

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2021
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: 001-16853

SBA COMMUNICATIONS CORPORATION

(Exact name of Registrant as specified in its charter)

Florida
(State or other jurisdiction of
incorporation or organization)

8051 Congress Avenue
Boca Raton, Florida
(Address of principal executive offices)

65-0716501
(I.R.S. Employer
Identification No.)

33487
(Zip Code)

Registrant's telephone number, including area code (561) 995-7670

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

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
Class A Common Stock, \$0.01 par value per share	SBAC	The NASDAQ Stock Market LLC (NASDAQ Global Select Market)

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

None

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

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

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

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T 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	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
Emerging Growth Company	<input type="checkbox"/>		

If an emerging growth company, indicate by checkmark 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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

The aggregate market value of the voting stock held by non-affiliates of the Registrant was approximately \$34.6 billion as of June 30, 2021.

The number of shares outstanding of the Registrant's common stock (as of February 18, 2022): Class A common stock — 107,919,638.

Documents Incorporated By Reference

Portions of the Registrant's definitive proxy statement for its 2022 annual meeting of shareholders, which proxy statement will be filed no later than 120 days after the close of the Registrant's fiscal year ended December 31, 2021, are hereby incorporated by reference in Part III of this Annual Report on Form 10-K.

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General

We are a leading independent owner and operator of wireless communications infrastructure, including tower structures, rooftops, and other structures that support antennas used for wireless communications, which we collectively refer to as “towers” or “sites.” Our principal operations are in the United States and its territories. In addition, we own and operate towers in South America, Central America, Canada, South Africa, the Philippines and, effective January 4, 2022, Tanzania. Our primary business line is our site leasing business, which contributed 97.4% of our total segment operating profit for the year ended December 31, 2021. In our site leasing business, we (1) lease antenna space to wireless service providers on towers that we own or operate and (2) manage rooftop and tower sites for property owners under various contractual arrangements. As of December 31, 2021, we owned 34,177 towers, a substantial portion of which have been built by us or built by other tower owners or operators who, like us, have built such towers to lease space to multiple wireless service providers. In addition, on January 4, 2022, we closed on 1,445 towers under our previously announced deal in Tanzania. Our other business line is our site development business, through which we assist wireless service providers in developing and maintaining their own wireless service networks.

Business Strategy

Our primary strategy is to continue to focus on expanding our site leasing business through organic growth and expansion of our tower portfolio to create shareholder value. We believe that the long-term and repetitive nature of our site leasing business will permit us to maintain a stable, recurring cash flow stream and reduce our exposure to cyclical changes in customer spending which arises in our site development business. Key elements of our strategy include:

Organic Growth.

- *Maximizing our Tower Capacity.* We generally have constructed or acquired towers that accommodate multiple tenants and a majority of our towers are high capacity tower structures. Most of our towers have significant capacity available for additional antennas, and we believe that increased use of our towers’ structural capacity can generate additional lease revenue and be achieved at a low incremental cost. We measure the available capacity of our existing sites to support additional tenants by assessing several factors, including tower height, tower type, wind loading, environmental conditions, existing equipment on the tower and zoning and permitting regulations in effect in the jurisdiction where the tower is located. We actively market space on our towers through our internal sales force. As of December 31, 2021, we had an average of 1.8 tenants per tower structure.
- *Capitalizing on our Scale and Management Experience.* We are a large owner, operator and developer of towers, with substantial capital, human, and operating resources. We have been developing towers for wireless service providers in the U.S. since 1989 and owned and operated towers for ourselves since 1997. We believe our size, experience, capabilities, and resources make us a preferred partner for wireless service providers both in the U.S. and internationally. Our management team has extensive experience in site leasing and site development, with some of the longest tenures in the tower and site development industries. We believe that our industry expertise and strong relationships with wireless service providers will permit us to continue to organically grow our site leasing and site development services.
- *Systematic Tower Portfolio Growth.* We believe that our tower operations are highly scalable. Consequently, we believe that we are able to materially increase our domestic and international tower portfolio without proportionately increasing selling, general, and administrative expenses. We intend to continue to grow our tower portfolio, domestically and internationally, through tower acquisitions and the construction of new tower structures. We believe that one of the best uses of our liquidity, including cash from operating activities and borrowings, is to acquire and/or build new towers at prices that we believe will be accretive to our shareholders both in the short and long term and which allow us to maintain our long-term target leverage ratios.
- *Disciplined Tower Acquisitions.* In our tower acquisition program, we pursue towers from third parties that meet or exceed our internal guidelines regarding current and future potential returns. For each acquisition, we prepare various analyses that include projections of several different investment return metrics, review of available capacity, future lease up projections, and a summary of current and future tenant/technology mix.
- *International Tower Growth.* The majority of our international markets typically have less mature wireless networks with limited wireline infrastructure and lower wireless data penetration rates than those in the United States. Accordingly, our tower growth in these markets is primarily driven by (1) wireless service providers seeking to increase the quality and coverage of their networks, (2) increased consumer mobile data traffic, such as media streaming, mobile apps and games, web browsing, and email, and (3) incremental spectrum auctions as well as incremental voice and data network deployments.

- *International Market Expansion.* We believe that we can create substantial value by expanding our site leasing services into select international markets which we believe have a high-growth wireless industry and relatively stable political and regulatory environments. We consider various factors when identifying a market for our international expansion, including:
 - Country analysis – We consider the country’s economic and political stability, and whether the country’s general business, legal and regulatory environment is conducive to the sustainability and growth of our business.
 - Market potential – We analyze the expected demand for wireless services, and whether a country has multiple wireless service providers who are actively seeking to invest in deploying voice and data networks, as well as spectrum auctions that have occurred or that are anticipated to occur.
 - Risk adjusted return criteria – We consider whether buying or building towers in a country, and providing our management and leasing services, will meet our return criteria. As part of this analysis, we consider the risk of entering into an international market (for example, the impact of foreign currency exchange rates and inflation, real estate, permitting, and taxation risks), and how our expansion meets our long-term strategic and financial objectives for the region and our business generally.

New Build Program. We build new towers domestically and internationally. In our new build program, we construct tower structures (1) under build-to-suit arrangements or (2) in locations that are strategically chosen by us. Under build-to-suit arrangements, we build tower structures for wireless service providers at locations that they have identified. Under these arrangements, we retain ownership of the tower structure and the exclusive right to co-locate additional tenants. When we construct tower structures in locations chosen by us, we utilize our knowledge of our customers’ network requirements to identify locations where we believe multiple wireless service providers need, or will need, to locate antennas to meet capacity or service demands. We seek to identify attractive locations for new tower structures and complete pre-construction procedures necessary to secure the site concurrently with our leasing efforts. We generally will have at least one signed tenant lease for each new build tower structure on the day that it is completed and expect that some will have multiple tenants.

Using our Local Presence to Build Strong Relationships with Major Wireless Service Providers. Given the nature of towers as location-specific communications facilities, we believe that substantially all of what we do is done best locally. Consequently, we have a broad field organization that allows us to develop and capitalize on our experience, expertise and relationships in each of our local markets which in turn enhances our customer relationships. We seek to replicate this operating model internationally. Due to our presence in local markets, we believe we are well positioned to organically grow our site leasing business and to capture new tower build opportunities in our markets and identify and participate in site development projects across our markets.

Controlling our Underlying Land Positions. We believe that a primary component of a strong site leasing business is the ability to control the underlying land positions. Consequently, we have acquired perpetual easements, long-term leases, or other property interests for the land that underlies our tower structures and intend to continue to do so, to the extent available at commercially reasonable prices. We believe that these perpetual easements, long-term leases, and other property interests will increase our margins, improve our cash flow from operations, and minimize our exposure to increases in rents for property interests in the future. As of December 31, 2021, approximately 72% of our tower structures were located on land that we own or control for more than 20 years and the average remaining life under our ground leases and other property interests, including renewal options under our control, was 37 years. As of December 31, 2021, approximately 10.7% of our tower structures had ground leases or other property interests maturing in the next 10 years.

Exploring Opportunities in Evolving Technologies and Ancillary Services. In addition to our traditional tower-related services, we are currently exploring ancillary services and evolving technologies that we believe will allow us to create additional value by leveraging our current assets, capabilities, and relationships with wireless service providers and others by expanding SBA’s business within the growing communications ecosystem. This includes supporting efforts for edge data centers and private networks utilizing Citizens Broadband Radio Service (“CBRS”) technology. For example, we are exploring ways to participate in edge computing infrastructure to support existing and future customers’ increasing need to deploy computing capabilities to locations closer to their end users, such as regional data centers and smaller local data centers located at the base of our towers. SBA owns two regional data centers and multiple tower-based data centers in support of this initiative. With regard to private networks, SBA has partnered with different school districts in developing pilots to help close the digital divide through the deployment of private CBRS networks. These network deployments are designed to leverage school-owned assets and SBA tower assets to extend the network to the students in their homes. We are also exploring opportunities to leverage tower assets and infrastructure to provide energy as a service, including through the deployment of on-site battery backup systems powered by solar energy.

Industry Developments

We believe that growing wireless data traffic will require wireless service providers to continue to increase the capacity of their networks, and we believe that the continued capacity increases will require our customers to install equipment at new sites and add new equipment at existing sites. We expect that the wireless communications industry will continue to experience growth as a result of the following trends:

- Consumers are increasing their demand for wireless connectivity due to the adoption of bandwidth-intensive wireless data applications, such as video, gaming, social networking and enhanced web browsing, and the growth in machine-to-machine applications. According to a report published by Ericsson in November 2021, global total mobile data traffic was estimated to reach around 65 exabytes per month by the end of 2021 and is projected to grow by a factor of around 4.4 to reach 288 exabytes per month in 2027.
- The velocity of spectrum development is expected to remain dynamic as carriers continue to deploy new bands and optimize bands that are currently in service, both of which activities we expect will require carriers to install equipment at new sites and add new equipment at existing sites. For example, recent and future spectrum auctions, such as the C-Band auction and Auction 110 in the U.S. are expected to contribute to growth in the upcoming years. In addition, the continued deployment of 5G wireless technologies is expected to increase equipment installation at existing sites.
- Consumers list network quality as a key contributor when terminating or changing service. To remain competitive and to decrease subscriber churn rates, wireless carriers have made substantial capital investments into their wireless networks to improve service quality and expand coverage. We expect wireless carriers to continue to expend capital to differentiate their product offerings.

We believe that the worldwide wireless industry will continue to grow and is reasonably well-capitalized, highly competitive and focused on quality and advanced services. Therefore, we expect that we will see a multi-year trend of additional demand for tower space from our customers, which we believe will translate into steady leasing growth for us.

Our Businesses

Site Leasing Services

Our primary focus is the leasing of antenna space on our multi-tenant towers to a variety of wireless service providers under long-term lease contracts in the United States, South America, Central America, Canada, South Africa, the Philippines and, effective January 4, 2022, Tanzania. We derive site leasing revenues primarily from wireless service provider tenants. Wireless service providers enter into tenant leases with us, each of which relates to the lease or use of space at an individual site. Our site leasing business generates substantially all of our total segment operating profit, representing 97.4% or more of our total segment operating profit for the past three fiscal years. Our site leasing business is classified into two reportable segments, domestic site leasing and international site leasing.

Domestic Site Leasing

As of December 31, 2021, we owned 17,356 sites in the United States and its territories. For the year ended December 31, 2021, we generated 79.9% of our total site leasing revenue from these sites. We derive domestic site leasing revenues primarily from T-Mobile, AT&T, and Verizon Wireless. In the United States, our tenant leases are generally for an initial term of five years to 10 years with multiple renewal periods at the option of the tenant. These tenant leases typically contain specific rent escalators, which average 3-4% per year, including renewal option periods. Our ground leases and other property interests in the United States are generally for an initial term of five years or more with multiple renewal periods, at our option, and provide for rent escalators which typically average 2-3% annually. As of December 31, 2021, no U.S. state or territory accounted for more than 10% of our total tower portfolio by tower count, and no U.S. state or territory accounted for more than 10% of our total revenues for the year ended December 31, 2021.

International Site Leasing

We currently own and operate towers in 15 international markets throughout South America, Central America, Canada, South Africa, the Philippines, and effective January 4, 2022, Tanzania. Our largest international market is Brazil. As of December 31, 2021, we owned 16,821 sites in our international markets, of which approximately 30% of our total towers are located in Brazil and no other international markets (each country is considered a market) represented more than 4% of our total towers. In addition, on January 4, 2022, we closed on 1,445 towers under our previously announced deal in Tanzania. Our operations in our international

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markets are primarily in the site leasing business, and we continue to focus on growing our international site leasing business through the acquisition and development of towers and organic growth.

We derive international site leasing revenues from all the major carriers in each of the 15 countries in which we operate. In our international markets, our tenant leases are generally for an initial term of five years to 15 years with multiple renewal periods at the option of the tenant. In Canada and in our Central American markets, tenant leases typically contain specific rent escalators, which average 3-4% per year, including the renewal option periods. In our South American markets, South Africa, and the Philippines, tenant leases typically escalate annually in accordance with an inflationary index. In Tanzania, tenant leases typically escalate using a combination of fixed and inflation adjusted escalators. Site leases in our South American markets typically provide for a fixed rental amount and a pass through charge for the underlying rent related to ground leases and other property interests. In South Africa, our site leases contain pass through charges related to utilities, and in Tanzania, our site leases include components related to utilities and fuel. The utility and fuel portion of our Tanzanian site leases adjust periodically in accordance with changes in diesel fuel and electricity prices. In certain markets such as Brazil, tenant leases are typically governed by master lease agreements, which provide for the material terms and conditions that will govern the terms of the use of the site.

In our international markets, ground leases and other property interests are generally for an initial term of five years or more with multiple renewal periods, which are at our option. In our Central American markets, Canada, and the Philippines, ground leases and other property interests provide for fixed rent escalators which typically average 2-3% annually, and in our South American markets and South Africa, ground leases adjust in accordance with an inflationary index.

In our Central American markets and Ecuador, significantly all of our revenue, expenses, and capital expenditures arising from our new build activities are denominated in U.S. dollars. Specifically, most of our ground leases and other property interests, tenant leases, and tower-related expenses are paid in U.S. dollars. In our Central American markets, our local currency obligations are principally limited to (1) permitting and other local fees, (2) utilities, and (3) taxes. In Brazil, Canada, Chile, South Africa, and the Philippines, significantly all of our revenue, expenses, and capital expenditures, including tenant leases, ground leases and other property interests, and other tower-related expenses are denominated in local currency. In Colombia, Argentina, Peru and Tanzania, our revenue, expenses, and capital expenditures, including tenant leases, ground leases and other property interests, and other tower-related expenses are denominated in a mix of local currency and U.S. dollars.

Site Development Services

Our site development business, which is conducted in the United States only, is complementary to our site leasing business and provides us the ability to keep in close contact with the wireless service providers that generate substantially all of our site leasing revenue and to capture ancillary revenues that are generated by our site leasing activities, such as antenna and equipment installation at our tower locations. Site development services revenues are earned primarily from providing a full range of end to end services to wireless service providers or companies providing development or project management services to wireless service providers. Our services include: (1) network pre-design; (2) site audits; (3) identification of potential locations for towers and antennas on existing infrastructure; (4) support in leasing of the location; (5) assistance in obtaining zoning approvals and permits; (6) tower and related site construction; (7) antenna installation; and (8) radio equipment installation, commissioning, and maintenance. We provide site development services at our towers and at towers owned by others on a local basis, through regional, market and project offices. These market offices are responsible for all site development operations.

Customers

We lease tower space to and perform site development services for all of the large U.S. wireless service providers. In both our site leasing and site development businesses, we work with large national providers and smaller regional, local or private operators. Internationally, we lease tower space to all the major service providers in South America, Central America, Canada, South Africa, the Philippines and, effective January 4, 2022, Tanzania.

We depend on a relatively small number of customers for our site leasing and site development revenues. The following customers represented at least 10% of our total revenues during the last three years:

Percentage of Total Revenues	For the year ended December 31,		
	2021	2020	2019
T-Mobile ⁽¹⁾	36.2%	34.5%	35.1%
AT&T Wireless	22.2%	24.1%	23.8%
Verizon Wireless	14.7%	14.1%	14.0%

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(1) Amounts have been adjusted to reflect the merger of T-Mobile and Sprint on April 1, 2020.

In addition to the Big 3 wireless carriers (T-Mobile, AT&T, and Verizon Wireless), we have also provided services or leased space to a number of customers including:

Cellular South	MTN	Tigo
Claro	NII Holdings	TIM
Digicel	Oi S.A.	Telefonica
DISH Wireless	SouthernLinc	U.S. Cellular
Liberty Technologies	Telkom	Vodacom

Sales and Marketing

Our sales and marketing goals are to:

- use existing relationships and develop new relationships with wireless service providers to lease antenna space on and sell related services with respect to our owned towers or managed properties, enabling us to grow our site leasing business; and
- successfully bid and win those site development services contracts that will contribute to our operating margins and/or provide a financial or strategic benefit to our site leasing business.

We approach sales on a company-wide basis, involving many of our employees. We have a dedicated sales force that is supplemented by members of our executive management team. Our dedicated salespeople are based regionally as well as in our corporate office. We also rely on our vice presidents, directors, and other operations personnel to sell our services and cultivate customer relationships. Our strategy is to delegate sales efforts by geographic region or to those employees of ours who have the best relationships with our customers. Most wireless service providers have national corporate headquarters with regional and local offices. We believe that wireless service providers make most decisions for site development and site leasing services at the regional and local levels with input from their corporate headquarters. Our sales representatives work with wireless service provider representatives at the regional and local levels and at the national level when appropriate. Our sales staff's compensation is heavily weighted to incentive-based goals and measurements.

Competition

Domestic Site Leasing – In the U.S., our primary competitors for our site leasing activities are (1) large independent tower companies including American Tower Corporation and Crown Castle International, (2) a number of regional independent tower owners, (3) wireless service providers that own and operate their own towers and lease, or may in the future decide to lease, antenna space to other providers, and (4) owners and operators of alternative facilities such as rooftops, outdoor and indoor distributed antenna system (“DAS”) networks, billboards, utility poles and electric transmission towers.

International Site Leasing – Internationally, our competition consists of wireless service providers that own and operate their own tower networks, large multinational, national and regional independent tower companies, and alternative facilities such as rooftop, outdoor and indoor DAS networks, billboards, utility poles and electric transmission towers. We believe that tower location and capacity, quality of service, density within a geographic market and price historically have been and will continue to be the most significant competitive factors affecting the domestic and international site leasing business.

Site Development – The site development business is competitive and price sensitive. We believe that the majority of our competitors in the U.S. site development business operate within local region and market areas, while some firms offer their services nationally. The market includes participants from a variety of market segments offering individual, or combinations of, competing services. The field of competitors includes site development companies, zoning consultants, real estate firms, wireless construction companies, tower owners, telecommunications equipment vendors, which provide end-to-end site development services through multiple subcontractors, and wireless service providers' internal staff. We believe that providers base their decisions for site development services on a number of criteria, including company experience, price, track record, local reputation, geographic reach, and time for completion of a project.

Human Capital

Our corporate offices are located in Boca Raton, Florida. We also have employees located in our international, regional, and local offices. We consider our employee relations to be good. As of December 31, 2021, we had 1,596 employees of which 464 were based outside of the U.S. and its territories.

Diversity, Equity, and Inclusion. We recognize and appreciate the impact that our employees have on the success of our company, our customers and the communities we serve. We pride ourselves in promoting an inclusive environment that celebrates and encourages all forms of diversity. As of December 31, 2021, women represented 42% of our global workforce and 40% of our U.S. employees identified as a racial or ethnic minority.

We value all those who serve our country and are proud to support military veterans and their families as they transition out of the military. SBA has earned the distinction of being a Military Friendly Employer and a Veteran Employer.

Talent Management. We see diversity of thought and experience as critical factors to the long-term success of SBA. As such, we are committed to building a pipeline of future business leaders through the strategic identification of diverse candidates to join our organization. We invest in our employees' professional growth and development by providing resources and opportunities to develop their skills and expand their expertise.

The well-being of our employees is a critical element of our culture, employee engagement, and productivity. We offer a competitive total rewards package which includes market-based pay, performance-based annual incentive awards, healthcare and retirement benefits, holiday and paid time off, and tuition assistance.

Health and Safety. At SBA, providing a safe and healthy work environment for the protection of our employees is paramount. The safety of our tower climbers has been a key focus of the company since it started in 1989. In 2013, we opened our internal facility "Tower U" which provides a rigorous multi-day safety certification program that is required for all our employed tower climbers. We are proud of the fact that our average lost-day incident rate in the U.S. (days away from work due to workplace incidents) for 2021 was below the 2020 Bureau of Labor benchmark. Our "Tower U" safety professionals offer tower rescue training to first responders because we recognize that the safety of these first responders is paramount to the communities in which we operate.

We temporarily transitioned to telecommuting in early 2020 and put in place various programs and safety protocols to support our team members and their families as they navigated the COVID-19 pandemic. In partnership with a local leading hospital in South Florida, we held regular informational sessions during which our global team members could ask questions to management and health professionals. We also proudly supported our local communities' COVID-19 response and relief efforts. In preparation for a safe return to work, we invested in upgrades to our offices to improve air quality and allow for greater social distancing.

Regulatory and Environmental Matters

Federal Regulations. In the U.S., which accounted for 79.9% of our total site leasing revenue for the year ended December 31, 2021, both the Federal Communications Commission (the "FCC") and the Federal Aviation Administration (the "FAA") regulate towers. Many FAA requirements are implemented in FCC regulations. These regulations govern the construction, lighting, and painting or other marking of towers, as well as the maintenance, inspection, and record keeping related to towers, and may, depending on the characteristics of particular towers, require prior approval and registration of towers before they may be constructed, altered or used. Wireless communications equipment and radio or television stations antennas operating on towers are separately regulated and may require independent customer licensing depending upon the particular frequency or frequency band used. In addition, any applicant for an FCC tower structure registration (through the FCC's Antenna Structure Registration System) must certify that, consistent with the Anti-Drug Abuse Act of 1988, neither the applicant nor its principals are subject to a denial of federal benefits because of a conviction for the possession or distribution of a controlled substance. New tower construction also requires approval from the state or local governing authority for the proposed site; compliance with the National Environmental Policy Act ("NEPA"); compliance with the National Historic Preservation Act ("NHPA"); compliance with the Endangered Species Act ("ESA"); and may require notification to the FAA.

Pursuant to the requirements of the Communications Act of 1934, as amended, the FCC, in conjunction with the FAA, has developed standards to consider proposals involving new or modified towers. These standards mandate that the FCC and the FAA consider the height of the proposed tower, the relationship of the tower to existing natural or man-made obstructions, and the proximity of the tower to runways and airports. Proposals to construct or to modify existing towers above certain heights must be reviewed by the FAA to ensure the structure will not present a hazard to air navigation. The FAA may condition its issuance of a no-hazard determination upon compliance with specified lighting and/or painting requirements. Towers that meet certain height and

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location criteria must also be registered with the FCC. A tower that requires FAA clearance will not be registered with the FCC until it is cleared by the FAA. Upon registration, the FCC may also require special lighting and/or painting. Owners of wireless communications towers may have an obligation to maintain painting and lighting or other marking in conformance with FAA and FCC regulations. Tower owners and FCC spectrum licensees that operate on those towers also bear the responsibility of monitoring any lighting systems and notifying the FAA of any lighting outage or malfunction.

Owners and operators of towers may be subject to, and therefore must comply with, environmental laws, including NEPA, NHPA and ESA. Any licensed radio facility on a tower is subject to environmental review pursuant to the NEPA, among other statutes, which requires federal agencies to evaluate the environmental impact of their decisions under certain circumstances. The FCC has issued regulations implementing the NEPA. These regulations place responsibility on applicants to investigate potential environmental effects of their operations and to disclose any potential significant effects on the environment in an environmental assessment prior to constructing or modifying a tower and prior to commencing certain operations of wireless communications or radio or television stations from the tower. In the event the FCC determines the proposed structure or operation would have a significant environmental impact based on the standards the FCC has developed, the FCC would be required to prepare an environmental impact statement, which will be subject to public comment. This process could significantly delay the registration of a particular tower.

We generally indemnify our customers against any failure to comply with legal requirements applicable to tower owners or operators relating to the construction, modification, or placement of towers. Failure to comply with the applicable requirements may lead to civil penalties.

The Telecommunications Act of 1996 amended the Communications Act of 1934 by preserving state and local zoning authorities' jurisdiction over the construction, modification, and placement of towers. The law, however, limits local zoning authority by prohibiting any action that would discriminate among different providers of personal wireless services or ban altogether the construction, modification or placement of radio communication towers. Finally, the Telecommunications Act of 1996 and the FCC's rules implementing that Act require the federal government to help licensees for wireless communications services gain access to preferred sites on federal property for their facilities. This may require that federal agencies and departments work directly with licensees to make federal property available for tower facilities.

Operators of towers must also take into consideration certain radio frequency ("RF") emissions regulations that impose a variety of procedural and operating requirements. Certain proposals to operate wireless communications and radio or television stations from tower structures are also reviewed by the FCC to ensure compliance with requirements relating to human exposure to RF emissions. Exposure to high levels of RF energy can produce negative health effects. The potential connection between low-level RF energy and certain negative health effects, including some forms of cancer, has been the subject of substantial study by the scientific community in recent years.

Environmental Regulation. As an owner and operator of real property, we are subject to certain environmental laws that impose strict, joint and several liability for the cleanup of on-site or off-site contamination and related personal injury or property damage. We are also subject to certain environmental laws that govern tower placement and may require pre-construction environmental studies. Our screening for environmental impacts includes evaluation of those of our tower site locations (1) that might be located in a wilderness area or a wildlife preserve, (2) that might affect threatened and endangered species or their habitat (ESA), (3) that might affect properties included in, or eligible for inclusion, in the National Register of Historic Places (NRHP) or Indian religious and cultural sites, (4) that might affect World Heritage areas and IUCN Category I-IV protected areas, (5) that will be located in a floodplain and where facility equipment will not be placed at least one foot above the base flood elevation of the floodplain, (6) whose construction will involve significant changes in surface features (e.g., in wetlands, water diversions, considerable ground disturbance, deforestation), (7) that might affect migratory birds if the towers are over 450 feet, (8) that involve high-intensity lighting in a residential area or would cause RF radiation over FCC-established limits and (9) that would involve similar considerations under the laws or best practices of our international markets. When a tower site is impacted by any of the listed categories, we promptly complete an environmental assessment and obtain approval from the appropriate regulatory agency, which may include steps to mitigate the impact of construction or operation of the site. Our regional site managers typically inspect our tower sites annually and report on the presence of new bird nests. This ensures we minimize our impact and remain environmentally compliant during the operational life of our assets.

We believe that we are in substantial compliance with and we have no material liability under any applicable environmental laws. These costs of compliance with existing or future environmental laws and liability related thereto may have a material adverse effect on our prospects, financial condition or results of operations.

State and Local Regulations. Most states regulate certain aspects of real estate acquisition, leasing activities, and construction activities. Where required, we conduct the site acquisition portions of our site development services business through licensed real

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estate brokers' agents, who may be our employees or hired as independent contractors, and conduct the construction portions of our site development services through licensed contractors, who may be our employees or independent contractors. Local regulations include city and other local ordinances, zoning restrictions and restrictive covenants imposed by community developers. These regulations vary greatly from jurisdiction to jurisdiction, but typically require tower owners to obtain approval from local officials or community standards organizations, or certain other entities prior to tower construction and establish regulations regarding maintenance and removal of towers. FCC rules establish presumptively reasonable time periods for state and local authorities to act on applications to collocate a facility or deploy a facility, such as a tower. In addition, many local zoning authorities require tower owners to post bonds or cash collateral to secure their removal obligations. Local zoning authorities generally have been unreceptive to construction of new towers in their communities because of the height and visibility of the towers, and have, in some instances, instituted moratoria. However, in August 2018, the FCC issued a declaratory ruling stating that express and *de facto* moratoria on deployment of telecommunications facilities violate the Communications Act. This FCC ruling has been affirmed by a federal appellate court.

International Regulations. Regulatory regimes outside of the U.S. and its territories vary by country and locality; however, these regulations typically require tower owners and/or licensees to obtain approval from local officials or government agencies prior to tower construction or modification or the addition of a new antenna to an existing tower. Additionally, some regulations include ongoing obligations regarding painting, lighting, and maintenance. Our international operations may also be subject to limitations on foreign ownership of land in certain areas. Based on our experience to date, these regimes have been similar to, but not more rigorous, burdensome or comprehensive than, those in the U.S. Non-compliance with such regulations may lead to monetary penalties or deconstruction orders. Our international operations are also subject to various regulations and guidelines regarding employee relations and other occupational health and safety matters. As we expand our operations into additional international geographic areas, we will be subject to regulations in these jurisdictions.

Availability of Reports and Other Information

SBA Communications Corporation was incorporated in the State of Florida in March 1997 and is a real estate investment trust ("REIT") for federal income tax purposes. Our corporate website is www.sbasite.com. We make available, free of charge, access to our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statement on Schedule 14A and amendments to those materials filed or furnished pursuant to Section 13(a) or 15(d) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), on our website under "Investor Relations – Reports and Results – SEC Filings," as soon as reasonably practicable after we file electronically such material with, or furnish it to, the United States Securities and Exchange Commission (the "Commission").

ITEM 1A. RISK FACTORS

Risks Related to Our Business

If our wireless service provider customers combine their operations to a significant degree, our future operating results, ability to service our indebtedness, and stock price could be adversely affected.

Our wireless service providers have and may continue to be subject to consolidation pressures. Significant consolidation among our wireless service provider customers has resulted, and is expected to continue to result, in our customers failing to renew existing leases for tower space as a result of overlapping coverage or reducing future capital expenditures in the aggregate because their existing networks and expansion plans may overlap or be very similar. Historically, T-Mobile, AT&T, and Verizon have grown through acquisitions of other wireless service providers. As a result, the combined companies have rationalized duplicative parts of their networks, or networks have been discontinued. During 2020, the consolidation of T-Mobile and Sprint was completed, and we began to experience non-renewal ("churn") of certain leases as a result of this merger. We currently expect that this churn will represent an aggregate of between \$140.0 million and \$190.0 million of cash site leasing revenue over the next six years. The aggregate churn estimate includes both overlapping and adjacent Sprint leases. We do not expect the annual churn to be uniform over this period as the timing of the churn will depend on termination rights as well as the needs of the carrier.

Consolidation of wireless service providers has also occurred in some of our international markets and could continue to occur. For example, in January 2019, Claro acquired Telefonica's assets in Guatemala; in July 2020, Liberty Latin America acquired Telefonica's assets in Costa Rica; and in September 2021, Cable & Wireless announced its plan to acquire Claro's assets in Panama; three markets in which we own and operate towers. Furthermore, Telefonica has announced it may reduce its operations in its Latin American markets, other than Brazil. In Brazil, as a result of Oi S.A.'s ("Oi") recent restructuring, the Court has approved the sale of all of Oi's wireless tower assets to the three other telecommunications providers in Brazil: Telefonica, Claro, and TIM. The sale received regulatory and anti-trust authorizations, and we have received a preliminary listing of which assets will be assigned to each

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carrier. Approximately 1,568 of our 7,525 tower leases that we had with Oi as of December 31, 2021 overlap with leases from the other three telecommunications providers and therefore may be subject to non-renewal upon expiration of the leases. As of December 31, 2021, our leases with Oi have an average remaining current term of approximately 12.4 years.

If our wireless service provider customers continue to consolidate as a result of, among other factors, limited wireless spectrum, these consolidations could significantly impact the number of tower leases that are not renewed or the number of new leases that our wireless service provider customers require to expand their networks, which could materially and adversely affect our future operating results and our ability to service our indebtedness. These risks could be exacerbated due to changes in governmental policy that may favor industry consolidation.

