in this Section 4 and Section 13, or (ii) to the extent not inconsistent with Section 4 and Section 13 or with the provisions of any of the other Transaction Documents, as agreed to in writing by all of the Members.

4.4 Distributions and Payments to Members. It is the intent of the Members that no distribution or payment to any Member (including distributions under Section 4.1 and Section 13.2) shall be deemed a return of money or other property in violation of the Act. The payment or distribution of any such money or property to a Member shall be deemed to be a compromise within the meaning of Section 18-502(b) of the Act, and the Member receiving any such money or property shall not be required to return any such money or property to the Company, any creditor of the Company or any other Person. However, if any court of competent jurisdiction holds that, notwithstanding the provisions of this Agreement, any Member is obligated to return such money or property, such obligation shall be the obligation of such Member and not of the Company, any other Member or the Managing Member. Any amounts required to be paid under such obligation shall be treated as a permitted additional Capital Contribution pursuant to Section 2.2.

4.5 Term SOFR Not Determinable.

(a) If prior to the commencement of any Class A Distribution Period, the Required Class A Limited Members determine (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Term SOFR for such Class A Distribution Period, then such Required Class A Limited Members shall give notice thereof to the Company as promptly as practicable and, until such Required Class A Limited Members notify the Company that the circumstances giving rise to such notice no longer exist, the Floating Rate Class A Preferred Return Rate shall be calculated using the Prime Rate instead of the Term SOFR.

(a) If at any time the Required Class A Limited Members determine (which determination shall be conclusive absent manifest error) that (i) the circumstances set forth in Section 4.5(a) have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in Section 4.5(a) have not arisen but the supervisor for the Term SOFR Administrator has made a public statement identifying a specific date after which the Term SOFR shall no longer be used for determining interest rates for loans, then such Required Class A Limited Members and the Company shall establish an alternate rate of interest to that based on the Term SOFR that gives due consideration to the then-prevailing market convention for determining a rate of interest for loans in the United States at such time, and such Required Class A Limited Members and the Company shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes as the Company and such Required Class A Limited Members may determine to be appropriate (and for the avoidance of doubt, such amendment shall become effective without the consent of any other Person). Until an alternate rate of interest shall be determined in accordance with this Section 4.5(b) (but, in the case of the circumstances described in clause (ii) of the first sentence of this Section 4.5(b), only to the extent the

Term SOFR for such Class A Distribution Period is not available or published at such time on a current basis), Section 4.5(a) shall be applicable.

SECTION 5

MANAGEMENT; OPERATIONS

5.1 Authority of the Managing Member. The Managing Member constitutes a "manager" of the Company for purposes of the Act. The Members acknowledge that the Company shall be managed by the Managing Member, in its capacity as a manager of the Company, in accordance with Section 18-402 of the Act and subject to any restrictions set forth in the Certificate of Formation or this Agreement, all powers to control and manage the business and affairs of the Company and to bind the Company shall be exclusively vested in the Managing Member, in such capacity, and the Managing Member may exercise all powers of the Company and do all such lawful acts as are not by applicable law, the Certificate of Formation or this Agreement directed or required to be exercised or done by the Members and in so doing shall have the right and authority to take all actions that the Managing Member deems necessary, useful or appropriate for the management and conduct of the Company's business and affairs and in the pursuit of the purposes of the Company, including delegating the right and authority to take such actions to officers of the Managing Member or any of its Affiliates as are designated by the Managing Member or Officers; provided, however, for the avoidance of doubt, that any Officers shall have the authority on behalf of the Company to enter into this Agreement and the other Transaction Documents or any amendments hereto or thereto or any other document as may be contemplated herein or therein from time to time. Except as otherwise expressly provided for herein, the Members hereby agree to the exercise by the Managing Member of all such powers and rights conferred upon it by the Act with respect to the management and control of the Company. The Managing Member and each such officer and any other "manager," shall be an "authorized person" on behalf of the Company, as such term is used in the Act.

5.2 Independent Managers.

(a) Subject to Section 5.2(b), the Managing Member may determine at any time in its sole and absolute discretion the number of Independent Managers. The number of Independent Managers as of the date of this Agreement shall be two (2). Each Independent Manager, by accepting his or her appointment, agrees that he or she, solely in his or her capacity as a creditor of the Company on account of any indemnification or other payment owing to such Independent Manager by the Company, shall not acquiesce, petition, consent to or otherwise invoke or cause the Company to invoke the process of any court or governmental authority for the purpose of commencing or sustaining a case against the Company under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Company or any substantial part of the property of the Company, or ordering the winding up or liquidation of the affairs of the Company. Each Independent Manager designated by the Managing Member shall remain an Independent Manager until a successor is designated or until the Independent Manager's earlier death, resignation, expulsion or removal. Each Independent Manager must execute and deliver an agreement in the form of the Independent Manager Management Agreement. Independent Managers need not, and Independent Managers shall not, be Members. The initial Independent Managers designated by the Managing Member are Candace R. Corra and Gordon W. Stewart.

(b) At any time there are Class A Limited Membership Interests outstanding, the Managing Member shall cause the Company to have at least two (2) Independent Managers who shall be appointed by the Managing Member. No Independent Manager may be removed unless it is for Cause.

To the fullest extent permitted by law, including Section 18-1101(c) of the Act, and notwithstanding any duty otherwise existing at law or in equity, the Independent Managers shall consider only the interests of the Company, including its creditors, in acting or otherwise voting on the matters referred to in Sections 5.4(a), 5.4(b) and 5.5(a)(i). To the fullest extent permitted by law, including Section 18-1101(e) of the Act, an Independent Manager shall not be liable to the Company, the Members, the Managing Member or any other Person bound by this Agreement for breach of contract or breach of duties (including fiduciary duties), unless the Independent Manager acted in bad faith or engaged in willful misconduct or gross negligence. No resignation or removal of an Independent Manager, and no appointment of a successor Independent Manager, shall be effective until such successor shall have accepted his or her appointment as an Independent Manager by executing a counterpart to this Agreement and to the Independent Manager Management Agreement. At any time there are Class A Limited Membership Interests outstanding, in the event of a vacancy in the position of Independent Manager, the Managing Member shall, as soon as practicable, appoint a successor Independent Manager. All right, power and authority of the Independent Managers shall be limited to the extent necessary to exercise those rights and perform those duties specifically set forth in this Agreement. Except as provided in the third sentence of this Section 5.2(b), in exercising their rights and performing their duties under this Agreement, any Independent Manager shall have a fiduciary duty of loyalty and care similar to that of a director of a business corporation organized under the General Corporation Law of the State of Delaware. No Independent Manager shall at any time serve as trustee in bankruptcy for any Affiliate of the Company. An Independent Manager is hereby designated as a "manager" within the meaning of Section 18-101(10) of the Act.

5.3 Managing Member and Officer Liability. Except as required by the Act, as otherwise agreed in writing between the Company and any Managing Member or Officer of the Company or as expressly set forth in this Agreement, no Managing Member or Officer shall have any personal liability whatsoever in such Person's capacity as Managing Member or Officer, as applicable, whether to the Company, to any of the Members, to the creditors of the Company or to any other third party, for the debts, commitments or other obligations of the Company or any losses of the Company. No Managing Member or Officer shall have any fiduciary duty to the Company, any Member or any other Person in such Managing Member or Officer's capacity as Managing Member or Officer, as applicable, and no Managing Member or Officer shall have any liability to the Company, any Members or any other Person based on any claim of breach of fiduciary duty. Notwithstanding anything to contrary in this Agreement, the provisions of this Agreement to the extent that they restrict or eliminate the duties (including fiduciary duties) and liability of a Managing Member or Officer otherwise existing at law or in equity, are agreed by the Company, each Member and any other Person bound by this Agreement to restrict or eliminate such duties and liabilities of the Managing Member and Officers, as applicable.

5.4 Limitations on the Company's Activities; Certain Separateness Covenants.

(a) The Managing Member shall not amend, alter, change or repeal Sections 1.1, 1.3, 1.7, 1.8, 1.10, 1.11, 4, 5.2, 5.4, 5.5(b), 6.6, 6.7, 10.1, 11, 13, 17.2, 17.6, 17.7, 17.8, 17.9, 17.13 or 17.15 of this Agreement, in each case without the unanimous written consent of all Independent Managers. Subject to this Section 5.4, the Managing Member reserves the right to amend, alter, change or repeal any other provisions contained in this Agreement in accordance with and subject to Section 10.

(b) Notwithstanding any provision of this Agreement to the contrary (other than Section 13 and Section 14) and any provision of law that otherwise so empowers the Company, the Managing Member, the Members or any Officer or any other Person, none of the Managing Member, the Members, any Officer or any other Person shall be authorized or empowered, nor shall they permit the Company, without the prior unanimous written consent of the Managing Member and all Independent

Managers, to take any Material Action; provided, however, that neither the Members nor the Managing Member may authorize the taking of any Material Action unless there are at least two (2) Independent Managers then serving in such capacity. The Independent Managers shall be required to consider the interests of the creditors of the Company (including the Class A Limited Members) when making decisions pertaining to the Company.

(c) At any time there are Class A Limited Membership Interests outstanding, the Company shall, and the Managing Member shall cause the Company to, observe the following separateness covenants and not engage in any action or conduct inconsistent with the following:

(i) act and conduct its business solely in its own name through the Managing Member as agent, or through other agents selected in accordance with this Agreement, including the Officers;

(ii) hold all of its assets in its own name;

(iii) maintain separately its funds, assets and liabilities from the funds, assets and liabilities of any other Person, and not at any time pool or commingle any of its funds, assets or liabilities with the funds, assets and liabilities of any other Person, and not become involved in the day-to-day management of any other Person;

(iv) prepare and maintain complete and correct books, financial records and records of account, (A) separate and distinct from the books, financial records, bank accounts, depository accounts and records of account of any other Person, including any Affiliate, so that the separate assets and liabilities of the Company are separate and readily identifiable as separate and distinct from those of any such other Person and (B) in a manner so that it will not be difficult or costly to segregate, ascertain and otherwise identify the assets and liabilities of the Company as separate and distinct from the assets and liabilities of any other Person, except, in each case, that the Company's assets and liabilities may be included in a consolidated financial statement of any other Person (as required by applicable accounting principles) if such assets and liabilities also shall be listed on the Company's own separate balance sheet;

(v) pay all of its liabilities, losses and expenses only out of its own funds and not agree or hold itself out as having agreed to pay liabilities, losses or expenses of any other Person; provided, however, the foregoing shall not require any Member or any Affiliate of such Member to make any additional Capital Contributions to the Company;

(vi) except for additional Capital Contributions made by a Class B Common Member or any of its Affiliates and any other transactions expressly contemplated herein or in the other Transaction Documents, maintain an arm's-length relationship with its Affiliates and not engage in any transaction with any Affiliate except as may be entered into on an arm's- length basis under written documentation;

(vii) not identify itself as a division or department of any other Person;

(viii) except for the transactions expressly contemplated herein or in the other Transaction Documents, not become primarily or secondarily liable for the debts or obligations of any other Person, whether by guarantee, agreement to purchase assets, agreement to maintain the solvency or otherwise, or advance funds for the payment of expenses or otherwise on behalf of any other Person;

(ix) not hold out its credit as being available to satisfy the debts or obligations of any other Person, whether by guarantee, agreement to purchase assets, agreement to maintain the solvency or otherwise, or make its credit available to advance funds for the payment of expenses or obligations of any other Person except in connection with conducting the Permitted Business;

(x) maintain capital that is not unreasonably small capital under applicable Delaware law in light of its contemplated business operations; provided, however, that the foregoing shall not require any Member or any Affiliate of such Member to make any additional Capital Contributions to the Company;

(xi) at all times conduct transactions between the Company and third parties solely in the name of the Company and as an entity separate and independent from any other Person, including any Affiliate;

(xii) use separate stationery, invoices and checks;

(xiii) cause its representatives, employees and agents to hold themselves out to third parties as representatives, employees or agents, as the case may be, of the Company;

(xiv) except for the transactions expressly contemplated herein or in the other Transaction Documents, not (A) engage in any dissolution, liquidation, consolidation, merger or sale of substantially all of the Company's assets, (B) dispose of any of the Company's property or assets (other than by any distribution contemplated or permitted hereunder) or (C) cancel its Certificate of Formation, in each case without the affirmative vote of all Class A Limited Members;

(xv) not acquire assets or securities, or assume obligations, of any other Person, including any Affiliate, other than any Permitted Assets;

(xvi) not pay from its own funds the obligations of any kind incurred by Parent Company or any of its Affiliates;

(xvii) do all things necessary or appropriate to observe all Delaware limited liability company procedures and formalities and other organizational formalities and to preserve its separate existence, and maintain records of all limited liability company proceedings;

(xviii) not make any loans or advances to any Person (including any Affiliate), except Demand Notes;

(xix) be qualified under applicable law in the states in which its assets are located, if required by applicable law;

(xx) at all times operate and hold itself out to the public as a legal entity separate and distinct from its Members and any other Person (including any Affiliates) and, promptly upon becoming aware of any known misunderstandings regarding its separate and distinct identity, take all necessary action to correct any such known misunderstandings; and

(xxi) file its own tax returns, if any, as may be required under applicable law, to the extent the Company is (1) not part of a consolidated group filing a consolidated return or (2) not treated as a division for tax purposes of another taxpayer, and subject to the rights to contest the payment

of taxes set forth herein or in the other Transaction Documents, pay any taxes so required to be paid under applicable law.

Notwithstanding clauses (c)(iii), (v), (x), (xi), (xii), (xvi) and (xviii) and (xxi) above, the Managing Member may utilize the AT&T Cash Management System, which system the Managing Member represents (i) is the existing cash management system utilized by the Managing Member in the ordinary course of business consistent with past practice for processing payments and collections on behalf of the Managing Member and its Affiliates and (ii) is operated and maintained in a manner to permit the identification of (1) the payments made and the collections received on behalf of the Company and (2) the obligations and liabilities of the Company to the Members and the obligations and liabilities of the Members to the Company. The Managing Member covenants that (x) any advances to the Company under the AT&T Cash Management System shall be subordinated to any other obligations of the Company (including, for the avoidance of doubt, any obligations of the Company to the Class A Limited Members) and recourse shall be limited to funds available to the Company for such purpose and (y) if the aggregate unsettled liabilities or obligations of the Company relating to or resulting from the utilization of the AT&T Cash Management System exceed ten million Dollars ($10,000,000) at any time and remain outstanding for more than 365 days, such excess liabilities and obligations shall be extinguished in their entirety and deemed a Capital Contribution.

Notwithstanding clause (c)(xviii) above, the Managing Member, the Parent Company and the Company may enter into one or more agreements providing for a revolving lending facility pursuant to which the Company may make loans to the Parent Company, provided, that the aggregate amount of obligations outstanding under such agreements at any given time shall not exceed $100,000,000.

Failure of the Company or the Managing Member on behalf of the Company, to comply with any of the foregoing covenants or any other covenants contained in this Agreement shall not affect the status of the Company as a separate legal entity or the limited liability of the Members.

5.5 Certain Other Covenants.

(a) The Company shall, and the Managing Member shall cause the Company to, take all actions that may be necessary or appropriate for the (i) preservation and maintenance of the Company's limited liability company and other material rights (charter and statutory) and franchises; provided, however, that the Company shall not be required to preserve any right or franchise if the Managing Member and the Independent Managers unanimously determine that the preservation thereof is no longer desirable in the conduct of the Permitted Business and that the loss thereof is not disadvantageous in any material respect to the Company; (ii) maintenance and preservation of all of its properties that are used or useful in the conduct of the Permitted Business in good working order and condition, ordinary wear and tear excepted, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; (iii) compliance with all applicable laws, rules, regulations and orders, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; (iv) payment and discharge, before the same shall become delinquent, all federal and other material taxes, assessments and governmental charges or levies imposed upon the Company or its Property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; provided, however, that the Company shall not be required to pay or discharge any such tax, assessment, charge or levy that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to Property and

becomes enforceable against its other creditors; and (v) maintenance of insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by entities engaged in similar businesses and owning similar Properties in the same general areas in which the Company operates; provided, however, that the Company may self-insure to the extent consistent with prudent business practice.

(b) No Member, or any Affiliate of a Member, shall (A) hold itself out, or permit itself to be held out, as having agreed to pay or as being liable for the debts of the Company, guarantee any obligations or debts of the Company, or indemnify any Person or entity for losses resulting therefrom or (B) identify the Company as a division or department of any Member or Affiliate thereof.

(c) Except as contemplated by this Agreement, without the consent of the Required Class A Limited Members, the Company shall not, and the Managing Member shall not be authorized to, nor shall the Managing Member permit or cause the Company or its Subsidiaries to, take any of the following actions:

(i) carry on any business other than the Permitted Business;

(ii) cause or permit the Company to incur, assume, guarantee, or otherwise become liable for any Indebtedness;

(iii) cause or permit any Subsidiary of the Company to incur, assume, guarantee, or otherwise become liable for any Indebtedness, other than with respect to any financing obligations required in connection with the Crown Castle Agreements, American Tower Agreements or Vertical Bridge Agreements;

(iv) (A) incur, create or grant any mortgage, pledge or security interest or other Lien material to the Company or any of its Subsidiaries on its property or assets for the benefit of any other Person, or (B) pledge, hypothecate or re-hypothecate its assets (including, for the avoidance of doubt, the Demand Notes) or assets pledged to it, other than Liens on assets of the Subsidiaries pursuant to, and in respect of their obligations under, the Crown Castle Agreements, the American Tower Agreements or the Vertical Bridge Agreements;

(v) adopt or change a significant tax or accounting practice or principle, make any significant tax or accounting election, or adopt any position for purposes of any tax return, in each case, that will have a material adverse effect on any Class A Limited Member (and, in each case, except as required by applicable law or as expressly contemplated by this Agreement);

(vi) issue any Membership Interests or reclassify any Membership Interests into Class A Limited Membership Interests or other Membership Interests having powers, preferences or rights with respect to distributions or redemptions that are senior to or on parity with Class A Limited Membership Interests;

(vii) form, acquire or hold any subsidiary other than Leasing Companies that are special purpose entities with separateness provisions substantially similar to those in the organizational documents existing on the date of this Agreement;

(viii) permit any Subsidiary of the Company to issue any equity interests other than to the Company or a wholly-owned Subsidiary of the Company or, in the case of equity interests of the Company, as expressly permitted by this Agreement;

(ix) repurchase any of the Company's Membership Interests, other than pursuant to Section 15;

(x) distribute to any Member any asset or property of any kind, or make any other discretionary distribution to any Member, other than as contemplated or permitted by Agreement and other than in the course of the liquidation of the Company;

(xi) sell, transfer or dispose of any Demand Note;

(xii) sell, transfer or dispose of any Permitted Assets owned by the Company unless following such sale, transfer or disposition, the Company would be in compliance with each of the Portfolio Requirements;

(xiii) merge, consolidate, or engage in any other business consolidation with any Person, except for any such transactions with or among wholly-owned Subsidiaries of the Company;

(xiv) to the fullest extent permitted by law, cause or permit the dissolution, winding up or termination of the Company except as contemplated by this Agreement;

(xv) enter into, amend or otherwise grant a waiver or forbearance under, any transaction with a Member or its Affiliates, including any purchase, sale, lease or exchange of property or assets or the rendering of any service, and including the Demand Notes, unless (a) otherwise contemplated or permitted by this Agreement and (b) on terms no less favorable to the Company or its applicable Subsidiaries than could be otherwise obtained in an arm's-length transaction; and

(xvi) fail to timely perform its obligations under the Demand Notes, including any obligation to provide tax forms.

(d) Notwithstanding any other provisions of this Agreement, all BHC Members shall be subject to the limitations on voting set forth in this Section 5.5(d). If at any time the Class A Limited Membership Interests are deemed to be "voting securities" as defined in 12 CFR 225.2(q)(1), and a BHC Member holds any Class A Limited Membership Interests that would otherwise represent five percent (or such greater or lesser percentage as may be permissible hereafter under the BHC Act) or more of the outstanding Class A Limited Membership Interests entitled to vote, including without limitation on the matters described in Section 5.5(c), subject to the following sentence, such BHC Member may not vote any portion of its Class A Limited Membership Interests in the Company entitled to vote. Whenever the vote, consent, or decision (other than a vote, consent or decision pertaining to a matter that does not result in the interest being a "voting security" as defined in 12 CFR 225.2(q)(1)) of a Class A Limited Member is required or permitted pursuant to this Agreement, a BHC Member and its Transferees shall not be entitled to participate in such vote or consent, or to make such decision, with respect to the portion of such BHC Member's and its Transferees interest, collectively, in excess of 4.99% of the outstanding Class A Limited Membership interests, and any such vote, consent or decision shall be tabulated or made as if such BHC Member and its Transferees were not Members with respect to such BHC Member's or Transferees' Interest in excess of 4.99% of the total outstanding Class A Limited Membership Interests (and with any voting rights up to 4.99% being allocated pro rata among the BHC Member and its Transferee). Except as provided in this Section 5.5(d), any outstanding Class A Limited Membership Interests of a BHC Member and its Transferees shall be identical to the Class A Limited Membership Interest of the other Members. Any such Class A Limited Membership Interest held by a BHC Member and/or its Transferees shall continue to be subject this Section 5.5(d) notwithstanding any permitted assignment or transfer unless the BHC Member or its Transferee has transferred its Class A Limited

Membership Interest to a person that is not an Affiliate of such transferor (i) in a widespread public distribution; (ii) in a transfer in which no transferee (or group of associated transferees) receives two percent or more of the outstanding Class A Limited Membership Interests entitled to vote; (iii) in a transfer to single party (e.g., a broker or investment banker) for the purpose of conducting a widespread public distribution on behalf of the BHC Member and/or its Transferees or (iv) in a transfer to a transferee that controls more than fifty percent (50%) of the outstanding Membership Interests entitled to vote, not including any outstanding Membership Interests entitled to vote that were transferred by the BHC Member or its Transferees. For purposes of this Section 5.5(d), "Transferees" means any person to which the BHC Member transfers (including by way of a sale, assignment, hypothecation, disposition or other transfer of the legal or beneficial ownership or economic benefits) any of its Class A Limited Membership Interests, and any of their transferees, in each case, other than a transferee in the circumstances described in (i)-(iv) above.

5.6 Compensation; Expenses.

(a) The Managing Member shall not receive any salary, fee, or draw for services rendered to, or on behalf of, the Company or otherwise in its capacity as a manager of the Company or a Member, nor shall the Managing Member be reimbursed for any Expenses incurred by the Managing Member on behalf of the Company or otherwise in its capacity as a manager of the Company or a Member.

(b) The Managing Member may charge the Company, and shall be reimbursed, for all out-of-pocket documented expenses necessary in connection with the operation of the Company (including paying the fees and expenses to the Independent Managers), provided that (i) all distributions of the Class A Limited Member Preferred Return for all prior Class A Distribution Dates have been made, (ii) the Company will be in compliance with each of the Portfolio Requirements after giving effect to such reimbursement, (iii) the Notice Event described in Section 14.1(a) has not occurred and (iv) the Company is not in breach of its obligations under this Agreement in any material respect. Such reimbursement shall be treated as operating expenses of the Company and shall not be deemed to constitute distributions to any Member of profit, loss, or capital of the Company.

5.7 Withdrawal.

(a) The Managing Member may at any time deliver to the Members written notice of the Managing Member's intent to withdraw as a manager of the Company (within the meaning of the Act).

(b) In the event that the Managing Member seeks to withdraw as a manager of the Company, the Managing Member shall remain as a manager until a successor manager is appointed. A successor manager shall be appointed by the Managing Member; provided, however, that any such successor shall be an Affiliate of Parent Company (unless a majority of the Class B Common Membership Interests have been Transferred to a Person who is not an Affiliate of Parent Company with the consent of the Required Class A Limited Members pursuant to Section 11.2(a)).

(c) Any withdrawal of the Managing Member as a manager shall not affect the status of such Managing Member as a Member, except to the extent otherwise provided in this Agreement, including Section 11.

Notwithstanding the foregoing, while any Affiliate of Parent Company is the Managing Member, upon any Transfer by the Class B Common Members of all or any portion of the Class B Common

Membership Interests to an Affiliate of Parent Company satisfying the requirements set forth in Section 11.2(a), such Permitted Transferee may, at the election of the Managing Member, succeed to the rights of the Managing Member hereunder to be the manager of the Company (within the meaning of the Act), without obtaining the consent of the Required Class A Limited Members and, in such event, such successor shall be deemed admitted to the Company as a manager (within the meaning of the Act) and shall have all rights of the Managing Member hereunder.

5.8 Portfolio Requirements. So long as any Class A Limited Membership Interests remain outstanding, the Company shall comply with each of the following requirements (the "***Portfolio Requirements***"):

(a) **Valuation**. The Company shall conduct a valuation pursuant to the Valuation Methodology on an annual basis.

(b) **Asset Coverage**. The Company shall hold Permitted Assets such that, at all times, the ratio of (x) the aggregate Value of such Permitted Assets to (y) the sum of (1) the aggregate Unrecovered Capital of the Class A Limited Members plus (2) all Indebtedness and short-term liabilities (excluding any obligations arising from a distribution declared pursuant to Section 4.1(a)) of the Company and its Subsidiaries shall be at least 2:1.

(c) **Demand Notes**. The Company shall hold Demand Notes such that, at all times, the ratio of the aggregate principal amount of such Demand Notes to the aggregate Unrecovered Capital of the Class A Limited Members shall be at least 1:1.

(d) **Parent Rating**. Parent Company shall have and maintain an Acceptable Rating.

5.9 Officers.

(a) **General**. The Company may have such officers as the Managing Member shall from time to time determine (collectively, the "***Officers***"). Any number of offices may be held by the same Person. Officers need not be Members or residents of the State of Delaware. Nothing contained in this Section 5.9(a) shall be deemed to limit or otherwise abridge any rights or obligations to which the Company or an Officer may be subject pursuant to the terms of any employment, management or other similar agreement.

(b) **Appointment of Officers**. The Managing Member shall have the sole power to designate Officers. Any Officers so designated shall have such authority and perform such duties as the Managing Member may, from time to time, delegate to them. The Managing Member may assign titles to particular Officers. Each Officer shall hold office for the term for which he or she is elected or until he or she shall resign or shall have been removed in the manner hereinafter provided.

(c) **Resignation/Removal**. Any Officer may resign as such at any time. Such resignation shall be made in writing and shall take effect at the time specified therein or, if no time be specified, at the time of its receipt by the Managing Member. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation. Subject to the terms of any applicable employment agreement, any Officer may be removed as such, either with or without cause, at any time by the Managing Member.

(d) **Titles**. The Managing Member may permit any of the Officers of the Company to use additional or alternative titles or job descriptions in furtherance of the Permitted Business. Each

Officer shall be deemed for purposes of this Agreement to be acting in his or her capacity as an Officer of the Company notwithstanding the permitted title or titles used by such Person.

5.10 Tower Asset Index. Not more frequently than once per Fiscal Quarter, the Managing Member shall cause the Index Advisor to calculate the Tower Asset Index in accordance with the Index Methodology, as may be adjusted by the Index Advisor for any material acquisitions, divestitures or other material non-recurring events based on the Index Advisor's judgment; provided, however, that in the event the Index Advisor reasonably determines that the necessary information to calculate the Tower Asset Index using the Index Methodology cannot reasonably be obtained (including in the event American Tower Corp.'s or Crown Castle International Corp.'s common stock no longer traded on any securities exchange), the Managing Member shall cause the Index Advisor to propose a substantially similar methodology (the "***Proposed Replacement Index Methodology***") to the Managing Member and the Class A Limited Members, and the Managing Member shall cause the Index Advisor to consider in good faith comments from the Managing Member and the Class A Limited Members on such Proposed Replacement Index Methodology. Such Proposed Replacement Index Methodology shall be deemed to replace the Index Methodology effective as of the fifteenth (15^{th}) Business Day following receipt by the Managing Member and the Class A Limited Members of the Proposed Replacement Index Methodology. The Managing Member shall promptly revise Schedule D (without requiring the consent of any other Member) to reflect such revised Index Methodology.

SECTION 6

ROLE OF MEMBERS

6.1 Rights or Powers. Other than the rights and powers expressly granted to the Managing Member pursuant to Section 5, the Members, in their capacities as members of the Company, hereby agree not to exercise any right or power to take part in the management or control of the Company or its business and affairs and shall not have any right or power to act for or bind the Company in any way. Without limiting the generality of the foregoing, the Members, in such capacities, have all of the rights and powers specifically set forth in this Agreement and, to the extent not inconsistent with this Agreement, in the Act.

6.2 Voting Rights. No Member has any voting right except with respect to those matters specifically reserved for a Member consent or other right that are set forth in this Agreement and as required in the Act.

6.3 Meetings and Consents of the Members.

(a) Meetings of the Members may be called at any time by the Managing Member. The call shall state the nature of the business to be transacted. Notice of any such meeting shall be given to all Members not less than five (5) Business Days nor more than thirty (30) days prior to the date of such meeting; provided, however, that the Members may agree in writing to a shorter notice period than five (5) Business Days. Members may attend in person, by proxy or by telephone at such meeting and may waive advance notice of such meeting.

(b) For the purpose of determining the Members entitled to attend any meeting of the Members or any adjournment thereof, or provide a consent with respect to any action discussed at such meeting, the Managing Member or the Members requesting such meeting may fix, in advance, a date as

the record date for any such determination. Such date shall not be more than thirty (30) days nor less than five (5) Business Days before any such meeting.

(c) Where the vote or consent of the Members is required under this Agreement or the Act, each Member may provide its vote or consent in any manner permitted under the Act. Each Member may authorize any Person or Persons to act for it by proxy on all matters in which a Member is entitled to participate, including waiving notice of any meeting, or providing consent, or participating at a meeting. Every proxy must be signed by the Member or its attorney-in-fact or delivered by means of electronic communication. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it.