We depend on a relatively small number of customers for most of our revenue, and the loss, consolidation or financial instability of any of our significant customers may materially decrease our revenue and adversely affect our financial condition.

We derive a significant portion of our revenue from a small number of customers. Consequently, a reduction in demand for site leasing, reduced future capital expenditures on the networks, or the loss, as a result of bankruptcy, merger with other customers of ours or otherwise, of any of our largest customers could materially decrease our revenue and have an adverse effect on our growth.

We derive revenue through numerous site leasing and site development contracts. In the United States and our international markets, each site leasing contract relates to the lease of space at an individual tower and is generally for an initial term of five years to 15 years with multiple renewal periods at the option of the tenant. However, if any of our significant site leasing customers were to experience financial difficulty, substantially reduce their capital expenditures or reduce their dependence on leased tower space and fail to renew their leases with us, our revenues, future revenue growth and results of operations would be adversely affected. In addition, many of our tenants in our international markets are subsidiaries of global telecommunications companies. These subsidiaries may not have the explicit or implied financial support of their parent entities, which may impact their creditworthiness.

Our site development customers engage us on a project-by-project basis, and a customer can generally terminate an assignment at any time without penalty. In addition, a customer's need for site development services can decrease, and we may not be successful in establishing relationships with new customers. Furthermore, our existing customers may not continue to engage us for additional projects.

While the U.S. wireless service provider market has recently reduced to three nationwide wireless service providers, AT&T, T-Mobile and Verizon, we and most of the industry anticipate that the number of nationwide wireless service providers will increase to four again once DISH successfully builds out its nationwide network. If DISH is unable to successfully build-out its wireless network or is unable to successfully compete for customers once its network is built out, then our dependence on the three U.S. wireless service providers for our financial and operational growth will be exacerbated.

The following is a list of significant customers (representing at least 10% of revenue in any of the last three years) and the percentage of our total revenues for the specified time periods derived from these customers:

<u>Percentage of Total Revenues</u>	<u>For the year ended December 31.</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
T-Mobile ⁽¹⁾	36.2%	34.5%	35.1%
AT&T Wireless	22.2%	24.1%	23.8%
Verizon Wireless	14.7%	14.1%	14.0%

(1) Amounts have been adjusted to reflect the merger of T-Mobile and Sprint on April 1, 2020.

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We also have customer concentrations with respect to revenues in each of our financial reporting segments:

<u>Percentage of Domestic Site Leasing Revenue</u>	<u>For the year ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
T-Mobile ⁽¹⁾	40.2%	40.5%	40.6%
AT&T Wireless	30.5%	32.2%	32.1%
Verizon Wireless	19.8%	18.5%	18.6%

<u>Percentage of International Site Leasing Revenue</u>	<u>For the year ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Oi S.A.	28.3%	28.7%	31.3%
Telefonica	16.3%	18.1%	26.9%
Claro	13.7%	14.5%	11.6%

<u>Percentage of Site Development Revenue</u>	<u>For the year ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
T-Mobile ⁽¹⁾	78.2%	66.8%	67.5%

(1) Amounts have been adjusted to reflect the merger of T-Mobile and Sprint on April 1, 2020.

We have a substantial level of indebtedness which may have an adverse effect on our business or limit our ability to take advantage of business, strategic or financing opportunities.

As indicated below, we have and will continue to have a significant amount of indebtedness. The following table sets forth our total principal amount of debt and shareholders' deficit as of December 31, 2021 and 2020.

	<u>As of December 31,</u>	
	<u>2021</u>	<u>2020</u>
	(in thousands)	
Total principal amount of indebtedness	\$ 12,396,000	\$ 11,180,000
Shareholders' deficit	\$ (5,283,404)	\$ (4,824,382)

Our substantial level of indebtedness increases the possibility that we may be unable to generate cash sufficient to pay the principal, interest, or other amounts due on our indebtedness. Subject to certain restrictions under our existing indebtedness, we and our subsidiaries may also incur significant additional indebtedness in the future, which may have the effect of increasing our total leverage.

As a consequence of our indebtedness, (1) demands on our cash resources may increase, (2) we are subject to restrictive covenants that further limit our financial and operating flexibility and (3) we may choose to institute self-imposed limits on our indebtedness based on certain considerations including market interest rates, our relative leverage and our strategic plans. For example, as a result of our substantial level of indebtedness and the uncertainties arising in the credit markets and the U.S. economy:

- we may be more vulnerable to general adverse economic and industry conditions;
- we may have to pay higher interest rates upon refinancing or on our variable rate indebtedness if interest rates rise, thereby reducing our cash flows;
- we may find it more difficult to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements that would be in our best long-term interests;
- we may be required to dedicate a substantial portion of our cash flow from operations to the payment of principal and interest on our debt, reducing the available cash flow to fund other investments, including share repurchases, tower acquisition and new build capital expenditures, or to satisfy our REIT distribution requirements;
- we may have limited flexibility in planning for, or reacting to, changes in our business or in the industry;
- we may have a competitive disadvantage relative to other companies in our industry that are less leveraged; and
- we may be required to sell debt or equity securities or sell some of our core assets, possibly on unfavorable terms, in order to meet payment obligations.

Our variable rate indebtedness and refinancing obligations subject us to interest rate risk, which could cause our debt service obligations to increase significantly.

Pursuant to the terms of our Credit Agreement, the interest rate that we pay on indebtedness incurred under the Revolving Credit Facility and the Term Loans varies based on a fixed margin over either a base rate or a Eurodollar rate which references the LIBOR rate. As of December 31, 2021, this indebtedness represented approximately \$2.7 billion, or 21.5% of our total indebtedness. As a result, we are exposed to interest rate risk. Interest rates, including LIBOR, fluctuate periodically and as such may increase in future periods. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. Due to inflationary pressures on the U.S. economy, it appears likely that interest rates will increase during 2022 and may continue to increase, which may decrease our net income. In addition, the increasing interest rates may result in higher interest expense on our current fixed rate indebtedness upon a refinancing.

Although we have used interest rate swaps to mitigate our interest rate risk from time to time, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk. Furthermore, the increase in our use of derivative instruments increases our exposure to counterparty credit risk to the extent that a counterparty to the instrument fails to meet or perform the terms of the instrument. As of December 31, 2021, we had interest rate swaps on a portion of our 2018 Term Loan that fixed \$1.95 billion in notional value for approximately 4.25 years receiving interest at one-month LIBOR plus 175 basis points and paying a fixed rate of 1.874%.

The discontinuation of LIBOR could adversely affect our operating results and financial condition.

LIBOR has been the subject of recent proposals for reform. The IBA ceased the publication of USD LIBOR for the 1 week and 2 month tenors on December 31, 2021 and intends to cease all other tenors on June 30, 2023. These reforms will cause the establishment of an alternative reference rate(s). The U.S. Federal Reserve of New York's ARRC working group is proposing to replace U.S. dollar LIBOR with Secured Overnight Financing Rate (SOFR), which is calculated based on repurchase agreements with the Federal Reserve which are fully secured by U.S. treasury securities. This alternative rate, if adopted, would be used to calculate our interest rates and/or payments on our variable rate indebtedness under our Credit Agreement, which matures beyond 2021. Any new interest rate may result in interest rates and/or payments that are higher than, lower than, or that do not otherwise correlate over time with the interest rates and/or payments that would have been applicable to our obligations if LIBOR was available in its current form. As such, the potential effect of any such event is uncertain, but were it to occur, our cost of capital, financial results, cash flows and results of operations may be adversely affected. At the current time, it is uncertain which of the various alternative reference rates will attain industry-wide market acceptance as a replacement for LIBOR.

Our interest rate expense may materially increase as a result of the transition from LIBOR to an alternative reference rate. While we have amended our Revolving Credit Facility to provide mechanics relating to a transition away from LIBOR as a benchmark interest rate and the replacement of LIBOR by an alternative benchmark rate, it is unclear the extent to which the alternative benchmark rates will be as predictable as LIBOR or if such rates will be more expensive or more volatile than LIBOR. Unfortunately, there are various SOFR rates and none have gained widespread industry acceptance. Consequently, post termination of LIBOR, our variable rate indebtedness may be at interest rates that are higher than the interest rates that would have been applicable to our obligations if LIBOR was available in its current form.

Furthermore, as a result of the termination of LIBOR, the interest rate on our interest rate swaps may not exactly conform to whatever new fallback interest rate is utilized under our Credit Agreement. Moreover, if an entirely different interest rate is utilized for our Credit Agreement than the fallback rate on the interest rate swap, we may need to unwind our swap agreement and enter into a new swap agreement which would result in us incurring breakage costs on our existing swap agreement which we would need to pay to the swap agreement provider and those costs may be significant. If the fallback LIBOR rate under our interest rate swaps differs from the fallback LIBOR rate under our Credit Agreement but we keep our swap agreement outstanding, our interest rate swaps would be at least partially ineffective as a hedge and could require us to mark-to-market the ineffective portion of the interest rate swap through our income statement, although FASB has stated that it is expected to grant temporary relief at the outset of the termination of LIBOR from marking-to-market the ineffective portion of swap agreements should a portion of the swap agreement become ineffective due to the fallback to a rate that is different than the LIBOR fallback rate under the swap agreements. However, if this temporary relief should end while our swap agreement and Credit Agreement were still outstanding, it may have an adverse impact on our income statement.

Increasing competition in the tower industry may create pricing pressures or result in non-renewals that may materially and adversely affect us.

Our industry is highly competitive, and our wireless service provider customers sometimes have alternatives for leasing antenna space. We believe that tower location and capacity, quality of service, density within a geographic market and price historically have been and will continue to be the most significant competitive factors affecting the site leasing business. However, competitive pricing pressures for tenants on towers from competitors could materially and adversely affect our lease rates or lead to non-renewals of existing leases. Furthermore, pricing pressures could lead to more prevalent network sharing, both domestically and internationally, which could reduce the demand for our tower space or lead to non-renewals of existing leases. In addition, the increasing number of towers (1) may provide customers the ability to relocate their antennas to other towers if they determine that a more suitable, efficient or economical location exists, which could lead to non-renewal of existing leases, or (2) may adversely impact our ability to enter into new customer leases. This impact may be exacerbated if competitors construct towers near our existing towers. Any of these factors could materially and adversely affect our growth rate and our future operations.

In the site leasing business, we compete with:

- wireless service providers that own and operate their own towers and lease, or may in the future decide to lease, antenna space to other providers;
- national and regional tower companies who may be substantially larger and have greater financial resources than we do;
- international tower companies who have been in the international market for a longer period of time than we have; and
- alternative facilities such as rooftops, outdoor and indoor DAS networks, billboards and electric transmission towers.

The site development segment of our industry is also competitive. There are numerous large and small companies that offer one or more of the services offered by our site development business. As a result of this competition, margins in this segment may come under pressure. Many of our competitors have lower overhead expenses and therefore may be able to provide services at prices that we consider unprofitable. If margins in this segment were to decrease, our consolidated revenues and our site development segment operating profit could be adversely affected.

Increasing competition may negatively impact our ability to grow our communication site portfolio long term.

We intend to continue growing our tower portfolio, domestically and internationally, through acquisitions and new builds. Our ability to meet our growth targets significantly depends on our ability to build or acquire existing towers that meet our investment requirements. Traditionally, our acquisition strategy has focused on acquiring towers from smaller tower companies, independent tower developers and wireless service providers. However, as a result of consolidation in the tower industry, there are fewer of these mid-sized tower transactions available, and there is more competition to acquire existing towers. Increased competition for acquisitions may result in fewer acquisition opportunities for us, higher acquisition prices, and increased difficulty in negotiating and consummating agreements to acquire such towers. Furthermore, to the extent that the tower acquisition opportunities are for significant tower portfolios, some of our competitors and financial sponsors are significantly larger and have greater financial resources than we do. Finally, laws regulating competition, domestically and internationally, may limit our ability to acquire certain portfolios. As a result of these risks, the cost of acquiring these towers may be higher than we expect, or we may not be able to meet our annual and long-term tower portfolio growth targets. If we are not able to successfully address these challenges, we may not be able to materially increase our tower portfolio in the long-term through acquisitions.

Our ability to build new towers is dependent upon the availability of sufficient capital to fund construction, our ability to locate, and acquire at commercially reasonable prices, attractive locations for such towers and our ability to obtain the necessary zoning and permits. Local regulations, including municipal or local ordinances, zoning restrictions and restrictive covenants imposed by community developers, vary greatly, but typically require antenna tower and structure owners to obtain approval from local officials or community standards organizations prior to tower or structure construction or modification. With respect to our international new builds, our tower construction may be delayed or halted as a result of local zoning restrictions, inconsistencies between laws or other barriers to construction in international markets. Due to these risks, it may take longer to complete our new tower builds than anticipated, domestically and internationally, and the costs of constructing these towers may be higher than we expect, or we may not be able to add as many towers as planned in 2022. If we are not able to increase our new build tower portfolio as anticipated, it could negatively impact our ability to achieve our financial goals.

Our international operations are subject to economic, political and other risks that could materially and adversely affect our revenues or financial position.

Our current business operations in developing markets, and our expansion into any other international markets in the future, could result in adverse financial consequences and operational problems not typically experienced in the United States. The site

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leasing revenues generated by our international operations were approximately 20.1% during the year ended December 31, 2021, and we anticipate that our revenues from our international operations will continue to grow in the future. Accordingly, our business is and will in the future be subject to risks associated with doing business internationally, including:

- laws and regulations that dictate how we operate our towers and conduct business, including zoning, maintenance and environmental matters, and laws related to ownership of real property;
- changes in a specific country's or region's political or economic conditions, including inflation or currency devaluation;
- laws affecting telecommunications infrastructure including the sharing of such infrastructure;
- laws and regulations that tax or otherwise restrict repatriation of earnings or other funds or otherwise limit distributions of capital;
- changes to existing or new domestic or international tax laws, new or significantly increased municipal fees directed specifically at the ownership and operation of towers, which may be applied and enforced retroactively and could materially affect the profitability of our operations;
- expropriation and governmental regulation restricting foreign ownership or requiring reversion or divestiture;
- governmental regulations and restrictions impacting tower licenses, spectrum licenses and concessions, including additional restrictions on the use or revocation of such licenses, concessions or spectrum and additional conditions to receive or maintain such licenses;
- laws and regulations governing our employee relations, including occupational health and safety matters and employee compensation and benefits matters;
- our ability to comply with, and the costs of compliance with, anti-bribery laws such as the Foreign Corrupt Practices Act and similar local anti-bribery laws;
- uncertainties regarding legal or judicial systems, including inconsistencies between and within laws, regulations and decrees, and judicial application thereof, and delays in the judicial process;
- challenges arising from less-developed infrastructure in certain markets;
- difficulty in recruiting and retaining trained personnel; and
- our ability to provide power to our sites in those international markets that do not have an available electric grid at our tower sites.

We are also exposed to risks operating in countries with high levels of inflation, including the risk that inflation rates exceed our fixed escalator percentages in markets where our leases include fixed escalators and the risk that adverse economic conditions may discourage growth in consumer demand and consequently reduce our customers' demand for our site leasing services. As of December 31, 2021, approximately 20% of our tenant leases in our international markets include fixed escalators.

Currency fluctuations may negatively affect our results of operations.

Our operations in Central America and Ecuador are primarily denominated in U.S. Dollars. In Brazil, Canada, Chile, South Africa, and the Philippines, significantly all of our revenue, expenses, and capital expenditures, including tenant leases, ground leases and other property interests, and other tower-related expenses are denominated in local currency. In Colombia, Argentina, Peru, and Tanzania, our revenue, expenses, and capital expenditures, including tenant leases, ground leases and other property interests, and other tower-related expenses are denominated in a mix of local currency and U.S. dollars. Our foreign currency denominated revenues and expenses are translated into U.S. dollars at average exchange rates for inclusion in our consolidated financial statements.

For the year ended December 31, 2021, approximately 20.1% of our total site leasing revenue was generated by our international operations, of which 15.1% was generated in non-U.S. dollar currencies, including 11.4% which was denominated in Brazilian Reals. The exchange rates between our foreign currencies and the U.S. Dollar have fluctuated significantly in recent years and may continue to do so in the future. For example, the Brazilian Real has historically been subject to substantial volatility and weakened 5.3% when comparing the average rate for the years ended December 31, 2021 and 2020. This trend has affected, and may in the future continue to affect, our reported results of operations.

Changes in exchange rates between these local currencies and the U.S. dollar will affect the recorded levels of site leasing revenue, segment operating profit, assets and/or liabilities. Volatility in foreign currency exchange rates can also affect our ability to plan, forecast and budget for our international operations and expansion efforts.

Furthermore, we have intercompany loan agreements with our foreign subsidiaries to borrow in U.S. Dollars. As of December 31, 2021 and 2020, the aggregate amount outstanding under the intercompany loan agreements subject to remeasurement with our foreign subsidiaries was \$872.9 million and \$909.8 million, respectively. In accordance with ASC 830, we remeasure foreign denominated intercompany loans with the corresponding change in the balance being recorded in Other income (expense), net in our Consolidated Statements of Operations as settlement is anticipated or planned in the foreseeable future. Consequently, if the U.S. Dollar strengthens against the Brazilian Real or the South African Rand, our results of operations would be adversely affected. For the years ended December 31, 2021 and 2020, we recorded a \$44.3 million loss and a \$145.6 million loss, net of taxes, respectively, on

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the remeasurement of intercompany loans due to changes in foreign exchange rates. For the year ended December 31, 2021, we repaid \$149.9 million under our intercompany loan with our Brazilian subsidiary.

A slowdown in demand for wireless services could materially and adversely affect our future growth and revenues.

We expect a significant portion of our future revenue growth will result from investments in the deployment of new or fallow spectrum by our wireless service provider customers, including the build-out by DISH of a fourth nationwide network in the U.S. Wireless service providers typically invest in their networks in response to consumer demand for additional or higher quality service. If consumers significantly reduce their use of wireless services or fail to widely adopt and use new wireless technologies and their products and applications, our wireless service provider customers could experience a reduction in the rate of growth of or a decrease in demand for their services and therefore reduce the amount they invest in their network.

Delays in the roll-out of new spectrum or deployment of new technologies could materially and adversely affect our future growth and revenues.

Our ability to grow is dependent on the ability and willingness of our wireless service provider customers to invest in the roll-out of new spectrum or new technologies. Much of the future capital investment by domestic wireless service providers is expected to result from the roll-out of 5G. However, the roll-out of prior spectrum, including 3G and 4G was often delayed and the roll-out of this spectrum may encounter similar interruptions. For example, in January 2022, several major U.S. wireless carriers had to temporarily delay deployment of new wireless facilities that were meant to facilitate the evolution of their wireless networks to 5G technology in response to concerns of the aviation industry that those 5G facilities could interfere with equipment used for aviation and could impede aviation safety. Although the FCC, FAA, the wireless telecommunications industry and the aviation industry are working on solutions to alleviate those concerns, the timing for resolution is unclear, and such uncertainty could further impact the amount of and timing for network investment by our customers.

The FCC continues to auction new bands of spectrum, including C-Band and Auction 110. Our customers have been and are expected to be the primary winners of these auctions and subsequently deploy this spectrum on our portfolio which would provide us with a revenue growth opportunity. Any delays or failure of these auctions could negatively impact future demand for our towers. Similarly, any delays in the clearing or availability of this spectrum subsequent to these auctions could delay the related demand for our towers.

If our wireless service provider customers are unable to access sufficient capital to invest in their infrastructure or spectrum, it could reduce our ability to meet our growth expectations.

Each wireless service provider must have substantial capital resources and capabilities to deploy new spectrum in their wireless networks, including licenses for spectrum. For example, DISH Wireless has stated that it expects capital expenditures for its 5G network deployment to total approximately \$10.0 billion. If some or all of our wireless service provider customers are unable to access sufficient capital, or unwilling based on the economic cost of such capital, to invest in the expansion of their networks, it could adversely affect our revenue growth.

New technologies or network architecture or changes in a customer's business model may reduce demand for our wireless infrastructure or negatively impact our revenues.

Improvements or changes in the efficiency, architecture, and design of wireless networks or changes in a wireless service provider customer's business model may reduce the demand for our wireless infrastructure. Also, as customers deploy increased capital to develop and implement new technologies, they may allocate less of their budgets to lease space on our towers. For example, new technologies that may promote network sharing, joint development, or resale agreements by our wireless service provider customers, such as signal combining technologies or network functions virtualization, may reduce the need for our wireless infrastructure, or may result in the decommissioning of equipment on certain sites because portions of the customers' networks may become redundant. In addition, other technologies and architectures, such as WiFi, DAS, femtocells, other small cells, or satellite (such as low earth orbiting) and mesh transmission systems may, in the future, serve as substitutes for, or alternatives to, the traditional macro site communications architecture that is the basis of substantially all of our site leasing business. The majority of our tower portfolio comprises traditional macro sites and therefore is not as diversified into non-macro sites and other technologies and architectures as some of our competitors. In addition, new technologies that enhance the range, efficiency, and capacity of wireless equipment could reduce demand for our wireless infrastructure. For example, our wireless service provider customers have engaged in increased use of network sharing, roaming, or resale arrangements, resulting in reduced capital spending or a decision to sell or not renew their spectrum licenses or concessions. Any significant reduction in demand for our wireless infrastructure resulting from new technologies or new architectures or changes in a customer's business model may negatively impact our revenues or otherwise have a

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material adverse effect. Any such event may have a disproportionate impact on our business compared to our competitors, whose portfolios may be more technologically and architecturally diversified than ours. In addition, while we are exploring and investing in ancillary services and emerging technologies, including our mobile edge computing initiative and private networks, those investments may not prove to be profitable.

These factors could also have a material adverse effect on our growth rate since growth opportunities and demand for our tower space as a result of new technologies may not be realized at the times or to the extent anticipated. Any of these factors could have a material adverse effect on our business, results of operations and financial condition.

If we are unable to protect our rights to the land under our towers, it could adversely affect our business and operating results.

Our real property interests relating to the land under our tower structures consist primarily of leasehold and sub-leasehold interests, fee interests, easements, licenses, rights-of-way, and other similar interests. From time to time, we experience disputes with landowners regarding the terms of the agreements for the land under our tower structures, which can affect our ability to access and operate such towers. Further, landowners may not want to renew their agreements with us, they may lose their rights to the land, or they may transfer their property interests to third parties, including property interest aggregators and our competitors, which could affect our ability to renew agreements on commercially viable terms or at all. We currently have 35-year non-terminable leases with Oi, one of Brazil's largest telecommunications providers, with respect to 2,113 towers that we acquired in 2013. The land underneath these towers is currently subject to a concession from the Federal Republic of Brazil that expires in 2025. At the end of the term, the Brazilian government will have the right to (1) renew the concession upon newly negotiated terms or (2) terminate the concession and take possession of the land and the tower on such land. At the time we acquired the towers, we also entered into a right of first refusal to purchase such land to the extent that the Brazilian regulations permit those assets to be sold. Brazil has recently adopted a new telecommunications law that is expected to provide Oi and/or the Brazilian government rights to sell the land underlying these assets; however, as the regulations implementing this new law have not yet been promulgated, the amount, if at all, that we would be required to pay to purchase such interests is undetermined. If the concession is not renewed and we are unable to purchase the land, then our site leasing revenue from co-located tenants would terminate prior to the end of such lease in 2048. For the year ended December 31, 2021, we generated 6.3% of our total international site leasing revenue from these 2,113 towers.

As of December 31, 2021, the average remaining life under our ground leases and other property interests, including renewal options under our control, was approximately 37 years, and approximately 10.7% of our tower structures have ground leases or other property interests maturing in the next 10 years. Failure to protect our rights to the land under our towers may have a material adverse effect on our business, results of operations or financial condition.

We may not be able to fully recognize the anticipated benefits of towers that we acquire.

A key element of our growth strategy is to increase our tower portfolio through acquisitions. We are subject to a number of risks and uncertainties as a result of those acquisition activities. These activities may fail to achieve the benefits we expected from the acquisition or the acquired assets may not meet our internal guidelines for current and future returns, particularly if we are required to place greater reliance on the financial and operational representations and warranties of the sellers in individually material acquisitions. The impact of these risks is further enhanced in acquisitions of towers in international markets, where it may be more challenging to analyze and verify all relevant information with respect to the assets being acquired. These risks could adversely affect our revenues and results of operations.

In addition, acquisitions which would be material in the aggregate may exacerbate the risks inherent with our growth strategy, such as (1) an adverse financial impact if the acquired towers do not achieve the projected financial results, (2) the impact of unanticipated costs associated with the acquisitions on our results of operations, (3) increased demands on our cash resources that may impact our ability to explore other opportunities, (4) undisclosed and assumed liabilities that we may be unable to recover, (5) an adverse impact on our existing customer relationships, (6) additional expenses and exposure to new regulatory, political and economic risks, and (7) diversion of managerial attention.

As part of new acquisitions of tower assets in natural disaster-prone areas, we may assess asset exposure to physical risks and inspect assets for signs of climate-related damage to help us understand the degree of exposure to tornadoes, fires, hurricanes, floods, and earthquakes the site may face over the longer term. However, our environmental due diligence may not uncover all natural disaster-related risks to tower assets that we acquire and our mitigation measures may not be successful, which could require us to incur significant expenditures and may have an adverse effect on our operations or financial condition.

The process of integrating any acquired towers into our operations is also subject to a number of risks and financial impacts, including unforeseen operating difficulties, large expenditures, diversion of management attention, the loss of key customers and/or

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personnel, our inability to retain or timely find suitable replacements for key employees and management needed to operate the acquired business, and exposure to unanticipated liabilities. These risks may be exacerbated in acquisitions of a material number of towers. There can be no assurance that we will be successful in integrating domestic and international acquisitions into our existing business.

The documents governing our indebtedness contain restrictive covenants that could adversely affect our business by limiting our flexibility.

The indentures governing the 2020 Senior Notes and the 2021 Senior Notes, the Senior Credit Agreement, and the agreement for the mortgage loan underlying the Tower Securities contain restrictive covenants imposing significant operational and financial restrictions on us, including restrictions that may limit our ability to engage in acts that may be in our long-term best interests. Among other things, the covenants under each instrument limit our ability to:

- merge, consolidate or sell assets;
- make restricted payments, including pay dividends or make other distributions;
- enter into transactions with affiliates;
- enter into sale and leaseback transactions; and
- issue guarantees of indebtedness.

Additionally, the agreement governing the mortgage loan relating to our Tower Securities contains financial covenants that require that the borrowers maintain, on a consolidated basis, a minimum debt service coverage ratio. To the extent that the debt service coverage ratio, as of the end of any calendar quarter, falls to 1.30 times or lower, then all cash flow in excess of amounts required to make debt service payments, to fund required reserves, to pay management fees and budgeted operating expenses and to make other payments required under the loan documents, referred to as “excess cash flow,” will be deposited into a reserve account instead of being released to the borrowers. The funds in the reserve account will not be released to the borrowers unless the debt service coverage ratio exceeds 1.30 times for two consecutive calendar quarters. If the debt service coverage ratio falls below 1.15 times as of the end of any calendar quarter, then an “amortization period” will commence and all funds on deposit in the reserve account will be applied to prepay the mortgage loan until such time that the debt service coverage ratio exceeds 1.15 times for a calendar quarter.

We are required to maintain certain financial ratios under the Senior Credit Agreement. The Senior Credit Agreement, as amended, requires SBA Senior Finance II to maintain specific financial ratios, including (1) a ratio of Consolidated Net Debt to Annualized Borrower EBITDA not to exceed 6.5 times for any fiscal quarter and (2) a ratio of Annualized Borrower EBITDA to Annualized Cash Interest Expense (calculated in accordance with the Senior Credit Agreement) of not less than 2.0 times for any fiscal quarter.

These covenants could place us at a disadvantage compared to some of our competitors which may have fewer restrictive covenants and may not be required to operate under these restrictions. Further, these covenants could have an adverse effect on our business by limiting our ability to take advantage of financing, new tower development, merger and acquisitions or other opportunities. If we fail to comply with these covenants, it could result in an event of default under our debt instruments. If any default occurs, all amounts outstanding under our outstanding notes and the Senior Credit Agreement may become immediately due and payable.

Our dependence on our subsidiaries for cash flow may negatively affect our business.

We are a holding company with no business operations of our own. Our only significant assets are, and are expected to be, the outstanding capital stock and membership interests of our subsidiaries. We conduct, and expect to continue conducting, all of our business operations through our subsidiaries. Accordingly, our ability to pay our obligations is dependent upon dividends and other distributions from our subsidiaries to us. Most of our indebtedness is owed directly by our subsidiaries, including the mortgage loan underlying the Tower Securities, the Term Loans and any amounts that we may borrow under the Revolving Credit Facility. Consequently, the first use of any cash flow from operations generated by such subsidiaries will be payments of interest and principal, if any, under their respective indebtedness. Other than the cash required to repay amounts due under our 2020 Senior Notes and 2021 Senior Notes and funds to be utilized for stock repurchases and dividend payments, we currently expect that substantially all the earnings and cash flow of our subsidiaries will be retained and used by them in their operations, including servicing their respective debt obligations. The ability of our operating subsidiaries to pay dividends or transfer assets to us is restricted by applicable state law and contractual restrictions, including the terms of their outstanding debt instruments.

The loss of the services of certain of our key personnel or a significant number of our employees may negatively affect our business.

Our success depends to a significant extent upon performance and active participation of our key personnel. We cannot guarantee that we will be successful in retaining the services of these key personnel. Although we have employment agreements with Jeffrey A. Stoops, our President and Chief Executive Officer, Kurt L. Bagwell, our Executive Vice President and President—International, Thomas P. Hunt, our Executive Vice President, Chief Administrative Officer and General Counsel, and Brendan T. Cavanagh, our Executive Vice President and Chief Financial Officer, these agreements do not ensure that those members will continue with us in their current capacity for any particular period of time. We do not have employment agreements with any of our other key personnel. If any of our key personnel were to leave or retire, we may not be able to find an appropriate replacement on a timely basis and our results of operations could be negatively affected. Further, the loss of a significant number of employees or our inability to hire a sufficient number of qualified employees could have a material adverse effect on our business.

Our business is subject to government regulations and changes in current or future regulations could harm our business.

We are subject to federal, state and local regulation of our business, both in the U.S. and internationally. In the U.S., both the FAA and the FCC regulate the construction, modification, and maintenance of towers and structures that support antennas used for wireless communications and radio and television broadcasts. In addition, the FCC separately licenses or otherwise regulates wireless communications equipment, wireless radio stations, and radio and television broadcast stations operating from such towers. FAA and FCC regulations govern construction, lighting, painting, and marking of towers and may, depending on the characteristics of the tower, require registration of the tower. Certain proposals to construct new towers, or to modify or add new equipment to existing towers, are reviewed by the FAA to ensure that the tower will not present a hazard to air navigation. Further, as a result of our recent acquisition of a building containing a data center, we also acquired a limited number of residential apartment units and became subject to additional federal, state and local laws and regulations such as building, zoning, landlord/tenant, health and safety, and accessibility governing residential housing.

Tower owners may have an obligation to mark or paint such towers or install lighting to conform to FAA and FCC regulations and to maintain such marking, painting and lighting. Tower owners may also bear the responsibility of notifying the FAA of any lighting outages. Certain proposals to operate wireless communications and radio or television broadcast stations from towers are also reviewed by the FCC to ensure compliance with environmental impact requirements established in federal statutes, including NEPA, NHPA and ESA. Failure to comply with existing or future applicable requirements may lead to civil penalties or other liabilities and may subject us to significant indemnification liability to our customers against any such failure to comply. In addition, new regulations may impose additional costly burdens on us, which may affect our revenues and cause delays in our growth. Local regulations, including municipal or local ordinances, zoning restrictions and restrictive covenants imposed by community developers, vary greatly, but typically require tower owners to obtain approval from local officials or community standards organizations prior to tower construction or modification. Local regulations can delay, prevent, or increase the cost of new construction, co-locations, or site upgrades, thereby limiting our ability to respond to customer demand. In addition, new regulations may be adopted that increase delays or result in additional costs to us. In our international operations, the impact of these zoning, permitting and related regulations and restrictive covenants on our new builds, co-locations and operations could be exacerbated as some of these markets may lack established permitting processes for towers, have inconsistencies between national and local regulations and have other barriers to timely construction and permitting of towers. As a result, tower construction in some of our international markets may be delayed or halted or our acquired towers may not perform as anticipated. These factors could have a material adverse effect on our future growth and operations.