(d) Each meeting of Members shall be conducted by the Managing Member or such other individual Person as the Managing Member deems appropriate pursuant to such rules for the conduct of the meeting as the Managing Member or such other Person deems appropriate.

(e) Any action that the Members may authorize or take at a meeting may be authorized or taken without a meeting with the affirmative vote or, in the case of Class A Limited Members, consent or approval of, and in a writing or writings signed by, all those Members who would be entitled to notice of the meeting of Members held for that purpose.

6.4 Withdrawal/Resignation. Except as otherwise provided in this Agreement, no Member shall demand or receive a return on or of its Capital Contributions or withdraw or resign as a Member from the Company without the affirmative written consent of the Managing Member and all of the Class A Limited Members. If any Member resigns or withdraws from the Company in breach of this Section 6.4, such resigning or withdrawing Member shall not be entitled to receive any distribution under this Agreement. Under circumstances requiring a return of any Capital Contribution, no Member has the right to receive Property other than cash except as may be specifically provided herein.

6.5 Member Compensation. No Member shall receive any interest, salary, or draw for services rendered on behalf of the Company, or otherwise, in its capacity as a Member, except as otherwise provided in Section 5.6(b). Notwithstanding the foregoing, the parties hereto acknowledge the fees payable pursuant to the Fee Letters.

6.6 Members' Liability. Except as required by the Act, as otherwise agreed to in writing between the Company and a Member or as expressly set forth in this Agreement, no Member shall have any personal liability whatsoever in such Member's capacity as a Member, whether to the Company, to any of the other Members, to the creditors of the Company or to any other third party, for the debts, commitments or other obligations of the Company or for any losses of the Company. The Members shall have no fiduciary duty to the Company, any other Member or any other Person in such Member's capacity as a Member, and the Members shall have no liability to the Company, any other Members or any other Person based on any claim of breach of fiduciary duty. Notwithstanding anything to the contrary in this Agreement, the provisions of this Agreement, to the extent that they restrict or eliminate the duties (including fiduciary duties) and liability of the Members otherwise existing at law or in equity, are agreed by the Company, each Member and any other Person bound by this Agreement to restrict or eliminate such duties and liabilities of the Members. Each Member, in such Member's capacity as a Member, shall be liable only to make such Member's Capital Contributions to the Company as and when required by this Agreement or as otherwise agreed to in writing between the Company and such Member and the other payments required to be made by such Member under the Act, this Agreement or as

otherwise agreed to in writing between the Company and such Member; provided, however, that a Member may be required to repay distributions made to it as provided in the Act and Section 4.4.

6.7 ***Indemnification***.

(a) **Members**.

(i) Subject to Section 6.7(a)(ii), the Company, its receiver or its trustee (in the case of its receiver or trustee, to the extent of Property) shall, to the maximum extent permitted by law, indemnify, save harmless, and pay all Expenses of any Member, and any members, managers, partners, stockholders, officers, directors, employees or agents of such Member (each, a "***Member Indemnitee***") relating to any liability or damage incurred by reason of any act performed or omitted to be performed by such Member or Member Indemnitee in connection with the business or affairs of the Company, the issuance of any Membership Interests hereunder or any other actions contemplated by this Agreement, including attorneys' fees incurred by such Member or Member Indemnitee, in connection with the defense of any action based on any such act or omission, which attorneys' fees may be paid as incurred, including all such liabilities under federal and state securities laws (including the Securities Act) as permitted by law; provided, however, that any claim by any Member Indemnitee in its capacity as a Class B Common Member or any Member Indemnitee that is a member, manager, partner, stockholder, officer, director, employee or agent of a Class B Common Member in its capacity as a member, manager, partner, stockholder, officer, director, employee or agent of such Class B Common Member under this Section 6.7(a)(i) shall be subordinated to the claims of the Class A Limited Members under Sections 4.1(a), 13.2(b) and 13.5.

(ii) Section 6.7(a)(i) shall be enforced only to the maximum extent permitted by law and no Member shall be indemnified from any liability for fraud, bad faith, willful misconduct, gross negligence, or a failure to perform in accordance with this Agreement.

(b) **Independent Managers**.

(i) To the fullest extent permitted by applicable law, no Independent Manager shall be liable to the Company or any other Person who is a party to or is otherwise bound by this Agreement for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Independent Manager in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Independent Manager by this Agreement, except that an Independent Manager shall be liable for any such loss, damage or claim incurred by reason of such Independent Manager's gross negligence, bad faith or willful misconduct.

(ii) To the fullest extent permitted by applicable law, an Independent Manager shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Independent Manager by reason of any act or omission performed or omitted by such Independent Manager in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Independent Manager by this Agreement, except that no Independent Manager shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Independent Manager by reason of such Independent Manager's gross negligence, bad faith or willful misconduct with respect to such acts or omissions; provided, however, that the Members and the Managing Member shall not have personal liability on account thereof.

(iii) To the fullest extent permitted by applicable law, expenses (including reasonable legal fees) incurred by an Independent Manager defending any claim, demand, action, suit or

proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Independent Manager to repay such amount if it shall be determined that the Independent Manager is not entitled to be indemnified as authorized in this Section 6.7(b).

(iv) An Independent Manager shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Independent Manager reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(v) The provisions of this Agreement, to the extent that they restrict or eliminate the duties and liabilities of an Independent Manager to the Company or its members otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties and liabilities of such Independent Manager.

(vi) The foregoing provisions of this Section 6.7(b) shall survive any termination of this Agreement.

6.8 Confidentiality.

(a) **Confidentiality Obligations**. All information disclosed by the Company or one Member to another Member pursuant to this Agreement shall be the "***Confidential Information***" of the Company or the disclosing Member, as applicable, for all purposes hereunder. Each Member agrees that, such Member shall, and shall ensure that its Affiliates (which shall not include the Class A Limited Members for this purpose) and its and their respective officers, directors, employees, agents, advisors and representatives (such Affiliates and other representatives, "***Representatives***") shall, keep completely confidential (using at least the same standard of care as it uses to protect proprietary or Confidential Information of its own, but in no event less than reasonable care) and not publish or otherwise disclose and not use for any purpose except as expressly permitted hereunder any Confidential Information or materials furnished to it by the Company or another Member (including know-how of the Company or the disclosing Member). The foregoing obligations shall not apply to any information disclosed by the Company or a Member to another Member hereunder to the extent that such information: (i) is or becomes publicly known without breach of this Agreement by the receiving Member or any of its Representatives, (ii) is known to the receiving Member or any of its Representatives prior to the time of disclosure by the Company or the disclosing Member or is independently developed by the receiving Member or any of its Representatives, in either case reasonably corroborated by evidence or (iii) is disclosed to the receiving Member or any of its Representatives by a third party who is, to the knowledge of the receiving Member or such Representative after due inquiry, legally entitled to disclose the same free of any contractual or fiduciary non-disclosure obligations to the Company or the disclosing Member or its Representatives.

(b) **Authorized Disclosure**. A Member may disclose the Confidential Information belonging to the Company or another Member to the extent such disclosure is reasonably necessary in the following instances: (i) compliance with federal or state law, statute or government rule, regulation or order, stock exchange rule or by regulatory or self-regulatory authorities, government request, court order,

subpoena or other process of law, (ii) regulatory filings by or on behalf of the Company necessary for the operation of the Company and the conduct of the Permitted Business, (iii) prosecuting or defending a dispute under this Agreement, (iv) disclosure, in connection with the performance of this Agreement, to Representatives, each of whom prior to disclosure must be bound by similar obligations of confidentiality and non-use at least equivalent in scope to those set forth in this Section 6.8 or (v) disclosure, in connection with a Permitted Transfer, to any prospective transferee in respect of such Permitted Transfer, each of whom must be bound by similar obligations of confidentiality and non-use at least equivalent in scope to those set forth in this Section 6.8.

(c) **Confidentiality of Agreement Terms**. The Members acknowledge that the terms of this Agreement and each Transaction Document shall be treated as Confidential Information of the Company and each of the Members, and shall not be disclosed except as permitted under this Section 6.8. Notwithstanding the foregoing and without limiting the disclosures permitted by Section 6.7(b), Parent Company may disclose this Agreement and the other Transaction Documents and the material terms hereof and thereof. Notwithstanding anything to the contrary in this Agreement, Parent Company may make any public statements in response to questions by the press, analysts, investors or those attending industry conferences or analyst or investor conference calls, so long as such statements are not inconsistent with previous statements made by Parent Company in accordance with this Agreement.

6.9 Partition. While the Company remains in effect or is continued and prior to the occurrence of a Liquidation Event, each Member and Independent Manager agrees not to have any Property partitioned or file a complaint or institute any suit, action, or proceeding at law or in equity to have any Property partitioned, and each Member and Independent Manager, on behalf of itself, its successors, and its assigns hereby waives any such right.

6.10 Transactions Between a Member and the Company.

(a) Except as otherwise provided by applicable law, any Member may, but shall not be obligated to, transact the business contemplated by the Transaction Documents with the Company and have the same rights and obligations when transacting such business with the Company as a Person or entity who is not a Member. A Member, any Affiliate thereof or an employee, stockholder, agent, director, manager, or officer of a Member or any Affiliate thereof, may also be an employee or a manager of the Company.

(b) Except as contemplated by the Transaction Documents, no Member shall, or shall permit its Affiliates to, guarantee any liabilities of the Company or become obligated on, or hold itself out as being obligated or available to satisfy, any liabilities of the Company.

SECTION 7

PREFERRED RETURN RESETS AND REMARKETINGS

7.1 Class A Preferred Return Rate Reset.

(a) **In General**. The Class A Preferred Return Rate is subject to reset as provided herein on each Class A Reset Date.

(b) **Class A Reset Procedure**. During the period commencing ninety (90) days and ending forty-five (45) days prior to a Class A Reset Date (the "***Consultation Period***"), the Company and

the Class A Limited Members shall consult with one another (and the Administrative Agent (if any) shall coordinate such consultation) to determine whether the Company and the Class A Limited Members are able to agree upon a Class A Preferred Return Rate for the Class A Reset Period commencing on such Class A Reset Date. In the event the Company and all of such holders of Class A Limited Membership Interests reach agreement at least forty-five (45) days before such Class A Reset Date, the Class A Preferred Return Rate will be reset on the Class A Reset Date to the amount so agreed and will remain in effect until the next Class A Reset Date. In the event that during the Consultation Period, the Company and all of the Class A Limited Members agree upon a floating rate (rather than a fixed rate), each Member hereby agrees to enter into any amendments to this Agreement as are necessary or appropriate to give effect to such agreement on a floating rate.

(c) **Class A Mandatory Remarketing Procedure**.

(i) If, in respect of any Class A Reset Date, the Company and the holders of the Class A Limited Membership Interests fail to reach agreement as contemplated by Section 7.1(b), the Company and the Class A Mandatory Remarketing Agent shall promptly enter into a Class A Mandatory Remarketing Agreement to conduct an auction or mandatory remarketing (a "***Class A Mandatory Remarketing***") of the Class A Limited Membership Interests in accordance with the terms set forth herein.

(ii) The Class A Mandatory Remarketing shall be conducted as follows:

(1) the Managing Member shall, by notice delivered to the Class A Mandatory Remarketing Agent a reasonable amount of time prior to the applicable Class A Mandatory Remarketing Date, select and specify four (4) Reference Corporate Dealers, select and specify whether the Company is seeking Bids in respect of a fixed or floating rate and, if floating, select and specify the Remarketing Benchmark Rate;

(2) the Class A Mandatory Remarketing Agent shall provide the Reference Corporate Dealers with such information as is necessary to facilitate the Class A Mandatory Remarketing, including the Class A Mandatory Remarketing Date and the amount of Unrecovered Capital with respect to the Class A Limited Membership Interests;

(3) the Class A Mandatory Remarketing Agent shall request that Bids be received from such Reference Corporate Dealers and all other bidders by 3:00 P.M., New York City time, on the Business Day immediately preceding the relevant Class A Mandatory Remarketing Date;

(4) the Company, any Class A Limited Member, the Class A Mandatory Remarketing Agent or an Affiliate of any such Person may, at its option, enter a Bid but shall have no obligation to do so; and

(5) the Class A Mandatory Remarketing Agent shall disclose to the Company the Bids obtained and determine the Bid (such Bid, the "***Winning Bid***") with the lowest single Bid Rate at which the Class A Mandatory Remarketing Agent will be able to remarket all of the Class A Limited Membership Interests at a purchase price equal to the Unrecovered Capital with respect to such Class A Limited Membership Interests to at least one (1), but in no event more than twenty (20), purchasers (the "***Winning Bid Rate***"), from among the Bids obtained by 3:00 P.M., New York City time,

on the Business Day immediately preceding the relevant Class A Mandatory Remarketing Date. Subject to Section 11.2(c), the Winning Bid Rate determined by the Class A Mandatory Remarketing Agent, absent manifest error, shall be binding and conclusive upon the Company and all holders of the Class A Limited Membership Interests.

(iii) On the Business Day immediately preceding the relevant Class A Mandatory Remarketing Date, the Class A Mandatory Remarketing Agent, in consultation with the Company, shall designate as the Secondary Purchasers (the "***Secondary Purchasers***") the Persons providing Bids at the Winning Bid Rate. If the Winning Bid Rate is specified in Bids submitted by two (2) or more bidders, the Class A Mandatory Remarketing Agent shall, in consultation with the Company, designate such bidders as it deems appropriate to be the Secondary Purchasers and shall determine the allocation of Class A Limited Membership Interests among such Secondary Purchasers; provided, however, that there may not be more than twenty (20) Secondary Purchasers and such purchases must be made in accordance with the conditions of Transfer set forth in this Agreement. If any holder of the Class A Limited Membership Interests submitted a Bid containing the Winning Bid Rate, it shall continue to hold the Class A Limited Membership Interests with the Class A Preferred Return Rate equal to the Winning Bid Rate; provided, further, that the provisions of Section 7.1(c)(iv) shall not apply to such holder in respect of the Class A Limited Membership Interests owned by such holder immediately prior to such Winning Bid. Settlement of the sale of the Class A Limited Membership Interests to the Secondary Purchasers shall occur on the relevant Class A Reset Date, all as provided in Section 7.1(c)(iv).