Security breaches and other disruptions could compromise our information, which would cause our business and reputation to suffer.

As part of our day-to-day operations, we rely on information technology and other computer resources and infrastructure to carry out important business activities and to maintain our business records. Our computer systems, or those of our cloud or Internet-based providers, could fail on their own accord and are subject to interruption or damage from power outages, computer and telecommunications failures, computer viruses, security breaches (including through cyber-attack, data theft and exploiting potentially vulnerable services, such as virtual private networks and collaboration platforms as a result of increased remote working caused by COVID-19), errors, catastrophic events such as natural disasters and other events beyond our control. If our or our vendors' computer systems and backup systems are compromised, degraded, damaged, or breached, or otherwise cease to function properly, we could suffer interruptions in our operations or unintentionally allow misappropriation of proprietary or confidential information (including information about our tenants or landlords). This could damage our reputation and disrupt our operations and the services we provide to customers, which could adversely affect our business and operating results. In addition, security incidents that impact our customers and other business partners could adversely affect our business and operating results. Furthermore, our investments in ancillary services and emerging technologies, including data centers and our mobile edge computing initiative, may leave us more vulnerable to

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security incidents, create new exposure for us to different types of security incidents or exacerbate the impact of such incidents on our business and operating results.

Data privacy and protection laws are evolving globally and present risks related to our handling of sensitive data that could result in regulatory penalties or litigation.

A portion of the activities that support our business involve collection, storage and transfer of sensitive data of our employees, tenants, ground lessors and other third parties, including residential tenants as a result of our recent data center acquisition that included a limited number of residential apartment units. In recent years there has been increased public attention regarding the protection of personal data and security of data transfers, accompanied by legislation and regulations intended to strengthen data protection and information security. The evolving nature of privacy laws in the U.S., and the other countries where we have operations could impact our compliance costs in handling such data. Many data privacy regulations also grant private rights of action, including Brazil's General Data Protection Law and certain state laws, such as California's Consumer Privacy Act. As interpretation and enforcement of these and other future data privacy regulations and industry standards evolve, we may incur costs related to litigation or regulatory penalties if we are alleged to be non-compliant.

Damage from natural disasters and other unforeseen events could adversely affect us.

Our towers are subject to physical climate-related risks associated with natural disasters (including as a result of any potential effects of climate change) such as tornadoes, fires, hurricanes, floods, and earthquakes or may collapse for any number of reasons, including structural deficiencies. In addition, we have energy sources on some of our tower sites, and any unforeseen incident may cause damage to surrounding property. We maintain insurance to cover the estimated cost of replacing damaged towers and damage to surrounding property, but these insurance policies are subject to loss limits, deductibles, and retentions. We also maintain third party liability insurance, subject to loss limits, deductibles, and retentions, to protect us in the event of an accident involving a tower. An incident involving our towers or tower sites for which we are uninsured or underinsured, or damage to a significant number of our towers or surrounding property, could require us to incur significant expenditures and may have a material adverse effect on our operations or financial condition and may harm our reputation.

To the extent that we are not able to meet our contractual obligations to our customers, due to a natural disaster or other catastrophic circumstances, our customers may not be obligated or willing to pay their lease expenses; however, we may be required to continue paying our fixed expenses related to the affected tower, including expenses for ground leases and other property interests. If we are unable to meet our contractual obligations to our customers for a material portion of our towers, our operations could be materially and adversely affected.

We could have liability under environmental laws that could have a material adverse effect on our business, financial condition and results of operations.

Our operations, like those of other companies engaged in similar businesses, are subject to the requirements of various federal, state, local and foreign environmental and occupational safety and health laws and regulations (including climate-related), including those relating to the management, use, storage, disposal, emission and remediation of, and exposure to, hazardous and non-hazardous substances, materials, and wastes. As owner, lessee, or operator of numerous tower structures, we may be liable for substantial costs of remediating soil and groundwater contaminated by hazardous materials without regard to whether we, as the owner, lessee, or operator, knew of or were responsible for the contamination. We may be subject to potentially significant fines, penalties, or taxes if we fail to comply with any of these requirements. The current cost of complying with these laws is not material to our financial condition or results of operations. However, the requirements of these laws and regulations are complex, change frequently, and could become more stringent in the future. It is possible that these requirements will change or that liabilities will arise in the future in a manner that could have a material adverse effect on our business, financial condition and results of operations.

We could suffer adverse tax and other financial consequences if taxing authorities do not agree with our tax positions.

We are periodically subject to a number of tax examinations by taxing authorities in the states and countries where we do business. We also have significant net operating losses ("NOLs") in U.S. federal and state taxing jurisdictions. Generally, for U.S. federal and state tax purposes, NOLs generated prior to the 2018 tax year can be carried forward and used for up to 20 years, and all of our tax years will remain subject to examination until three years after our NOLs are used or expire. NOLs generated starting in the 2018 tax year can be carried forward indefinitely but are subject to the 80% utilization limitation. We expect that we will continue to be subject to tax examinations in the future. In addition, U.S. federal, state and local, as well as international, tax laws and regulations are extremely complex and subject to varying interpretations. If our tax benefits, including from our use of NOLs or other tax

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attributes, are challenged successfully by a taxing authority, we may be required to pay additional taxes or penalties, or make additional distributions, which could have a material adverse effect on our business, results of operations and financial condition.

Our issuance of equity securities and other associated transactions may trigger a future ownership change which may negatively impact our ability to utilize NOLs in the future.

The issuance of equity securities and other associated transactions may increase the chance that we will have a future ownership change under Section 382 of the Internal Revenue Code of 1986 (“Code”). We may also have a future ownership change, outside of our control, caused by future equity transactions by our current shareholders. Depending on our market value at the time of such future ownership change, an ownership change under Section 382 could negatively impact our ability to utilize our NOLs and could result in us having to make additional cash distributions.

Our costs could increase and our revenues could decrease due to perceived health risks from RF energy.

The U.S. and other foreign governments impose requirements and other guidelines relating to exposure to RF energy. Exposure to high levels of RF energy can cause negative health effects. The potential connection between exposure to low levels of RF energy and certain negative health effects, including some forms of cancer, has been the subject of substantial study by the scientific community in recent years. According to the FCC, the results of these studies to date have been inconclusive. However, public perception of possible health risks associated with cellular and other wireless communications technologies (such as 5G) could slow the growth of wireless companies and deployment of new technologies, which could in turn slow our growth. In particular, negative public perception of, and regulations regarding, health risks could cause a decrease in the demand for wireless communications services. Moreover, if a connection between exposure to low levels of RF energy and possible negative health effects, including cancer, were demonstrated, we could be subject to numerous claims. Our current policies provide no coverage for claims based on RF energy exposure. If we were subject to claims relating to exposure to RF energy, even if such claims were not ultimately found to have merit, our financial condition could be materially and adversely affected.

The ongoing COVID-19 pandemic has significantly impacted worldwide economic conditions and could have a material adverse effect on our business operations, results of operations, cash flows and financial condition.

Despite recent progress in the administration of vaccines, the continued COVID-19 pandemic and recent variants, including Delta and Omicron, and the related responsive containment and mitigation measures that have been put in place across the world, such as the imposition of travel restrictions, quarantines, adoption of remote working, and impact on business and government services, could adversely impact our business and operations and those of our customers. In addition, the pandemic continues to significantly impact worldwide economic conditions, including negatively impacting economic growth and creating disruption and volatility in the global financial and capital markets. Among other things, the pandemic and the responsive measures that have been adopted may adversely affect:

- the ability of our suppliers and vendors to provide products and services to us;
- demand for our wireless infrastructure, including as a result of decreases in consumer spending;
- our ability to build new towers or the ability of our customers to install new antennas on an existing tower, including as a result of delays or suspensions in the issuance of permits or other authorizations needed to increase the number of our tenants or amend our tenant leases;
- the availability and cost of skilled employees and contractors;
- the ability of our customers to procure telecommunications equipment through their supply chains;
- interest rates and the overall availability and cost of capital, which could affect our ability to continue to grow our asset portfolio or pursue new business initiatives;
- the financial condition of wireless service providers, including their ability to maintain liquidity;
- the ability and willingness of wireless service providers to maintain or increase capital expenditures;
- the ability of our tenants to make lease payments on a timely basis; and
- the willingness of our tenants to renew their existing leases for additional terms.

Inflationary pressures, whether caused by the COVID-19 pandemic or otherwise, may further exacerbate these risks. In addition, our results of operations may be negatively affected by foreign currency adjustments resulting from the COVID-19 pandemic, including the recent strengthening of the U.S. Dollar against the currencies in certain international markets in which we operate. The extent of the impact of COVID-19 on our business operations, results of operations, cash flows, and financial condition, will depend on future developments, such as the duration of the pandemic, new information on the severity of COVID-19 or its variants, and methods taken to contain or treat the outbreak of COVID-19 including the vaccine distribution program, all of which are uncertain and cannot be predicted. Additionally, if the COVID-19 pandemic results in a global recession, the negative impacts of the pandemic on our operating results may worsen or be prolonged.

Risks Related to Our Status as a REIT

Complying with the REIT requirements may cause us to liquidate assets or hinder our ability to pursue otherwise attractive asset acquisition opportunities.

To qualify as a REIT for federal income tax purposes, we must continually satisfy tests concerning, among other things, the nature and diversification of our assets, the sources of our income and the amounts we distribute to our shareholders. For example, to qualify as a REIT, we must ensure that, at the end of each calendar quarter, at least 75% of the value of our assets consists of cash, cash items, government securities and “real estate assets” (as defined in the Code), including towers and certain mortgage loans and securities. The remainder of our investments (other than government securities, qualified real estate assets and securities issued by a taxable REIT subsidiary (“TRS”)) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5% of the value of our total assets (other than government securities, qualified real estate assets and securities issued by a TRS) can consist of the securities of any one issuer, and no more than 20% of the value of our total assets can be represented by securities of one or more TRSs. If we fail to comply with these requirements at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences. As a result, we may be required to liquidate assets.

In addition to the asset tests set forth above, to qualify and be subject to tax as a REIT, we will generally be required to distribute at least 90% of our REIT taxable income after the utilization of any available NOLs (determined without regard to the dividends paid deduction and excluding net capital gain) each year to our shareholders. Our determination as to the timing or amount of future dividends will be based on a number of factors, including investment opportunities around our core business and the availability of our existing NOLs. To the extent that we satisfy the 90% distribution requirement, but distribute less than 100% of our REIT taxable income (after the application of available NOLs, if any), we will be subject to U.S. federal corporate income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our shareholders for a calendar year is less than a minimum amount specified under the Code. These distribution requirements could hinder our ability to pursue otherwise attractive asset acquisition opportunities. Furthermore, our ability to compete for acquisition opportunities in domestic and international markets may be adversely affected if we need, or require, the target company to comply with certain REIT requirements. These actions could have the effect of reducing our income, amounts available for distribution to our shareholders and amounts available for making payments on our indebtedness.

Qualifying as a REIT involves highly technical and complex provisions of the Code. If we fail to qualify as a REIT or fail to remain qualified as a REIT, to the extent we have REIT taxable income and have utilized our NOLs, we will be subject to U.S. federal income tax as a regular corporation and could face a substantial tax liability, which would reduce the amount of cash available for distribution to our shareholders.

Qualification as a REIT involves the application of highly technical and complex Code provisions for which only limited judicial and administrative authorities exist. Even a technical or inadvertent violation could jeopardize our REIT qualification. Our qualification as a REIT will depend on our satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis. Our ability to satisfy the asset tests depends upon our analysis of the characterization and fair market values of our assets, some of which are not susceptible to a precise determination, and for which we will not obtain independent appraisals.

If we fail to qualify as a REIT in any taxable year, to the extent we have REIT taxable income and have utilized our NOLs, we would be subject to U.S. federal income tax on our taxable income at regular corporate rates, and dividends paid to our shareholders would not be deductible by us in computing our taxable income. Any resulting corporate tax liability could be substantial and would reduce the amount of cash available for distribution to our shareholders, which in turn could have an adverse impact on the value of our common stock. Unless we were entitled to relief under certain provisions of the Code, we also would be disqualified from re-electing to be taxed as a REIT for the four taxable years following the year in which we failed to qualify as a REIT. If we fail to qualify for taxation as a REIT, we may need to borrow additional funds or liquidate assets to pay any additional tax liability. Accordingly, funds available for investment and making payments on our indebtedness would be reduced.

We may be required to borrow funds, sell assets, or raise equity to satisfy our REIT distribution requirements.

From time to time, we may generate REIT taxable income greater than our cash flow as a result of differences in timing between the recognition of taxable income and the actual receipt of cash or the effect of nondeductible capital expenditures, the creation of reserves or required debt or amortization payments. If we do not have other funds available in these situations, we may need to borrow funds, sell assets or raise equity, even if the then-prevailing market conditions are not favorable for these borrowings,

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sales or offerings, to enable us to satisfy the REIT distribution requirement and to avoid U.S. federal corporate income tax and the 4% excise tax in a particular year. These alternatives could increase our costs and our leverage, decrease our Adjusted Funds From Operations or require us to distribute amounts that would otherwise be invested in future acquisitions or stock repurchases.

Thus, compliance with the REIT requirements may hinder our ability to grow, which could adversely affect the value of our common stock. Furthermore, compliance with the REIT distribution requirements may increase the financing we need to fund capital expenditures, future growth, or expansion initiatives, which would increase our total leverage.

Covenants specified in our current and future debt instruments may limit our ability to make required REIT distributions.

The Senior Credit Agreement, the mortgage loan agreement related to our securitization transactions and the indentures governing our 2020 Senior Notes and 2021 Senior Notes contain certain covenants that could limit our ability to make distributions to our shareholders. Under the Senior Credit Agreement, our subsidiaries may make distributions to us to satisfy our REIT distribution requirements and additional amounts to distribute up to 100% of our REIT taxable income, so long as SBA Senior Finance II's ratio of Consolidated Net Debt to Annualized Borrower EBITDA does not exceed 6.5 times for any fiscal quarter. In addition, under the mortgage loan agreement related to our securitization transactions, a failure to comply with the Debt Service Coverage Ratio in that agreement could prevent our borrower subsidiaries from distributing any excess cash from the operation of their towers to us. Finally, while the indentures governing the 2020 Senior Notes and 2021 Senior Notes permit us to make distributions to our shareholders to the extent such distributions are necessary to maintain our status as a REIT or to avoid entity level taxation, this authority is subject to the conditions that no default or event of default exists or would result therefrom and that the obligations under the 2020 Senior Notes or 2021 Senior Notes, as applicable, have not otherwise been accelerated.

If these limitations prevent us from satisfying our REIT distribution requirements, we could fail to qualify for taxation as a REIT. If these limitations do not jeopardize our qualification for taxation as a REIT but do nevertheless prevent us from distributing 100% of our REIT taxable income, we will be subject to U.S. federal corporate income tax, and potentially the nondeductible 4% excise tax, on the retained amounts.

Our payment of cash distributions in the future is not guaranteed and the amount of any future cash distributions may fluctuate, which could adversely affect the value of our Class A common stock.

REITs are required to distribute annually at least 90% of their REIT taxable income (determined before the deduction for dividends paid and excluding any net capital gain). As of December 31, 2021, \$654.7 million of our federal NOLs are attributes of the REIT. We may use these NOLs to offset our REIT taxable income, and thus any required distributions to shareholders may be reduced or eliminated until such time as the NOLs have been fully utilized, which may adversely affect the market value of our Class A common stock. The Code places limitations upon the future availability of NOLs based upon changes in our equity. If these occur, our ability to offset future income with existing NOLs may be limited.

The amount of future distributions will be determined, from time to time, by our Board of Directors to balance our goal of increasing long-term shareholder value and retaining sufficient cash to implement our current capital allocation policy, which prioritizes investment in quality assets that meet our return criteria, and then stock repurchases, when we believe our stock price is below its intrinsic value. The actual timing and amount of distributions will be as determined and declared by our Board of Directors and will depend on, among other factors, our NOLs, our financial condition, earnings, debt covenants and other possible uses of such funds. Consequently, our future distribution levels may fluctuate.

Certain of our business activities may be subject to corporate level income tax and foreign taxes, which would reduce our cash flows, and would have potential deferred and contingent tax liabilities.

We may be subject to certain federal, state, local and foreign taxes on our income and assets, including alternative minimum taxes, taxes on any undistributed income and state, local or foreign income, franchise, property and transfer taxes. In addition, we could, in certain circumstances, be required to pay an excise or penalty tax, which could be significant in amount, in order to utilize one or more relief provisions under the Code to maintain qualification for taxation as a REIT. In addition, we may incur a 100% excise tax on transactions with a TRS if they are not conducted on an arm's length basis. Any of these taxes would decrease our earnings and our available cash.

Our TRS assets and operations also will continue to be subject, as applicable, to federal and state corporate income taxes and to foreign taxes in the jurisdictions in which those assets and operations are located. If we continue our international expansion, we may have additional TRS assets and operations subject to such taxes. Any of these taxes would decrease our earnings and our available cash.

Our use of TRSs may cause us to fail to qualify as a REIT.

The net income of our TRSs is not required to be distributed to us, and such undistributed TRS income is generally not subject to our REIT distribution requirements. However, if the accumulation of cash or reinvestment of significant earnings in our TRSs causes the fair market value of our securities in those entities, taken together with other non-qualifying assets, to represent more than 20% (25% for taxable years beginning prior to December 31, 2017) of the value of our total assets, in each case, as determined for REIT asset testing purposes, we would, absent timely responsive action, fail to qualify as a REIT. If we continue our international expansion, we may have increased net income from TRSs, which may cause us to rise above these thresholds.

Legislative or other actions affecting REITs could have a negative effect on us.

The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the Treasury. Changes to the tax laws or interpretations thereof, with or without retroactive application, could materially and adversely affect our investors or us. We cannot predict how changes in the tax laws might affect our investors or us. New legislation, U.S. Treasury Regulations, administrative interpretations or court decisions could significantly and negatively affect our ability to qualify as a REIT or the U.S. federal income tax consequences to our investors and us of such qualification.

Our Board's ability to revoke our REIT qualification, without shareholder approval, may cause adverse consequences to our shareholders.

Our articles of incorporation provide that our Board of Directors may revoke or otherwise terminate our REIT election, without the approval of our shareholders, if it determines that it is no longer in our best interests to continue to qualify as a REIT. If we cease to be a REIT, we will not be allowed a deduction for dividends paid to shareholders, if any, in computing our taxable income, and to the extent we have taxable income and have utilized our NOLs, we will be subject to U.S. federal income tax at regular corporate rates and state and local taxes, which may have adverse consequences on our total return to our shareholders.

We began operating as a REIT in 2016, which may adversely affect our financial condition, results of operations, cash flow, per share trading price of our common stock and ability to satisfy debt service obligations.

We began operating as a REIT in 2016 and may not be able to continue to operate successfully as a REIT. In addition, we are required to maintain substantial control systems and procedures in order to maintain our status as a REIT. We have also incurred additional legal, accounting and other expenses that we did not incur prior to operating as a REIT and our management and other personnel have devoted additional time to comply with these rules and regulations and controls required for continued compliance with the Code. These factors may adversely affect our performance as a REIT. If our performance is adversely affected, it could affect our financial condition, results of operations, cash flow and ability to satisfy our debt service obligations.

Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.

The maximum U.S. federal income tax rate applicable to income from "qualified dividends" payable to U.S. shareholders that are individuals, trusts and estates is currently 20%. Dividends payable by REITs, however, generally are not eligible for the reduced rates applicable to qualified dividends. Although these rules do not adversely affect the taxation of REITs, the more favorable rates applicable to regular corporate qualified dividends could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the stock of REITs, including our common stock. REIT ordinary income distributions are generally eligible for a 20% deduction to the extent distributed out of the REIT's taxable income.

Risks Related to Ownership of our Class A Common Stock

The REIT-related ownership and transfer restrictions may restrict or prevent our shareholders from engaging in certain transfers of our common stock.

In order for us to satisfy the requirements for REIT qualification, no more than 50% in value of all classes or series of our outstanding shares of stock may be owned, beneficially or constructively, by 5 or fewer individuals (as defined in the Code to include certain entities) at any time during the last half of each taxable year (other than the first year for which an election to be subject to tax as a REIT has been made). In addition, our capital stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year (other than the first year for which an election to be taxed as a REIT has been made). Our articles of incorporation contain REIT-related ownership and transfer restrictions that generally restrict shareholders from owning more than 9.8%, by value or number of shares, whichever is more restrictive, of our

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outstanding shares of Class A common stock, or 9.8% in aggregate value of the outstanding shares of all classes and series of our capital stock. Under applicable constructive ownership rules, any shares of stock owned by certain affiliated owners generally would be added together for purposes of the ownership limits. These ownership and transfer restrictions could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for our capital stock or otherwise be in the best interest of our shareholders.

Our articles of incorporation, our bylaws and Florida law provide for anti-takeover provisions that could make it more difficult for a third party to acquire us.

Provisions of our articles of incorporation, our bylaws and Florida law could make it more difficult for a third party to acquire us, even if doing so would be beneficial to our shareholders. These provisions, alone or in combination with each other, may discourage transactions involving actual or potential changes of control, including transactions that otherwise could involve payment of a premium over prevailing market prices to holders of our Class A common stock, or could limit the ability of our shareholders to approve transactions that they may deem to be in their best interests.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We own our headquarters in Boca Raton, Florida where we currently have approximately 160,000 square feet of office space. We also own or have entered into long-term leases for international and regional locations convenient for the management and operation of our site leasing activities, and in certain site development office locations where we expect our activities to be longer-term. We believe our existing facilities are adequate for our current and planned levels of operations and that additional office space suited for our needs is reasonably available in the markets within which we operate.

Our interests in towers and the land beneath them are comprised of a variety of fee interests, leasehold interests created by long-term lease agreements, perpetual easements, easements, licenses, rights-of-way, and other similar interests. As of December 31, 2021, approximately 72% of our tower structures were located on parcels of land that we own, land subject to perpetual easements, or parcels of land that have an interest that extends beyond 20 years. The average remaining life under our ground leases and other property interests, including renewal options under our control, is 37 years. In rural areas, support for our towers, equipment shelters, and related equipment requires a tract of land typically up to 10,000 square feet. Less than 2,500 square feet is required for a monopole or self-supporting tower of the kind typically used in metropolitan areas for wireless communications towers. Ground leases and other property interests are generally for an initial term of five years or more with multiple renewal periods, for a total of 30 years or more.

Most of our towers have significant capacity available for additional antennas. We measure the available capacity of our existing facilities to support additional tenants and generate additional lease revenue by assessing several factors, including tower height, tower type, wind loading, environmental conditions, existing equipment on the tower and zoning and permitting regulations in effect in the jurisdiction where the tower is located. As of December 31, 2021, we had an average of 1.8 tenants per tower structure.

ITEM 3. LEGAL PROCEEDINGS

We are involved in various legal proceedings relating to claims arising in the ordinary course of business. We do not believe that the ultimate resolution of these matters will have a material adverse effect on our business, financial condition, results of operations or liquidity.

ITEM 4. MINE SAFETY DISCLOSURE

Not Applicable.

PART II**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES****Market for our Class A Common Stock**

Our Class A common stock commenced trading under the symbol "SBAC" on The NASDAQ National Market System on June 16, 1999. We now trade on the NASDAQ Global Select Market, a segment of the NASDAQ Global Market, formally known as the NASDAQ National Market System.

As of February 18, 2022, there were 281 record holders of our Class A common stock.

Dividends

As a REIT, we are required to distribute annually at least 90% of our REIT taxable income after the utilization of any available NOLs (determined before the deduction for dividends paid and excluding any net capital gain). As of December 31, 2021, \$654.7 million of the federal NOLs are attributes of the REIT. We may use these NOLs to offset our REIT taxable income, and thus any required distributions to shareholders may be reduced or eliminated until such time as our NOLs have been fully utilized. The amount of future distributions will be determined, from time to time, by our Board of Directors to balance our goal of increasing long-term shareholder value and retaining sufficient cash to implement our current capital allocation policy, which prioritizes investment in quality assets that meet our return criteria, and then stock repurchases when we believe our stock price is below its intrinsic value. The actual amount, timing and frequency of future dividends, will be at the sole discretion of our Board of Directors and will be declared based upon various factors, many of which are beyond our control.

Issuer Purchases of Equity Securities

The following table presents information related to our repurchases of Class A common stock during the fourth quarter of 2021:

<u>Period</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid Per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾</u>	<u>Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs</u>
10/1/2021 - 10/31/2021	601,107	\$ 332.72	601,107	\$ 125,132,569
11/1/2021 - 11/30/2021	145,381	\$ 343.36	145,381	\$ 950,081,337
12/1/2021 - 12/31/2021	<u>39,859</u>	\$ 344.04	<u>39,859</u>	\$ 936,368,149
Total	<u>786,347</u>	\$ 335.26	<u>786,347</u>	\$ 936,368,149

- (1) On October 28, 2021, our Board of Directors authorized a new \$1.0 billion stock repurchase plan, replacing the prior plan authorized on November 2, 2020, which had a remaining authorization of \$125.1 million. Our Board of Directors authorizes us to purchase, from time to time, outstanding Class A common stock through open market repurchases in compliance with Rule 10b-18 under the Exchange Act, and/or in privately negotiated transactions at management's discretion based on market and business conditions, applicable legal requirements and other factors. Once authorized, the repurchase plan has no time deadline and will continue until otherwise modified or terminated by our Board of Directors at any time in its sole discretion. Subsequent to December 31, 2021, we repurchased 1.0 million shares of our Class A common stock for \$350.0 million, at an average price per share of \$334.40. Shares repurchased were retired. As of the date of this filing, we had \$586.4 million remaining under the current authorized share repurchase plan.

ITEM 6. RESERVED**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion of our financial condition and results of operations should be read in conjunction with the information contained in our consolidated financial statements and the notes thereto. The following discussion includes forward-looking statements that involve certain risks and uncertainties, including, but not limited to, those described in Item 1A. Risk Factors. Our actual results may differ materially from those discussed below. See "Special Note Regarding Forward-Looking Statements" and Item 1A. Risk Factors.

We are a leading independent owner and operator of wireless communications infrastructure, including tower structures, rooftops, and other structures that support antennas used for wireless communications, which we collectively refer to as “towers” or “sites.” Our principal operations are in the United States and its territories. In addition, we own and operate towers in South America, Central America, Canada, South Africa, the Philippines and, effective January 4, 2022, Tanzania. Our primary business line is our site leasing business, which contributed 97.4% of our total segment operating profit for the year ended December 31, 2021. In our site leasing business, we (1) lease antenna space to wireless service providers on towers that we own or operate and (2) manage rooftop and tower sites for property owners under various contractual arrangements. As of December 31, 2021, we owned 34,177 towers, a substantial portion of which have been built by us or built by other tower owners or operators who, like us, have built such towers to lease space to multiple wireless service providers. In addition, on January 4, 2022, we closed on 1,445 towers under our previously announced deal in Tanzania. Our other business line is our site development business, through which we assist wireless service providers in developing and maintaining their own wireless service networks.

Site Leasing

Our primary focus is the leasing of antenna space on our multi-tenant towers to a variety of wireless service providers under long-term lease contracts in the United States, South America, Central America, Canada, South Africa, the Philippines and, effective January 4, 2022, Tanzania. As of December 31, 2021, no U.S. state or territory accounted for more than 10% of our total tower portfolio by tower count, and no U.S. state or territory accounted for more than 10% of our total revenues for the year ended December 31, 2021. In addition, as of December 31, 2021, approximately 30% of our total towers are located in Brazil and no other international markets (each country is considered a market) represented more than 4% of our total towers. We derive site leasing revenues primarily from wireless service provider tenants, including T-Mobile, AT&T, Verizon Wireless, Oi S.A., Telefonica, Claro, Tigo, TIM, and DISH Wireless. Wireless service providers enter into tenant leases with us, each of which relates to the lease or use of space at an individual site.

In the United States and our international markets, our tenant leases are generally for an initial term of five years to 15 years with multiple renewal periods at the option of the tenant. In Canada and in our Central American markets, tenant leases typically contain specific rent escalators, which average 3-4% per year, including the renewal option periods. In our South American markets, South Africa, and the Philippines, tenant leases typically escalate annually in accordance with an inflationary index. In Tanzania, tenant leases typically escalate using a combination of fixed and inflation adjusted escalators. Site leases in our South American markets typically provide for a fixed rental amount and a pass through charge for the underlying rent related to ground leases and other property interests. In South Africa, our site leases contain pass through charges related to utilities and, in Tanzania, our site leases include components related to utilities and fuel. The utility and fuel portion of our Tanzanian site leases adjust periodically in accordance with changes in diesel fuel and electricity prices. In certain markets such as Brazil, tenant leases are typically governed by master lease agreements, which provide for the material terms and conditions that will govern the terms of the use of the site.

Cost of site leasing revenue primarily consists of:

- Cash and non-cash rental expense on ground leases and other underlying property interests;
- Property taxes;
- Site maintenance and monitoring costs (exclusive of employee related costs);
- Utilities;
- Property insurance;
- Fuel (in those international markets that do not have an available electric grid at our tower sites); and
- Lease initial direct cost amortization.

In the United States and our international markets, ground leases and other property interests are generally for an initial term of five years or more with multiple renewal periods, which are at our option. In our Central American markets, Canada, and the Philippines, ground leases and other property interests provide for fixed rent escalators which typically average 2-3% annually, and in our South American markets and South Africa, ground leases adjust in accordance with an inflationary index. As of December 31, 2021, approximately 72% of our tower structures were located on parcels of land that we own, land subject to perpetual easements, or parcels of land in which we have a leasehold interest that extends beyond 20 years. For any given tower, costs are relatively fixed over a monthly or an annual time period. As such, operating costs for owned towers do not generally increase as a result of adding additional customers to the tower. The amount of property taxes varies from site to site depending on the taxing jurisdiction and the height and age of the tower. The ongoing maintenance requirements are typically minimal and include replacing lighting systems, painting a tower, or upgrading or repairing an access road or fencing.

In our Central American markets and Ecuador, significantly all of our revenue, expenses, and capital expenditures arising from our new build activities are denominated in U.S. dollars. Specifically, most of our ground leases and other property interests, tenant leases, and tower-related expenses are paid in U.S. dollars. In our Central American markets, our local currency obligations are principally limited to (1) permitting and other local fees, (2) utilities, and (3) taxes. In Brazil, Canada, Chile, South Africa, and the

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Philippines, significantly all of our revenue, expenses, and capital expenditures, including tenant leases, ground leases and other property interests, and other tower-related expenses are denominated in local currency. In Colombia, Argentina, Peru, and Tanzania, our revenue, expenses, and capital expenditures, including tenant leases, ground leases and other property interests, and other tower-related expenses are denominated in a mix of local currency and U.S. dollars.

As indicated in the table below, our site leasing business generates substantially all of our total segment operating profit. For information regarding our operating segments, see Note 15 of our Consolidated Financial Statements included in this annual report.