(iv) On or before the second (2nd) Business Day following the Class A Mandatory Remarketing Date, each Secondary Purchaser shall enter into a Secondary Purchase Agreement for the purchase by such Secondary Purchaser, at a purchase price equal to Unrecovered Capital with respect to such Class A Limited Membership Interests, of the applicable number of Class A Limited Membership Interests with a Class A Preferred Return Rate equal to the Winning Bid Rate. To consummate the settlement of the purchase and sale of the Class A Limited Membership Interests, each Secondary Purchaser shall no later than the Class A Reset Date pay to the holders selling the applicable Class A Limited Membership Interests (the "***Selling Class A Holders***") an amount in Dollars in immediately available funds equal to the Unrecovered Capital with respect to such Class A Limited Membership Interests. Delivery of the Class A Limited Membership Interests shall be made on the applicable Class A Reset Date. Any outstanding Class A Limited Membership Interests purchased on the relevant Class A Reset Date shall be deemed to be Transferred to each of the applicable Secondary Purchasers; provided, however, that payment has been received from all such Secondary Purchasers pursuant to this Section 7.1(c)(iv). Upon consummation of the purchase and sale of the Class A Limited Membership Interests, the Secondary Purchasers shall be admitted as Class A Limited Members with respect to the Class A Limited Membership Interests purchased pursuant to the Secondary Purchase Agreements, and the Selling Class A Holders shall be deemed to have withdrawn with respect to such Class A Limited Membership Interests, and the Company shall cause the Membership Registry to reflect the Secondary Purchasers' ownership of the Class A Limited Membership Interests that they purchased pursuant to the Secondary Purchase Agreements. Each Member hereby agrees to enter into any amendments to this Agreement as are necessary or appropriate to give effect to the transactions contemplated by this Section 7.1(c)(iv), including to reflect any change between a fixed rate and a floating rate.

(v) If for any reason whatsoever (including failure of the Class A Mandatory Remarketing Agent to receive a Bid from any of the four (4) Reference Corporate Dealers or any failure of the Class A Mandatory Remarketing Agent in the performance of its duties) settlement of the purchase

and sale of all of the Class A Limited Membership Interests as provided in Section 7.1(c)(iv) does not occur by the Class A Reset Date:

(1) a "***Class A Failed Mandatory Remarketing***" shall be deemed to have occurred on such Class A Reset Date (such date, the "***Class A Failed Mandatory Remarketing Reset Date***"); and

(2) the holders of the Class A Limited Membership Interests shall continue to hold their Class A Limited Membership Interests and the Class A Preferred Return Rate for the Class A Distribution Period commencing on such Class A Failed Mandatory Remarketing Reset Date shall equal the applicable Class A Failed Mandatory Remarketing Rate.

SECTION 8

COVENANTS

8.1 Covenants.

(a) **No Sales on Established Securities Market**. Each Member agrees that it will not sell, market, transfer, assign, participate, pledge, or otherwise dispose of its Membership Interests (or any interest therein) on or through an "established securities market" within the meaning of Code Section 7704(b)(1) and the Regulations promulgated thereunder, including an over-the-counter market or an interdealer quotation system that regularly disseminates firm buy or sell quotations.

(b) **PTP Rules**. Each Member agrees that (i) it will not become, a partnership, grantor trust, or "S corporation" (within the meaning of Code Section 1361(a)) (each a "***Flow-Through Entity***") for U.S. federal income tax purposes or (ii) if it is, or if it becomes, a Flow-Through Entity for such purposes, then (x) less than 50% of the value of any direct or indirect equity or other beneficial interest in such Flow-Through Entity is, and will at all times continue to be, attributable to its Membership Interests and (y) a principal purpose of the purchase of the Membership Interests was not to permit the Company or any entity of which the Company is a direct or indirect partner to satisfy the 100 partner limitation set forth in Regulation Section 1.7704-1(h)(1)(ii).

(c) **Sanctions and Anti-Corruption**. Each Member shall not, and the Managing Member shall cause the Company and its Subsidiaries not to, directly or to its knowledge indirectly use the proceeds from the issuance and sale of the Class A Limited Membership Interests (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, or (ii) in any manner that would result in violation of any Sanctions applicable to such Member, the Company or its Subsidiaries or, to the knowledge of such Member or the Managing Member (as applicable), any other party to this Agreement.

(d) **Filing of Tax Returns**. Each Member shall timely file all U.S. federal income tax returns with respect to such Member's distributive share of any item of the Member's income, gain, loss, deduction or credit from the Company that are made consistent with Section 3 in a manner consistent with the Company's tax treatment of such item on the applicable IRS Schedule K-1 provided to such Member, including that each U.S. Net Taxpayer Member shall report all such Preferred Return Distributions to such Member as taxable income on a U.S. federal income tax return.

SECTION 9

ACCOUNTING, BOOKS, AND RECORDS

9.1 Accounting, Books, and Records.

(a) The Company shall keep on site at its principal place of business each of the following:

(i) separate books of account for the Company with respect to the conduct of the Company and the operation of its business which shall be, from and after June 30, 2020, in accordance with GAAP;

(ii) separate books of account that reflect the Capital Accounts of the Members as maintained pursuant to the provisions of this Agreement;

(iii) the Membership Registry;

(iv) a copy of the Certificate of Formation and all amendments thereto;

(v) a copy of the Company's federal, state and local income tax returns and reports, if any, for the six (6) most recent years (to the extent such tax returns are or were required to be filed);

(vi) a copy of this Agreement; and

(vii) any written consents obtained from the Members pursuant to Section 6.3 of this Agreement and Section 18-302(d) of the Act regarding action taken by the Members without a meeting.

(b) The Company shall use the accrual method of accounting in preparation of its financial reports and for tax purposes and shall keep its books and records accordingly.

(c) Any Member or its designated representative, upon reasonable advance written notice to the Company, shall have access to and the right, to inspect and copy the books and records set forth in Section 9.1(a) during normal business hours. For the avoidance of doubt, books and records kept and maintained by any Tower Company Operator in respect of the Company's Subsidiaries or assets shall not be deemed books or records of the Company or its Subsidiaries for purposes of this Agreement, except to the extent provided to the Company and its Subsidiaries.

9.2 Reports.

(a) **Annual Reports**. Within one hundred and twenty (120) days after the end of each Fiscal Year (or in the case of clause (v) below, one hundred and eighty (180) days after the end of each taxable year of the Company), the Managing Member shall cause to be prepared and furnished to the Administrative Agent (or to each Member, if no Administrative Agent is appointed at the time), and the Administrative Agent (if any) shall cause to be furnished to each Member promptly thereafter, the following:

(i) a balance sheet as of the last day of such Fiscal Year and an income statement and statement of cash flows for the Company for such Fiscal Year and notes associated with each (provided that no such balance sheet or statements shall be required prior to June 30, 2020);

(ii) a statement of the Values of the Permitted Assets as of the end of such Fiscal Year;

(iii) a statement of the Members' Capital Accounts and changes therein for such Fiscal Year;

(iv) a Portfolio Compliance Certificate;

(v) the information required to be provided on an IRS Schedule K-1 to Form 1065 for each Class A Limited Member, provided, however, that the Managing Member shall, upon the request of any Member, provide to any such Member any information reasonably necessary for such Member to compute its estimated income tax payments;

(vi) an audit report by a nationally recognized accounting firm (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) with respect to the financial statements in Section 9.2(a)(i) (provided that no such audit report shall be required to be prepared prior to June 30, 2020); and

(vii) a written certification of the Company executed by a Responsible Officer that, as of the end of such Fiscal Year, no Liquidation Event or Notice Event or event that with notice or lapse of time or both would constitute a Liquidation Event or Notice Event has occurred and is continuing or, if any such event has occurred and is continuing, the action that the Managing Member has taken or proposes to take with respect thereto.

(b) **Quarterly Reports**. Within ninety (90) days after the close of each of the first three Fiscal Quarters of each year, the Managing Member shall cause to be prepared and furnished to the Administrative Agent (or to each Member, if no Administrative Agent is appointed at the time), and the Administrative Agent (if any) shall cause to be furnished to each Member promptly thereafter, the following:

(i) a balance sheet of the Company as of the end of such Fiscal Quarter and a related income statement for such Fiscal Quarter and for the Fiscal Year to date and statement of cash flows of the Company for such Fiscal Year to date (provided that no such balance sheet or statement shall be required to be prepared prior to June 30, 2020);

(ii) a written certification of the Company executed by a Responsible Officer to the effect that, since the date of the last Portfolio Compliance Certificate, no facts or circumstances have come to the attention of such Responsible Officer that would reasonably be expected to cause such Responsible Officer to believe that as of the last day of and for the quarterly period in question, the Permitted Assets held by the Company did not satisfy all of the Portfolio Requirements; and

(iii) a written certification of the Company executed by a Responsible Officer that (x) the documents submitted under Section 9.2(b)(i) have been prepared and fairly stated in all material respects in accordance with GAAP (provided that the certification required by this clause (x) shall not be required prior to the certification in respect of the Fiscal Quarter ended March 31, 2020) and (y) as of the end of such Fiscal Quarter, no Liquidation Event or Notice Event or event that with notice or

lapse of time or both would constitute a Liquidation Event or Notice Event has occurred and is continuing or, if any such event has occurred and is continuing, the action that the Managing Member has taken or proposes to take with respect thereto.

(c) **Liquidation Date Reports**. On the date on which final distributions are made to the Members pursuant to Section 13.2, the Liquidator shall cause to be prepared and shall furnish to each the Administrative Agent (or to each Member, if no Administrative Agent is appointed at the time), and the Administrative Agent (if any) shall cause each Member to be furnished with, each of the following statements:

(i) a balance sheet of the Company as of the date of such distribution; and

(ii) a statement of the Members' Capital Accounts as adjusted immediately prior to such distribution pursuant to Section 13.2.

9.3 Rule 144A Information. At the request of any prospective Member, the Managing Member shall provide, with respect to the Company, the information required by Rule 144A(d)(4)(i) under the Securities Act.

9.4 Tax Matters.

(a) The Managing Member is hereby designated as "partnership representative" of the Company for any tax period subject to the provisions of Section 6223 of the Code (in such capacity, the "***Tax Matters Representative***"), and on behalf of the Company, the Tax Matters Representative shall be permitted to appoint any "designated individual" permitted under Regulations Sections 301.6223-1 and 301.6223-2 or any successor regulations or similar provisions of tax law, and, unless the context otherwise requires, any reference to the Tax Matters Representative in this Agreement includes any "designated individual." In such capacity, the Tax Matters Representative shall represent the Company in any disputes, controversies or proceedings with the IRS or with any state, local, or non-U.S. taxing authority and is hereby authorized to take any and all actions that it is permitted to take by applicable law when acting in that capacity, subject to Section 5.5(c)(v). The Tax Matters Representative shall be the sole signatory on Company tax returns, unless otherwise required by law. The Tax Matters Representative may, as determined in its sole discretion and with respect to any Fiscal Year, cause the Company to elect the application of Section 6226 of the Code (and any corresponding provision of state or local law) and furnish to each Member (including a former Member) a statement of such Member's share of any adjustment to income, gain, loss, deduction or credit. The Members agree to cooperate in good faith, including by timely providing information reasonably requested by the Tax Matters Representative and making elections and filing statements reasonably requested by the Tax Matters Representative, and by paying any applicable taxes, interest and penalties, to give effect to the preceding sentence. The Company shall make any payments it may be required to make under the provisions of Subchapter C of Subtitle A, Chapter 63 of the Code and, in the Tax Matters Representative's reasonable discretion, allocate any such payment among the current or former Members of the Company for the "reviewed year" to which the payment relates in a manner that reflects the current or former Members' respective interests in the Company for that year and any other factors taken into account in determining the amount of the payment. To the extent payments are made by the Company on behalf of or with respect to a current Member in accordance with this Section 9.3, such amounts shall, at the election of the Tax Matters Representative, (i) be applied to and reduce the next distribution(s) otherwise payable to such Member under this Agreement or (ii) be paid by the Member to the Company within thirty (30) days of written notice from the Tax Matters Representative requesting the payment. In addition, if any such

payment is made on behalf of or with respect to a former Member, that Member shall pay over to the Company an amount equal to the amount of such payment made on behalf of or with respect to it within thirty (30) days of written notice from the Tax Matters Representative requesting the payment. Any cost or expense incurred by the Tax Matters Representative in connection with its duties, including the preparation for or pursuance of administrative or judicial proceedings, will be paid by the Company. The Managing Member shall keep the Class A Limited Members fully and timely informed by written notice of any material developments related to audit, administrative or judicial proceedings, meetings or conferences with the IRS or other similar matters that come to its attention in its capacity as Tax Matters Representative that could reasonably be expected to have a material adverse effect on the Class A Limited Members. Furthermore, the Tax Matters Representative shall not take any action under this Section 9.4 that would reasonably be expected to have a material adverse effect on the Class A Limited Members without such members' consent (not to be unreasonably withheld, conditioned or delayed). The provisions contained in this Section 9.4 shall survive the dissolution of the Company and the withdrawal of any Member or the transfer of any Member's interest in the Company and shall apply to any current or former Member.

(b) Neither the Company nor any Member shall make any election under Regulations Section 301.7701-3 to cause the Company to be treated as a corporation for U.S. federal income tax purposes. To the extent permitted by applicable law and regulation at the relevant time and unless there has been a Final Determination to the contrary, each Member will (i) treat the Membership Interests as representing equity interests in the Company for all U.S. federal income tax purposes and for all relevant state and local income, franchise, and other similar tax purposes, (ii) treat the Company as a partnership for U.S. federal income tax purposes that is not taxable as an association or a PTP and (iii) take no position on any tax return or with any taxing or other governmental authority that is inconsistent with (A) items of income, gain, loss, deduction or credit as reported by the Company to such Member, or (B) the treatment in the foregoing clauses (i) and (ii).

(c) Other than such information delivered pursuant to Sections 9.2(a)(iii) and 9.2(a)(v), all other Tax information reasonably requested in writing by any Class A Limited Member as necessary to comply with its Tax obligations shall be delivered to such Member as soon as practicable after the end of each Fiscal Year of the Company, but not later than eight (8) months after the end of the Fiscal Year (or, if later, following such Member's request).

(d) The Company and the Class A Limited Members agree, unless required by applicable law, (i) that any conversion of Fixed Rate Class A Limited Membership Interests into Floating Rate Class A Limited Membership Interests pursuant to Section 15.4 will not result in the recognition of any gain or loss for U.S. federal and applicable state and local income tax purposes and (ii) not to take any position inconsistent with the foregoing on any tax return or in any administrative or legal proceedings.

SECTION 10

AMENDMENTS

10.1 Amendments. Subject to Section 5.4(a), the Managing Member may cause the Company to enter into amendments to this Agreement without the consent of any other Member; provided, however, that, except as expressly provided in Section 2.4, (a) any amendment hereto or to the other Transaction Documents that would adversely affect the rights of the Class A Limited Members (including the right to benefit from the covenants in Sections 5.2, 5.4 and 5.5 or the right to receive reports pursuant

to Section 9.2) shall require the affirmative written consent of the Required Class A Limited Members and (b) Sections 3, 4, 5.8, 7.1, 11.2, 13, 14, 15 and this Section 10.1 (and any corresponding definitions in Section 1.11 to the extent pertinent to such Sections) shall not be amended, and no waiver (it being understood that an approval of Independent Managers, Members or Required Class A Limited Members contemplated by any such Section shall not be deemed a "waiver") in respect of such provisions shall be provided, without the affirmative written consent or vote of all of the Class A Limited Members.

SECTION 11

TRANSFERS; PURCHASE

11.1 Restriction on Transfers. Except as otherwise permitted by this Agreement, no Member shall Transfer all or any portion of its Membership Interests. In the event any Member pledges or otherwise encumbers its Membership Interest as security for the payment of a liability, any such pledge or hypothecation shall be made pursuant to a pledge or hypothecation agreement that requires the pledgee or secured party to be bound by all of the terms and conditions of this Section 11.

11.2 Permitted Transfers.

(a) **Class B Common Members**. Subject to the conditions and restrictions set forth in Section 11.3 and Section 5.7, a Class B Common Member may Transfer all or any portion of its Class B Common Membership Interest to Parent Company or any of its Affiliates. Except as set forth in the preceding sentence, no Class B Common Member shall Transfer all or any portion of its Class B Common Membership Interest or permit any direct or indirect Transfer of any equity interest in such Class B Common Member, in each case without the consent of the Required Class A Limited Members; provided, however, that in no event shall any approval be required pursuant to this provision if, after giving effect to the applicable Transfer, New Cingular Wireless PCS, LLC or any other Affiliate of Parent Company continues to be the Managing Member and continues to hold, either alone or in the aggregate with one or more of its Affiliates, more than fifty percent (50%) of the then-issued and outstanding Class B Common Membership Interests.

(b) **Class A Limited Members**. Subject to the conditions and restrictions set forth in Section 8.1(a) and Section 11.3, a Class A Limited Member may, at any time (i) without the consent of any other Member, Transfer all or any portion of its Class A Limited Membership Interests to (A) any other Member, (B) any wholly-owned Subsidiary of any entity of which such Class A Limited Member is a direct or indirect wholly-owned Subsidiary or any other Person with respect to which such Class A Limited Member is a direct or indirectly wholly-owned Subsidiary (x) organized under the laws of the United States or any state thereof or (y) that delivers an IRS Form W-8ECI or any applicable successor form, (C) any Person(s) pursuant to a Class A Mandatory Remarketing, (D) any bank, broker/dealer, insurance company, structured investment vehicle or derivative product company approved by the Managing Member (such approval not to be unreasonably withheld, conditioned or delayed), in the case of this clause (D), only if such Class A Limited Member is no longer permitted to hold a Class A Limited Membership Interest pursuant to any applicable law or regulation or any regulator is requiring such Class A Limited Member to Transfer its Class A Limited Membership Interests or (E) any Person upon the occurrence of a continuing Liquidation Event and (ii) Transfer all or any portion of its Class A Limited Membership Interests to any Person approved by the Managing Member, which approval may not be unreasonably withheld, conditioned or delayed.

(c) Notwithstanding anything to the contrary herein, (i) no Member shall Transfer all or any portion of such Member's Membership Interest if such Transfer would cause the Company to be obligated to register any Membership Interest under the Securities Act, or to file with the Securities and Exchange Commission any annual, quarterly or periodic reports or other information pursuant to the Exchange Act, or to register as an investment company under the Investment Company Act, and (ii) no Person may, as a result of any Transfer, hold Class A Limited Membership Interests with an aggregate amount of Unrecovered Capital greater than zero Dollars ($0) but less than fifty million Dollars ($50,000,000.00).

(d) Any Transfer permitted by this Section 11.2 shall be referred to in this Agreement as a "***Permitted Transfer***," and the Person to which the Membership Interest is Transferred shall be a "***Permitted Transferee***."

11.3 Conditions to Permitted Transfers. A Transfer shall not be treated as a Permitted Transfer under Section 11.2 unless and until the following conditions are satisfied or otherwise waived by the Managing Member:

(a) The transferor and transferee shall execute and deliver to the Company such documents and instruments of conveyance as may be reasonably required to effect such Transfer and to confirm the agreement of the transferee to be bound by the provisions of this Agreement applicable to the relevant Member. In all cases, the Company shall be reimbursed by the transferor or transferee for all Expenses that it reasonably incurs in connection with such Transfer.

(b) Such Transfer shall not cause (i) the Transferred Membership Interest to be owned by more than twenty (20) persons as determined in accordance with Regulations Section 1.7704-1(h) or (ii) Company to otherwise be treated as a PTP. Any purported Transfer of any Membership Interest that does not comply with the conditions set forth in this Section 11.3(b) shall be null and void and of no force or effect whatsoever.

(c) In the case of any Transfer of a Class A Limited Membership Interest, the transferee shall represent and agree in a written certification, unless such requirement is waived in writing by the Managing Member in its sole discretion, that either (A) it is not, for U.S. federal income tax purposes, a Flow-Through Entity or (B) it is a Flow-Through Entity but, after giving effect to such purchase of the Class A Limited Membership Interest, less than 50% of the value of any beneficial owner's interest in the Flow-Through Entity is attributable to the Flow-Through Entity's direct or indirect interest in the Company and no principal purpose in using the Flow-Through Entity to purchase the Class A Limited Membership Interests is to permit there to be more than twenty (20) owners of the transferred Class A Limited Membership Interest or to permit the Company, or any entity of which the Company is a direct or indirect partner, to satisfy the 100-partner limitation set forth in Regulation Section 1.7704-1(h)(1)(ii).

(d) The transferor and transferee shall furnish the Company with the transferee's taxpayer identification number, sufficient information to determine the transferee's initial tax basis in the Membership Interest Transferred, and any other information reasonably necessary to permit the Company to file all required federal and state tax returns and other legally required information statements or returns. Without limiting the generality of the foregoing, the Company shall not be required to make any distribution otherwise provided for in this Agreement with respect to any Transferred Membership Interest until it has received such information.

(e) The transferor and transferee shall make customary representations and warranties concerning the facts and circumstances establishing the basis for the availability of exemptions under the Securities Act and applicable state securities laws and other reasonable assurances of the basis for compliance with any other applicable laws.

(f) The transferee shall provide an opinion of counsel, if reasonably requested by the Managing Member, which counsel and the form and substance of which opinion must be reasonably satisfactory to the Managing Member that (i) the contemplated Transfer to such Person is exempt from registration under the Securities Act and (ii) the contemplated Transfer of such Membership Interest, or interest therein, to such Person does not violate any applicable federal law.

(g) Such transfer shall not (i) cause the assets of the Company to be deemed "plan assets" under ERISA, (ii) cause the Company to be subject to the provisions of ERISA or section 4975 of the Code and (iii) result in any "prohibited transaction" under ERISA or the Code affecting the Company.

11.4 Prohibited Transfers. Any purported Transfer of a Membership Interest that is not a Permitted Transfer shall be null and void and of no effect whatsoever; provided, however, that, if the Company is required to recognize a Transfer that is not a Permitted Transfer, the Membership Interest Transferred shall be strictly limited to the transferor's rights to allocations and distributions as provided by this Agreement with respect to the Transferred Membership Interest, which allocations and distributions may be applied (without limiting any other legal or equitable rights of the Company) to satisfy any debts, obligations, or liabilities for damages that the transferor or transferee of such Membership Interest may have to the Company. In the case of a Transfer or attempted Transfer of a Membership Interest that is not a Permitted Transfer, the parties engaging or attempting to engage in such Transfer shall be liable to indemnify and hold harmless the Company and the other Members from all cost, liability, and damage that any of such indemnified Persons may incur (including incremental tax liability and lawyers' fees and Expenses) as a result of such Transfer or attempted Transfer and efforts to enforce the indemnity granted hereby. Notwithstanding any provision in this Agreement to the contrary, the Managing Member shall prohibit any Transfer that would result in the Company being treated as a PTP, cause the assets of the Company to be deemed "plan assets" under ERISA or cause the Company to be subject to the provisions of ERISA or section 4975 of the Code.

11.5 Rights of Unadmitted Assignees.

(a) **In General**. A Person who acquires one or more Membership Interests but who is not admitted as a substituted Member pursuant to Section 11.6 shall be entitled only to allocations and distributions with respect to such Membership Interests in accordance with this Agreement, but shall have no right to any information or accounting of the affairs of the Company, shall not be entitled to inspect the books or records of the Company, and shall not have any of the rights of a Class B Common Member or a Class A Limited Member under the Act or this Agreement.

(b) **Class B Common Members**. Following a Transfer to a transferee who acquires a Membership Interest from a Class B Common Member under this Agreement by means of a Transfer that is permitted under this Section 11, but who is not admitted as a Class B Common Member, the transferor shall not cease to be a Class B Common Member of the Company and shall continue to be a Class B Common Member until such time as the transferee is admitted as a Class B Common Member under this Agreement.

(c) **Class A Limited Members**. Following a Transfer to a transferee who acquires a Membership Interest from a Class A Limited Member under this Agreement by means of a Transfer that is permitted under this Section 11, but who is not admitted as a Class A Limited Member, the transferor shall not cease to be a Class A Limited Member of the Company and shall continue to be a Class A Limited Member until such time as the transferee is admitted as a Class A Limited Member under this Agreement.

11.6 Admission as Substituted Members.

(a) Subject to the other provisions of this Section 11, a transferee of Membership Interests may be admitted to the Company as a substituted Member only upon satisfaction (or waiver by the Managing Member) of the conditions set forth below in this Section 11.6:

(i) the Membership Interests with respect to which the transferee is being admitted were acquired by means of a Permitted Transfer;

(ii) the transferee of such Membership Interest becomes a party to this Agreement as a Member and executes such documents and instruments as the Managing Member may reasonably request (including amendments to the Certificate of Formation) as may be necessary or appropriate to confirm such transferee as a Member in the Company and such transferee's agreement to be bound by the terms and conditions of this Agreement;

(iii) the transferee pays or reimburses the Company for all reasonable legal, filing, and publication costs that the Company incurs in connection with the admission of the transferee as a Member with respect to the Transferred Membership Interests;

(iv) the transferee provides the Company with evidence satisfactory to counsel for the Company that such transferee has made representations equivalent to those set forth below as of the date of the Transfer:

(1) **Due Formation or Incorporation; Authorization of Agreement**. Such transferee is a Person duly organized, validly existing, and in good standing under the laws of its jurisdiction of organization. Such transferee has the organizational power and authority to execute and deliver this Agreement and to perform its obligations hereunder. Such transferee has the legal right, power and capacity to own Membership Interests. The execution, delivery and performance by such transferee of this Agreement has been duly authorized by all necessary organizational action. This Agreement constitutes the legal, valid, and binding obligation of such transferee and is enforceable against such transferee in accordance with its terms, except to the extent that enforcement is affected by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law);

(2) **No Conflict with Restrictions**. Neither the execution and delivery by such transferee of this Agreement nor such transferee's performance and compliance with the terms and provisions hereof will contravene (i) such transferee's organizational documents or (ii) except where such contravention, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, law or any contractual restriction binding on or affecting such transferee;

(3) **Governmental Authorizations**. No authorization or approval or other action by, and no notice to or filing with, any governmental or regulatory authority is required in connection with the valid execution, delivery, and performance by such transferee of this Agreement, which, if not obtained, individually or in the aggregate, would reasonably be expected to have, a Material Adverse Effect;

(4) **Litigation**. There is no pending or, to the knowledge of such transferee, threatened action, suit, investigation, litigation or proceeding affecting such transferee before any court, governmental agency or arbitrator that (i) is not disclosed in a filing by such transferee or any of such transferee's Affiliates with the Securities and Exchange Commission, if applicable, and, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of this Agreement;

(5) **Investigation; Intent**. Such transferee (i) acquired and continues to hold its Membership Interests based upon its own investigation, and the exercise by such transferee of its rights and the performance of its obligations under this Agreement will be based upon its own investigation, analysis and expertise, (ii) its acquisition of its Membership Interests was made and continues to be made for its own account for investment, and not with a view to the sale or distribution thereof and (iii) it intends to continue to participate as a member in a Delaware limited liability company in accordance with this Agreement for the purpose of making an economic profit from the transactions entered into or proposed to be entered into by the Company;

(6) **Sole Owner**. Such transferee acquired its Membership Interests for its own account and is, and will remain, the sole beneficial owner of such Membership Interests at all times unless and until it Transfers ownership of such Membership Interests in accordance with and only to the extent permitted under Section 11.2;

(7) **No Intent to Avoid PTP Rules**. Such transferee (i) it is not, and will not become, a partnership, grantor trust, or "S corporation" (within the meaning of Code Section 1361(a)) (each a "***Flow-Through Entity***") for U.S. federal income tax purposes or (ii) if it is, or if it becomes, a Flow-Through Entity for such purposes, then (x) less than 50% of the value of any direct or indirect equity or other beneficial interest in such Flow-Through Entity is, and will at all times continue to be, attributable to its Membership Interests and (y) a principal purpose of the purchase of the Membership Interests was not to permit the Company or any entity of which the Company is a direct or indirect partner to satisfy the 100 partner limitation set forth in Regulation Section 1.7704-1(h)(1)(ii); and

(8) **Anti-Corruption Laws; Sanctions**. Such transferee (i) is not a Person that is, and is not owned or controlled by Persons that are the subject or target of any Sanctions; (ii) has implemented and maintains in effect policies and procedures designed to promote compliance by such transferee with Anti-Corruption Laws, and (iii) is in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects; and

(v) in the event that the transferee of a Membership Interest from any Member is admitted under this Agreement, such transferee shall be deemed admitted to the Company as a

substituted Member immediately prior to the Transfer, and with respect to the transferee of the Managing Member, such transferee shall continue the business of the Company without dissolution.

11.7 ***Distributions and Allocations in Respect of Transferred Membership Interests***. If any Membership Interest is Transferred during any Allocation Year in compliance with the provisions of this Section 11, Profits, Losses, each item thereof, and all other items attributable to the Transferred Membership Interest for such Allocation Year shall be allocated in accordance with Section 3.5(b). Notwithstanding the date of such Transfer, all distributions to the Members pursuant to Section 4.1 shall be made to the holder of record of such Membership Interest as of the relevant date as set forth in Section 4.1. The Company shall recognize a Permitted Transfer of any Membership Interests not later than the end of the calendar month during which it is given notice of a Permitted Transfer; provided, however, that, if the Company is given notice of such a Permitted Transfer at least fourteen (14) Business Days prior to the Transfer, the Company shall recognize a Permitted Transfer as of the date of such Permitted Transfer; provided, further, that if the Company does not receive a notice stating the date such Membership Interest was Transferred and such other information as the Managing Member may reasonably require within thirty (30) days after the end of the Allocation Year during which the Permitted Transfer occurs, then all items attributable to the Transferred Membership Interest shall be allocated, and all distributions shall be made, to the Person who, according to the books and records of the Company, was the owner of the Membership Interest on the last day of such Allocation Year. Neither the Company nor the Managing Member shall incur any liability for making allocations and distributions in accordance with the provisions of this Section 11.7, whether or not the Managing Member or the Company has knowledge of any Transfer of ownership of any Membership Interest.