Segment operating profit as a percentage of	For the year ended		
	December 31,		
total operating profit	2021	2020	2019
Domestic site leasing	80.7%	81.0%	80.7%
International site leasing	16.7%	17.4%	17.0%
Total site leasing	97.4%	98.4%	97.7%

We believe that the site leasing business continues to be attractive due to its long-term contracts, built-in rent escalators, high operating margins, and low customer churn (which refers to when a customer does not renew its lease or cancels its lease prior to the end of its term) other than in connection with customer consolidation or cessation of a particular technology. We believe that over the long-term, site leasing revenues will continue to grow as wireless service providers lease additional antenna space on our towers due to increasing minutes of network use and data transfer, network expansion and network coverage requirements.

During 2022, we expect organic site leasing revenue in both our domestic and international segments to increase over 2021 levels due in part to wireless carriers deploying unused spectrum. We believe our site leasing business is characterized by stable and long-term recurring revenues, predictable operating costs and minimal non-discretionary capital expenditures. Due to the relatively young age and mix of our tower portfolio, we expect future expenditures required to maintain these towers to be minimal. Consequently, we expect to grow our cash flows by (1) adding tenants to our towers at minimal incremental costs by using existing tower capacity or requiring wireless service providers to bear all or a portion of the cost of tower modifications and (2) executing monetary amendments as wireless service providers add or upgrade their equipment. Furthermore, because our towers are strategically positioned, we have historically experienced low tenant lease terminations as a percentage of revenue other than in connection with customer consolidation or cessations of a specific technology.

During 2020, the consolidation of T-Mobile and Sprint was completed, and we began to experience non-renewal of certain leases as a result of this merger. We currently expect that this churn will represent an aggregate of between \$140.0 million and \$190.0 million of cash site leasing revenue over the next six years. The aggregate churn estimate includes both overlapping and adjacent Sprint leases.

Site Development

Our site development business, which is conducted in the United States only, is complementary to our site leasing business and provides us the ability to keep in close contact with the wireless service providers who generate substantially all of our site leasing revenue and to capture ancillary revenues that are generated by our site leasing activities, such as antenna and equipment installation at our tower locations. Site development revenues are earned primarily from providing a full range of end to end services to wireless service providers or companies providing development or project management services to wireless service providers. Our services include: (1) network pre-design; (2) site audits; (3) identification of potential locations for towers and antennas on existing infrastructure; (4) support in leasing of the location; (5) assistance in obtaining zoning approvals and permits; (6) tower and related site construction; (7) antenna installation; and (8) radio equipment installation, commissioning, and maintenance. We provide site development services at our towers and at towers owned by others on a local basis, through regional, market, and project offices. The market offices are responsible for all site development operations.

For information regarding our operating segments, see Note 15 of our Consolidated Financial Statements included in this annual report.

Capital Allocation Strategy

Our capital allocation strategy is aimed at increasing shareholder value through investment in quality assets that meet our return criteria, stock repurchases when we believe our stock price is below its intrinsic value, and by returning cash generated by our operations in the form of cash dividends. While the addition of a cash dividend to our capital allocation strategy in 2019 has provided us with a new tool to return value to our shareholders, we will also continue to make investments focused on increasing Adjusted

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Funds From Operations per share. To achieve this, we expect to continue to deploy capital to portfolio growth and stock repurchases, subject to compliance with REIT distribution requirements, available funds and market conditions, while maintaining our target leverage levels. Key elements of our capital allocation strategy include:

Portfolio Growth. We intend to continue to grow our asset portfolio, domestically and internationally, primarily through tower acquisitions and the construction of new towers that meet our internal return on invested capital criteria.

Stock Repurchase Program. We currently utilize stock repurchases as part of our capital allocation policy when we believe our share price is below its intrinsic value. We believe that share repurchases, when purchased at the right price, will facilitate our goal of increasing our Adjusted Funds From Operations per share.

Dividend. Cash dividends are an additional component of our strategy of returning value to shareholders. We do not expect our dividend to require any changes in our leverage and believe that, due to our low dividend payout ratio, we can continue to focus on building and buying quality assets and opportunistically buying back our stock. While the timing and amount of future dividends will be subject to approval by our Board of Directors, we believe that our future cash flow generation will permit us to grow our cash dividend in the future.

COVID-19 Update

We have experienced minimal impact to our business or results of operations from the coronavirus (COVID-19) pandemic. The extent to which COVID-19 could adversely affect our future business operations will depend on future developments such as the duration of the outbreak, new information on the severity of COVID-19 or its variants, and methods taken to contain or treat the outbreak of COVID-19 including a vaccine distribution program. While the full impact of COVID-19 is not yet known, we will continue to monitor these developments and the potential effects on our business.

Critical Accounting Policies and Estimates

We have identified the policies and significant estimation processes below as critical to our business operations and the understanding of our results of operations. The listing is not intended to be a comprehensive list. In many cases, the accounting treatment of a particular transaction is specifically dictated by accounting principles generally accepted in the United States, with no need for management's judgment in their application. In other cases, management is required to exercise judgment in the application of accounting principles with respect to particular transactions. The impact and any associated risks related to these policies on our business operations is discussed throughout "Management's Discussion and Analysis of Financial Condition and Results of Operations" where such policies affect reported and expected financial results. For a detailed discussion on the application of these and other accounting policies, see Note 2 of our Consolidated Financial Statements for the year ended December 31, 2021, included herein. Our preparation of our financial statements requires us to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of our financial statements, and the reported amounts of revenue and expenses during the reporting periods. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. There can be no assurance that actual results will not differ from those estimates and such differences could be significant.

Revenue Recognition and Accounts Receivable

Site leasing revenues

Revenue from site leasing is recognized on a straight-line basis over the current term of the related lease agreements, which are generally five years to 10 years. Receivables recorded related to the straight-lining of site leases are reflected in other assets on the Consolidated Balance Sheets. Rental amounts received in advance are recorded as deferred revenue on the Consolidated Balance Sheets. Revenue from site leasing represents 91% of our total revenue for the year ended December 31, 2021.

Site development revenues

Site development projects in which we perform consulting services include contracts on a fixed price basis that are billed at contractual rates. Revenue is recognized over time based on milestones achieved, which are determined based on costs incurred. Amounts billed in advance (collected or uncollected) are recorded as deferred revenue on our Consolidated Balance Sheets.

Revenue from construction projects is recognized over time, determined by the percentage of cost incurred to date compared to management's estimated total cost for each contract. This method is used because management considers total cost to be the best

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available measure of progress on the contracts. These amounts are based on estimates, and the uncertainty inherent in the estimates initially is reduced as work on the contracts nears completion. Refer to Note 5 in our Consolidated Financial Statements included in this annual report for further detail of costs and estimated earnings in excess of billings on uncompleted contracts. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined to be probable.

The site development segment represents approximately 9% of our total revenues for the year ended December 31, 2021. We account for site development revenue in accordance with ASC 606, Revenue from Contracts with Customers. Payment terms do not result in any significant financing arrangements. Furthermore, these contracts do not typically include variable consideration; therefore, the transaction price that is recognized over time is generally the amount of the total contract.

Accounts receivable

The accounts receivable balance for the years ended December 31, 2021 and 2020 was \$102.0 million and \$74.1 million, respectively, of which \$24.6 and \$14.3 million related to the site development segment, respectively. We perform periodic credit evaluations of our customers. In addition, we monitor collections and payments from our customers and maintain a provision for estimated credit losses based upon historical experience, specific customer collection issues identified, and past due balances as determined based on contractual terms. Interest is charged on outstanding receivables from customers on a case by case basis in accordance with the terms of the respective contracts or agreements with those customers. Amounts determined to be uncollectible are written off against the allowance for doubtful accounts in the period in which uncollectibility is determined to be probable. Refer to Note 15 in our Consolidated Financial Statements included in this annual report for further detail of the site development segment.

Lease Accounting

We adopted ASU No. 2016-02, Leases (“Topic 842”) using the modified retrospective adoption method with an effective date of January 1, 2019. This standard requires all lessees to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments. The adoption of the new lease standard had a significant impact on our Consolidated Balance Sheets but did not have a significant impact on our lease classification or a material impact on our Consolidated Statements of Operations and liquidity. Additionally, the adoption of Topic 842 did not have a material impact on our debt covenant compliance under our current agreements. We have elected to not separate nonlease components from the associated lease component for all underlying classes of assets.

In order to calculate our lease liability, we make certain assumptions related to lease term and discount rate. In making the determination of the period for which we are reasonably certain to remain on the site, we will assume optional renewals are reasonably certain of being exercised for the greater of: (1) a period sufficient to cover all tenants under their current committed term where we have provided rights to the tower not to exceed the contractual ground lease terms including renewals and (2) a period sufficient to recover the investment of significant leasehold improvements located on the site. For the discount rate, we use the rate implicit in the lease when available to discount lease payments to present value. However, our ground leases and other property interests generally do not provide a readily determinable implicit rate. Therefore, we estimate the incremental borrowing rate to discount lease payments based on the lease term and lease currency. We use publicly available data for instruments with similar characteristics when calculating our incremental borrowing rates. Refer to Note 2 in our Consolidated Financial Statements included in this annual report for further discussion on lease accounting.

Reference Rate Reform

ASU 2020-04 and ASU 2021-01, Reference Rate Reform, provide optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. The expedients and exceptions provided by the amendments do not apply to contract modifications made and hedging relationships entered into or evaluated after December 31, 2022, except for hedging relationships existing as of December 31, 2022, that an entity has elected certain optional expedients for and that are retained through the end of the hedging relationship. An entity may elect to apply the amendments prospectively through December 31, 2022. The ICE Benchmark Administration Limited (“IBA”) ceased the publication of USD LIBOR for the 1 week and 2 month tenors on December 31, 2021 and will cease all other tenors on June 30, 2023. On July 7, 2021, we amended our Credit Facility to provide mechanics relating to a transition away from LIBOR as a benchmark interest rate and the replacement of LIBOR by an alternative benchmark rate. Refer to “Debt Instruments and Debt Service Requirements” below for further discussion of the Credit Facility. As of December 31, 2021, we have not modified any other contracts as a result of reference rate reform and are evaluating the impact this standard may have on our consolidated financial statements.

RESULTS OF OPERATIONS

This report presents our financial results and other financial metrics after eliminating the impact of changes in foreign currency exchange rates. We believe that providing these financial results and metrics on a constant currency basis, which are non-GAAP measures, gives management and investors the ability to evaluate the performance of our business without the impact of foreign currency exchange rate fluctuations. We eliminate the impact of changes in foreign currency exchange rates by dividing the current period's financial results by the average monthly exchange rates of the prior year period, as well as by eliminating the impact of realized and unrealized gains and losses on our intercompany loans.

Year Ended 2021 Compared to Year Ended 2020

Revenues and Segment Operating Profit:

	For the year ended		Foreign	Constant	Constant
	December 31,				
	2021	2020			
Revenues (in thousands)					
Domestic site leasing	\$ 1,681,372	\$ 1,558,311	\$ —	\$ 123,061	7.9%
International site leasing	422,715	396,161	(8,016)	34,570	8.7%
Site development	204,747	128,666	—	76,081	59.1%
Total	\$ 2,308,834	\$ 2,083,138	\$ (8,016)	\$ 233,712	11.2%
Cost of Revenues					
Domestic site leasing	\$ 258,612	\$ 256,673	\$ —	\$ 1,939	0.8%
International site leasing	127,779	117,105	(2,766)	13,440	11.5%
Site development	159,093	102,750	—	56,343	54.8%
Total	\$ 545,484	\$ 476,528	\$ (2,766)	\$ 71,722	15.1%
Operating Profit					
Domestic site leasing	\$ 1,422,760	\$ 1,301,638	\$ —	\$ 121,122	9.3%
International site leasing	294,936	279,056	(5,250)	21,130	7.6%
Site development	45,654	25,916	—	19,738	76.2%

Revenues

Domestic site leasing revenues increased \$123.1 million for the year ended December 31, 2021, as compared to the prior year, primarily due to (1) revenues from 961 towers acquired (including wireless tenant licenses on 713 utility transmission structures from the PG&E transaction) and 21 towers built since January 1, 2020 and (2) organic site leasing growth, primarily from monetary lease amendments for additional equipment added to our towers as well as new leases and contractual rent escalators, partially offset by lease non-renewals.

International site leasing revenues increased \$26.6 million for the year ended December 31, 2021, as compared to the prior year. On a constant currency basis, international site leasing revenues increased \$34.6 million. These changes were primarily due to (1) revenues from 263 towers acquired and 623 towers built since January 1, 2020 and (2) organic site leasing growth from new leases, amendments, and contractual escalators, partially offset by lease non-renewals. Site leasing revenue in Brazil represented 11.1% of total site leasing revenue for the period. No other individual international market represented more than 4% of our total site leasing revenue.

Site development revenues increased \$76.1 million for the year ended December 31, 2021, as compared to prior year, as a result of increased carrier activity driven primarily by T-Mobile and DISH Wireless.

Operating Profit

Domestic site leasing segment operating profit increased \$121.1 million for the year ended December 31, 2021, as compared to the prior year, primarily due to additional profit generated by (1) towers acquired and built since January 1, 2020 and organic site leasing growth as noted above, (2) continued control of our site leasing cost of revenue, and (3) the positive impact of our ground lease purchase program.

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International site leasing segment operating profit increased \$15.9 million for the year ended December 31, 2021, as compared to the prior year. On a constant currency basis, international site leasing segment operating profit increased \$21.1 million. These changes were primarily due to additional profit generated by (1) towers acquired and built since January 1, 2020 and organic site leasing growth as noted above, (2) continued control of our site leasing cost of revenue, and (3) the positive impact of our ground lease purchase program.

Site development segment operating profit increased \$19.7 million for the year ended December 31, 2021, as compared to the prior year, as a result of increased carrier activity driven primarily by T-Mobile and DISH Wireless.

Selling, General, and Administrative Expenses:

	For the year ended		Foreign	Constant	Constant
	December 31,				
	2021	2020			% Change
(in thousands)					
Domestic site leasing	\$ 115,458	\$ 102,889	\$ —	\$ 12,569	12.2%
International site leasing	37,768	34,905	(271)	3,134	9.0%
Total site leasing	\$ 153,226	\$ 137,794	\$ (271)	\$ 15,703	11.4%
Site development	20,636	17,663	—	2,973	16.8%
Other	46,167	38,810	—	7,357	19.0%
Total	\$ 220,029	\$ 194,267	\$ (271)	\$ 26,033	13.4%

Selling, general, and administrative expenses increased \$25.8 million, on an actual and constant currency basis, for the year ended December 31, 2021, as compared to the prior year. These changes were primarily as a result of increases in noncash compensation, personnel, and other support related costs.

Acquisition and New Business Initiatives Related Adjustments and Expenses:

	For the year ended		Foreign	Constant	Constant
	December 31,				
	2021	2020			% Change
(in thousands)					
Domestic site leasing	\$ 14,452	\$ 10,331	\$ —	\$ 4,121	39.9%
International site leasing	13,169	6,251	(161)	7,079	113.2%
Total	\$ 27,621	\$ 16,582	\$ (161)	\$ 11,200	67.5%

Acquisition and new business initiatives related adjustments and expenses increased \$11.0 million for the year ended December 31, 2021, as compared to the prior year. On a constant currency basis, acquisition and new business initiatives related adjustments and expenses increased \$11.2 million. These changes were primarily as a result of an increase in third party acquisition and integration costs as well as incremental costs incurred in support of new business initiatives as compared to the prior year.

Asset Impairment and Decommission Costs:

	For the year ended		Foreign	Constant	Constant
	December 31,				
	2021	2020			% Change
(in thousands)					
Domestic site leasing	\$ 20,135	\$ 28,887	\$ —	\$ (8,752)	(30.3%)
International site leasing	12,763	11,210	(81)	1,634	14.6%
Total site leasing	\$ 32,898	\$ 40,097	\$ (81)	\$ (7,118)	(17.8%)
Other	146	—	—	146	—%
Total	\$ 33,044	\$ 40,097	\$ (81)	\$ (6,972)	(17.4%)

Asset impairment and decommission costs decreased \$7.1 million, on an actual and constant currency basis, for the year ended December 31, 2021, as compared to the prior year. These changes were primarily as a result of a decrease in impairment charges resulting from our regular analysis of whether the future cash flows from certain towers are adequate to recover the carrying

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value of the investment in those towers, as well as a decrease in costs related to sites decommissioned in the year ended December 31, 2021 compared to the prior year period.

Depreciation, Accretion, and Amortization Expenses:

	For the year ended December 31,		Foreign Currency Impact	Constant Currency Change	Constant Currency % Change
	2021	2020			
(in thousands)					
Domestic site leasing	\$ 514,234	\$ 539,399	\$ —	\$ (25,165)	(4.7%)
International site leasing	177,059	174,073	(4,443)	7,429	4.3%
Total site leasing	\$ 691,293	\$ 713,472	\$ (4,443)	\$ (17,736)	(2.5%)
Site development	2,295	2,356	—	(61)	(2.6%)
Other	6,573	6,142	—	431	7.0%
Total	\$ 700,161	\$ 721,970	\$ (4,443)	\$ (17,366)	(2.4%)

Depreciation, accretion, and amortization expense decreased \$21.8 million for the year ended December 31, 2021, as compared to the prior year. On a constant currency basis, depreciation, accretion, and amortization expense decreased \$17.4 million. These changes were primarily due to the impact of assets that became fully depreciated since the prior year period, partially offset by an increase in the number of towers we acquired and built since January 1, 2020.

Operating Income (Expense):

	For the year ended December 31,		Foreign Currency Impact	Constant Currency Change	Constant Currency % Change
	2021	2020			
(in thousands)					
Domestic site leasing	\$ 758,481	\$ 620,132	\$ —	\$ 138,349	22.3%
International site leasing	54,177	52,617	(294)	1,854	3.5%
Total site leasing	\$ 812,658	\$ 672,749	\$ (294)	\$ 140,203	20.8%
Site development	22,723	5,897	—	16,826	285.3%
Other	(52,886)	(44,952)	—	(7,934)	17.6%
Total	\$ 782,495	\$ 633,694	\$ (294)	\$ 149,095	23.5%

Domestic site leasing operating income increased \$138.3 million for the year ended December 31, 2021, as compared to the prior year, primarily due to higher segment operating profit, decreases in depreciation, accretion, and amortization expense and asset impairment and decommission costs, partially offset by increases in selling, general, and administrative expenses and acquisition and new business initiatives related adjustments and expenses.

International site leasing operating income increased \$1.6 million for the year ended December 31, 2021, as compared to the prior year. On a constant currency basis, international site leasing operating income increased \$1.9 million. These changes were primarily due to higher segment operating profit, partially offset by increases in depreciation, accretion, and amortization expense, selling, general, and administrative expenses, asset impairment and decommission costs, and acquisition and new business initiatives related adjustments and expenses.

Site development operating income increased \$16.8 million for the year ended December 31, 2021, as compared to the prior year, primarily due to higher segment operating profit driven by more activity from T-Mobile and DISH Wireless, partially offset by an increase in selling, general, and administrative expenses.

Other Income (Expense):

	For the year ended December 31,		Foreign Currency Impact	Constant Currency Change	Constant Currency % Change
	2021	2020			
(in thousands)					
Interest income	\$ 3,448	\$ 2,981	\$ (112)	\$ 579	19.4%
Interest expense	(352,919)	(367,874)	27	14,928	(4.1%)
Non-cash interest expense	(47,085)	(24,870)	—	(22,215)	89.3%
Amortization of deferred financing fees	(19,589)	(20,058)	—	469	(2.3%)
Loss from extinguishment of debt, net	(39,502)	(19,463)	—	(20,039)	103.0%
Other expense, net	(74,284)	(222,159)	153,172	(5,297)	293.8%
Total	<u>\$ (529,931)</u>	<u>\$ (651,443)</u>	<u>\$ 153,087</u>	<u>\$ (31,575)</u>	7.3%

Interest expense decreased \$15.0 million for the year ended December 31, 2021, as compared to the prior year. This change was primarily due to a lower weighted average interest rate due in part to the interest rate swap entered into during third quarter of 2020, partially offset by a higher average principal amount of cash interest bearing debt outstanding.

Non-cash interest expense increased \$22.2 million for the year ended December 31, 2021, as compared to the prior year primarily related to amortization of accumulated losses related to our interest rate swaps de-designated as cash flow hedges.

Loss from extinguishment of debt was \$39.5 million for the year ended December 31, 2021 representing the payment of a \$13.4 million call premium and the write-off of \$10.3 million of the unamortized financing fees related to the redemption of the 2016 Senior Notes in November 2021, the payment of a \$7.5 million call premium and the write-off of \$4.2 million of the unamortized financing fees related to the redemption of the 2017 Senior Notes in February 2021, the write-off of \$2.0 million of unamortized financing fees related to the repayment of the 2017-1C Tower Securities in May 2021, and the write-off of \$2.0 million of unamortized financing fees related to the repayment of the 2013-2C Tower Securities in October 2021. Loss from extinguishment of debt was \$19.5 million for the year ended December 31, 2020 representing the payment of a \$9.1 million call premium and the write-off of \$7.7 million of the original issuance discount and unamortized financing fees related to the redemption of the 2014 Senior Notes in February 2020, as well as the write-off of \$2.6 million of unamortized financing fees related to the repayment of the 2015-1C Tower Securities and 2016-1C Tower Securities in July 2020.

Other expense, net includes a \$66.3 million loss on the remeasurement of U.S. dollar denominated intercompany loans with foreign subsidiaries for the year ended December 31, 2021, while the prior year period included a \$220.4 million loss.

(Provision) Benefit for Income Taxes:

	For the year ended December 31,		Foreign Currency Impact	Constant Currency Change	Constant Currency % Change
	2021	2020			
(in thousands)					
(Provision) benefit for income taxes	\$ (14,940)	\$ 41,796	\$ (51,624)	\$ (5,112)	15.5%

Provision for income taxes increased \$56.7 million for the year ended December 31, 2021, as compared to the prior year. On a constant currency basis, provision for income taxes increased \$5.1 million. These changes were primarily due to increases in deferred foreign and state taxes.

Net Income:

	For the year ended December 31,		Foreign Currency Impact	Constant Currency Change	Constant Currency % Change
	2021	2020			
(in thousands)					
Net income	\$ 237,624	\$ 24,047	\$ 101,169	\$ 112,408	68.0%

Net income was \$237.6 million for the year ended December 31, 2021, as compared to net income of \$24.0 million in the prior year period. This change was primarily due to an increase in operating income, fluctuations in foreign currency exchange rates including changes recorded on the remeasurement of the U.S. dollar denominated intercompany loans with foreign subsidiaries, and a

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decrease in cash interest expense related to the interest rate swaps. This was partially offset by increases in non-cash interest expense, loss from the extinguishment of debt, and provision for income taxes.

Year Ended 2020 Compared to Year Ended 2019

For a discussion of our 2020 Results of Operations, including a discussion of our financial results for the fiscal year ended December 31, 2020 compared to the fiscal year ended December 31, 2019, refer to Part I, Item 7 of our annual report on Form 10-K filed with the SEC on February 25, 2021.

NON-GAAP FINANCIAL MEASURES

This report contains information regarding Adjusted EBITDA, a non-GAAP measure. We have provided below a description of Adjusted EBITDA, a reconciliation of Adjusted EBITDA to its most directly comparable GAAP measure and an explanation as to why management utilizes this measure. This report also presents our financial results and other financial metrics after eliminating the impact of changes in foreign currency exchange rates. We believe that providing these financial results and metrics on a constant currency basis, which are non-GAAP measures, gives management and investors the ability to evaluate the performance of our business without the impact of foreign currency exchange rate fluctuations. We eliminate the impact of changes in foreign currency exchange rates by dividing the current period's financial results by the average monthly exchange rates of the prior year period, as well as by eliminating the impact of the remeasurement of our intercompany loans.

Adjusted EBITDA

We define Adjusted EBITDA as net income excluding the impact of non-cash straight-line leasing revenue, non-cash straight-line ground lease expense, non-cash compensation, net loss from extinguishment of debt, other income and expenses, acquisition and new business initiatives related adjustments and expenses, asset impairment and decommission costs, interest income, interest expenses, depreciation, accretion, and amortization, and income taxes.

We believe that Adjusted EBITDA is useful to investors or other interested parties in evaluating our financial performance. Adjusted EBITDA is the primary measure used by management (1) to evaluate the economic productivity of our operations and (2) for purposes of making decisions about allocating resources to, and assessing the performance of, our operations. Management believes that Adjusted EBITDA helps investors or other interested parties to meaningfully evaluate and compare the results of our operations (1) from period to period and (2) to our competitors, by excluding the impact of our capital structure (primarily interest charges from our outstanding debt) and asset base (primarily depreciation, amortization and accretion) from our financial results. Management also believes Adjusted EBITDA is frequently used by investors or other interested parties in the evaluation of REITs. In addition, Adjusted EBITDA is similar to the measure of current financial performance generally used by our lenders to determine compliance with certain covenants under our Senior Credit Agreement and the indentures relating to the 2020 Senior Notes and 2021 Senior Notes. Adjusted EBITDA should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

	For the year ended		Foreign Currency Impact	Constant Currency Change	Constant Currency % Change
	December 31,				
	2021	2020			
	(in thousands)				
Net income	\$ 237,624	\$ 24,047	\$ 101,169	\$ 112,408	68.0%
Non-cash straight-line leasing revenue	(30,117)	(3,475)	(106)	(26,536)	763.6%
Non-cash straight-line ground lease expense	7,766	13,955	72	(6,261)	(44.9%)
Non-cash compensation	84,402	68,890	(33)	15,545	22.6%
Loss from extinguishment of debt, net	39,502	19,463	—	20,039	103.0%
Other expense, net	74,284	222,159	(153,172)	5,297	(293.8%)
Acquisition and new business initiatives related adjustments and expenses	27,621	16,582	(161)	11,200	67.5%
Asset impairment and decommission costs	33,044	40,097	(81)	(6,972)	(17.4%)
Interest income	(3,448)	(2,981)	112	(579)	19.4%
Interest expense ⁽¹⁾	419,593	412,802	(27)	6,818	1.7%
Depreciation, accretion, and amortization	700,161	721,970	(4,443)	(17,366)	(2.4%)
Provision (benefit) for income taxes ⁽²⁾	15,847	(40,895)	51,624	5,118	15.1%
Adjusted EBITDA	<u>\$ 1,606,279</u>	<u>\$ 1,492,614</u>	<u>\$ (5,046)</u>	<u>\$ 118,711</u>	8.0%

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- (1) Total interest expense includes interest expense, non-cash interest expense, and amortization of deferred financing fees.
- (2) Provision (benefit) for taxes includes \$907 and \$901 of franchise taxes for the year ended 2021 and 2020, respectively, reflected in selling, general, and administrative expenses on the Consolidated Statement of Operations.

Adjusted EBITDA increased \$113.7 million for the year ended December 31, 2021, as compared to the prior year. On a constant currency basis, Adjusted EBITDA increased \$118.7 million. These changes were primarily due to an increase in segment operating profit, partially offset by an increase in cash selling, general, and administrative expenses.

LIQUIDITY AND CAPITAL RESOURCES

SBAC is a holding company with no business operations of its own. SBAC's only significant asset is 100% of the outstanding capital stock of SBA Telecommunications, LLC ("Telecommunications"), which is also a holding company that owns equity interests in entities that directly or indirectly own all of our domestic and international towers and assets. We conduct all of our business operations through Telecommunications' subsidiaries. Accordingly, our only source of cash to pay our obligations, other than financings, is distributions with respect to our ownership interest in our subsidiaries from the net earnings and cash flow generated by these subsidiaries.

A summary of our cash flows is as follows:

	For the year ended December 31,	
	2021	2020
	<i>(in thousands)</i>	
Cash provided by operating activities	\$ 1,189,896	\$ 1,126,033
Cash used in investing activities	(1,423,260)	(446,366)
Cash provided by (used in) financing activities	339,264	(469,017)
Change in cash, cash equivalents, and restricted cash	105,900	210,650
Effect of exchange rate changes on cash, cash equiv., and restricted cash	(13,082)	(8,962)
Cash, cash equivalents, and restricted cash, beginning of year	342,808	141,120
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 435,626</u>	<u>\$ 342,808</u>

Operating Activities

Cash provided by operating activities was \$1.2 billion for the year ended December 31, 2021 as compared to \$1.1 billion for the year ended December 31, 2020. The increase was primarily due to an increase in operating profit, partially offset by an increase in cash outflows associated with working capital changes.

Investing Activities

A detail of our cash capital expenditures is as follows:

	For the year ended	
	December 31,	
	2021	2020
	<i>(in thousands)</i>	
Acquisitions of towers and related intangible assets	\$ (274,752)	\$ (181,473)
Acquisition of right-of-use assets ⁽¹⁾	(950,536)	—
Land buyouts and other assets ⁽²⁾	(32,416)	(89,945)
Construction and related costs on new builds	(61,202)	(54,736)
Augmentation and tower upgrades	(33,103)	(38,340)
Tower maintenance	(34,541)	(29,395)
General corporate	(4,848)	(6,095)
Other investing activities	(31,862)	(46,382)
Net cash used in investing activities	<u>\$ (1,423,260)</u>	<u>\$ (446,366)</u>

- (1) During the year ended December 31, 2021, we acquired the exclusive right to lease and operate 713 utility transmission structures, which included existing wireless tenant licenses from PG&E. The difference between the agreed upon purchase price of \$972.0 million and the cash acquisition amount is due to working capital adjustments.

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- (2) Excludes \$16.3 million and \$12.3 million spent to extend ground lease terms for the years ended December 31, 2021 and 2020, respectively. In addition, the year ended December 31, 2020 includes amounts paid related to the acquisition of data centers.

On January 4, 2022, we closed on 1,445 sites under the previously announced deal with Airtel Tanzania for \$176.1 million. Legal title was fully transferred at closing for 963 of the towers. The remaining 482 towers are pending post-closing site level documentation and due diligence and will be initially accounted for as acquired right-of-use assets until the full transfer of title for these towers is completed, which we anticipate to be in tranches through the end of the second quarter of 2023. During this period of time, we have all the economic rights and obligations related to these towers. Additionally, subsequent to the fourth quarter of 2021, we purchased or are under contract to purchase 371 communication sites for an aggregate amount of \$137.1 million. We anticipate that these acquisitions will be consummated by the end of the third quarter of 2022.

For 2022, we expect to incur non-discretionary cash capital expenditures associated with tower maintenance and general corporate expenditures of \$45.0 million to \$55.0 million and discretionary cash capital expenditures, based on current or potential acquisition obligations, planned new tower construction, forecasted tower augmentations, and forecasted ground lease purchases, of \$525.0 million to \$545.0 million. We expect to fund these cash capital expenditures from cash on hand, cash flow from operations, and borrowings under the Revolving Credit Facility or new financings. The exact amount of our future cash capital expenditures will depend on a number of factors, including amounts necessary to support our tower portfolio, our new tower build and acquisition programs, and our ground lease purchase program.

Financing Activities

A detail of our financing activities is as follows:

	For the year ended December 31,	
	2021	2020
	(in thousands)	
Net repayments under Revolving Credit Facility ⁽¹⁾	\$ (30,000)	\$ (110,000)
Proceeds from issuance of Senior Notes, net of fees ⁽¹⁾	1,485,373	1,479,484
Repayment of Senior Notes ⁽¹⁾	(1,870,909)	(759,143)
Proceeds from issuance of Tower Securities, net of fees ⁽¹⁾	2,924,005	1,335,895
Repayment of Tower Securities ⁽¹⁾	(1,335,000)	(1,200,000)
Termination of interest rate swap	—	(176,200)
Repurchase and retirement of common stock ⁽²⁾	(582,578)	(859,335)
Payment of dividends on common stock	(253,580)	(207,689)
Proceeds from employee stock purchase/stock option plans	86,688	99,129
Payments related to taxes on net settlement of stock options and restricted stock units	(71,904)	(45,080)
Other financing activities	(12,831)	(26,078)
Net cash provided by (used in) financing activities	<u>\$ 339,264</u>	<u>\$ (469,017)</u>

(1) For additional information regarding our debt instruments and financings, refer to “Debt Instruments and Debt Service Requirements” below.

(2) For additional information, refer to Item 5. Issuer Purchases of Equity Securities.

For a discussion of our Liquidity and Capital Resources for the fiscal year ended December 31, 2020 compared to the fiscal year ended December 31, 2019, refer to Part I, Item 7 of our annual report on Form 10-K filed with the SEC on February 25, 2021.

Dividend

For the year ended December 31, 2021, we paid the following cash dividends:

<u>Date Declared</u>	<u>Payable to Shareholders of Record at the Close of Business on</u>	<u>Cash Paid Per Share</u>	<u>Aggregate Amount Paid</u>	<u>Date Paid</u>
February 19, 2021	March 10, 2021	\$0.58	\$63.4 million	March 26, 2021
April 26, 2021	May 20, 2021	\$0.58	\$63.4 million	June 15, 2021
August 1, 2021	August 26, 2021	\$0.58	\$63.6 million	September 23, 2021
November 1, 2021	November 18, 2021	\$0.58	\$63.1 million	December 16, 2021

Dividends paid in 2021 and 2020 were ordinary taxable dividends.

Subsequent to December 31, 2021, we declared the following cash dividends:

<u>Date Declared</u>	<u>Payable to Shareholders of Record at the Close of Business on</u>	<u>Cash to be Paid Per Share</u>	<u>Date to be Paid</u>
February 27, 2022	March 10, 2022	\$0.71	March 25, 2022

The amount of future distributions will be determined, from time to time, by our Board of Directors to balance our goal of increasing long-term shareholder value and retaining sufficient cash to implement our current capital allocation policy, which prioritizes investment in quality assets that meet our return criteria, and then stock repurchases when we believe our stock price is below its intrinsic value. The actual amount, timing and frequency of future dividends, will be at the sole discretion of our Board of Directors and will be declared based upon various factors, many of which are beyond our control.

Registration Statements

We have on file with the Commission a shelf registration statement on Form S-4 registering shares of Class A common stock that we may issue in connection with the acquisition of wireless communication towers or antenna sites and related assets or companies who own wireless communication towers, antenna sites, or related assets. During the year ended December 31, 2021, we did not issue any shares of Class A common stock under this registration statement. As of December 31, 2021, we had approximately 1.2 million shares of Class A common stock remaining under this registration statement.

We have on file with the Commission an automatic shelf registration statement for well-known seasoned issuers on Form S-3ASR which enables us to issue shares of our Class A common stock, preferred stock, debt securities, warrants, or depositary shares as well as units that include any of these securities. We will file a prospectus supplement containing the amount and type of securities each time we issue securities under our automatic shelf registration statement on Form S-3ASR. No securities were issued under this registration statement through the date of this filing.

Debt Instruments and Debt Service Requirements***Terms of the Senior Credit Agreement***

On July 7, 2021, we, through our wholly owned subsidiary, SBA Senior Finance II LLC, amended our Revolving Credit Facility to (1) increase the total commitments under the Facility from \$1.25 billion to \$1.5 billion, (2) extend the maturity date of the Facility to July 7, 2026, (3) lower the applicable interest rate margins and commitment fees under the Facility, (4) provide mechanics relating to a transition away from LIBOR as a benchmark interest rate and the replacement of LIBOR by an alternative benchmark rate, (5) incorporate sustainability-linked targets which will adjust the Facility's applicable interest and commitment fee rates upward or downward based on how we perform against those targets, and (6) amend certain other terms and conditions under the Senior Credit Agreement.

The Senior Credit Agreement, as amended, requires SBA Senior Finance II to maintain specific financial ratios, including (1) a ratio of Consolidated Net Debt to Annualized Borrower EBITDA not to exceed 6.5 times for any fiscal quarter, (2) a ratio of Consolidated Net Debt (calculated in accordance with the Senior Credit Agreement) to Annualized Borrower EBITDA for the most recently ended fiscal quarter not to exceed 6.5 times for 30 consecutive days and (3) a ratio of Annualized Borrower EBITDA to Annualized Cash Interest Expense (calculated in accordance with the Senior Credit Agreement) of not less than 2.0 times for any

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fiscal quarter. The Senior Credit Agreement contains customary affirmative and negative covenants that, among other things, limit the ability of SBA Senior Finance II and its subsidiaries to incur indebtedness, grant certain liens, make certain investments, enter into sale leaseback transactions, merge or consolidate, make certain restricted payments, enter into transactions with affiliates, and engage in certain asset dispositions, including a sale of all or substantially all of their property. The Senior Credit Agreement is also subject to customary events of default. Pursuant to the Second Amended and Restated Guarantee and Collateral Agreement, amounts borrowed under the Revolving Credit Facility, the Term Loans and certain hedging transactions that may be entered into by SBA Senior Finance II or the Subsidiary Guarantors (as defined in the Senior Credit Agreement) with lenders or their affiliates are secured by a first lien on the membership interests of SBA Telecommunications, LLC, SBA Senior Finance, LLC and SBA Senior Finance II and on substantially all of the assets (other than leasehold, easement and fee interests in real property) of SBA Senior Finance II and the Subsidiary Guarantors.

The Senior Credit Agreement, as amended, permits SBA Senior Finance II, without the consent of the other lenders, to request that one or more lenders provide SBA Senior Finance II with increases in the Revolving Credit Facility or additional term loans provided that after giving effect to the proposed increase in Revolving Credit Facility commitments or incremental term loans the ratio of Consolidated Net Debt to Annualized Borrower EBITDA would not exceed 6.5 times. SBA Senior Finance II's ability to request such increases in the Revolving Credit Facility or additional term loans is subject to its compliance with customary conditions set forth in the Senior Credit Agreement including compliance, on a pro forma basis, with the financial covenants and ratios set forth therein and, with respect to any additional term loan, an increase in the margin on existing term loans to the extent required by the terms of the Senior Credit Agreement. Upon SBA Senior Finance II's request, each lender may decide, in its sole discretion, whether to increase all or a portion of its Revolving Credit Facility commitment or whether to provide SBA Senior Finance II with additional term loans and, if so, upon what terms.

Revolving Credit Facility under the Senior Credit Agreement

The Revolving Credit Facility consists of a revolving loan under which up to \$1.5 billion aggregate principal amount may be borrowed, repaid and redrawn, based upon specific financial ratios and subject to the satisfaction of other customary conditions to borrowing. Amounts borrowed under the Revolving Credit Facility accrue interest, at SBA Senior Finance II's election, at either (1) the Eurodollar Rate plus a margin that ranges from 112.5 basis points to 150.0 basis points or (2) the Base Rate plus a margin that ranges from 12.5 basis points to 50.0 basis points, in each case based on the ratio of Consolidated Net Debt to Annualized Borrower EBITDA, calculated in accordance with the Senior Credit Agreement. In addition, SBA Senior Finance II is required to pay a commitment fee of between 0.15% and 0.25% per annum on the amount of unused commitment. Borrowings under the Revolving Credit Facility may be used for general corporate purposes. SBA Senior Finance II may, from time to time, borrow from and repay the Revolving Credit Facility. Consequently, the amount outstanding under the Revolving Credit Facility at the end of the period may not be reflective of the total amounts outstanding during such period.

During the year ended December 31, 2021, we borrowed \$1.9 billion and repaid \$2.0 billion of the outstanding balance under the Revolving Credit Facility. As of December 31, 2021, the balance outstanding under the Revolving Credit Facility was \$350.0 million accruing interest at 1.516% per annum. In addition, SBA Senior Finance II was required to pay a commitment fee of 0.15% per annum on the amount of the unused commitment. As of December 31, 2021, SBA Senior Finance II was in compliance with the financial covenants contained in the Senior Credit Agreement.

Subsequent to December 31, 2021, we borrowed an additional \$210.0 million under the Revolving Credit Facility, and as of the date of this filing, \$560.0 million was outstanding.

Term Loan under the Senior Credit Agreement

2018 Term Loan

On April 11, 2018, we, through our wholly owned subsidiary, SBA Senior Finance II LLC, obtained a term loan (the "2018 Term Loan") under the amended and restated Senior Credit Agreement. The 2018 Term Loan consists of a senior secured term loan with an initial aggregate principal amount of \$2.4 billion that matures on April 11, 2025. The 2018 Term Loan accrues interest, at SBA Senior Finance II's election at either the Base Rate plus 75 basis points (with a zero Base Rate floor) or the Eurodollar Rate plus 175 basis points (with a zero Eurodollar Rate floor). The 2018 Term Loan was issued at 99.75% of par value. As of December 31, 2021, the 2018 Term Loan was accruing interest at 1.860% per annum. Principal payments on the 2018 Term Loan are made in quarterly installments on the last day of each March, June, September, and December in an amount equal to \$6.0 million. We incurred financing fees of approximately \$16.8 million in relation to this transaction, which are being amortized through the maturity date.

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During the year ended December 31, 2021, we repaid an aggregate of \$24.0 million of principal on the 2018 Term Loan. As of December 31, 2021, the 2018 Term Loan had a principal balance of \$2.3 billion.

On August 4, 2020, we, through our wholly owned subsidiary, SBA Senior Finance II, entered into an interest rate swap for \$1.95 billion of notional value accruing interest at one month LIBOR plus 175 basis points for a fixed rate of 1.874% per annum through the maturity date of the 2018 Term Loan.

Secured Tower Revenue Securities

Tower Revenue Securities Terms

As of December 31, 2021, we, through the Trust, had issued and outstanding an aggregate of \$6.7 billion of Secured Tower Revenue Securities (“Tower Securities”). The sole asset of the Trust consists of a non-recourse mortgage loan made in favor of certain of our subsidiaries that are borrowers on the mortgage loan (the “Borrowers”) under which there is a loan tranche for each Tower Security outstanding with the same interest rate and maturity date as the corresponding Tower Security. The mortgage loan will be paid from the operating cash flows from the aggregate 9,902 tower sites owned by the Borrowers as of December 31, 2021. The mortgage loan is secured by (1) mortgages, deeds of trust, and deeds to secure debt on a substantial portion of the tower sites, (2) a security interest in the tower sites and substantially all of the Borrowers’ personal property and fixtures, (3) the Borrowers’ rights under certain tenant leases, and (4) all of the proceeds of the foregoing. For each calendar month, SBA Network Management, Inc., an indirect subsidiary (“Network Management”), is entitled to receive a management fee equal to 4.5% of the Borrowers’ operating revenues for the immediately preceding calendar month.

The table below sets forth the material terms of our outstanding Tower Securities as of December 31, 2021:

<u>Security</u>	<u>Issue Date</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Anticipated Repayment Date</u>	<u>Final Maturity Date</u>
2014-2C Tower Securities	Oct. 15, 2014	\$620.0 million	3.869%	Oct. 8, 2024	Oct. 8, 2049
2018-1C Tower Securities	Mar. 9, 2018	\$640.0 million	3.448%	Mar. 9, 2023	Mar. 9, 2048
2019-1C Tower Securities	Sep. 13, 2019	\$1.165 billion	2.836%	Jan. 12, 2025	Jan. 12, 2050
2020-1C Tower Securities	Jul. 14, 2020	\$750.0 million	1.884%	Jan. 9, 2026	Jul. 11, 2050
2020-2C Tower Securities	Jul. 14, 2020	\$600.0 million	2.328%	Jan. 11, 2028	Jul. 9, 2052
2021-1C Tower Securities	May 14, 2021	\$1.165 billion	1.631%	Nov. 9, 2026	May 9, 2051
2021-2C Tower Securities	Oct. 27, 2021	\$895.0 million	1.840%	Apr. 9, 2027	Oct. 10, 2051
2021-3C Tower Securities	Oct. 27, 2021	\$895.0 million	2.593%	Oct. 9, 2031	Oct. 10, 2056

The Borrowers may prepay any of the mortgage loan components, in whole or in part, with no prepayment consideration, (1) within twelve months (in the case of the component corresponding to the 2018-1C Tower Securities, 2019-1C Tower Securities, 2020-1C Tower Securities, 2021-1C Tower Securities, and 2021-2C Tower Securities) or eighteen months (in the case of the components corresponding to the 2014-2C Tower Securities, 2020-2C Tower Securities, and 2021-3C Tower Securities) of the anticipated repayment date of such mortgage loan component, (2) with proceeds received as a result of any condemnation or casualty of any tower owned by the Borrowers or (3) during an amortization period. In all other circumstances, the Borrowers may prepay the mortgage loan, in whole or in part, upon payment of the applicable prepayment consideration. The prepayment consideration is determined based on the class of the Tower Securities to which the prepaid mortgage loan component corresponds and consists of an amount equal to the net present value associated with the portion of the principal balance being prepaid and calculated in accordance with the formula set forth in the mortgage loan agreement.

To the extent that the mortgage loan components corresponding to the Tower Securities are not fully repaid by their respective anticipated repayment dates, the interest rate of each such component will increase by the greater of (1) 5% and (2) the amount, if any, by which the sum of (x) the 10 year U.S. treasury rate plus (y) the credit-based spread for such component (as set forth in the mortgage loan agreement) plus (z) 5%, exceeds the original interest rate for such component.

Pursuant to the terms of the Tower Securities, all rents and other sums due on any of the towers owned by the Borrowers are directly deposited by the lessees into a controlled deposit account and are held by the indenture trustee. The monies held by the indenture trustee after the release date are classified as short-term restricted cash on the Consolidated Balance Sheets (see Note 4). However, if the Debt Service Coverage Ratio, defined as the net cash flow (as defined in the mortgage loan agreement) divided by the amount of interest on the mortgage loan, servicing fees and trustee fees that the Borrowers are required to pay over the succeeding twelve months, as of the end of any calendar quarter, falls to 1.30x or lower, then all cash flow in excess of amounts required to make

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debt service payments, to fund required reserves, to pay management fees and budgeted operating expenses and to make other payments required under the loan documents, referred to as “excess cash flow,” will be deposited into a reserve account instead of being released to the Borrowers. The funds in the reserve account will not be released to the Borrowers unless the Debt Service Coverage Ratio exceeds 1.30x for two consecutive calendar quarters. If the Debt Service Coverage Ratio falls below 1.15x as of the end of any calendar quarter, then an “amortization period” will commence and all funds on deposit in the reserve account will be applied to prepay the mortgage loan until such time that the Debt Service Coverage Ratio exceeds 1.15x for a calendar quarter. In addition, if any of the Tower Securities are not fully repaid by their respective anticipated repayment dates, the cash flow from the towers owned by the Borrowers will be trapped by the trustee for the Tower Securities and applied first to repay the interest, at the original interest rates, on the mortgage loan components underlying the Tower Securities, second to fund all reserve accounts and operating expenses associated with those towers, third to pay the management fees due to Network Management, fourth to repay principal of the Tower Securities and fifth to repay the additional interest discussed above. Furthermore, the advance rents reserve requirement states that the Borrowers are required to maintain an advance rents reserve at any time the monthly tenant Debt Service Coverage Ratio is equal to or less than 2:1 and for two calendar months after such coverage ratio again exceeds 2:1. The mortgage loan agreement, as amended, also includes covenants customary for mortgage loans subject to rated securitizations. Among other things, the Borrowers are prohibited from incurring other indebtedness for borrowed money or further encumbering their assets.

Risk Retention Tower Securities

In addition, to satisfy certain risk retention requirements of Regulation RR promulgated under the Exchange Act, SBA Guarantor, LLC, a wholly owned subsidiary, purchased (1) \$33.7 million of Secured Tower Revenue Securities Series 2018-1R (the “2018-1R Tower Securities”) issued by the Trust with a fixed interest rate of 4.949% per annum, payable monthly, and with the same anticipated repayment date and final maturity date as the 2018-1C Tower Securities, (2) \$61.4 million of Secured Tower Revenue Securities Series 2019-1R (the “2019-1R Tower Securities”) issued by the Trust with a fixed interest rate of 4.213% per annum, payable monthly, and with the same anticipated repayment date and final maturity date as the 2019-1C Tower Securities, (3) \$71.1 million of Secured Tower Revenue Securities Series 2020-2R (the “2020-2R Tower Securities”) issued by the Trust with a fixed interest rate of 4.336% per annum, payable monthly, and with the same anticipated repayment date and final maturity date as the 2020-2C Tower Securities, (4) \$61.4 million of Secured Tower Revenue Securities Series 2021-1R (the “2021-1R Tower Securities”) issued by the Trust with a fixed interest rate of 3.625% per annum, payable monthly, and with the same anticipated repayment date and final maturity date as the 2021-1C Tower Securities, and (5) \$94.3 million of Secured Tower Revenue Securities Series 2021-3R (the “2021-3R Tower Securities”) issued by the Trust with a fixed interest rate of 4.090% per annum, payable monthly, and with the same anticipated repayment date and final maturity date as the 2021-3C Tower Securities. Principal and interest payments made on the 2018-1R Tower Securities, 2019-1R Tower Securities, 2020-2R Tower Securities, 2021-1R Tower Securities, and 2021-3R Tower Securities eliminate in consolidation.

Debt Covenants

As of December 31, 2021, the Borrowers met the debt service coverage ratio required by the mortgage loan agreement and were in compliance with all other covenants as set forth in the agreement.

Senior Notes

The table below sets forth the material terms of our outstanding senior notes as of December 31, 2021:

<u>Senior Notes</u>	<u>Issue Date</u>	<u>Amount Outstanding</u>	<u>Interest Rate Coupon</u>	<u>Maturity Date</u>	<u>Interest Due Dates</u>	<u>Optional Redemption Date</u>
2020 Senior Notes	Feb. 4, 2020	\$1.5 billion	3.875%	Feb. 15, 2027	Feb. 15 & Aug. 15	Feb. 15, 2023
2021 Senior Notes	Jan. 29, 2021	\$1.5 billion	3.125%	Feb. 1, 2029	Feb. 1 & Aug. 1	Feb. 1, 2024

Each of our senior notes is subject to redemption, at our option, in whole or in part on or after the date set forth above. During the subsequent three twelve-month periods, the senior notes are redeemable, at our option, at reducing redemption prices based on the applicable interest rate coupon (as set forth in the indenture) plus accrued and unpaid interest. Subsequent to such date, the senior notes become redeemable until maturity at 100% of the principal plus accrued and unpaid interest. In addition, prior to February 15, 2023 (in the case of the 2020 Senior Notes) and February 1, 2024 (in the case of the 2021 Senior Notes), we may, at our option, use the net proceeds of certain equity offerings to redeem up to 35% of the aggregate principal amount of the notes originally issued at a redemption price of 103.875% (in the case of the 2020 Senior Notes) and 103.125% (in the case of the 2021 Senior Notes) plus accrued and unpaid interest.

[Table of Contents](#)*Indentures Governing Senior Notes*

The Indentures governing the Senior Notes contain customary covenants, subject to a number of exceptions and qualifications, including restrictions on the ability of SBAC and Telecommunications to (1) incur additional indebtedness unless the Consolidated Indebtedness to Annualized Consolidated Adjusted EBITDA Ratio (as defined in the Indenture), pro forma for the additional indebtedness does not exceed, with respect to any fiscal quarter, 9.5x for SBAC, (2) merge, consolidate or sell assets, (3) make restricted payments, including dividends or other distributions, (4) enter into transactions with affiliates, and (5) enter into sale and leaseback transactions and restrictions on the ability of the Restricted Subsidiaries of SBAC (as defined in the Indentures) to incur liens securing indebtedness.

Debt Service

As of December 31, 2021, we believe that our cash on hand, capacity available under our Revolving Credit Facility, and cash flows from operations for the next twelve months will be sufficient to service our outstanding debt during the next twelve months.

The following table illustrates our estimate of our debt service requirement over the next twelve months ended December 31, 2022 based on the amounts outstanding as of December 31, 2021 and the interest rates accruing on those amounts on such date (in thousands):

Revolving Credit Facility	\$	7,031
2018 Term Loan ⁽¹⁾		67,349
2014-2C Tower Securities		24,185
2018-1C Tower Securities		22,270
2019-1C Tower Securities		33,409
2020-1C Tower Securities		14,368
2020-2C Tower Securities		14,159
2021-1C Tower Securities		19,371
2021-2C Tower Securities		16,752
2021-3C Tower Securities		23,491
2020 Senior Notes		58,125
2021 Senior Notes		46,875
Total debt service for the next 12 months	\$	<u>347,385</u>

- (1) Total debt service on the 2018 Term Loan includes the impact of the interest rate swap entered into on August 4, 2020 which swapped \$1.95 billion of notional value accruing interest at one month LIBOR plus 175 basis points for a fixed rate of 1.874% per annum through the maturity date of the 2018 Term Loan.

Inflation

The impact of inflation on our operations has not been significant to date. However, we cannot assure you that a high rate of inflation in the future will not adversely affect our operating results particularly in light of the fact that our site leasing revenues are governed by long-term contracts with pre-determined pricing that we will not be able to increase in response to increases in inflation other than our contracts in South America, South Africa, the Philippines, and Tanzania which have inflationary index based rent escalators.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain market risks that are inherent in our financial instruments. These instruments arise from transactions entered into in the normal course of business.

The following table presents the future principal payment obligations, fair values, and interest payments associated with our long-term debt instruments assuming our actual level of long-term indebtedness as of December 31, 2021:

	2022	2023	2024	2025	2026	Thereafter	Total	Fair Value
(in thousands)								
Revolving Credit Facility	\$ —	\$ —	\$ —	\$ —	\$ 350,000	\$ —	\$ 350,000	\$ 350,000
2018 Term Loan	24,000	24,000	24,000	2,244,000	—	—	2,316,000	2,289,945
2014-2C Tower Securities ⁽¹⁾	—	—	620,000	—	—	—	620,000	641,793
2018-1C Tower Securities ⁽¹⁾	—	640,000	—	—	—	—	640,000	650,163
2019-1C Tower Securities ⁽¹⁾	—	—	—	1,165,000	—	—	1,165,000	1,174,728
2020-1C Tower Securities ⁽¹⁾	—	—	—	—	750,000	—	750,000	746,498
2020-2C Tower Securities ⁽¹⁾	—	—	—	—	—	600,000	600,000	605,268
2021-1C Tower Securities ⁽¹⁾	—	—	—	—	1,165,000	—	1,165,000	1,144,846
2021-2C Tower Securities ⁽¹⁾	—	—	—	—	—	895,000	895,000	883,213
2021-3C Tower Securities ⁽¹⁾	—	—	—	—	—	895,000	895,000	902,446
2020 Senior Notes	—	—	—	—	—	1,500,000	1,500,000	1,550,790
2021 Senior Notes	—	—	—	—	—	1,500,000	1,500,000	1,446,975
Total debt obligation	\$ 24,000	\$ 664,000	\$ 644,000	\$ 3,409,000	\$ 2,265,000	\$ 5,390,000	\$ 12,396,000	\$ 12,386,665
Interest payments ⁽²⁾	\$ 323,385	\$ 305,322	\$ 296,008	\$ 213,448	\$ 180,432	\$ 236,391	\$ 1,554,986	

- (1) For information on the anticipated repayment date and final maturity date for each tower security, refer to Debt Instruments and Debt Service Requirements above.
- (2) Represents interest payments based on the 2014-2C Tower Securities interest rate of 3.869%, the 2018-1C Tower Securities interest rate of 3.448%, the 2019-1C Tower Securities interest rate of 2.836%, the 2020-1C Tower Securities interest rate of 1.884%, the 2020-2C Tower Securities interest rate of 2.328%, the 2021-1C Tower Securities interest rate of 1.631%, the 2021-2C Tower Securities interest rate of 1.840%, the 2021-3C Tower Securities interest rate of 2.593%, the 2018 Term Loan at an average interest rate of 1.872% (which includes the impact of interest rate swaps) as of December 31, 2021, the Revolving Credit Facility at an average interest rate of 1.516% as of December 31, 2021, the 2020 Senior Notes interest rate of 3.875%, and the 2021 Senior Notes interest rate of 3.875%.

Our current primary market risk exposure is (1) interest rate risk relating to our ability to refinance our debt at commercially reasonable rates, if at all, and (2) interest rate risk relating to the impact of interest rate movements on the variable portion of our 2018 Term Loan and any borrowings that we may incur under our Revolving Credit Facility, which are at floating rates. We manage the interest rate risk on our outstanding debt through our large percentage of fixed rate debt, including interest rate swaps. On August 4, 2020, we, through our wholly owned subsidiary, SBA Senior Finance II, entered into an interest rate swap for \$1.95 billion of notional value accruing interest at one month LIBOR plus 175 basis points for a fixed rate of 1.874% per annum through the maturity date of the 2018 Term Loan. While we cannot predict our ability to refinance existing debt or the impact interest rate movements will have on our existing debt, we continue to evaluate our financial position on an ongoing basis. The IBA ceased the publication of USD LIBOR for the 1 week and 2 month tenors on December 31, 2021 and will cease all other tenors on June 30, 2023. The discontinuation of LIBOR after 2021 and the replacement with an alternative reference rate may adversely impact interest rates and our interest expense could increase. On July 7, 2021, we amended our Revolving Credit Facility to provide mechanics relating to a transition away from LIBOR as a benchmark interest rate and the replacement of LIBOR by an alternative benchmark rate.

We are exposed to market risk from changes in foreign currency exchange rates in connection with our operations in Brazil, Canada, Chile, Peru, Argentina, Colombia, South Africa, the Philippines, Tanzania, and to a lesser extent, our markets in Central America. In each of these countries, we pay most of our selling, general, and administrative expenses and a portion of our operating expenses, such as taxes and utilities incurred in the country in local currency. In addition, in Brazil, Canada, Chile, South Africa, and the Philippines, we receive significantly all of our revenue and pay significantly all of our operating expenses in local currency. In Colombia, Argentina, Peru, and Tanzania, we receive our revenue and pay our operating expenses in a mix of local currency and U.S. dollars. All transactions denominated in currencies other than the U.S. Dollar are reported in U.S. Dollars at the applicable exchange rate. All assets and liabilities are translated into U.S. Dollars at exchange rates in effect at the end of the applicable fiscal reporting period, and all revenues and expenses are translated at average rates for the period. The cumulative translation effect is included in

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equity as a component of Accumulated other comprehensive income (loss). For the year ended December 31, 2021, approximately 13.5% of our revenues and approximately 17.9% of our total operating expenses were denominated in foreign currencies.

We have performed a sensitivity analysis assuming a hypothetical 10% adverse movement in the Brazilian Real from the quoted foreign currency exchange rates at December 31, 2021. As of December 31, 2021, the analysis indicated that such an adverse movement would have caused our revenues and operating income to decline by approximately 0.9% and 0.5%, respectively, for the year ended December 31, 2021.

As of December 31, 2021, we had intercompany debt, which is denominated in a currency other than the functional currency of the subsidiary in which it is recorded. As settlement of this debt is anticipated or planned in the foreseeable future, any changes in the foreign currency exchange rates will result in unrealized gains or losses, which will be included in our determination of net income. A change of 10% in the underlying exchange rates of our unsettled intercompany debt at December 31, 2021 would have resulted in approximately \$77.8 million of unrealized gains or losses that would have been included in Other income (expense), net in our Consolidated Statements of Operations for the year ended December 31, 2021.

Special Note Regarding Forward-Looking Statements

This annual report contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements concern expectations, beliefs, projections, plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. Specifically, this annual report contains forward-looking statements regarding:

- our expectations on the future growth and financial health of the wireless industry and the industry participants, the drivers of such growth, the demand for our towers, the future capital investments of our customers (including with respect to the roll-out of 5G), future spectrum auctions, the trends developing in our industry, and competitive factors;
- our ability to capture and capitalize on industry growth and the impact of such growth on our financial and operational results;
- our expectations regarding consolidation of wireless service providers and the impact of such consolidation on our financial and operational results;
- our intent to grow our tower portfolio domestically and internationally and expand through acquisitions, new builds and organic lease up on existing towers;
- our belief that over the long-term, site leasing revenues will continue to grow as wireless service providers increase their use of our towers due to increasing minutes of network use and data transfer, network expansion and network coverage requirements;
- our expectation regarding site leasing revenue growth, on an organic basis, in our domestic and international segments, and the drivers of such growth;
- our focus on our site leasing business and belief that our site leasing business is characterized by stable and long-term recurring revenues, reduced exposure to changes in customer spending, predictable operating costs, and minimal non-discretionary capital expenditures;
- our expectation that, due to the relatively young age and mix of our tower portfolio, future expenditures required to maintain these towers will be minimal;
- our expectation that we will grow our cash flows by adding tenants to our towers at minimal incremental costs and executing monetary amendments;
- our expectations regarding churn rates, including with respect to legacy Sprint leases and Oi leases;
- our belief that DISH Wireless will become a nationwide carrier, and its expectations regarding the capital expenditures necessary to deploy its network;
- our expectations regarding the timing for closing of pending acquisitions;
- our election to be subject to tax as a REIT and our intent to continue to operate as a REIT;
- our belief that our business is currently operated in a manner that complies with the REIT rules and our intent to continue to do so;
- our plans regarding our distribution policy, and the amount and timing of, and source of funds for, any such distributions;
- our expectations regarding the use of NOLs to reduce REIT taxable income;
- our expectations regarding our capital allocation strategy, including future allocation decisions among portfolio growth, stock repurchases, and dividends, the impact of our election to be taxed as a REIT on that strategy, and our goal of increasing our Adjusted Funds From Operations per share;
- our expectations regarding dividends and our ability to grow our dividend in the future and the drivers of such growth;
- our expectations regarding our future cash capital expenditures, both discretionary and non-discretionary, including expenditures required for new builds and to maintain, improve, and modify our towers, ground lease purchases, and general corporate expenditures, and the source of funds for these expenditures;

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- our expectations regarding the timing for closing of refinancing transactions;
- our expectations regarding our business strategies, including our strategy for securing rights to the land underlying our towers, and the impact of such strategies on our financial and operational results;
- our intended use of our liquidity;
- our intent to maintain our target leverage levels, including in light of our dividend;
- our expectations regarding our debt service in 2022 and our belief that our cash on hand, capacity under our Revolving Credit Facility, and our cash flows from operations for the next twelve months will be sufficient to service our outstanding debt during the next twelve months; and
- our expectations and estimates regarding certain tax and accounting matters, including the impact on our financial statements.