SECTION 12

POWER OF ATTORNEY

12.1 ***Managing Member as Attorney-In-Fact***. Each Member hereby makes, constitutes, and appoints the Managing Member, each successor Managing Member, and the Liquidator, severally, with full power of substitution and resubstitution, its true and lawful attorney-in-fact for it and in its name, place, and stead and for its use and benefit, to sign, execute, certify, acknowledge, swear to, file, publish, and record (a) all certificates of formation, amended name or similar certificates, and other certificates and instruments (including counterparts of this Agreement) which the Managing Member or Liquidator may deem necessary to be filed by the Company under the laws of the State of Delaware or any other jurisdiction in which the Company is doing or intends to do business, (b) any and all amendments, restatements, or changes to this Agreement and the instruments described in clause (a), as now or hereafter amended, which the Managing Member may deem necessary to effect a change or modification of the Company in accordance with the terms of this Agreement, including amendments, restatements, or changes to reflect (i) the admission of any additional or substituted Member and (ii) the disposition by any Member of its Membership Interests, (c) all certificates of cancellation and other instruments which the Liquidator reasonably deems necessary or appropriate to effect the dissolution and termination of the Company pursuant to the terms of this Agreement and (d) any other instrument which is now or may hereafter be required by law to be filed on behalf of the Company to carry out fully the provisions of this Agreement in accordance with its terms; provided, however, that nothing in this Section 12.1 shall authorize such attorney-in-fact to take any action that (A) could reasonably be anticipated to have an adverse effect on a Class A Limited Member or the Company or (B) requires the consent of (y) all Class A Limited Members or (z) the Required Class A Limited Members, unless such consent shall have been given.

12.2 ***Nature of Special Power***. The power of attorney granted to the Managing Member pursuant to this Section 12:

(a) is a special power of attorney coupled with an interest and is irrevocable; provided, however, that such power shall be (i) deemed suspended for so long as a Notice Event or Liquidation Event has occurred and is continuing and (ii) automatically terminated upon the appointment of a Liquidator;

(b) may be exercised by such attorney-in-fact with the single signature of any such attorney-in-fact acting as attorney-in-fact for such Members; and

(c) subject to the proviso set forth in Section 12.2(a), (i) shall survive and not be affected by the subsequent bankruptcy, insolvency, dissolution, or cessation of existence of a Member and (ii) shall survive the delivery of an assignment by a Class A Limited Member of the whole or a portion of its Membership Interests (except that where the assignment is of such Member's entire Membership Interests and the assignee, with the affirmative written consent of the other Members, is admitted as a substituted Member, the power of attorney shall survive the delivery of such assignment for the sole purpose of enabling any such attorney-in-fact to effect such substitution) and shall extend to such Member's or assignee's successors and assigns.

SECTION 13

DISSOLUTION AND WINDING UP

13.1 ***Liquidation Event***.

(a) The Company shall dissolve and shall commence winding up and liquidation upon the first to occur of any of the following (each, a "***Liquidation Event***"):

(i) the date upon which a Liquidation Event Notice becomes effective in accordance with Section 14.2 so as to cause a Notice Event to become a Liquidation Event;

(ii) the Bankruptcy of the Company, the Managing Member, any Material Affiliate of the Managing Member or Parent Company;

(iii) the unanimous consent of the Members to dissolve, wind up, and liquidate the Company;

(iv) the initial Managing Member or any other Managing Member approved by Class A Limited Members (to the extent required pursuant to Section 5.7) ceases to be the Managing Member; or

(v) the entry of a decree of judicial dissolution with respect to the Company under Section 18-802 of the Act.

The Members hereby agree that, notwithstanding any provision of the Act, the Company shall not dissolve prior to the occurrence of a Liquidation Event.

(b) **Reconstitution**. If it is determined by a court of competent jurisdiction that the Company has dissolved prior to the occurrence of a Liquidation Event, then within an additional ninety

(90) days after such determination (the "***Reconstitution Period***"), all of the Members may elect to reconstitute the Company and continue its business on the same terms and conditions set forth in this Agreement by forming a new limited liability company on terms identical to those set forth in this Agreement. Unless such an election is made within the Reconstitution Period, the Company shall dissolve and wind up its affairs in accordance with Section 13.2. If such an election is made within the Reconstitution Period, then:

(i) the reconstituted limited liability company shall continue until the occurrence of a Liquidation Event as provided in Section 13.1(a); and

(ii) unless otherwise agreed to by all of the Members, the Certificate of Formation and this Agreement shall, subject to any requirement under the Act to file a new certificate of formation, automatically constitute the certificate of formation and limited liability company agreement of such reconstituted Company. All of the assets and liabilities of the dissolved Company shall be deemed to have been automatically assigned, assumed, conveyed, and transferred to the reconstituted Company. No bond, collateral, assumption, or release of any Member's or the Company's liabilities shall be required; provided, however, that the right of the Members to select successor managers and to reconstitute and continue the business of the Company shall not exist and may not be exercised unless the Managing Member has received an opinion of counsel that the exercise of the right would not result in the loss of limited liability of any Member and neither the dissolved Company nor the reconstituted Company would cease to be treated as a partnership for U.S. federal income tax purposes upon the exercise of such right to continue.

(c) Notwithstanding any other provision of this Agreement, the Bankruptcy of a Member shall not cause such Member to cease to be a Member.

13.2 Winding Up. Upon (i) the occurrence of a Liquidation Event or (ii) the determination by a court of competent jurisdiction that the Company has dissolved prior to the occurrence of a Liquidation Event (unless the Company is reconstituted pursuant to Section 13.1(b)), the Company shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Members, and no Member shall take any action that is inconsistent with the winding up of the Company's business and affairs; provided, however, that, to the extent not inconsistent with the foregoing, all covenants contained in this Agreement and obligations provided for in this Agreement shall continue to be fully binding upon the Members until such time as the Property has been distributed pursuant to this Section 13.2 and the Certificate of Formation has been canceled pursuant to the Act. The Liquidator shall be responsible for overseeing the winding up and dissolution of the Company, which winding up and dissolution shall be completed within ninety (90) days of the occurrence of the Liquidation Event and within ninety (90) days after the last day on which the Company may be reconstituted pursuant to Section 13.1(b). The Liquidator shall take full account of the Company's liabilities and Property and shall cause the Property or the proceeds from the sale or other realization thereof (including drawing on the Demand Notes), to the extent sufficient therefor, to be applied and distributed, to the maximum extent permitted by law, in the following order:

(a) first, to creditors in satisfaction of all of the Company's debts and other liabilities (whether by payment or the making of reasonable provision for payment thereof to the extent required by Section 18-804 of the Act);

(b) second, to the Class A Limited Members, pro rata in proportion to their Unrecovered Capital, in an amount equal to their Unrecovered Capital;

(c) third, to the Class A Limited Members with documented Breakage Costs, pro rata in proportion thereto, in an amount equal to their documented Breakage Costs; and

(d) fourth, the balance, if any, to the Class B Common Members, pro rata in proportion to their holdings of Class B Common Membership Interests;

provided, however, that, (1) all distributions pursuant to clauses (b), (c) and (d) shall be made solely in cash and (2), no application or distribution of any non-cash assets shall be made to the extent that the consent of any third party is required in connection therewith. No Member shall receive additional compensation for any services performed pursuant to this Section 13.

13.3 Deficit Capital Accounts; Reserves. If any Member has a deficit balance in such Member's Capital Account, determined after debiting and crediting such Member's Capital Account for all income, gain, and loss allocations and distributions occurring prior to dissolution, such Member shall have no obligation to make any contribution to the capital of the Company with respect to such deficit, and such deficit shall not be considered a debt owed to the Company or to any other Person for any purpose whatsoever. In the discretion of the Liquidator, but subject to the time periods set forth in Section 13.2, a pro rata portion of the distributions that would otherwise be made to the Members pursuant to this Section 13 may be:

(a) distributed to a trust established for the benefit of the Members for the purposes of liquidating Permitted Assets, collecting amounts owed to the Company, and paying any contingent or unforeseen liabilities or obligations of the Company. The assets of any such trust shall be distributed to the Members from time to time, in the reasonable discretion of the Liquidator, in the same proportions as the amount distributed to such trust by the Company would otherwise have been distributed to the Members pursuant to Section 13.2; or

(b) withheld to provide a reasonable reserve for Company liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Company; provided, however, that such withheld amounts shall be distributed to the Members as soon as practicable.

13.4 Rights of Members. Except as otherwise provided in this Agreement, each Member shall look solely to the Property of the Company for the return of its Capital Contributions and has no right or power to demand or receive Property other than cash from the Company. If the assets of the Company remaining after payment or discharge of the Indebtedness or other liabilities of the Company are insufficient to return such Capital Contributions, the Members shall have no recourse against the Company, the Managing Member, or any other Member, except as expressly set forth herein or in the other Transaction Documents.

13.5 Guaranteed Payments During Period of Liquidation. During the period commencing on the first day of the Three Month Period during which a Liquidation Event occurs and ending on the date on which all of the assets of the Company have been distributed to the Members pursuant to Section 13.2 (the "***Liquidation Period***"), the Company shall pay to each Class A Limited Member on each Liquidation Period Guaranteed Payment Date, cash in an amount equal to the Class A Limited Member Preferred Return on such Class A Limited Member's Unrecovered Capital determined as of the last Class A Distribution Date occurring prior to the Liquidation Period, after giving effect to any distributions made pursuant to Section 4.1 on such Class A Distribution Date. For purposes of this Section 13.5, the Class A Limited Member Preferred Return shall be determined as if each Liquidation Period Guaranteed Payment Date constituted a Class A Distribution Date.

13.6 Allocations and Distributions During Period of Liquidation. During the period commencing on the first day of the Three Month Period during which a Liquidation Event occurs and ending on the date on which all of the assets of the Company have been distributed to the Members pursuant to Section 13.2, no distributions shall be made pursuant to Section 4.

13.7 Liquidating Distributions. For purposes of making distributions required by Section 13.2, the Liquidator shall not distribute Property other than cash to a Member without such Member's consent and, subject to such consent, the Liquidator shall be required to reduce Property to cash to the extent necessary to make distributions in cash to the Members pursuant Section 13.2.

13.8 The Liquidator.

(a) On the occurrence of a Liquidation Event, the Managing Member and the Class A Limited Members shall consult with each other to jointly agree on an agent to administer the liquidation of the Company (the "***Liquidator***"). If the Managing Member and the Class A Limited Members (by the consent of the Required Class A Limited Members) shall not agree on a Liquidator within two (2) Business Days following the occurrence of a Liquidation Event, the Required Class A Limited Members shall have the right to appoint the Liquidator; provided, that the Class A Limited Members shall reasonably take into account the input of the Managing Member in such appointment and in any directions provided to the Liquidator in connection with the liquidation contemplated hereby; provided, further, that upon the indefeasible payment to the Class A Limited Members of the Unrecovered Capital with respect to all outstanding Class A Limited Membership Interests, the Managing Member may direct the Liquidator in all respects with respect to its actions involving the Company.

(b) The Company is authorized to pay such reasonable compensation to the Liquidator for its services performed pursuant to this Section 13 as shall be agreed upon by the Liquidator and the Class A Limited Members and to reimburse the Liquidator for its reasonable Expenses incurred in performing those services.

SECTION 14

NOTICE EVENTS

14.1 Notice Events. In the event that any of the following events ("***Notice Events***") shall occur, the Class A Limited Members shall have the rights described in Section 14.2:

(a) the failure of the Company to distribute to the Class A Limited Members in immediately available funds on two (2) or more Class A Distribution Dates an amount equal to the cumulative Class A Limited Member Preferred Return in respect of each such Class A Distribution Date and such failure continues for a period of three (3) Business Days;

(b) the failure of the Company to comply with the Portfolio Requirements at any time and such failure continues unabated for ten (10) Business Days;

(c) the Managing Member or any Affiliate of the Managing Member (i) fails to observe or perform any covenant, condition or agreement contained in Sections 5.4 or 5.5(c) of this Agreement or (ii) fails to observe or perform any material covenant, condition or agreement contained in this Agreement or any other Transaction Document, and, in the case of either clause (i) or clause (ii), such failure or breach, as applicable, has not been cured (to the extent curable) prior to the fifteenth (15th) Business Day after notice from the Required Class A Limited Members (or MUFG so long as MUFG

(together with its Affiliates) holds Class A Limited Membership Interests with aggregate Unrecovered Capital equal to at least $1,000,000,000);

(d) any representation or warranty made or deemed made by the Managing Member, the Company, Parent Company or any Parent Company Entity under or in connection with this Agreement or any other Transaction Document shall prove to have been incorrect in any material respect when made or deemed made; or

(e) four (4) consecutive Class A Failed Mandatory Remarketings have occurred.

The Managing Member shall notify the Administrative Agent (or each Class A Limited Member, if no Administrative Agent is appointed at the time) of the occurrence of any Notice Event promptly and an any event within five (5) Business Days of any officer of the Managing Member having actual knowledge of such occurrence and each Member shall have the right to notify the Administrative Agent (if any) upon becoming aware of any such occurrence. Upon receipt of any such notice from the Managing Member or any other Member, the Administrative Agent (if any) shall promptly notify all the Class A Limited Members.

14.2 Liquidation Event Notice. At any time on or after the occurrence of a Notice Event, (w) the Required Class A Limited Members, (x) MUFG (so long as MUFG (together with its Affiliates) holds Class A Limited Membership Interests with aggregate Unrecovered Capital equal to at least $1,000,000,000), (y) any Class A Limited Member that holds (together with its Affiliates) Class A Limited Membership Interests with an aggregate Unrecovered Capital equal to at least $1,000,000,000 (solely with respect to the Notice Event set forth in clause (a) of Section 14.1) or (z) any Class A Limited Member (solely with respect to the Notice Event set forth in clause (e) of Section 14.1) may elect to cause such Notice Event to result in a Liquidation Event by delivering (or directing the Administrative Agent (if any) to deliver) to the Managing Member a notice (a "***Liquidation Event Notice***") of such election; provided, however, that: (i) such Notice Event shall not result in a Liquidation Event until the expiration of fifteen (15) days following such delivery and (ii) the Required Class A Limited Members, MUFG or such Class A Limited Member, as applicable, may rescind such Liquidation Event Notice by delivering (or directing the Administrative Agent (if any) to deliver) to the Managing Member a notice prior to such fifteenth (15th) day.

14.3 Enforcement of Rights with respect to Demand Notes and other Transaction Documents. Following the delivery of a Liquidation Event Notice, the Managing Member and the Administrative Agent (if any) shall cause the Company to immediately (a) demand the immediate repayment of the principal amounts of the Demand Notes, in whole, together with all accrued but unpaid interest thereon and all other amounts payable thereunder and (b) exercise all rights under the Demand Notes and all other Transaction Documents and take all such other actions incidental thereto as may be necessary or desirable to effect such repayment and the realization of value of the rights under the Transaction Documents, including, as applicable, by any permitted assignment of any Transaction Document or any rights thereunder.

SECTION 15

REDEMPTION AND CONVERSION

15.1 Optional Redemption.

(a) At any time, in the case of the Floating Rate Class A Limited Membership Interests, and at any time on or after November 1, 2029, in the case of the Fixed Rate Class A Limited Membership Interests, the Company shall have the right, but not the obligation, in the Managing Member's sole discretion, to redeem, in whole or in part, the then-outstanding Class A Limited Membership Interests pro rata in proportion to their Unrecovered Capital on the terms provided in Section 15.2, by payment in cash in respect of each Class A Limited Membership Interest being redeemed of an amount equal to the Unrecovered Capital with respect to the Class A Limited Membership Interest being redeemed as of the Class A Purchase Date (with the accrued but undistributed portion of such Unrecovered Capital, including all accrued and undistributed Class A Limited Member Preferred Return calculated through, but not including, the Class A Purchase Date (the "***Class A Purchase Price***")).