These forward-looking statements reflect our current views about future events and are subject to risks, uncertainties and assumptions. We wish to caution readers that certain important factors may have affected and could in the future affect our actual results and could cause actual results to differ significantly from those expressed in any forward-looking statement. The most important factors that could prevent us from achieving our goals, and cause the assumptions underlying forward-looking statements and the actual results to differ materially from those expressed in or implied by those forward-looking statements include, but are not limited to, the following:

- the impact of consolidation among wireless service providers, including the impact of T-Mobile and Sprint;
- the ability of DISH Wireless to become and compete as a nationwide carrier;
- our ability to continue to comply with covenants and the terms of our credit instruments and our ability to obtain additional financing to fund our capital expenditures;
- our ability to successfully manage the risks associated with international operations, including risks relating to political or economic conditions, inflation, tax laws, currency restrictions and exchange rate fluctuations, legal or judicial systems, and land ownership;
- our ability to successfully manage the risks associated with our acquisition initiatives, including our ability to satisfactorily complete due diligence on acquired towers, the amount and quality of due diligence that we are able to complete prior to closing of any acquisition, our ability to accurately anticipate the future performance of the acquired towers, our ability to receive required regulatory approval, the ability and willingness of each party to fulfill their respective closing conditions and their contractual obligations, and, once acquired, our ability to effectively integrate acquired towers into our business and to achieve the financial results projected in our valuation models for the acquired towers;
- the health of the South African and Tanzanian economies and wireless communications market, and the willingness of carriers to invest in their networks in that market;
- developments in the wireless communications industry in general, and for wireless communications infrastructure providers in particular, that may slow growth or affect the willingness or ability of the wireless service providers to expend capital to fund network expansion or enhancements;
- our ability to secure as many site leasing tenants as anticipated, recognize our expected economies of scale with respect to new tenants on our towers, and retain current leases on towers;
- our ability to secure and deliver anticipated services business at contemplated margins;
- our ability to build new towers, including our ability to identify and acquire land that would be attractive for our customers and to successfully and timely address zoning, permitting, weather, availability of labor and supplies and other issues that arise in connection with the building of new towers;
- competition for the acquisition of towers and other factors that may adversely affect our ability to purchase towers that meet our investment criteria and are available at prices which we believe will be accretive to our shareholders and allow us to maintain our long-term target leverage ratios while achieving our expected portfolio growth levels;
- our capital allocation decisions and the impact on our ability to achieve our expected tower portfolio growth levels;
- our ability to protect our rights to the land under our towers, and our ability to acquire land underneath our towers on terms that are accretive;
- our ability to sufficiently increase our revenues and maintain expenses and cash capital expenditures at appropriate levels to permit us to meet our anticipated uses of liquidity for operations, debt service and estimated portfolio growth;
- the impact of rising interest rates on our results of operations and our ability to refinance our existing indebtedness at commercially reasonable rates or at all;
- the extent and duration of the impact of the COVID-19 pandemic on the global economy, on our business and results of operations, and on foreign currency exchange rates;
- our ability to successfully estimate the impact of regulatory and litigation matters;
- natural disasters and other unforeseen damage for which our insurance may not provide adequate coverage;
- a decrease in demand for our towers;
- the introduction of new technologies or changes in a tenant's business model that may make our tower leasing business less desirable to existing or potential tenants;

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- our ability to qualify for treatment as a REIT for U.S. federal income tax purposes and to comply with and conduct our business in accordance with such rules;
- our ability to utilize available NOLs to reduce REIT taxable income; and
- our ability to successfully estimate the impact of certain accounting and tax matters, including the effect on our company of adopting certain accounting pronouncements and the availability of sufficient NOLs to offset future REIT taxable income.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Financial statements and supplementary data are on pages F-1 through F-44.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures – We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as ours are designed to do, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

In connection with the preparation of this Annual Report on Form 10-K, as of December 31, 2021, an evaluation was performed under the supervision and with the participation of our management, including the CEO and CFO, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). Based on such evaluation, our CEO and CFO concluded that, as of December 31, 2021, our disclosure controls and procedures were effective.

There has been no change in our internal control over financial reporting during the quarter ended December 31, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management’s Annual Report on Internal Control over Financial Reporting – Management is responsible for establishing and maintaining adequate internal control over financial reporting, and for performing an assessment of the effectiveness of internal control over financial reporting as of December 31, 2021. Internal control over financial reporting is a process designed 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. Our system of internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of SBAC; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of SBAC are being made only in accordance with authorizations of management and directors of SBAC; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of SBAC’s assets that could have a material effect on the financial statements.

Management performed an assessment of the effectiveness of SBAC’s internal control over financial reporting as of December 31, 2021 based upon criteria in *Internal Control – Integrated Framework* (2013 Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our assessment, management determined that SBAC’s internal control over financial reporting was effective as of December 31, 2021 based on the criteria in *Internal Control – Integrated Framework* (2013 Framework) issued by COSO.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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Ernst & Young LLP, the independent registered public accounting firm that audited the financial statements included in this Annual Report on Form 10-K, has issued an attestation report on SBAC's internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of SBA Communications Corporation and Subsidiaries

Opinion on Internal Control over Financial Reporting

We have audited SBA Communications Corporation and Subsidiaries' internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, SBA Communications Corporation and Subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020 and the related consolidated statements of operations, comprehensive income (loss), shareholders' deficit, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and financial statement schedule listed in the Index at Item 15(a) and our report dated March 1, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

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

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Boca Raton, Florida

March 1, 2022

ITEM 9B. OTHER INFORMATION

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e)

On October 1, 2021, we entered into an amendment (the “Amendment”) to the Employment Agreement with Jeffrey A. Stoops, our President and Chief Executive Officer, dated August 3, 2020. The Amendment modified the Employment Agreement to, among other things, provide that the severance payment in connection with a termination of employment for cause or resignation for good reason of an amount equal to the “applicable multiple” (as defined in the Employment Agreement) multiplied by the sum of Mr. Stoops’ (i) base salary for the year in which the termination or resignation occurs, (ii) “reference bonus” (as defined in the Employment Agreement) and (iii) “reference benefits value” (as defined in the Employment Agreement), which was provided for in the Employment Agreement, will only be payable to the extent Mr. Stoops is not “retirement eligible” as defined in our equity plan retirement policy (or if he is retirement eligible and such termination or resignation occurs after a change of control or within six months of a change of control). If at the time of such termination or resignation (a) Mr. Stoops is retirement eligible and (b) a change of control has not occurred, then Mr. Stoops would not receive this severance amount and would instead be eligible to receive the entitlements provided under our equity plan retirement policy. In addition, the Amendment modified the Employment Agreement to provide that, if Mr. Stoops’ employment is terminated due to death or disability, he would be entitled to the pro rata portion of the minimum annual bonus target for the period of service in the year in which the termination occurs. All other material terms of the Employment Agreement with Mr. Stoops remained the same.

Also on October 1, 2021, we entered into amended and restated employment agreements with each of Brendan Cavanagh, Executive Vice President and Chief Financial Officer, Thomas P. Hunt, Executive Vice President, General Counsel and Chief Administrative Officer, and Kurt L. Bagwell, Executive Vice President and President of International. The prior employment agreements with each of Messrs. Cavanagh, Hunt and Bagwell were set to expire by their terms on December 31, 2021. The amended and restated employment agreements for Messrs. Cavanagh, Hunt, and Bagwell expire on December 31, 2024 and provide for each to continue to serve in their present positions. The amended and restated employment agreements also modified the prior employment agreements to, among other things, provide that the severance payment in connection with a termination of employment for cause or resignation for good reason of an amount equal to the “applicable multiple” (as defined in the amended and restated employment agreements) multiplied by the sum of such officer’s (i) base salary for the year in which the termination or resignation occurs and (ii) the minimum annual bonus target, which was provided for in the prior employment agreements, will only be payable to the extent such officer is not “retirement eligible” as defined in our equity plan retirement policy (or if he is retirement eligible and such termination or resignation occurs after a change of control or within six months of a change of control). If at the time of such termination or resignation (a) such officer is retirement eligible and (b) a change of control has not occurred, then such officer would not receive this severance amount and would instead be eligible to receive the entitlements provided under our equity plan retirement policy. All other material terms of the employment agreements remained the same.

The Amendment with Mr. Stoops and the amended and restated employment agreements with Messrs. Cavanagh, Hunt and Bagwell are filed with this annual report as Exhibits 10.35J, 10.85F, 10.58G and 10.57G, respectively.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

We have adopted a Code of Ethics that applies to our Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer. The Code of Ethics is located on our internet web site at www.sbasite.com under “Investors – Governance – Governance Documents.” We intend to provide disclosure of any amendments or waivers of our Code of Ethics on our website within 4 business days following the date of the amendment or waiver.

The remaining items required by Part III, Item 10 are incorporated herein by reference from the Registrant’s Proxy Statement for its 2022 Annual Meeting of Shareholders to be filed on or before April 30, 2022.

ITEM 11. EXECUTIVE COMPENSATION

The items required by Part III, Item 11 are incorporated herein by reference from the Registrant’s Proxy Statement for its 2022 Annual Meeting of Shareholders to be filed on or before April 30, 2022.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The items required by Part III, Item 12, other than the information regarding the Registrant’s equity plans set forth below required by Item 201(d) of Regulation S-K, are incorporated herein by reference from the Registrant’s Proxy Statement for its 2022 Annual Meeting of Shareholders to be filed on or before April 30, 2022.

Equity Compensation Plan

The following table summarizes information with respect to the Registrant’s compensation plans under which the Registrant’s equity securities are authorized for issuance as of December 31, 2021:

	Equity Compensation Plan Information		
	As of December 31, 2021		
	(in thousands, except exercise price)		
Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in first column (a))	
(a)	(b)	(c)	
Equity compensation plans approved by security holders			
2010 Plan	2,183 (1)	\$ 137.22	—
2020 Plan	257 (2)	—	2,776
Equity compensation plans not approved by security holders	—		—
Total	2,440	\$ 122.78	2,776

(1) Included in the number of securities in column (a) is 140,992 restricted stock units and 143,072 performance-based restricted stock units, which have no exercise price. The weighted average exercise price of outstanding options, warrants, and rights (excluding restricted stock units) is \$157.76.

(2) Included in the number of securities in column (a) is 102,262 restricted stock units and 154,528 performance-based restricted stock units, which have no exercise price. There were no other outstanding options, warrants, or rights under the 2020 Plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The items required by Part III, Item 13 are incorporated herein by reference from the Registrant’s Proxy Statement for its 2022 Annual Meeting of Shareholders to be filed on or before April 30, 2022.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The items required by Part III, Item 14 are incorporated herein by reference from the Registrant’s Proxy Statement for its 2022 Annual Meeting of Shareholders to be filed on or before April 30, 2022.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report:

(1) Financial Statements

See Item 8 for Financial Statements included with this Annual Report on Form 10-K.

(1) Financial Statement Schedules

Schedule III—Schedule of Real Estate and Accumulated Depreciation (see below)

All other schedules are omitted because they are not applicable or because the required information is contained in the financial statements or notes thereto included in this Form 10-K.

Schedule III—Schedule of Real Estate and Accumulated Depreciation

<u>Description</u>	<u>Encumbrances</u>	<u>Initial Cost to Company</u>	<u>Cost Capitalized Subsequent to Acquisition</u>	<u>Gross Amount Carried at Close of Current Period</u>	<u>Accumulated Depreciation/Amortization at Close of Current Period</u>	<u>Date of Construction</u>	<u>Date Acquired</u>	<u>Life on Which Depreciation in Latest Income Statement is Computed</u>
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(in thousands)

34,177 sites ⁽¹⁾	\$ 9,396,000 ⁽²⁾	⁽³⁾	⁽³⁾	\$ 7,068,208 ⁽⁴⁾⁽⁵⁾	\$ (3,644,238) ⁽⁵⁾	Various	Various	Up to 70 years ⁽⁵⁾
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- (1) No single site exceeds 5% of the aggregate gross amounts at which the assets were carried at the close of the period set forth in the table above.
- (2) As of December 31, 2021, certain assets secure debt of \$9.4 billion.
- (3) The Company has omitted this information, as it would be impracticable to compile such information on a site-by-site basis.
- (4) Does not include those sites under construction.
- (5) Amounts include the acquisition of the exclusive right to lease and operate 713 utility transmission structures, which included existing wireless tenant licenses from PG&E.

	<u>2021</u>	<u>2020</u>	<u>2019</u>
	(in thousands)		
Gross amount at beginning	\$ 5,963,048	\$ 5,833,338	\$ 5,561,005
Additions during period:			
Acquisitions ⁽¹⁾	995,063	80,582	111,734
Construction and related costs on new builds	45,802	40,493	48,975
Augmentation and tower upgrades	32,953	36,211	63,998
Land buyouts and other assets	24,944	28,918	39,298
Tower maintenance	34,611	28,426	28,960
Other ⁽²⁾	20,052	19,142	—
Total additions	1,153,425	233,772	292,965
Deductions during period:			
Cost of real estate sold or disposed	(192)	—	(856)
Impairment	(15,552)	(17,064)	(9,587)
Other ⁽³⁾	(32,521)	(86,998)	(10,189)
Total deductions	(48,265)	(104,062)	(20,632)
Balance at end	\$ 7,068,208	\$ 5,963,048	\$ 5,833,338

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- (1) Inclusive of changes between the final purchase price allocation and the preliminary purchase price allocations. In addition, amounts as of December 31, 2021 include the acquisition of the exclusive right to lease and operate 713 utility transmission structures, which included existing wireless tenant licenses from PG&E.
- (2) Represents changes to the Company's asset retirement obligations.
- (3) Primarily represents cumulative translation adjustments related to changes in foreign currency exchange rates.

	2021	2020	2019
	(in thousands)		
Gross amount of accumulated depreciation at beginning	\$ (3,383,370)	\$ (3,133,061)	\$ (2,868,507)
Additions during period:			
Depreciation ⁽¹⁾	(273,655)	(275,947)	(269,606)
Other ⁽²⁾	(91)	(38)	(83)
Total additions	(273,746)	(275,985)	(269,689)
Deductions during period:			
Amount of accumulated depreciation for assets sold or disposed	3,638	4,244	2,887
Other ⁽²⁾	9,240	21,432	2,248
Total deductions	12,878	25,676	5,135
Balance at end	<u>\$ (3,644,238)</u>	<u>\$ (3,383,370)</u>	<u>\$ (3,133,061)</u>

- (1) Amounts as of December 31, 2021 include accumulated depreciation related to the acquisition of the exclusive right to lease and operate 713 utility transmission structures, which included existing wireless tenant licenses from PG&E.
- (2) Primarily represents cumulative translation adjustments related to changes in foreign currency exchange rates.
- (3) Exhibits

Exhibit No.	Exhibit Description	Incorporated by Reference	
		Form	Period Covered or Date of Filing
3.1	Amended and Restated Articles of Incorporation of SBA Communications Corporation, effective as of January 13, 2017.	8-K	01/17/17
3.2	Articles of Merger, effective as of January 13, 2017.	8-K	01/17/17
3.3	Second Amended and Restated Bylaws of SBA Communications Corporation, effective as of January 14, 2017.	8-K	01/18/17
4.1	Description of Capital Stock	8-K	01/17/17
4.30	Indenture dated as of February 4, 2020, between SBA Communications Corporation and U.S. Bank National Association	8-K	02/07/20
4.30A	Supplemental Indenture dated as of May 26, 2020, between SBA Communications Corporation and U.S. Bank National Association to the Indenture, dated as of February 4, 2020, between SBA Communications Corporation and U.S. Bank National Association.	8-K	05/28/20
4.31	Form of 3.875% Senior Notes due 2027 (included in Exhibit 4.30)	8-K	02/07/20
4.32	Indenture dated as of January 29, 2021, between SBA Communications Corporation and U.S. Bank National Association.	8-K	01/29/21
4.33	Form of 3.125% Senior Notes due 2029 (included in Exhibit 4.32).	8-K	01/29/21
10.1	SBA Communications Corporation Registration Rights Agreement dated as of March 5, 1997, among the Company, Steven E. Bernstein, Ronald G. Bizick, II and Robert Grobstein.	S-4 (333-50219)	04/15/98

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10.2	<u>Purchase Agreement, dated January 14, 2021, among SBA Communications Corporation and J.P. Morgan Securities LLC, as representative of the several initial purchasers listed on Schedule I thereto.</u>	8-K	01/29/21
10.3	<u>Registration Rights Agreement, dated January 29, 2021, between SBA Communications Corporation and J.P. Morgan Securities LLC, as representative of the several initial purchasers listed on Schedule I thereto.</u>	8-K	01/29/21
10.4	<u>Purchase Agreement, dated April 29, 2021, among SBA Senior Finance, LLC, Deutsche Bank Trust Company Americas, as trustee, and the several initial purchasers listed on Schedule I thereto.</u>	8-K	05/03/21
10.5	<u>Purchase Agreement, dated October 8, 2021, among SBA Senior Finance, LLC, Deutsche Bank Trust Company Americas, as trustee, and the several initial purchasers listed on Schedule I thereto.</u>	8-K	10/13/21
10.7B	<u>2018 Refinancing Amendment, dated as of April 11, 2018, among SBA Senior Finance II LLC, as borrower, the banks and other financial institutions or entities party hereto as refinancing revolving lenders, continuing term lenders, additional term lenders or incremental amended term lenders and Toronto Dominion (Texas) LLC, as administrative agent and issuing lender.</u>	8-K	04/11/18
10.7C	<u>2021 Refinancing Amendment, dated as of July 7, 2021, among SBA Senior Finance II LLC, as borrower, the banks and other financial institutions or entities party hereto as refinancing revolving lenders, continuing term lenders, additional term lenders or incremental amended term lenders and Toronto Dominion (Texas) LLC, as administrative agent and issuing lender.</u>	8-K	07/09/21
10.8	<u>Second Amended and Restated Guarantee and Collateral Agreement, dated as of February 7, 2014, among SBA Communications Corporation, SBA Telecommunications, LLC, SBA Senior Finance, LLC, SBA Senior Finance II LLC and certain of its subsidiaries, as identified in the Second Amended and Restated Guarantee and Collateral Agreement, in favor of Toronto Dominion (Texas) LLC, as administrative agent.</u>	8-K	02/13/14
10.12	<u>Second Amended and Restated Loan and Security Agreement, dated as of October 15, 2014, among SBA Properties, LLC, SBA Sites, LLC, SBA Structures, LLC, SBA Infrastructure, LLC, SBA Monarch Towers III, LLC, SBA 2012 TC Assets PR, LLC, SBA 2012 TC Assets, LLC, SBA Towers IV, LLC, SBA Monarch Towers I, LLC, SBA Towers USVI, Inc., SBA GC Towers, LLC, SBA Towers VII, LLC and any Additional Borrower or Borrowers that may become a party thereto and Midland Loan Services, as Servicer on behalf of Deutsche Bank Trust Company Americas, as Trustee.</u>	10-Q	Quarter ended September 30, 2014
10.12A	<u>First Loan and Security Agreement Supplement and Amendment, dated as of October 14, 2015, by and among the Borrowers named therein and Midland Loan Services, a division of PNC Bank, National Association, as Servicer on behalf of Deutsche Bank Trust Company Americas, as Trustee.</u>	8-K	10/20/15
10.12B	<u>Second Loan and Security Agreement Supplement, dated as of July 7, 2016, by and among the Borrowers named therein and Midland Loan Services, a division of PNC Bank, National Association, as Servicer on behalf of Deutsche Bank Trust Company Americas, as Trustee.</u>	8-K	07/08/16
10.12C	<u>Third Loan and Security Agreement Supplement and Amendment, dated as of April 17, 2017, by and among the Borrowers named therein and Midland Loan Services, a division of PNC Bank, National Association, as Servicer on behalf of Deutsche Bank Trust Company Americas, as Trustee.</u>	8-K	04/21/17

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10.12D	<u>Fourth Loan and Security Agreement Supplement, dated as of March 9, 2018, by and among the Borrowers named therein and Midland Loan Services, a division of PNC Bank, National Association, as Servicer on behalf of Deutsche Bank Trust Company Americas, as Trustee.</u>	8-K	03/15/18
10.12E	<u>Fifth Loan and Security Agreement Supplement, dated as of September 13, 2019, by and among the Borrowers named therein and Midland Loan Services, a division of PNC Bank, National Association, as Servicer on behalf of Deutsche Bank Trust Company Americas, as Trustee.</u>	8-K	09/13/19
10.12F	<u>Sixth Loan and Security Agreement Supplement, dated as of July 14, 2020, by and among the Borrowers named therein and Midland Loan Services, a division of PNC Bank, National Association, as Servicer on behalf of Deutsche Bank Trust Company Americas, as Trustee.</u>	8-K	07/20/20
10.12G	<u>Seventh Loan and Security Agreement Supplement, dated as of May 14, 2021, by and among the Borrowers named therein and Midland Loan Services, a division of PNC Bank, National Association, as Servicer on behalf of Deutsche Bank Trust Company Americas, as Trustee.</u>	8-K	05/18/21
10.12H	<u>Eighth Loan and Security Agreement Supplement, dated as of September 10, 2021, by and among the Borrowers named therein and Midland Loan Services, a division of PNC Bank, National Association, as Servicer on behalf of Deutsche Bank Trust Company Americas, as Trustee.</u>		
10.12I	<u>Ninth Loan and Security Agreement Supplement, dated as of October 27, 2021, by and among the Borrowers named therein and Midland Loan Services, a division of PNC Bank, National Association, as Servicer on behalf of Deutsche Bank Trust Company Americas, as Trustee.</u>	8-K	10/29/21
10.35I	<u>Employment Agreement, dated August 3, 2020, between SBA Communications Corporation and Jeffrey A. Stoops.†</u>	10-Q	Quarter ended September 30, 2020
10.35J	<u>Amendment to Employment Agreement, dated December 22, 2021, between SBA Communications Corporation and Jeffrey A. Stoops.†</u>		
10.50	<u>Management Agreement, dated as of November 18, 2005, by and among SBA Properties, Inc., SBA Network Management, Inc. and SBA Senior Finance, Inc.</u>	10-K	Year ended December 31, 2005
10.50A	<u>Joinder and Amendment to Management Agreement, dated November 6, 2006, by and among SBA Properties, Inc., SBA Towers, Inc., SBA Puerto Rico, Inc., SBA Sites, Inc., SBA Towers USVI, Inc., and SBA Structures, Inc., and SBA Network Management, Inc., and SBA Senior Finance, Inc.</u>	10-K	Year ended December 31, 2016
10.57G	<u>Amended and Restated Employment Agreement, dated as of October 1, 2021, between SBA Communications Corporation and Kurt Bagwell.†</u>		
10.58G	<u>Amended and Restated Employment Agreement, dated as of October 1, 2021, between SBA Communications Corporation and Thomas P. Hunt.†</u>		
10.75B	<u>SBA Communications Corporation 2018 Employee Stock Purchase Plan.†</u>	S-8 (333-225139)	05/23/18
10.76	<u>Form of Indemnification Agreement dated January 15, 2009 between SBA Communications Corporation and its directors and certain officers.</u>	10-K	Year ended December 31, 2008

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10.85F	<u>Amended and Restated Employment Agreement, dated as of October 1, 2021, between SBA Communications Corporation and Brendan T. Cavanagh.†</u>		
10.89A	<u>SBA Communications Corporation 2010 Performance and Equity Incentive Plan, as amended and restated.†</u>	10-Q	Quarter ended June 30, 2017
10.90	<u>SBA Communications Corporation 2020 Performance and Equity Incentive Plan.†</u>	10-Q	Quarter ended June 30, 2020
10.91	<u>Form of Incentive Stock Option Agreement (U.S. and non-U.S. employees and officers) pursuant to SBA Communications Corporation 2010 Performance and Equity Incentive Plan, as amended and restated.†</u>	10-Q	Quarter ended September 30, 2018
10.92	<u>Form of Restricted Stock Unit Agreement (U.S. and non-U.S. employees and officers) pursuant to SBA Communications Corporation 2010 Performance and Equity Incentive Plan, as amended and restated.†</u>	10-Q	Quarter ended September 30, 2018
10.95	<u>Purchase Agreement, dated January 21, 2020, between SBA Communications Corporation and Citigroup Global Markets Inc., as representative of the several initial purchasers listed on Schedule I thereto.</u>	8-K	02/07/20
10.96	<u>Form of Restricted Stock Unit Agreement (Time and Performance Based) pursuant to SBA Communications Corporation 2010 Performance and Equity Incentive Plan.†</u>	10-Q	Quarter ended March 31, 2020
21	<u>Subsidiaries.*</u>		
23.1	<u>Consent of Ernst & Young LLP.*</u>		
31.1	<u>Certification by Jeffrey A. Stoops, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*</u>		
31.2	<u>Certification by Brendan T. Cavanagh, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*</u>		
32.1	<u>Certification by Jeffrey A. Stoops, Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **</u>		
32.2	<u>Certification by Brendan T. Cavanagh, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **</u>		
101.INS	XBRL Instance Document.*		
101.SCH	XBRL Taxonomy Extension Schema Document.*		
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.*		
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.*		
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.*		
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.*		
104	Cover Page Interactive File (formatted in Inline XBRL and contained in Exhibit 101).*		

† Management contract or compensatory plan or arrangement.

* Filed herewith.

** Furnished herewith.

ITEM 16. FORM 10-K SUMMARY

None.

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SIGNATURES

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

SBA COMMUNICATIONS CORPORATION

By: /s/ Jeffrey A. Stoops

Jeffrey A. Stoops
Chief Executive Officer and President

Date: March 1, 2022

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

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Steven E. Bernstein</u> Steven E. Bernstein	Chairman of the Board of Directors	March 1, 2022
<u>/s/ Jeffrey A. Stoops</u> Jeffrey A. Stoops	Chief Executive Officer and President (Principal Executive Officer)	March 1, 2022
<u>/s/ Brendan T. Cavanagh</u> Brendan T. Cavanagh	Chief Financial Officer and Executive Vice President (Principal Financial Officer)	March 1, 2022
<u>/s/ Brian D. Lazarus</u> Brian D. Lazarus	Chief Accounting Officer and Senior Vice President (Principal Accounting Officer)	March 1, 2022
<u>/s/ Mary S. Chan</u> Mary S. Chan	Director	March 1, 2022
<u>/s/ Duncan H. Cocroft</u> Duncan H. Cocroft	Director	March 1, 2022
<u>/s/ George R. Krouse Jr.</u> George R. Krouse Jr.	Director	March 1, 2022
<u>/s/ Jack Langer</u> Jack Langer	Director	March 1, 2022
<u>/s/ Kevin L. Beebe</u> Kevin L. Beebe	Director	March 1, 2022
<u>/s/ Fidelma Russo</u> Fidelma Russo	Director	March 1, 2022

SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of SBA Communications Corporation and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of SBA Communications Corporation and Subsidiaries (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income (loss), shareholders' deficit, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and financial statement schedule listed in the index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 1, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Accounting for Ground Leases

Description of the Matter

As more fully described in Note 2 to the consolidated financial statements, the Company recognizes a right-of-use asset and a lease liability for its operating lease contracts, initially measured at the present value of the lease payments. As of December 31, 2021, the Company had \$2.3 billion of operating lease right-of-use assets, net, \$236.8 million of current operating lease liabilities, and \$2.0 billion of long-term lease liabilities. For the period ended December 31, 2021, the total operating lease right-of-use assets obtained for new operating lease liabilities were \$33.3 million and adjustments associated with lease modifications and reassessments were \$36.8 million. The Company's primary operating lease obligations are its long-term lease contracts for land that underlies its tower structures. The Company's ground leases generally do not provide a readily determinable implicit discount rate. When the rate implicit in the lease is not readily determinable, the Company calculates the present value of the lease payments by estimating the Company's incremental borrowing rate ("IBR"). The IBR is the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term in a similar economic environment. The process to estimate the Company's IBR includes the use of unobservable inputs and considers the public credit rating of the Company, observable debt yields of the Company and the related debt's seniority, adjustments for leases denominated in different currencies, and the remaining lease term. The Company's ground lease liabilities require reassessment of the lease terms or lease payments as a result of contract modifications, addition of significant leasehold improvements which impact the assessment of optional renewals that are reasonably certain of being exercised, or the exercise of renewal options by tenants, which differ from prior expectations. The IBR is computed on a lease-by-lease basis upon each of these reassessments.

Auditing the Company's accounting for ground leases was complex and involved a high degree of subjective auditor judgment because of the significant judgment exercised by the Company to account for ground leases. The IBR is estimated using the unobservable inputs discussed above related to the collateral and term of the leased assets, and the related lease liability is sensitive to changes in the Company's IBR. The determination of the lease term requires evaluating renewal options in making the determination of the period for which the Company is reasonably certain to remain on the site. The frequency with which leases must be reassessed adds to the complexity associated with auditing the ground lease related balances.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated and tested the design and operating effectiveness of the Company's internal controls related to accounting for ground leases. For example, we tested the Company's controls over the review of the accounting policy, including the methodology and assumptions used to estimate the IBR and the remaining lease term. We also tested the controls over the review of ground lease contracts and the key system functionality used to account for ground leases.

To test the Company's accounting for ground leases, our audit procedures included, among others, evaluating the methodology used to calculate the IBR, evaluating the assumptions and underlying data used by the Company to estimate the IBR, identifying events which require reassessment of the lease term or lease payments, and estimating the remaining lease term. We involved our valuation specialists to assist in the evaluation of the methodologies and assumptions applied to estimate the IBR. Specifically, we compared the Company's credit rating used in the IBR estimate to independent third-party sources and compared the Company's existing borrowing rate for collateralized assets to observable debt yields of the Company. We compared the inputs used to adjust for lease payments to be made over varying periods and in various currencies to third-party sources. We assessed the remaining lease term by selecting a sample of new ground leases and ground lease modifications and reassessments for which we independently evaluated the period the Company is reasonably certain to remain on the site, and compared to the remaining lease term in the Company's audited schedules. We also evaluated the Company's disclosures included in Note 2 to the consolidated financial statements.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2002.

Boca Raton, Florida
March 1, 2022

SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except par values)

	December 31, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 367,278	\$ 308,560
Restricted cash	65,561	31,671
Accounts receivable, net	101,950	74,088
Costs and estimated earnings in excess of billings on uncompleted contracts	48,844	34,796
Prepaid expenses and other current assets	30,813	23,875
Total current assets	614,446	472,990
Property and equipment, net	2,575,487	2,677,326
Intangible assets, net	2,803,247	3,156,150
Operating lease right-of-use assets, net	2,268,470	2,369,358
Acquired and other right-of-use assets, net	964,405	4,202
Other assets	575,644	477,992
Total assets	<u>\$ 9,801,699</u>	<u>\$ 9,158,018</u>
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS, AND SHAREHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable	\$ 34,066	\$ 109,969
Accrued expenses	68,070	63,031
Current maturities of long-term debt	24,000	24,000
Deferred revenue	184,380	113,117
Accrued interest	49,096	54,350
Current lease liabilities	238,497	236,037
Other current liabilities	18,222	14,297
Total current liabilities	616,331	614,801
Long-term liabilities:		
Long-term debt, net	12,278,694	11,071,796
Long-term lease liabilities	1,981,353	2,094,363
Other long-term liabilities	191,475	186,246
Total long-term liabilities	14,451,522	13,352,405
Redeemable noncontrolling interests	17,250	15,194
Shareholders' deficit:		
Preferred stock - par value \$0.01, 30,000 shares authorized, no shares issued or outstanding	—	—
Common stock - Class A, par value \$0.01, 400,000 shares authorized, 108,956 shares and 109,819 shares issued and outstanding at December 31, 2021 and December 31, 2020, respectively	1,089	1,098
Additional paid-in capital	2,681,347	2,586,130
Accumulated deficit	(7,203,531)	(6,604,028)
Accumulated other comprehensive loss, net	(762,309)	(807,582)
Total shareholders' deficit	(5,283,404)	(4,824,382)
Total liabilities, redeemable noncontrolling interests, and shareholders' deficit	<u>\$ 9,801,699</u>	<u>\$ 9,158,018</u>

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

SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	For the year ended December 31,		
	2021	2020	2019
Revenues:			
Site leasing	\$ 2,104,087	\$ 1,954,472	\$ 1,860,858
Site development	204,747	128,666	153,787
Total revenues	<u>2,308,834</u>	<u>2,083,138</u>	<u>2,014,645</u>
Operating expenses:			
Cost of revenues (exclusive of depreciation, accretion, and amortization shown below):			
Cost of site leasing	386,391	373,778	373,951
Cost of site development	159,093	102,750	119,080
Selling, general, and administrative expenses	220,029	194,267	192,717
Acquisition and new business initiatives related adjustments and expenses	27,621	16,582	15,228
Asset impairment and decommission costs	33,044	40,097	33,103
Depreciation, accretion, and amortization	700,161	721,970	697,078
Total operating expenses	<u>1,526,339</u>	<u>1,449,444</u>	<u>1,431,157</u>
Operating income	<u>782,495</u>	<u>633,694</u>	<u>583,488</u>
Other income (expense):			
Interest income	3,448	2,981	5,500
Interest expense	(352,919)	(367,874)	(390,036)
Non-cash interest expense	(47,085)	(24,870)	(3,193)
Amortization of deferred financing fees	(19,589)	(20,058)	(22,466)
Loss from extinguishment of debt, net	(39,502)	(19,463)	(457)
Other (expense) income, net	(74,284)	(222,159)	14,053
Total other expense, net	<u>(529,931)</u>	<u>(651,443)</u>	<u>(396,599)</u>
Income (loss) before income taxes	252,564	(17,749)	186,889
(Provision) benefit for income taxes	(14,940)	41,796	(39,605)
Net income	<u>237,624</u>	<u>24,047</u>	<u>147,284</u>
Net loss (income) attributable to noncontrolling interests	—	57	(293)
Net income attributable to SBA Communications Corporation	<u>\$ 237,624</u>	<u>\$ 24,104</u>	<u>\$ 146,991</u>
Net income per common share attributable to SBA Communications Corporation:			
Basic	<u>\$ 2.17</u>	<u>\$ 0.22</u>	<u>\$ 1.30</u>
Diluted	<u>\$ 2.14</u>	<u>\$ 0.21</u>	<u>\$ 1.28</u>
Weighted average number of common shares			
Basic	<u>109,328</u>	<u>111,532</u>	<u>112,809</u>
Diluted	<u>111,177</u>	<u>113,465</u>	<u>114,693</u>

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

SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	<u>For the year ended December 31.</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net income	\$ 237,624	\$ 24,047	\$ 147,284
Adjustments related to interest rate swaps	93,087	(98,771)	(42,131)
Foreign currency translation adjustments	(47,814)	(140,098)	(14,729)
Comprehensive income (loss)	282,897	(214,822)	90,424
Comprehensive loss (income) attributable to noncontrolling interests	—	109	(753)
Comprehensive income (loss) attributable to SBA Communications Corporation	<u>\$ 282,897</u>	<u>\$ (214,713)</u>	<u>\$ 89,671</u>

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

SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT
(in thousands)

	Class A Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Deficit
	Shares	Amount				
BALANCE, December 31, 2018	112,433	\$ 1,124	\$ 2,270,326	\$ (5,136,368)	\$ (511,905)	\$ (3,376,823)
Net income attributable to SBA Communications Corporation	—	—	—	146,991	—	146,991
Common stock issued in connection with equity awards and stock purchase plans, offset by the impact of net share settlements	1,347	13	116,189	—	—	116,202
Non-cash stock compensation	—	—	74,270	—	—	74,270
Common stock issued in connection with acquisitions	10	—	1,680	—	—	1,680
Adjustments related to interest rate swaps	—	—	—	—	(42,131)	(42,131)
Repurchase and retirement of common stock	(2,015)	(19)	—	(466,963)	—	(466,982)
Foreign currency translation adjustments attributable to SBA Communications Corporation	—	—	—	—	(14,729)	(14,729)
Impact of adoption of ASU 2016-02 related to leases	—	—	—	(20,968)	—	(20,968)
Dividends on common stock	—	—	—	(83,387)	—	(83,387)
Adjustment to fair value related to noncontrolling interests	—	—	(1,130)	—	—	(1,130)
BALANCE, December 31, 2019	111,775	1,118	2,461,335	(5,560,695)	(568,765)	(3,667,007)
Net income attributable to SBA Communications Corporation	—	—	—	24,104	—	24,104
Common stock issued in connection with equity awards and stock purchase plans, offset by the impact of net share settlements	1,113	11	53,683	—	—	53,694
Non-cash stock compensation	—	—	70,363	—	—	70,363
Adjustments related to interest rate swaps	—	—	—	—	(98,771)	(98,771)
Repurchase and retirement of common stock	(3,069)	(31)	—	(859,304)	—	(859,335)
Foreign currency translation adjustments attributable to SBA Communications Corporation	—	—	—	—	(140,046)	(140,046)
Dividends on common stock	—	—	—	(208,133)	—	(208,133)
Adjustment to fair value related to noncontrolling interests	—	—	749	—	—	749
BALANCE, December 31, 2020	109,819	1,098	2,586,130	(6,604,028)	(807,582)	(4,824,382)
Net income attributable to SBA Communications Corporation	—	—	—	237,624	—	237,624
Common stock issued in connection with equity awards and stock purchase plans, offset by the impact of net share settlements	1,017	10	14,744	—	—	14,754
Non-cash stock compensation	—	—	85,779	—	—	85,779
Adjustments related to interest rate swaps	—	—	—	—	93,087	93,087
Repurchase and retirement of common stock	(1,880)	(19)	—	(582,559)	—	(582,578)
Foreign currency translation adjustments attributable to SBA Communications Corporation	—	—	—	—	(47,814)	(47,814)
Dividends and dividend equivalents on common stock	—	—	—	(254,568)	—	(254,568)
Adjustment to fair value related to noncontrolling interests	—	—	(2,806)	—	—	(2,806)
Contribution from joint venture partner for noncontrolling interest	—	—	(2,500)	—	—	(2,500)
BALANCE, December 31, 2021	108,956	\$ 1,089	\$ 2,681,347	\$ (7,203,531)	\$ (762,309)	\$ (5,283,404)

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

SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	For the year ended December 31,		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 237,624	\$ 24,047	\$ 147,284
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, accretion, and amortization	700,161	721,970	697,078
Non-cash asset impairment and decommission costs	31,790	39,501	32,241
Non-cash compensation expense	84,402	68,890	73,214
Loss (gain) on remeasurement of U.S. denominated intercompany loans	66,285	220,354	(13,134)
Loss from extinguishment of debt, net	36,718	17,838	235
Deferred income tax (benefit) expense	(8,510)	(63,187)	15,935
Non-cash interest expense	47,085	24,870	3,193
Amortization of deferred financing fees	19,589	20,058	20,358
Other non-cash items reflected in the Statements of Operations	9,881	2,979	(1,888)
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable and costs and estimated earnings in excess of billings on uncompleted contracts, net	(38,237)	38,195	(12,146)
Prepaid expenses and other assets	(28,243)	2,614	878
Operating lease right-of-use assets, net	114,321	109,935	93,665
Accounts payable and accrued expenses	(473)	13,173	(5,951)
Long-term lease liabilities	(113,292)	(100,847)	(87,544)
Other liabilities	30,795	(14,357)	6,627
Net cash provided by operating activities	<u>1,189,896</u>	<u>1,126,033</u>	<u>970,045</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions	(1,257,704)	(271,418)	(773,957)
Capital expenditures	(133,694)	(128,566)	(154,236)
Purchase of investments	(1,731,111)	(1,288,705)	(638,963)
Proceeds from sale of investments	1,730,477	1,239,206	625,807
Other investing activities	(31,228)	3,117	(5,809)
Net cash used in investing activities	<u>(1,423,260)</u>	<u>(446,366)</u>	<u>(947,158)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings under Revolving Credit Facility	1,935,000	895,000	755,000
Repayments under Revolving Credit Facility	(1,965,000)	(1,005,000)	(590,000)
Proceeds from issuance of Senior Notes, net of fees	1,485,373	1,479,484	—
Repayment of Senior Notes	(1,870,909)	(759,143)	—
Proceeds from issuance of Tower Securities, net of fees	2,924,005	1,335,895	1,152,458
Repayment of Tower Securities	(1,335,000)	(1,200,000)	(920,000)
Termination of interest rate swap	—	(176,200)	—
Repurchase and retirement of common stock	(582,578)	(859,335)	(466,982)
Payment of dividends on common stock	(253,580)	(207,689)	(83,387)
Proceeds from employee stock purchase/stock option plans	86,688	99,129	130,290
Payments related to taxes on net settlement of stock options and restricted stock units	(71,904)	(45,080)	(14,088)
Other financing activities	(12,831)	(26,078)	(25,605)
Net cash provided by (used in) financing activities	<u>339,264</u>	<u>(469,017)</u>	<u>(62,314)</u>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(13,082)	(8,962)	2,247
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	92,818	201,688	(37,180)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH:			
Beginning of year	342,808	141,120	178,300
End of year	<u>\$ 435,626</u>	<u>\$ 342,808</u>	<u>\$ 141,120</u>

(continued)

SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	<u>For the year ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest	\$ 360,098	\$ 351,886	\$ 386,615
Income taxes	\$ 25,568	\$ 20,275	\$ 21,598
SUPPLEMENTAL CASH FLOW INFORMATION OF NON-CASH ACTIVITIES:			
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 33,315	\$ 78,674	\$ 175,517
Operating lease modifications and reassessments	\$ 36,817	\$ (10,550)	\$ (52,383)
Right-of-use assets obtained in exchange for new finance lease liabilities	\$ 2,100	\$ 1,087	\$ 3,499
Common stock issued in connection with acquisitions	\$ —	\$ —	\$ 1,680
Consolidation of an equity method investment	\$ —	\$ —	\$ 71,990
Deferred payment on acquired assets	\$ —	\$ 77,124	\$ —

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

**SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. GENERAL

SBA Communications Corporation (the “Company” or “SBAC”) was incorporated in the State of Florida in March 1997. The Company is a holding company that holds all of the outstanding capital stock of SBA Telecommunications, LLC (“Telecommunications”). Telecommunications is a holding company that holds the outstanding capital stock of SBA Senior Finance, LLC (“SBA Senior Finance”), and other operating subsidiaries which are not a party to any loan agreement. SBA Senior Finance is a holding company that holds, directly or indirectly, the equity interest in certain subsidiaries that issued the Tower Securities (see Note 11) and certain subsidiaries that were not involved in the issuance of the Tower Securities. With respect to the subsidiaries involved in the issuance of the Tower Securities, SBA Senior Finance is the sole member of SBA Holdings, LLC and SBA Depositor, LLC. SBA Holdings, LLC is the sole member of SBA Guarantor, LLC. SBA Guarantor, LLC directly or indirectly holds all of the capital stock of the companies referred to as the “Borrowers” under the Tower Securities. With respect to subsidiaries not involved in the issuance of the Tower Securities, SBA Senior Finance holds all of the membership interests in SBA Senior Finance II, LLC (“SBA Senior Finance II”) and certain non-operating subsidiaries. SBA Senior Finance II holds, directly or indirectly, all the capital stock of certain international subsidiaries and certain other tower companies (known as “Tower Companies”). SBA Senior Finance II also holds, directly or indirectly, all the capital stock and/or membership interests of certain other subsidiaries involved in providing services, including SBA Network Services, LLC (“Network Services”) as well as SBA Network Management, Inc. (“Network Management”) which manages and administers the operations of the Borrowers.

As of December 31, 2021, the Company owned and operated wireless towers in the United States and its territories. In addition, the Company owned towers in Argentina, Brazil, Canada, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Nicaragua, Panama, Peru, South Africa, the Philippines and, effective January 4, 2022, Tanzania. Space on these towers is leased primarily to wireless service providers. As of December 31, 2021, the Company owned and operated 34,177 towers of which 17,356 are domestic and 16,821 are international, of which 9,955 are located in Brazil.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying consolidated financial statements is as follows:

Principles of Consolidation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and include the Company and its majority and wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The significant estimates made by management relate to the allowance for doubtful accounts, the costs and revenue relating to the Company’s construction contracts, stock-based compensation assumptions, valuation allowance related to deferred tax assets, fair value of long-lived assets, the useful lives of towers and intangible assets, anticipated property tax assessments, fair value of investments and asset retirement obligations. Management develops estimates based on historical experience and on various assumptions about the future that are believed to be reasonable based on the information available. These estimates ultimately may differ from actual results and such differences could be material.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of cash in banks, money market funds, commercial paper, highly liquid short-term investments, and other marketable securities with an original maturity of three months or less at the time of purchase. These investments are carried at cost, which approximates fair value.

Restricted Cash

The Company classifies all cash pledged as collateral to secure certain obligations and all cash whose use is limited as restricted cash. This includes cash held in escrow to fund certain reserve accounts relating to the Tower Securities as well as for

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payment and performance bonds and surety bonds issued for the benefit of the Company in the ordinary course of business, as well as collateral associated with workers' compensation plans (see Note 4).

Investments

Investment securities with original maturities of more than three months but less than one year at time of purchase are considered short-term investments and are classified in prepaid expenses and other current assets on the accompanying Consolidated Balance Sheets. The Company's short-term investments primarily consist of certificates of deposit with maturities of less than a year. Investment securities with maturities of more than a year are considered long-term investments and are classified in other assets on the accompanying Consolidated Balance Sheets. Long-term investments consist of strategic investments in companies and are accounted for under the cost and equity method. Gross purchases and proceeds from sales of the Company's investments are presented within Cash flows from investing activities on the Company's Consolidated Statements of Cash Flows. During the year ended December 31, 2021 and 2020, no gain or loss was recorded related to the sale or maturity of investments.

Property and Equipment

Property and equipment are recorded at cost or at estimated fair value (in the case of acquired properties), adjusted for asset impairment and estimated asset retirement obligations. Costs for self-constructed towers include direct materials and labor, indirect costs and capitalized interest. Approximately \$0.5 million, \$0.6 million, and \$0.7 million of interest cost was capitalized in 2021, 2020 and 2019, respectively.

Depreciation on towers and related components is provided using the straight-line method over the estimated useful lives, not to exceed the minimum lease term of the underlying ground lease. In making the determination of the period for which the Company is reasonably certain to remain on the site, the Company will assume optional renewals are reasonably certain of being exercised for the greater of: (1) a period sufficient to cover all tenants under their current committed term where the Company has provided rights to the tower not to exceed the contractual ground lease terms including renewals and (2) a period sufficient to recover the investment of significant leasehold improvements located on the site. Leasehold improvements are amortized on a straight-line basis over the shorter of the useful life of the improvement or the minimum lease term of the lease. For all other property and equipment, depreciation is provided using the straight-line method over the estimated useful lives.

The Company performs ongoing evaluations of the estimated useful lives of its property and equipment for depreciation purposes. The estimated useful lives are determined and continually evaluated based on the period over which services are expected to be rendered by the asset. If the useful lives of assets are reduced, depreciation may be accelerated in future years. Property and equipment under capital leases are amortized on a straight-line basis over the term of the lease or the remaining estimated life of the leased property, whichever is shorter, and the related amortization is included in depreciation expense. Expenditures for maintenance and repair are expensed as incurred.

Asset classes and related estimated useful lives are as follows:

Towers and related components	3 - 15 years
Furniture, equipment, and vehicles	2 - 7 years
Data Centers, buildings, and leasehold improvements	10 - 30 years

Betterments, improvements, and significant repairs, which increase the value or extend the life of an asset, are capitalized and depreciated over the estimated useful life of the respective asset. Changes in an asset's estimated useful life are accounted for prospectively, with the book value of the asset at the time of the change being depreciated over the revised remaining useful life. There has been no material impact for changes in estimated useful lives for any years presented.

Deferred Financing Fees

Financing fees related to the issuance of debt have been deferred and are being amortized using the effective interest rate method over the expected duration of the related indebtedness (see Note 11). For all of the Company's debt, except for the Revolving Credit Facility where the debt issuance costs are being presented as an asset on the accompanying Consolidated Balance Sheet, debt issuance costs are presented on the balance sheet as a direct deduction from the related debt liability rather than as an asset.

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Intangible Assets

The Company classifies as intangible assets the fair value of current leases in place at the acquisition date of towers and related assets (referred to as the “Current contract intangibles”), and the fair value of future tenant leases anticipated to be added to the acquired towers (referred to as the “Network location intangibles”). These intangibles are estimated to have a useful life consistent with the useful life of the related tower assets, which is typically 15 years. For all intangible assets, amortization is provided using the straight-line method over the estimated useful lives as the benefit associated with these intangible assets is anticipated to be derived evenly over the life of the asset.

Impairment of Long-Lived Assets

The Company evaluates its individual long-lived and related assets with finite lives for indicators of impairment to determine when an impairment analysis should be performed. The Company evaluates its tower assets and Current contract intangibles at the tower level, which is the lowest level for which identifiable cash flows exists. The Company evaluates its Network location intangibles for impairment at the tower leasing business level whenever indicators of impairment are present. The Company has established a policy to at least annually, or earlier if indicators of impairment arise, evaluate its tower assets and Current contract intangibles for impairment.

The Company records an impairment charge when an investment in towers or related assets has been impaired, such that future undiscounted cash flows would not recover the then current carrying value of the investment in the tower and related intangible. If the future undiscounted cash flows are lower than the carrying value of the investment in the tower and related intangible, the Company calculates future discounted cash flows and compares those amounts to the carrying value. The Company records an impairment charge for any amounts lower than the carrying value. Estimates and assumptions inherent in the impairment evaluation include, but are not limited to, general market and economic conditions, historical operating results, geographic location, lease-up potential and expected timing of lease-up. In addition, the Company makes certain assumptions in determining an asset’s fair value for the purpose of calculating the amount of an impairment charge.

The Company recognized impairment charges of \$33.0 million, \$40.1 million, and \$33.1 million for the years ended December 31, 2021, 2020 and 2019, respectively. Refer to Note 3 for further detail of these amounts.

Fair Value Measurements

The Company determines the fair market values of its financial instruments based on the fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following three levels of inputs may be used to measure fair value:

- Level 1 Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Revenue Recognition and Accounts Receivable

Site leasing revenues

Revenue from site leasing is recognized on a straight-line basis over the current term of the related lease agreements. Receivables recorded related to the straight-line impact of site leases are reflected in other assets on the Consolidated Balance Sheets. Rental amounts received in advance are recorded as deferred revenue on the Consolidated Balance Sheets. Revenues from site leasing represent 91% of the Company’s total revenues. For additional information on tenant leases, refer to the Leases section below.

Site development revenues

Site development projects in which the Company performs consulting services include contracts on a fixed price basis that are billed at contractual rates. Revenue is recognized over time based on milestones achieved, which are determined based on costs incurred. Amounts billed in advance (collected or uncollected) are recorded as deferred revenue on the Consolidated Balance Sheets.

Revenue from construction projects is recognized over time, determined by the percentage of cost incurred to date compared to management's estimated total cost for each contract. This method is used because management considers total cost to be the best available measure of progress on the contracts. These amounts are based on estimates, and the uncertainty inherent in the estimates initially is reduced as work on the contracts nears completion. Refer to Note 5 for further detail of costs and estimated earnings in excess of billings on uncompleted contracts. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined to be probable.

The site development segment represents approximately 9% of the Company's total revenues for the year ended December 31, 2021. The Company accounts for site development revenue in accordance with ASC 606, Revenue from Contracts with Customers. Payment terms do not result in any significant financing arrangements. Furthermore, these contracts do not typically include variable consideration; therefore, the transaction price that is recognized over time is generally the amount of the total contract.

Accounts receivable

The accounts receivable balance was \$102.0 million and \$74.1 million as of December 31, 2021 and 2020, respectively, of which \$24.6 million and \$14.3 million related to the site development segment as of December 31, 2021 and 2020, respectively. Refer to Note 15 for further detail of the site development segment.

Credit Losses

Effective January 1, 2020, the Company adopted ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13") prospectively. ASU 2016-13 replaces the incurred loss impairment model with an expected credit loss impairment model for financial instruments, including trade receivables. The amendment requires entities to consider forward-looking information to estimate expected credit losses over the lifetime of the asset, resulting in earlier recognition of losses for receivables that are current or not yet due, which were not considered under the previous accounting guidance. The impact of the adoption of ASU 2016-13 was not material individually or in the aggregate to the Company.

The Company's expected credit loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic and market conditions, and a review of the current status of customers' trade accounts receivables. Due to the short-term nature of such receivables, the estimate of the amount of accounts receivable that may not be collected considers aging of the accounts receivable balances and the financial condition of customers. Additionally, specific allowance amounts are established to record the appropriate provision for customers that have a higher probability of default. The Company's monitoring activities include timely account reconciliation, dispute resolution, payment confirmation, consideration of customers' financial condition and macroeconomic conditions. Balances are written off when determined to be uncollectible. ASU 2018-19, Codification Improvements to Topic 326, Financial Instruments – Credit Losses ("ASU 2018-19") clarified that operating lease receivables are not within the scope of ASC 326-20 and should instead be accounted for under the new leasing standard, ASC 842. The Company is exposed to credit losses which are subject to this standard primarily through the site development business segment which provides consulting and construction related services.

The following is a rollforward of the allowance for doubtful accounts for our site leasing and site development businesses:

	For the year ended December 31,		
	2021	2020	2019
	(in thousands)		
Beginning balance	\$ 15,693	\$ 21,202	\$ 23,880
Provision for doubtful accounts	440	620	155
Write-offs	(1,597)	(23)	(1,455)
Recoveries ⁽¹⁾	(1,947)	(3,524)	(2,296)
Acquisitions	—	—	1,193
Currency translation adjustment	(454)	(2,582)	(275)
Ending balance	<u>\$ 12,135</u>	<u>\$ 15,693</u>	<u>\$ 21,202</u>

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- (1) On June 20, 2016, Oi, S.A. (“Oi”), the Company’s largest customer in Brazil, filed a petition for judicial reorganization in Brazil. Since the filing, the Company has received all rental payments due in connection with obligations of Oi accruing post-petition. On January 8, 2018, Oi’s reorganization plan was approved by the Brazilian courts and Oi is expected to fully resolve all its pre-petition obligations in accordance with the terms of the plan, which includes a 10% reduction in the receivable and four annual installment payments. All of these payments have been received by the Company.

Cost of Revenue

Cost of site leasing revenue includes ground lease rent, property taxes, amortization of deferred lease costs, maintenance and other tower operating expenses. Cost of site development revenue includes the cost of materials, salaries and labor costs, including payroll taxes, subcontract labor, vehicle expense and other costs directly and indirectly related to the projects. All costs related to site development projects are recognized as incurred.

Income Taxes

The Company recognizes deferred tax assets and liabilities for the estimated future tax consequences attributable to differences between the financial reporting and tax bases of existing assets and liabilities. Deferred tax assets and liabilities are measured using tax rates in effect for the year in which the temporary differences are expected to reverse. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets if it is “more-likely-than-not” that those assets will not be realized. The Company considers many factors when assessing the likelihood of future realization, including the Company’s recent cumulative earnings by taxing jurisdiction, expectations of future taxable income, prudent and feasible tax planning strategies that are available, the carryforward periods available to the Company for tax reporting purposes and other relevant factors.

The Company began operating as a REIT for federal income tax purposes effective January 1, 2016. As a REIT, the Company generally is not subject to corporate level federal income tax on taxable income it distributes to its stockholders as long as it meets the organizational and operational requirements under the REIT rules. However, certain subsidiaries have made an election with the IRS to be treated as a taxable REIT subsidiary (“TRS”) in conjunction with the Company’s REIT election. The TRS elections permit the Company to engage in certain business activities in which the REIT may not engage directly, so long as these activities are conducted in entities that elect to be treated as TRSs under the Code. A TRS is subject to federal and state income taxes on the income from these activities. Additionally, the Company has included in TRSs the Company’s tower operations in most foreign jurisdictions; however, the REIT holds selected tower assets in Puerto Rico and USVI. Those operations will continue to be subject to foreign taxes in the jurisdiction in which such assets and operations are located regardless of whether they are included in a TRS.

The Company will continue to file separate federal tax returns for the REIT and TRS for the year ended December 31, 2021. The REIT had taxable income during the year ended December 31, 2021 and paid a dividend and utilized net operating losses (“NOLs”) to offset its remaining 2021 distribution requirement. Some of the Company’s TRSs generated NOLs which will be carried forward to use in future years. A portion of the deferred tax asset generated by the NOLs are reserved by a valuation allowance.

The Company records a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return if applicable. The Company has not identified any tax exposures that require a reserve. To the extent that the Company records unrecognized tax exposures, any related interest and penalties will be recognized as interest expense in the Company’s Consolidated Statements of Operations.

Stock-Based Compensation

The Company measures and recognizes compensation expense for all share-based payment awards made to employees and directors, including stock options, restricted stock units (“RSUs”), performance-based restricted stock units (“PSUs”), and purchases under the Company’s employee stock purchase plans. The Company records compensation expense, for stock options, RSUs, and PSUs on a straight-line basis over the vesting period; however, compensation expense related to certain PSUs are subject to adjustment on performance relative to the established targets. Compensation expense for stock options is based on the estimated fair value of the options on the date of the grant using the Black-Scholes option-pricing model. Compensation expense for RSUs and PSUs is based on the fair market value of the units awarded at the date of the grant.

Asset Retirement Obligations

The Company has entered into ground leases for the land underlying the majority of the Company’s towers. A majority of these leases require the Company to restore land interests to their original condition upon termination of the ground lease.

In determining the measurement of the asset retirement obligations, the Company considered the nature and scope of the contractual restoration obligations contained in the Company's ground leases, the historical retirement experience as an indicator of future restoration probabilities, intent in renewing existing ground leases through lease termination dates, current and future value and timing of estimated restoration costs and the credit adjusted risk-free rate used to discount future obligations.

The Company recognizes asset retirement obligations in the period in which they are incurred, if a reasonable estimate of a fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the related tower fixed assets, and over time, the liability is accreted to its present value each period and the capitalized cost is depreciated over the estimated useful life of the tower. As of December 31, 2021 and 2020, the asset retirement obligation was \$53.6 million and \$30.9 million, respectively, and is included in other long-term liabilities on the Consolidated Balance Sheets. Upon settlement of the obligations, any difference between the cost to retire an asset and the recorded liability is recorded in Asset impairment and decommission costs on the Consolidated Statements of Operations.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity (net assets) of a business enterprise during a period from transactions and other events and circumstances from non-owner sources, and is comprised of net income (loss), other foreign currency adjustments, and adjustments related to interest rate swaps designated as cash flow hedges.

Foreign Currency Translation

All assets and liabilities of foreign subsidiaries that do not utilize the U.S. dollar as its functional currency are translated at period-end exchange rates, while revenues and expenses are translated at monthly average exchange rates during the year. Unrealized translation gains and losses are reported as foreign currency translation adjustments through Accumulated other comprehensive loss, net in the Consolidated Statement of Shareholders' Deficit.

For foreign subsidiaries where the U.S. dollar is the functional currency, monetary assets and liabilities of such subsidiaries, which are not denominated in U.S. dollars, are remeasured at exchange rates in effect at the balance sheet date, and revenues and expenses are remeasured at monthly average rates prevailing during the year. Remeasurement gains and losses are reported as other income (expense), net in the Consolidated Statements of Operations.

Intercompany Loans Subject to Remeasurement

In accordance with Accounting Standards Codification (ASC) 830, the Company remeasures foreign denominated intercompany loans with the corresponding change in the balance being recorded in Other income (expense), net in the Consolidated Statements of Operations as settlement is anticipated or planned in the foreseeable future. The Company recorded a \$44.3 million loss, a \$145.6 million loss, and a \$9.0 million gain, net of taxes, on the remeasurement of intercompany loans for the years ended December 31, 2021, 2020, and 2019, respectively, due to changes in foreign exchange rates. During the year ended December 31, 2021, the Company repaid \$149.9 million of the intercompany loans. As of December 31, 2021 and 2020, the aggregate amount outstanding under the intercompany loan agreements subject to remeasurement with the Company's foreign subsidiaries was \$872.9 million and \$909.8 million, respectively.

Acquisitions

Under ASU 2017-01, Clarifying the Definition of a Business, the Company's acquisitions will generally qualify for asset acquisition treatment under ASC 360, Property, Plant, and Equipment, rather than business combination treatment under ASC 805 Business Combinations. For acquisitions, the aggregate purchase price is allocated on a relative fair value basis to towers and related intangible assets. The fair values of these net assets acquired are based on management's estimates and assumptions, as well as other information compiled by management, including valuations that utilize customary valuation procedures and techniques. The fair value estimates are based on available historical information and on future expectations and assumptions deemed reasonable by management at the time. If the actual results differ from the estimates and judgments used in these fair values, the amounts recorded in the consolidated financial statements could be subject to a possible impairment of the intangible assets, or require acceleration of the amortization expense of intangible assets in subsequent periods. External, direct transaction costs will be capitalized as a component of the cost of the asset acquired. The Company will continue to expense internal acquisition costs as incurred. For business combinations, the estimates of the fair value of the assets acquired and liabilities assumed at the date of an acquisition are subject to adjustment during the measurement period (up to one year from the particular acquisition date). During the measurement period, the Company will adjust assets and/or liabilities if new information is obtained about facts and circumstances that existed as of the

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acquisition date that, if known, would have resulted in a revised estimated value of those assets and/or liabilities as of that date. As of December 31, 2021, there were no material acquisitions with purchase price allocations that were preliminary.

In connection with certain acquisitions, the Company may agree to pay contingent consideration (or earnouts) in cash or stock if the communication sites or businesses that are acquired meet or exceed certain performance targets over a period of one year to three years after they have been acquired. Contingent consideration in connection with asset acquisitions will be recognized at the time when the contingency is resolved or becomes payable and will increase the cost basis of the assets acquired.

Leases

The Company adopted ASU No. 2016-02, Leases (“Topic 842”) using the modified retrospective adoption method with an effective date of January 1, 2019. This standard requires all lessees to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments. The Company has elected not to separate nonlease components from the associated lease component for all underlying classes of assets.

The components of the right-of-use lease liabilities as of December 31, 2021 and 2020 are as follows (in thousands):

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Current operating lease liabilities	\$ 236,804	\$ 234,605
Current financing lease liabilities	1,693	1,432
Current lease liabilities	<u>\$ 238,497</u>	<u>\$ 236,037</u>
Long-term operating lease liabilities	\$ 1,979,239	\$ 2,092,353
Long-term financing lease liabilities	2,114	2,010
Long-term lease liabilities	<u>\$ 1,981,353</u>	<u>\$ 2,094,363</u>

Operating Leases

Ground leases. The Company enters into long-term lease contracts for land that underlies its tower structures. Ground lease agreements generally include renewal options which can be exercised exclusively at the Company’s election. In making the determination of the period for which the Company is reasonably certain to remain on the site, the Company will assume optional renewals are reasonably certain of being exercised for the greater of: (1) a period sufficient to cover all tenants under their current committed term where the Company has provided rights to the tower not to exceed the contractual ground lease terms including renewals, and (2) a period sufficient to recover the investment of significant leasehold improvements located on the site (generally 15 years).

Substantially all leases provide for rent rate escalations. In the United States and our international markets, ground leases and other property interests provide for rent escalators which typically average 2-3% annually or, in certain international markets, adjust in accordance with an inflationary index. Increases or decreases in lease payments that result from subsequent changes in the index or rate are accounted for as variable lease payments.

Office leases. The Company’s office leases consist of long-term leases for international, regional, and certain site development office locations. Office leases include a single lease component, lease of the office space and sometimes nonlease components such as common area maintenance expenses. The lease term for office leases are generally considered to be the contractually committed term.

Finance Leases

Vehicle leases. The Company leases vehicles that are used in its site development business. These leases are accounted for as financing leases and have lease terms that are contractually committed and do not include optional renewal terms.

Acquired right-of-use assets. During the year ended December 31, 2021, the Company acquired the exclusive right to lease and operate 713 utility transmission structures, which included existing wireless tenant licenses from PG&E for \$972.0 million. The Company accounted for the payment with respect to these sites as a right-of-use asset, which is recorded in Acquired and other right-of-use assets, net on its Consolidated Balance Sheets. The payments associated with the right of use of these structures has been fully funded and will be recognized over 70 years (see Note 7).

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In addition, on January 4, 2022, the Company closed on 1,445 sites for \$176.1 million under the previously announced deal with Airtel Tanzania. Of the 1,445 sites acquired, 482 towers will be initially recorded in Acquired and other right-of-use assets, net on its Consolidated Balance Sheets until the full transfer of title for these towers is completed, which the Company anticipates to be in tranches through the end of the second quarter of 2023. During this period of time, the Company has all the economic rights and obligations related to these towers (see Note 7).

Discount Rate

When available, the Company uses the rate implicit in the lease to discount lease payments to present value. However, the Company's ground leases generally do not provide a readily determinable implicit rate. Therefore, the Company estimates the incremental borrowing rate to discount lease payments based on information available at lease commencement or upon a modification. The Company uses publicly available data for instruments with similar characteristics when calculating its incremental borrowing rates.