(b) If the approval of the Required Class A Limited Members is not received in connection with a proposed Transfer pursuant to Section 11.2(a), the Company shall have the right, but not the obligation, in the Managing Member's sole discretion, to elect, within ninety (90) days after notice to the Class A Limited Members of the proposed Transfer, to redeem, in whole but not in part, the then-outstanding Class A Limited Membership Interests by payment in cash in respect of each Class A Limited Membership Interest being redeemed of the applicable Class A Purchase Price.

(c) Following receipt of a Liquidation Event Notice, the Company shall have the right, but not the obligation, in the Managing Member's sole discretion, to redeem, in whole but not in part, the then-outstanding Class A Limited Membership Interests on the terms provided in Section 15.2 by payment in cash in respect of each Class A Limited Membership Interest being redeemed of the applicable Class A Purchase Price. Delivery of a notice of redemption pursuant to this Section 15.1(c) and Section 15.2(a) shall constitute a rescission of any Liquidation Event Notice delivered prior to the date of such redemption notice; provided, however, such Liquidation Event Notice shall be deemed reinstated upon the failure of the Company to pay or cause the payment of the Class A Purchase Price on the Class A Purchase Date.

15.2 Redemption Process.

(a) Class A Limited Membership Interests may be redeemed (the applicable redemption date, the "***Class A Purchase Date***") pursuant to Section 15.1 on at least ten (10) days', but not more than sixty (60) days', prior notice sent or delivered to the Administrative Agent (or to the address, pursuant to Section 17.1, of each Class A Limited Member holding Class A Limited Membership Interests to be redeemed, if no Administrative Agent is appointed at the time). The Managing Member or, at its option, the Administrative Agent (if any) shall deliver such notice to the address, pursuant to Section 17.1, of each Class A Limited Member holding Class A Limited Membership Interests to be redeemed. The Company shall be deemed to exercise its redemption rights set forth in Section 15.1(a), as applicable, upon delivery of notice by the Company to the Administrative Agent (or to the applicable Class A Limited Members, if no Administrative Agent is appointed at the time).

(b) The closing of the purchase contemplated by Section 15.1 shall occur on the Class A Purchase Date. At the closing, (x) the Class A Limited Members shall deliver to the Company

good title, free and clear of any Liens, to their respective Class A Limited Membership Interests thus purchased, (y) the transferring Class A Limited Members shall execute such documents and instruments of conveyance as may be reasonably necessary to effectuate the transaction contemplated hereby, including the Transfer of the Class A Limited Membership Interests and (z) the Company shall pay (or cause to be paid) the Class A Purchase Price to the transferring Class A Limited Members in full in cash.

(c) On and after the applicable Class A Purchase Date, Unrecovered Capital shall cease to accrue on any Class A Limited Membership Interests called for redemption pursuant to Section 15.1, unless the Company fails to make payment of the applicable Class A Purchase Price when due.

(d) In each case in which the Company redeems any Class A Limited Membership Interests pursuant to Section 15.1, the Company shall promptly reimburse any documented Breakage Costs of the Class A Limited Member holding such Class A Limited Membership Interests.

15.3 Treatment as Purchase Under Section 741. The Class A Limited Members agree to treat the Transfer of the Class A Limited Membership Interests to the Company pursuant to Section 15.1 as a purchase and sale under Code Section 741 and not as a retirement under Code Section 736.

15.4 Automatic Conversion. Without any action on the part of the Company or any Member, on each date set forth on Schedule E, an amount of Unrecovered Capital of Fixed Rate Class A Limited Membership Interests equal to the amount set forth opposite such date on such schedule shall convert from Fixed Rate Class A Limited Membership Interests to Floating Rate Class A Limited Membership Interests pro rata among the Class A Limited Members in proportion to their Unrecovered Capital with respect to their Fixed Rate Class A Limited Membership Interests.

SECTION 16

ADMINISTRATIVE AGENT

16.1 Authorization and Authority. The Class A Limited Members hereby authorize the Managing Member to appoint an administrative agent (in such capacity, the "***Administrative Agent***") (who may, for the avoidance of doubt, be the Paying Agent and in any case need not be a Member) to act on their behalf hereunder and authorize such Administrative Agent to take such actions on their behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto. Such Administrative Agent shall become party to this Agreement by executing a counterpart to this Agreement. The provisions of this Section 16 are solely for the benefit of the Administrative Agent and the Class A Limited Members, and the Company and the Class B Common Members shall have no rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties. If the Administrative Agent is the Paying Agent, to the extent any terms of this Agreement applicable to the Administrative Agent conflict with the terms of the Paying Agency Agreement, the terms of this Agreement shall govern.

16.2 Administrative Agent Individually. If the Administrative Agent is a Class A Limited Member, the Person serving as the Administrative Agent hereunder shall have the same rights and powers

in its capacity as a Class A Limited Member as any other Class A Limited Member and may exercise the same as though it were not the Administrative Agent and the term "Class A Limited Member" or "Class A Limited Members" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other capacity for and generally engage in any kind of business with the Company or any Subsidiary or any other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Class A Limited Members.

16.3 Duties of Administrative Agent; Exculpatory Provisions.

(a) The Administrative Agent's duties hereunder are solely ministerial and administrative in nature and the Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, the Administrative Agent (if any):

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Notice Event or Liquidation Event has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise as directed in writing by the Required Class A Limited Members (or such other number or percentage of the Class A Limited Members as shall be expressly provided for herein); provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to this Agreement or applicable law; and

(iii) shall not, except as expressly set forth herein, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(b) The Administrative Agent (if any) shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Class A Limited Members (or such other number or percentage of the Class A Limited Members as shall be necessary) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent (if any) shall be deemed not to have knowledge of any Notice Event or Liquidation Event or the event or events that give or may give rise to any Notice Event or Liquidation Event unless and until the Managing Member or any other Member shall have given notice to the Administrative Agent describing such Notice Event or Liquidation Event and such event or events.

(c) The Administrative Agent (if any) shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty, representation or other information made or supplied in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith or the adequacy, accuracy and/or completeness of the information contained therein, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Notice Event or Liquidation Event, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document or (v) the satisfaction of any condition

set forth herein, other than (but subject to the foregoing clause (ii)) to confirm receipt of items expressly required to be delivered to the Administrative Agent.

16.4 Reliance by Administrative Agent. The Administrative Agent (if any) shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent (if any) also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent (if any) may consult with legal counsel (who may be counsel for the Company), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

16.5 Delegation of Duties. The Administrative Agent (if any) may perform any and all of its duties and exercise its rights and powers hereunder by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent (if any) and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. Each such sub-agent and the Affiliates of the Administrative Agent (if any) and each such sub-agent shall be entitled to the benefits of all provisions of this Section 16 (as though such sub-agents were the "Administrative Agent" hereunder) as if set forth in full herein with respect thereto.

16.6 Resignation of Agent. Any Administrative Agent may at any time give notice of its resignation to the Managing Member and the Class A Limited Members. Upon receipt or giving of any such notice of resignation, if the Managing Member determines that a successor Administrative Agent should be appointed, the Required Class A Limited Members shall have the right, in consultation with the Managing Member, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Class A Limited Members and shall have accepted such appointment within 30 days after the Managing Member notifies the Class A Limited Members of its determination that a successor Administrative Agent should be appointed (such 30-day period, the "***Appointment Period***"), then the Managing Member may, on behalf of the Class A Limited Members, appoint a successor Administrative Agent meeting the qualifications set forth above. In addition and without any obligation on the part of the retiring Administrative Agent to appoint, on behalf of the Class A Limited Members, a successor Administrative Agent, the retiring Administrative Agent may at any time upon or after the end of the Appointment Period notify the Managing Member and the Class A Limited Members that no qualifying Person has accepted appointment as successor Administrative Agent and the effective date of such retiring Administrative Agent's resignation. Upon the resignation effective date established in such notice and regardless of whether a successor Administrative Agent has been appointed and accepted such appointment, the retiring Administrative Agent's resignation shall nonetheless become effective and (i) the retiring Administrative Agent shall be discharged from its duties and obligations as Administrative Agent hereunder and (ii) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to the applicable Member directly, until such time as a successor Administrative Agent (if any) is appointed as provided for herein. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties as Administrative Agent of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations as Administrative Agent hereunder (if not already discharged therefrom as provided herein). The fees payable by the Company to a successor Administrative Agent shall be the

same as those payable to its predecessor unless otherwise agreed between the Company and such successor. After the retiring Administrative Agent's resignation hereunder, the provisions of this Section 16 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Affiliates in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

16.7 Non-Reliance on Administrative Agent and Other Class A Limited Members. Each Class A Limited Member acknowledges that it has, independently and without reliance upon the Administrative Agent (if any) or any other Class A Limited Member and based on such documents and information as it has deemed appropriate, made its own decision to enter into this Agreement. Each Class A Limited Member also acknowledges that it will, independently and without reliance upon the Administrative Agent (if any) or any other Class A Limited Member and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any related agreement or any document furnished hereunder.

16.8 Fees; Indemnification.

(a) The Company shall pay to the Administrative Agent (if any) for its own account such fees as may from time to time be agreed between the Company and the Administrative Agent.

(b) The Company agrees to indemnify the Administrative Agent (if any), and any members, managers, partners, stockholders, officers, directors, employees or agents thereof (each, an "***Administrative Agent Indemnitee***"), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against such Administrative Agent Indemnitee in any way relating to or arising out of this Agreement or any action taken or omitted by the Administrative Agent or any Administrative Agent Indemnitee under this Agreement, other than to the extent resulting from any Administrative Agent Indemnitee's gross negligence or willful misconduct. Without limitation of the foregoing, the Company agrees to reimburse the Administrative Agent (if any) promptly upon demand for its ratable share of any out-of-pocket expenses (including reasonable counsel fees) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement.

(c) The Class A Limited Members agree to indemnify the Administrative Agent (if any) and each Administrative Agent Indemnitee (to the extent not reimbursed by the Company), ratably according to their respective Unrecovered Capital, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against such Administrative Agent Indemnitee in any way relating to or arising out of this Agreement or any action taken or omitted by the Administrative Agent or any Administrative Agent Indemnitee under this Agreement, other than to the extent resulting from any Administrative Agent Indemnitee's gross negligence or willful misconduct. Without limitation of the foregoing, the Class A Limited Members agree to reimburse the Administrative Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including reasonable counsel fees) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that the Administrative Agent is not reimbursed for such expenses by the Company.

SECTION 17

MISCELLANEOUS

17.1 ***Notices***. Unless otherwise expressly specified or permitted by the terms of this Agreement, all notices, requests, demands and instructions hereunder shall be in writing and shall be delivered by hand or courier service, or shall be sent by overnight courier, or if an email or a facsimile number, as applicable, has been provided on Schedule A for such party, may be sent by email or facsimile, as applicable, in each case to (a) the address for such party set forth on the Membership Registry (with respect to a Member), (b) to the principal place of business address set forth in Section 1.4 (with respect to the Company) and (c) to the address set forth on such party's counterpart to this Agreement (with respect to the Administrative Agent (if any)). Whenever any notice is required to be given hereunder, such notice shall be deemed given only when such notice is delivered or, if sent by overnight courier, email or facsimile, when received, unless otherwise expressly specified or permitted by the terms hereof. Whenever any notice is required to be given by law or this Agreement, a written waiver thereof signed by the Person entitled to such notice, whether before or after the time stated at which such notice is required to be given, shall be deemed equivalent to the giving of such notice.

17.2 ***Binding Effect***. Except as otherwise provided in this Agreement, every covenant, term, and provision of this Agreement shall be binding upon and inure to the benefit of the Members, the Independent Managers and their respective successors, transferees and assigns.

17.3 ***Construction***. It is the intent of the parties hereto that every covenant, term, and provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any Member. The terms of this Agreement are intended to embody the economic relationship among the Members and shall not be subject to modification by, or be conformed with, any actions by the IRS except as this Agreement may be explicitly so amended and except as may relate specifically to the filing of tax returns.

17.4 ***Time***. In computing any period of time pursuant to this Agreement, the day of the act, event, or default from which the designated period of time begins to run shall be included.

17.5 ***Headings***. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof.

17.6 ***Severability***. Except as otherwise provided in the succeeding sentence, every provision of this Agreement is intended to be severable, and, if any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement. The preceding sentence of this Section 17.6 shall be of no force or effect if the consequence of enforcing the remainder of this Agreement without such illegal or invalid term or provision would be to cause any Member to lose the material benefit of its economic bargain.

17.7 ***Governing Law***. This Agreement and any dispute, controversy or claim arising hereunder or in connection herewith shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed entirely within such state, without regard to the conflicts of law principles that would otherwise require the applicable of the laws of a jurisdiction other than the State of New York; provided, however, that the laws of the State of Delaware shall apply hereto with respect to matters governed by the Act or the internal affairs doctrine,

or otherwise subject to the provisions of the Act, without regard to the conflicts of law principles that would otherwise require the applicable of the laws of a jurisdiction other than the State of Delaware.

17.8 Consent to Jurisdiction. Each Member (i) irrevocably submits to the non-exclusive jurisdiction of any state court of the State of New York located in the borough of Manhattan or, if a basis for federal court jurisdiction is present, the United States District Court for the Southern District of New York, in any action arising out of this Agreement, (ii) agrees that all claims in such action may be decided in such court, as applicable, (iii) waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum, and (iv) consents, to the fullest extent it may effectively do so, to the service of process by mail in accordance with Section 17.1. A final judgment in any such action shall be conclusive and may be enforced in other jurisdictions. Nothing herein shall affect the right of any party to serve legal process in any manner permitted by law or affect its right to bring any action in any other court.

17.9 WAIVER OF JURY TRIAL. EACH OF THE MEMBERS IRREVOCABLY WAIVES, TO THE EXTENT PERMITTED BY LAW, ALL RIGHTS TO TRIAL BY JURY AND ALL RIGHTS TO IMMUNITY BY SOVEREIGNTY OR OTHERWISE IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

17.10 Counterpart Execution. This Agreement may be executed in any number of counterparts with the same effect as if all of the Members had signed the same document. All counterparts shall be construed together and shall constitute one agreement.

17.11 Specific Performance. Each Member agrees with the other Members that the other Members may be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that monetary damages would not provide an adequate remedy in such event. Accordingly, it is agreed that, in addition to any other remedy to which the non-breaching Members may be entitled, at law or in equity, the non-breaching Members shall be entitled to such injunctive relief to prevent breaches of the provisions of this Agreement and specifically to enforce the terms and provisions hereof.

17.12 Entire Agreement. This Agreement and other Transaction Documents and the Annexes, Exhibits and Schedules hereto and thereto constitute the entire agreement among the parties hereto and their respective Affiliates and contain all of the agreements among such parties with respect to the subject matter hereof and thereof. This Agreement and the other Transaction Documents and the Annexes, Exhibits and Schedules hereto and thereto supersede any and all other agreements, either oral or written, between such parties with respect to the subject matter hereof and thereof.

17.13 No Third Party Beneficiaries. Except as otherwise expressly provided herein, no Person other than a party hereto shall have any rights or remedies under this Agreement.

17.14 Waiver. Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof. Any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement if, as to any party, it is authorized in writing by an authorized representative of such party. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

17.15 Non-Petition. The Members agree that no Member shall, until the day that is one year and one day after the redemption in full of all Class A Limited Membership Interests (a) acquiesce in, petition, consent to or otherwise invoke or institute the process of any governmental authority, or knowingly assist creditors of the Company (other than as required by applicable law or compelled by legal process), for the purpose of commencing or ordering any involuntary or nonconsensual (i) case against the Company or its property under the United States Bankruptcy Code, (ii) appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official with respect to the Company or its property or (iii) winding up or liquidation of the affairs of the Company, or (b) cause to commence, or consent to, any voluntary or consensual case, action or proceeding described in clause (i), (ii) or (iii) of this sentence without such consents as may be required under this Agreement or any other agreement of the Company.

17.16 Non-Business Days. Wherever any payment is required to be made, any notice required to be given or any other action required to be taken under this Agreement on a specified day that is not a Business Day, except as otherwise specified, such payment shall be made, such notice shall be given or such action shall be taken, as the case may be, on the next succeeding Business Day.

17.17 Effectiveness. This Agreement shall become effective on and as of the Effective Date and, for the avoidance of doubt, until such time the Second A&R LLC Agreement shall constitute the limited liability company agreement of the Company (except, that the provisions of Section 7 of the Second A&R LLC Agreement shall be of no force or effect).

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement of the Company as of the day first above set forth.

CLASS B COMMON MEMBER AND MANAGING MEMBER:

NEW CINGULAR WIRELESS PCS, LLC
By: AT&T Mobility Corporation, its Manager

By: /s/ Andrew B. Keiser
Name: Andrew B. Keiser
Title: Treasurer

CLASS B COMMON MEMBER:

AT&T INVESTMENT & TOWER HOLDINGS, LLC
By: SBC Telecom, Inc., its Managing Member

By: /s/ Andrew B. Keiser
Name: Andrew B. Keiser
Title: President and Assistant Treasurer

CLASS A LIMITED MEMBER:

MUFG BANK, LTD.

By: /s/ Terry McKay
Name: Terry McKay
Title: Managing Director

CLASS A LIMITED MEMBER:

INTESA SANPAOLO S.P.A

By: /s/ Luca Giorgetti
Name: Luca Giorgetti
Title: Head of Industry Telecom, Media & Technology

By: /s/ Corrado Passoni
Name: Corrado Passoni
Title: Head of Corporate Loan Structuring

By: /s/ Edoardo Cesareo
Name: Edoardo Cesareo
Title: Business Director – Structured Finance Americas

By: /s/ Marco Maria Lucini
Name: Marco Maria Lucini
Title: Business Director – Relationship Manager Telecom, Media & Technology

CLASS A LIMITED MEMBER:

SG MORTGAGE FINANCE CORP.

By: /s/ Brendan Bush
Name: Brendan Bush
Title: President

CLASS A LIMITED MEMBER:

WELLS FARGO BANK, N.A.

By: /s/ Austin Vanassa
Name: Austin Vanassa
Title: Managing Director

CLASS A LIMITED MEMBER:

BANCO SANTANDER S.A., NEW YORK BRANCH

By: /s/ Andres Barbosa
Name: Andres Barbosa
Title: Managing Director

By: /s/ Rita Walz-Cuccioli
Name: Rita Walz-Cuccioli
Title: Executive Director

CLASS A LIMITED MEMBER:

SUMITOMO MITSUI BANKING CORPORATION

By: /s/ Nabeel Shah
Name: Nabeel Shah
Title: Director

CLASS A LIMITED MEMBER:

ROYAL BANK OF CANADA

By: /s/ Staci Sunshine Gola
Name: Staci Sunshine Gola
Title: Authorized Signatory

CLASS A LIMITED MEMBER:

BANCO BILBAO VIZCAYA ARGENTARIA, S.A. NEW YORK BRANCH

By: /s/ Brian Crowley
Name: Brian Crowley
Title: Managing Director

By: /s/ Armen Semizian
Name: Armen Semizian
Title: Managing Director

INDEPENDENT MANAGERS

By: /s/ Gordon W. Stewart
Name: Gordon W. Stewart

By: /s/ Candace R. Corra
Name: Candace R. Corra

Exhibit A

Form of Demand Note

(see attached)

Exhibit B

Form of Class A Mandatory Remarketing Agreement

(see attached)

Exhibit C-1

Form of Class A Limited Membership Interest Certificate

(see attached)

Exhibit C-2

Form of Class B Common Membership Interest Certificate

(see attached)

Schedule A

Membership Registry

Schedule B

Valuation Methodology

Schedule C

Leasing Companies

Schedule D

Index Methodology

Schedule E

Conversion Schedule

Conversion Date	Conversion Amount
November 3, 2025	$65,000,000
November 2, 2026	$170,000,000
November 1, 2027	$110,000,000
November 1, 2028	$180,000,000

Exhibit 10.2

AT&T INC.
SHORT TERM INCENTIVE PLAN

Effective January 1, 2025

The Short Term Incentive Plan ("Plan") is established to provide Executive Officers, Officers, Senior Managers and, where appropriate, other Employees, with short-term incentive compensation based upon the achievement of performance goals.

1. Definitions.

For purposes of this Plan, the following underlined words and phrases shall have the meanings indicated, unless the context clearly indicates otherwise:

Award shall mean an award under this Plan, which shall consist of the Target Award and related payout schedule, together with the associated Performance Goals, Performance Period, and any other terms and conditions, as well as the Key Contributor Award.

AT&T or the Company shall mean AT&T Inc., a Delaware Corporation.

Disability shall mean absence of an Employee from work under the relevant Employer disability plan.

Employee shall mean any person designated as an employee in the payroll and personnel records of an Employer and paid on an Employer's payroll system.

Executive Officer shall mean any Officer who is identified by AT&T as an executive officer under Rule 3b-7 of the Securities Exchange Act of 1934.

Employer shall mean AT&T or any of its Subsidiaries.

Leave of Absence shall mean an Employee's absence from employment with an Employer on a formally granted leave of absence (i.e., the absence is with formal permission in order to prevent a break in the continuity of term of employment, which permission is granted (and not revoked) in conformity with the rules of the applicable Employer, as adopted from time to time).

Officer shall mean an Employee who is designated as an officer for compensation purposes on the records of AT&T.

Performance Goals shall mean any financial, service, or other goals applicable to the payment of Target Awards under this Plan.

Performance Period shall mean the time period over which Performance Goals are measured, but in no case shall a Performance Period exceed one (1) year.

Retire or Retirement shall mean the Termination of an Employee's employment with AT&T or any of its subsidiaries on or after attaining one of the following combinations of age and Term of Employment (as determined under the applicable Employer pension plan), as applicable:

Term of Employment	Age
10 years or more	65 or older
20 years or more	55 or older
25 years or more	50 or older
30 years or more	Any age

Notwithstanding the foregoing, "Retire" or "Retirement" for an Officer also refers to the Termination of Employment of an Officer, other than for cause, who has attained age 55 and has completed a 5 year Term of Employment, provided, however, that individuals who are designated as an Officer on or after October 1, 2015, must have completed a 10-year Term of Employment.

Senior Manager shall mean an Employee who is designated as a senior manager for compensation purposes on the records of AT&T.

SEVP-HR shall mean the AT&T's highest ranking Officer (below the Chief Executive Officer (CEO)) who is specifically responsible for human resources matters. Any authority granted to the SEVP-HR shall also be held by the CEO.

Subsidiary shall mean any U.S. corporation in which AT&T owns, directly or indirectly, more than fifty percent (50%) of the total combined voting power of all classes of stock, or any other entity (including, but not limited to, partnerships and joint ventures) in which AT&T owns, directly or indirectly, more than fifty percent (50%) of the combined equity thereof.

Target Award shall mean a specific dollar value or percentage of salary that may be paid based on the 100% achievement of the related Performance Goals.

Termination of Employment, Termination, or a similar reference shall mean the event where the Employee ceases to be an Employee and is no longer employed by an Employer.

2. Administration.

The Human Resources Committee (the "Committee") shall have complete authority over the administration of the Plan and the authority to construe, interpret, and implement the Plan or any Award thereunder, and make factual determinations under the Plan. The CEO and the SEVP-HR, in their sole respective discretions, shall have complete authority to construe, interpret, and implement the provisions of the Plan or any Award solely with respect to Plan or Award matters delegated to them or to delegate all or part of their authority. All actions and determinations by the Committee, the CEO, the SEVP-HR (each an "Administrator"), or their respective delegates, authorized by this Plan shall be final and binding and shall be afforded the greatest legal deference on review.

3. Establishing, Modifying, or Terminating Awards.

Awards under this Plan shall be established, modified, or terminated as provided in Schedule A – Approval Authorities.

4. Award Terms.

An authorized Administrator establishing an Award, shall determine the terms and conditions of the Award, including any Performance Goals and associated performance exclusions that would be used to determine, in whole or in part, the amount of any payout of an Award. The terms of an Award, including any Performance Goals and associated performance exclusions, may be modified, reduced or cancelled at any time before the Award is finally distributed.

5. Final Award Determination.

Actual performance shall be compared to any predetermined Performance Goals to determine payout of Awards. An authorized Administrator shall then determine the percentage of the Target Award (using the related payout schedule) to be distributed to Employees for the relevant Performance Period as it may determine in its sole and complete discretion.

The final Award to be distributed to an Employee (or former Employee) may be more or less in an authorized Administrator's discretion (including no award) than the percentage of the Target Award determined for such Employee; for example, an authorized Administrator may approve a final Award greater or less than the (prorated, if applicable) performance-adjusted Target Award.

Determination and distribution of all Awards is subject to approval by an authorized Administrator, except as provided herein. All Awards are payable in cash and will be paid within two and one-half (2 ½) months of the end of the Performance Period and in all cases no later than March 15 of the year following the year in which a Performance Period ends.

For purposes of the Stock Purchase and Deferral Plan and the Cash Deferral Plan, the portion of an Award payout that is earned while an Employee is a Senior Manager or an Officer shall be classified as a Short Term Incentive Award. For purposes of other plans, the portion of an Award payout that is earned while an Employee is a Senior Manager or below shall be classified as an Annual Bonus; and the portion earned while an Employee is an Officer shall be classified as a Short Term Incentive Award. In each case, unless otherwise provided by an authorized Administrator, the Key Contributor Award, if any, paid with respect to a Performance Period shall be classified as either an Annual Bonus or a Short Term Incentive Award, based upon the recipient's management level at the end of the Performance Period.

6. Key Contributor Awards.

An authorized Administrator may provide an additional payment to recipients of Target Awards to recognize and reward outstanding or exceptional achievement. Such a payment shall be called a "Key Contributor Award" or "KCA." The number of Employees within an organization that may receive a KCA may be limited by an authorized Administrator.

7. Award Adjustments.

Unless otherwise provided by an authorized Administrator, an Employee who experiences one of the following events during the Performance Period shall have his/her Award under this Plan automatically adjusted as follows:

When an Award is established after the beginning of the Performance Period	Award shall be prorated based on the time period of active service under the applicable Award terms
Modification of an Award during the Performance Period	Award shall be prorated based on the time period of active service under each applicable set of Award terms
Leave of Absence during the Performance Period	Award shall be prorated to exclude the time period of the leave
Involuntary Termination during the Performance Period	Award shall be prorated to the date of Termination of Employment
Voluntary Termination prior to the end of the performance period (except as provided below)	No Award
Retirement or Termination of Employment due to death or Disability during the performance period	Award shall be prorated to the date of Termination of Employment
Dismissal for cause, even if Retirement eligible, during or after a Performance Period, but prior to Award payout	Award shall be forfeited upon Termination of Employment

The receipt of short-term Disability benefits during the Performance Period shall have no effect on an Award.

8. Other Conditions.

A. No person shall have any claim to be granted an Award under the Plan and there is no obligation for uniformity of treatment of Employees under the Plan. Awards under the Plan may not be assigned or alienated.
B. Neither the Plan nor any action taken hereunder shall be construed as giving to any Employee the right to be retained in the employ of AT&T or any subsidiary thereof.
C. Awards shall be subject to applicable withholding taxes as required by law.
D. The Plan shall be governed by the laws of the State of Texas and applicable Federal law.
E. The AT&T Rules for Employee Beneficiary Designations shall apply to Awards under this Plan.

Schedule A
Approval Authorities

Background
Each Approver in this schedule shall possess the approval authority stated herein and the approval authority granted to an Approver lower in the corporate hierarchy.

No Approver shall possess authority granted to a higher-level Approver.

Approvers may delegate any portion of their authority.

Full Authority
Approvers with full authority to administer Awards under the Plan (including approval of performance goals and attainment) are as follows:

Approver	Authority
Human Resources Committee (HRC)	– Executive Officers – Employees with a market rate for total compensation or total target compensation of $5 million or more
CEO	– Employees whose market rate or actual target for total compensation is: o $2M to $4.99M for AT&T o $3M to $4.99M for WarnerMedia
SEVP-HR	– Employees whose market rate or actual target for total compensation is: o Less than $2M for AT&T o Less than $3M for WarnerMedia – Any media personality

Other Authority
The following individuals may only establish, modify, or terminate Target Awards and Key Contributor Awards for Employees of his/her Operating Entity, after consultation with the SEVP-HR:

Approver	Authority
Operating Entity Chief Executive Officer	– Employees whose market rate or actual target for total compensation is: o Less than $2M for AT&T o Less than $3M for WarnerMedia – Any media personality

Exhibit 31.1

CERTIFICATION

I, John T. Stankey, certify that:

1. I have reviewed this report on Form 10-Q of AT&T Inc.;

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: October 29, 2024

/s/ John T. Stankey
John T. Stankey
Chief Executive Officer and
President

Exhibit 31.2

CERTIFICATION

I, Pascal Desroches, certify that:

1. I have reviewed this report on Form 10-Q of AT&T Inc.;

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: October 29, 2024

/s/ Pascal Desroches
Pascal Desroches
Senior Executive Vice President
and Chief Financial Officer

Certification of Periodic Financial Reports

Pursuant to 18 U.S.C. Section 1350, each of the undersigned officers of AT&T Inc. (the "Company") hereby certifies that the Company's Quarterly Report on Form 10-Q for the three months ended September 30, 2024 (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 information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

October 29, 2024

By: /s/ John T. Stankey
John T. Stankey
Chief Executive Officer
and President

October 29, 2024

By: /s/ Pascal Desroches
Pascal Desroches
Senior Executive Vice President
and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document. This certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 ("Exchange Act") or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act except to the extent this Exhibit 32 is expressly and specifically incorporated by reference in any such filing. 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 AT&T Inc. and will be retained by AT&T Inc. and furnished to the Securities and Exchange Commission or its staff upon request.