Lease Cost

Variable lease payments include escalations based on an inflationary index and are initially recognized using the prevailing index at the date of initial measurement or upon reassessment of the lease term. Subsequent changes in standard cost of living increases are recognized as variable lease costs. Variable lease payments also include contingent rent provisions.

The components of lease cost, lease term, and discount rate as of December 31, 2021 and 2020 are as follows:

	For the year ended	
	December 31, 2021	December 31, 2020
	(in thousands)	
Amortization of right-of-use assets ⁽¹⁾	\$ 13,483	\$ 1,485
Interest on finance lease liabilities	118	135
Total finance lease cost	13,601	1,620
Operating lease cost	260,690	260,619
Variable lease cost	49,176	42,654
Total lease cost	<u>\$ 323,467</u>	<u>\$ 304,893</u>

Weighted Average Remaining Lease Term as of 2021 and 2020:

Operating leases	14.4 years	16.1 years
Finance leases	68.9 years	2.7 years

Weighted Average Discount Rate as of 2021 and 2020:

Operating leases	5.6%	5.9%
Finance leases	2.9%	3.4%

	For the year ended	
	December 31, 2021	December 31, 2020
Other information:		
Cash paid for amounts included in measurement of lease liabilities:		
Cash flows from operating leases	\$ 242,567	\$ 237,747
Cash flows from finance leases	\$ 1,734	\$ 1,485

(1) Amounts include amortization of acquired right-of-use assets.

Tenant (Operating) Leases

The Company enters into long-term lease contracts with wireless service providers to lease antenna space on towers that it owns or operates. Each tenant lease relates to the lease or use of space at an individual site. Tenant leases are generally for an initial term of five years to 10 years with multiple renewal periods at the option of the tenant. Tenant leases typically contain specific rent escalators, which can be fixed or escalate in accordance with an inflationary index, including the renewal option periods.

Tenant lease agreements generally include renewal options which can be exercised exclusively at the tenant's election. The only common exception is if the Company no longer has a right to the ground underlying the site, the lease agreements permit the

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Company to terminate the lease. Despite high frequency of renewal of options to extend the lease by its tenants, the Company has concluded that the exercise of a renewal option by a tenant is not reasonably certain of occurrence; therefore, only the current committed term is included in the determination of the lease term.

Certain tenant leases provide for a reimbursement of costs incurred by the Company. The Company pays these costs directly and is not relieved of the primary obligation for the expenses. These reimbursements are recorded as revenue on the Statements of Operations.

Deferred Lease Costs

ASU 2016-02, defines initial direct costs as incremental costs that would not have been incurred if the lease had not been obtained. These costs, including commissions paid related to the origination of specific tenant leases, are deferred and amortized over the remaining lease term. Initial direct costs were approximately \$2.9 million, \$1.2 million, and \$1.8 million for the years ended December 31, 2021, 2020, and 2019, respectively. Amortization expense related to deferred initial direct costs was \$1.4 million, \$1.3 million, and \$1.4 million for the years ended December 31, 2021, 2020, and 2019, respectively. As of December 31, 2021 and 2020, unamortized deferred initial direct costs were \$6.3 million and \$4.8 million, respectively, and are included in other assets on the Consolidated Balance Sheets.

Reference Rate Reform

ASU 2020-04 and ASU 2021-01, Reference Rate Reform, provide optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. The expedients and exceptions provided by the amendments do not apply to contract modifications made and hedging relationships entered into or evaluated after December 31, 2022, except for hedging relationships existing as of December 31, 2022, that an entity has elected certain optional expedients for and that are retained through the end of the hedging relationship. An entity may elect to apply the amendments prospectively through December 31, 2022. The ICE Benchmark Administration Limited (“IBA”) ceased the publication of USD LIBOR for the 1 week and 2 month tenors on December 31, 2021 and will cease all other tenors on June 30, 2023. On July 7, 2021, the Company amended its Credit Facility to provide mechanics relating to a transition away from LIBOR as a benchmark interest rate and the replacement of LIBOR by an alternative benchmark rate. Refer to Note 11 for further discussion of the Credit Facility. As of December 31, 2021, the Company has not modified any other contracts as a result of reference rate reform and is evaluating the impact this standard may have on its consolidated financial statements.

Derivatives and Hedging Activities

The Company enters into interest rate swaps to hedge the future interest expense from variable rate debt and reduce the Company’s exposure to fluctuations in interest rates. At inception, the Company evaluates the interest rate swaps to determine whether they qualify for hedge accounting. In accordance with ASU 2017-12 (ASC 815 - Derivatives and Hedging), hedge accounting should be provided only if the derivative hedging instrument is expected to be, and actually is, effective at offsetting changes in fair values or cash flows of the hedged item. The effective portion of the gain or loss is recorded in Accumulated other comprehensive loss, net on the Consolidated Balance Sheets. The ineffective portion of the gain or loss from the interest rate swap is recognized in earnings immediately. On a quarterly basis, the Company evaluates whether the cash flow hedge remains highly effective in offsetting changes in cash flows.

3. FAIR VALUE MEASUREMENTS

Items Measured at Fair Value on a Recurring Basis—The Company’s asset retirement obligations are measured at fair value on a recurring basis using Level 3 inputs and are recorded in Other long-term liabilities in the Consolidated Balance Sheets. The fair value of the asset retirement obligations is calculated using a discounted cash flow model.

Refer to Note 20 for discussion of the Company’s redeemable non-controlling interests.

Items Measured at Fair Value on a Nonrecurring Basis— The Company’s long-lived and intangible assets are measured at fair value on a nonrecurring basis using Level 3 inputs. The Company considers many factors and makes certain assumptions when making this assessment, including but not limited to: general market and economic conditions, historical operating results, geographic location, lease-up potential and expected timing of lease-up. The fair value of the long-lived and intangible assets is calculated using a discounted cash flow model.

Asset impairment and decommission costs for all periods presented and the related impaired assets primarily relate to the Company's site leasing operating segment. The following summarizes the activity of asset impairment and decommission costs (in thousands):

	For the year ended December 31,		
	2021	2020	2019
Asset impairment ⁽¹⁾	\$ 24,813	\$ 31,552	\$ 18,794
Write-off of carrying value of decommissioned towers	6,349	7,456	11,155
Other (including third party decommission costs)	1,882	1,089	3,154
Total asset impairment and decommission costs	<u>\$ 33,044</u>	<u>\$ 40,097</u>	<u>\$ 33,103</u>

(1) Represents impairment charges resulting from the Company's regular analysis of whether the future cash flows from certain towers are adequate to recover the carrying value of the investment in those towers.

The Company's long-term investments were \$47.9 million and \$57.6 million as of December 31, 2021 and 2020, respectively, and are recorded in Other assets on the Consolidated Balance Sheets. Some of these investments provide for the Company to increase their investment in the future through call options exercisable by the Company and put options exercisable by the investee. These put and call options are recorded at fair market value. The estimation of the fair value of the investment involves the use of Level 3 inputs. The Company evaluates these investments for indicators of impairment. The Company considers impairment indicators such as negative changes in industry and market conditions, financial performance, business prospects, and other relevant events and factors. If indicators exist and the fair value of the investment is below the carrying amount, the investment could be impaired. The Company did not recognize any impairment loss associated with its investments during the years ended December 31, 2021, 2020, and 2019.

Fair Value of Financial Instruments— The carrying values of cash and cash equivalents, accounts receivable, restricted cash, accounts payable, and short-term investments approximate their estimated fair values due to the shorter maturity of these instruments. The Company's estimate of its short-term investments is based primarily upon Level 1 reported market values. As of December 31, 2021 and 2020, the Company had \$0.8 million and \$0.7 million, respectively, of short-term investments. The Company purchased and sold \$1.7 billion, \$1.2 billion, and \$0.6 billion of short-term investments for the years ended December 31, 2021, 2020, and 2019, respectively.

The Company determines fair value of its debt instruments utilizing various Level 2 sources including quoted prices and indicative quotes (non-binding quotes) from brokers that require judgment to interpret market information including implied credit spreads for similar borrowings on recent trades or bid/ask prices. The fair value of the Revolving Credit Facility is considered to approximate the carrying value because the Company does not believe its credit risk has changed materially from the date the applicable Eurodollar Rate was set for the Revolving Credit Facility (112.5 to 150.0 basis points). Refer to Note 11 for the fair values, principal balances, and carrying values of the Company's debt instruments.

For discussion of the Company's derivatives and hedging activities, refer to Note 2 and Note 21.

4. CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

The cash, cash equivalents, and restricted cash balances on the Consolidated Statements of Cash Flows consist of the following:

	As of <u>December 31, 2021</u>	As of <u>December 31, 2020</u>	As of <u>December 31, 2019</u>	Included on Balance Sheet
	(in thousands)			
Cash and cash equivalents	\$ 367,278	\$ 308,560	\$ 108,309	
Securitization escrow accounts	64,764	31,507	30,046	Restricted cash - current asset
Payment and performance bonds	797	164	197	Restricted cash - current asset
Surety bonds and workers compensation	2,787	2,577	2,568	Other assets - noncurrent
Total cash, cash equivalents, and restricted cash	<u>\$ 435,626</u>	<u>\$ 342,808</u>	<u>\$ 141,120</u>	

Pursuant to the terms of the Tower Securities (see Note 11), the Company is required to establish a securitization escrow account, held by the indenture trustee, into which all rents and other sums due on the towers that secure the Tower Securities are directly deposited by the lessees. These restricted cash amounts are used to fund reserve accounts for the payment of (1) debt service costs, (2) ground rents, real estate and personal property taxes and insurance premiums related to towers, (3) trustee and servicing

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expenses, and (4) management fees. The restricted cash in the securitization escrow account in excess of required reserve balances is subsequently released to the Borrowers (as defined in Note 11) monthly, provided that the Borrowers are in compliance with their debt service coverage ratio and that no event of default has occurred. All monies held by the indenture trustee are classified as restricted cash on the Company's Consolidated Balance Sheets.

Payment and performance bonds relate primarily to collateral requirements for tower construction currently in process by the Company. Cash is pledged as collateral related to surety bonds issued for the benefit of the Company or its affiliates in the ordinary course of business and primarily related to the Company's tower removal obligations. As of December 31, 2021 and 2020, the Company had \$42.3 million and \$41.8 million in surety, payment and performance bonds, respectively, for which no collateral was required to be posted. The Company periodically evaluates the collateral posted for its bonds to ensure that it meets the minimum requirements. As of December 31, 2021 and 2020, the Company had also pledged \$2.3 million as collateral related to its workers' compensation policy.

5. COSTS AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS

The Company's costs and estimated earnings on uncompleted contracts are comprised of the following:

	As of <u>December 31, 2021</u>	As of <u>December 31, 2020</u>
	(in thousands)	
Costs incurred on uncompleted contracts	\$ 75,967	\$ 54,949
Estimated earnings	28,851	21,778
Billings to date	(61,628)	(43,725)
	<u>\$ 43,190</u>	<u>\$ 33,002</u>

These amounts are included in the Consolidated Balance Sheets under the following captions:

	As of <u>December 31, 2021</u>	As of <u>December 31, 2020</u>
	(in thousands)	
Costs and estimated earnings in excess of billings on uncompleted contracts	\$ 48,844	\$ 34,796
Billings in excess of costs and estimated earnings on uncompleted contracts (included in Other current liabilities)	(5,654)	(1,794)
	<u>\$ 43,190</u>	<u>\$ 33,002</u>

At December 31, 2021 and 2020, the eight largest customers comprised 98.8% and 99.4%, respectively, of the costs and estimated earnings in excess of billings on uncompleted contracts, net of billings in excess of costs and estimated earnings.

6. PREPAID EXPENSES AND OTHER CURRENT ASSETS AND OTHER ASSETS

The Company's prepaid expenses and other current assets are comprised of the following:

	As of <u>December 31, 2021</u>	As of <u>December 31, 2020</u>
	(in thousands)	
Prepaid real estate taxes	\$ 3,331	\$ 3,153
Prepaid taxes	11,096	8,121
Other current assets	16,386	12,601
Total prepaid expenses and other current assets	<u>\$ 30,813</u>	<u>\$ 23,875</u>

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The Company's other assets are comprised of the following:

	As of December 31, 2021	As of December 31, 2020
	(in thousands)	
Straight-line rent receivable	\$ 348,519	\$ 321,816
Interest rate swap asset ⁽¹⁾	60,324	12,123
Loan receivables	37,376	5,931
Deferred lease costs, net	6,345	4,788
Deferred tax asset - long term	51,918	53,722
Long-term investments	47,889	57,575
Other	23,273	22,037
Total other assets	<u>\$ 575,644</u>	<u>\$ 477,992</u>

(1) Refer to Note 21 for more information on the Company's interest rate swaps.

7. ACQUISITIONS

The following table summarizes the Company's acquisition activity:

	For the year ended December 31,		
	2021	2020	2019
Tower acquisitions (number of towers)	991	233	2,443

The following table summarizes the Company's cash acquisition capital expenditures:

	For the year ended December 31,		
	2021	2020	2019
	(in thousands)		
Acquisitions of towers and related intangible assets ^{(1) (2) (3)}	\$ 274,752	\$ 181,473	\$ 701,471
Acquisition of right-of-use assets ⁽⁴⁾	950,536	—	—
Land buyouts and other assets ⁽⁵⁾	32,416	89,945	72,486
Total cash acquisition capital expenditures	<u>\$ 1,257,704</u>	<u>\$ 271,418</u>	<u>\$ 773,957</u>

- (1) The year ended December 31, 2021 includes \$77.1 million of acquisitions completed during the fourth quarter of 2020 which were not funded until the first quarter of 2021.
- (2) The year ended December 31, 2019 excludes \$1.7 million of acquisitions costs funded through the issuance of 10,000 shares of Class A common stock.
- (3) On August 30, 2019, the Company acquired an additional interest of a previously unconsolidated joint venture in South Africa which resulted in the consolidation of the entity, and the cash consideration is included herein. The year ended December 31, 2019 excludes \$72.0 million associated with the consolidation of this entity. On December 31, 2021, the Company acquired the remaining interest from the minority interest holder in South Africa.
- (4) During the year ended December 31, 2021, the Company acquired the exclusive right to lease and operate 713 utility transmission structures, which included existing wireless tenant licenses from PG&E for \$972.0 million. The difference between the purchase price and the cash acquisition amount is due to working capital adjustments. The Company accounted for the payment with respect to these sites as a right-of-use asset, which is recorded in Acquired and other right of use assets, net on its Consolidated Balance Sheets. The payments associated with the right of use of these structures has been fully funded and will be recognized over 70 years.
- (5) In addition, the Company paid \$16.3 million, \$12.3 million, and \$15.2 million for ground lease extensions and term easements on land underlying the Company's towers during the years ending December 31, 2021, 2020, and 2019, respectively. The Company recorded these amounts in prepaid rent on its Consolidated Balance Sheets.

During the year ended December 31, 2021, in addition to the acquisition of right-of-use assets, the Company acquired 278 towers and related assets and liabilities consisting of \$26.1 million of property and equipment, net, \$135.8 million of intangible assets, net, \$18.6 million of operating lease right-of-use assets, net, and \$0.8 million of other net liabilities assumed. All acquisitions in the year ended December 31, 2021 were accounted for as asset acquisitions.

During the year ended December 31, 2020, the Company acquired 233 towers and related assets and liabilities consisting of \$30.1 million of property and equipment, \$218.1 million of intangible assets, and \$66.8 million of other net liabilities assumed.

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During the year ended December 31, 2019, the Company acquired 2,443 towers and related assets and liabilities consisting of \$90.8 million of property and equipment, \$715.5 million of intangible assets, and \$32.8 million of other net liabilities assumed.

On January 4, 2022, the Company closed on 1,445 sites under the previously announced deal with Airtel Tanzania for \$176.1 million. Legal title was fully transferred at closing for 963 of the towers. The remaining 482 towers are pending post-closing site level documentation and due diligence and will be initially accounted for as acquired right-of-use assets until the full transfer of title for these towers is completed, which the Company anticipates to be in tranches through the end of the second quarter of 2023. During this period of time, the Company has all the economic rights and obligations related to these towers. Additionally, subsequent to the fourth quarter of 2021, the Company purchased or is under contract to purchase 371 communication sites for an aggregate consideration of \$137.1 million in cash. The Company anticipates that these acquisitions will be consummated by the end of the third quarter of 2022.

The maximum potential obligation related to contingent consideration for acquisitions were \$11.6 million and \$35.0 million as of December 31, 2021 and 2020, respectively. No such amounts have been recorded on the Company's Consolidated Balance Sheet.

8. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following:

	As of December 31, 2021	As of December 31, 2020
	(in thousands)	
Towers and related components ⁽¹⁾	\$ 5,323,803	\$ 5,213,019
Construction-in-process ⁽¹⁾⁽²⁾	47,565	38,065
Furniture, equipment, and vehicles	59,939	54,610
Land, buildings, and improvements	848,051	818,272
Total property and equipment	6,279,358	6,123,966
Less: accumulated depreciation	(3,703,871)	(3,446,640)
Property and equipment, net	\$ 2,575,487	\$ 2,677,326

(1) Includes amounts related to our data centers.

(2) Construction-in-process represents costs incurred related to towers and other assets that are under development and will be used in the Company's site leasing operations.

Depreciation expense was \$271.8 million, \$287.0 million, and \$281.6 million for the years ended December 31, 2021, 2020, and 2019, respectively. At December 31, 2021 and 2020, unpaid capital expenditures that are included in accounts payable and accrued expenses were \$7.3 million and \$6.1 million, respectively.

9. INTANGIBLE ASSETS, NET

The following table provides the gross and net carrying amounts for each major class of intangible assets:

	As of December 31, 2021			As of December 31, 2020		
	Gross carrying amount	Accumulated amortization	Net book value	Gross carrying amount	Accumulated amortization	Net book value
	(in thousands)					
Current contract intangibles	\$ 4,890,427	\$ (2,749,594)	\$ 2,140,833	\$ 4,876,880	\$ (2,471,438)	\$ 2,405,442
Network location intangibles	1,783,640	(1,121,226)	662,414	1,770,944	(1,020,236)	750,708
Intangible assets, net	\$ 6,674,067	\$ (3,870,820)	\$ 2,803,247	\$ 6,647,824	\$ (3,491,674)	\$ 3,156,150

All intangible assets noted above are included in the Company's site leasing segment. Amortization expense relating to the intangible assets above was \$411.9 million, \$434.4 million, and \$415.2 million for the years ended December 31, 2021, 2020 and 2019, respectively.

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Estimated amortization expense on the Company's intangibles assets is as follows:

<u>For the year ended December 31,</u>	<u>(in thousands)</u>
2022	\$ 389,663
2023	366,131
2024	337,060
2025	327,352
2026	312,279

10. ACCRUED EXPENSES

The Company's accrued expenses are comprised of the following:

	<u>As of</u> <u>December 31, 2021</u>	<u>As of</u> <u>December 31, 2020</u>
	<u>(in thousands)</u>	
Salaries and benefits	\$ 24,962	\$ 20,958
Real estate and property taxes	8,336	9,583
Unpaid capital expenditures	7,295	6,073
Other	27,477	26,417
Total accrued expenses	<u>\$ 68,070</u>	<u>\$ 63,031</u>

11. DEBT

The principal values, fair values, and carrying values of debt consist of the following (in thousands):

	<u>Maturity Date</u>	<u>As of</u> <u>December 31, 2021</u>			<u>As of</u> <u>December 31, 2020</u>		
		<u>Principal</u> <u>Balance</u>	<u>Fair Value</u>	<u>Carrying</u> <u>Value</u>	<u>Principal</u> <u>Balance</u>	<u>Fair Value</u>	<u>Carrying</u> <u>Value</u>
Revolving Credit Facility	Jul. 7, 2026	\$ 350,000	\$ 350,000	\$ 350,000	\$ 380,000	\$ 380,000	\$ 380,000
2018 Term Loan	Apr. 11, 2025	2,316,000	2,289,945	2,304,697	2,340,000	2,310,750	2,325,391
2013-2C Tower Securities ⁽¹⁾	Apr. 11, 2023	—	—	—	575,000	599,662	572,063
2014-2C Tower Securities ⁽¹⁾	Oct. 8, 2024	620,000	641,793	617,095	620,000	670,003	616,131
2017-1C Tower Securities ⁽¹⁾	Apr. 11, 2022	—	—	—	760,000	774,410	757,165
2018-1C Tower Securities ⁽¹⁾	Mar. 9, 2023	640,000	650,163	637,812	640,000	671,341	636,045
2019-1C Tower Securities ⁽¹⁾	Jan. 12, 2025	1,165,000	1,174,728	1,157,446	1,165,000	1,218,613	1,155,106
2020-1C Tower Securities ⁽¹⁾	Jan. 9, 2026	750,000	746,498	744,052	750,000	752,910	742,782
2020-2C Tower Securities ⁽¹⁾	Jan. 11, 2028	600,000	605,268	594,774	600,000	597,840	594,081
2021-1C Tower Securities ⁽¹⁾	Nov. 9, 2026	1,165,000	1,144,846	1,153,700	—	—	—
2021-2C Tower Securities ⁽¹⁾	Apr. 9, 2027	895,000	883,213	886,116	—	—	—
2021-3C Tower Securities ⁽¹⁾	Oct. 9, 2031	895,000	902,446	885,976	—	—	—
2016 Senior Notes	Sep. 1, 2024	—	—	—	1,100,000	1,127,500	1,088,924
2017 Senior Notes	Oct. 1, 2022	—	—	—	750,000	757,500	746,642
2020 Senior Notes	Feb. 15, 2027	1,500,000	1,550,790	1,484,178	1,500,000	1,567,500	1,481,466
2021 Senior Notes	Feb. 1, 2029	1,500,000	1,446,975	1,486,848	—	—	—
Total debt		<u>\$ 12,396,000</u>	<u>\$ 12,386,665</u>	<u>\$ 12,302,694</u>	<u>\$ 11,180,000</u>	<u>\$ 11,428,029</u>	<u>\$ 11,095,796</u>
Less: current maturities of long-term debt				<u>(24,000)</u>			<u>(24,000)</u>
Total long-term debt, net of current maturities				<u>\$ 12,278,694</u>			<u>\$ 11,071,796</u>

(1) The maturity date represents the anticipated repayment date for each issuance.

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The Company's future principal payment obligations over the next five years (based on the outstanding debt as of December 31, 2021 and assuming the Tower Securities are repaid at their respective anticipated repayment dates) are as follows:

For the year ended December 31,	(in thousands)
2022	\$ 24,000
2023	664,000
2024	644,000
2025	3,409,000
2026	2,265,000

The table below reflects cash and non-cash interest expense amounts recognized by debt instrument for the periods presented:

	Interest Rates as of December 31, 2021	For the year ended December 31,					
		2021		2020		2019	
		Cash Interest	Non-cash Interest	Cash Interest	Non-cash Interest	Cash Interest	Non-cash Interest
		(in thousands)					
Revolving Credit Facility	1.516%	\$ 6,414	\$ —	\$ 6,070	\$ —	\$ 7,085	\$ —
2018 Term Loan ⁽¹⁾	1.872%	44,342	45,756	68,963	23,452	105,021	1,338
2013-2C Tower Securities	3.722%	17,027	—	21,584	—	21,584	—
2014 Tower Securities ⁽²⁾	3.869%	24,185	—	24,185	—	43,055	—
2015-1C Tower Securities	3.156%	—	—	8,589	—	15,939	—
2016-1C Tower Securities	2.877%	—	—	10,972	—	20,361	—
2017-1C Tower Securities	3.168%	9,201	—	24,354	—	24,354	—
2018-1C Tower Securities	3.448%	22,281	—	22,281	—	22,281	—
2019-1C Tower Securities	2.836%	33,428	—	33,428	—	10,029	—
2020-1C Tower Securities	1.884%	14,391	—	6,675	—	—	—
2020-2C Tower Securities	2.328%	14,159	—	6,568	—	—	—
2021-1C Tower Securities	1.631%	12,255	—	—	—	—	—
2021-2C Tower Securities	1.840%	2,982	—	—	—	—	—
2021-3C Tower Securities	2.593%	4,176	—	—	—	—	—
2014 Senior Notes	4.875%	—	—	3,352	112	36,563	800
2016 Senior Notes	4.875%	44,092	990	53,625	1,109	53,625	1,055
2017 Senior Notes	4.000%	2,333	—	30,000	—	30,000	—
2020 Senior Notes	3.875%	58,125	339	46,769	197	—	—
2021 Senior Notes	3.125%	43,229	—	—	—	—	—
Capitalized interest and other		299	—	459	—	139	—
Total		\$ 352,919	\$ 47,085	\$ 367,874	\$ 24,870	\$ 390,036	\$ 3,193

(1) The 2018 Term Loan has a blended rate of 1.872% which includes the impact of the interest rate swap entered into on August 4, 2020 which swapped \$1.95 billion of notional value accruing interest at one month LIBOR plus 175 basis points for a fixed rate of 1.874% per annum through the maturity date of the 2018 Term Loan. Excluding the impact of the interest rate swap, the 2018 Term Loan was accruing interest at 1.860% as of December 31, 2021. Refer to Note 21 for more information on the Company's interest rate swap.

(2) The 2014-1C Tower Securities, which was repaid September 13, 2019, accrued interest at 2.898%. The 2014-2C Tower Securities accrue interest at 3.869%.

Terms of the Senior Credit Agreement

On July 7, 2021, the Company, through its wholly owned subsidiary, SBA Senior Finance II LLC, amended its Revolving Credit Facility to (1) increase the total commitments under the Facility from \$1.25 billion to \$1.5 billion, (2) extend the maturity date of the Facility to July 7, 2026, (3) lower the applicable interest rate margins and commitment fees under the Facility, (4) provide mechanics relating to a transition away from LIBOR as a benchmark interest rate and the replacement of LIBOR by an alternative benchmark rate, (5) incorporate sustainability-linked targets which will adjust the Facility's applicable interest and commitment fee rates upward or downward based on how the Company performs against those targets, and (6) amend certain other terms and conditions under the Senior Credit Agreement.

The Senior Credit Agreement, as amended, requires SBA Senior Finance II to maintain specific financial ratios, including (1) a ratio of Consolidated Net Debt to Annualized Borrower EBITDA not to exceed 6.5 times for any fiscal quarter, (2) a ratio of

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Consolidated Net Debt (calculated in accordance with the Senior Credit Agreement) to Annualized Borrower EBITDA for the most recently ended fiscal quarter not to exceed 6.5 times for 30 consecutive days and (3) a ratio of Annualized Borrower EBITDA to Annualized Cash Interest Expense (calculated in accordance with the Senior Credit Agreement) of not less than 2.0 times for any fiscal quarter. The Senior Credit Agreement contains customary affirmative and negative covenants that, among other things, limit the ability of SBA Senior Finance II and its subsidiaries to incur indebtedness, grant certain liens, make certain investments, enter into sale leaseback transactions, merge or consolidate, make certain restricted payments, enter into transactions with affiliates, and engage in certain asset dispositions, including a sale of all or substantially all of their property. The Senior Credit Agreement is also subject to customary events of default. Pursuant to the Second Amended and Restated Guarantee and Collateral Agreement, amounts borrowed under the Revolving Credit Facility, the Term Loans and certain hedging transactions that may be entered into by SBA Senior Finance II or the Subsidiary Guarantors (as defined in the Senior Credit Agreement) with lenders or their affiliates are secured by a first lien on the membership interests of SBA Telecommunications, LLC, SBA Senior Finance, LLC and SBA Senior Finance II and on substantially all of the assets (other than leasehold, easement and fee interests in real property) of SBA Senior Finance II and the Subsidiary Guarantors.

The Senior Credit Agreement, as amended, permits SBA Senior Finance II, without the consent of the other lenders, to request that one or more lenders provide SBA Senior Finance II with increases in the Revolving Credit Facility or additional term loans provided that after giving effect to the proposed increase in Revolving Credit Facility commitments or incremental term loans the ratio of Consolidated Net Debt to Annualized Borrower EBITDA would not exceed 6.5 times. SBA Senior Finance II's ability to request such increases in the Revolving Credit Facility or additional term loans is subject to its compliance with customary conditions set forth in the Senior Credit Agreement including compliance, on a pro forma basis, with the financial covenants and ratios set forth therein and, with respect to any additional term loan, an increase in the margin on existing term loans to the extent required by the terms of the Senior Credit Agreement. Upon SBA Senior Finance II's request, each lender may decide, in its sole discretion, whether to increase all or a portion of its Revolving Credit Facility commitment or whether to provide SBA Senior Finance II with additional term loans and, if so, upon what terms.

Revolving Credit Facility under the Senior Credit Agreement

As amended, the Revolving Credit Facility consists of a revolving loan under which up to \$1.5 billion aggregate principal amount may be borrowed, repaid and redrawn, based upon specific financial ratios and subject to the satisfaction of other customary conditions to borrowing. Amounts borrowed under the Revolving Credit Facility accrue interest, at SBA Senior Finance II's election, at either (1) the Eurodollar Rate plus a margin that ranges from 112.5 basis points to 150.0 basis points or (2) the Base Rate plus a margin that ranges from 12.5 basis points to 50.0 basis points, in each case based on the ratio of Consolidated Net Debt to Annualized Borrower EBITDA, calculated in accordance with the Senior Credit Agreement. In addition, SBA Senior Finance II is required to pay a commitment fee of between 0.15% and 0.25% per annum on the amount of unused commitment. Borrowings under the Revolving Credit Facility may be used for general corporate purposes. SBA Senior Finance II may, from time to time, borrow from and repay the Revolving Credit Facility. Consequently, the amount outstanding under the Revolving Credit Facility at the end of the period may not be reflective of the total amounts outstanding during such period.

During the year ended December 31, 2021, the Company borrowed \$1.9 billion and repaid \$2.0 billion of the outstanding balance under the Revolving Credit Facility. As of December 31, 2021, the balance outstanding under the Revolving Credit Facility was \$350.0 million accruing interest at 1.516% per annum. In addition, SBA Senior Finance II was required to pay a commitment fee of 0.15% per annum on the amount of the unused commitment. As of December 31, 2021, SBA Senior Finance II was in compliance with the financial covenants contained in the Senior Credit Agreement.

Subsequent to December 31, 2021, the Company borrowed an additional \$210.0 million under the Revolving Credit Facility, and as of the date of this filing, \$560.0 million was outstanding.

Term Loan under the Senior Credit Agreement

2018 Term Loan

On April 11, 2018, the Company, through its wholly owned subsidiary, SBA Senior Finance II LLC, obtained a term loan (the "2018 Term Loan") under the amended and restated Senior Credit Agreement. The 2018 Term Loan consists of a senior secured term loan with an initial aggregate principal amount of \$2.4 billion that matures on April 11, 2025. The 2018 Term Loan accrues interest, at SBA Senior Finance II's election at either the Base Rate plus 75 basis points (with a zero Base Rate floor) or the Eurodollar Rate plus 175 basis points (with a zero Eurodollar Rate floor). The 2018 Term Loan was issued at 99.75% of par value. As of December 31, 2021, the 2018 Term Loan was accruing interest at 1.860% per annum. Principal payments on the 2018 Term Loan are made in quarterly installments on the last day of each March, June, September, and December in an amount equal to \$6.0 million. The

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Company incurred financing fees of approximately \$16.8 million in relation to this transaction, which are being amortized through the maturity date.

During the year ended December 31, 2021, the Company repaid an aggregate of \$24.0 million of principal on the 2018 Term Loan. As of December 31, 2021, the 2018 Term Loan had a principal balance of \$2.3 billion.

On August 4, 2020, the Company, through its wholly owned subsidiary, SBA Senior Finance II, entered into an interest rate swap for \$1.95 billion of notional value accruing interest at one month LIBOR plus 175 basis points for a fixed rate of 1.874% per annum through the maturity date of the 2018 Term Loan.

Secured Tower Revenue Securities

Tower Revenue Securities Terms

The mortgage loan underlying the 2014-2C Tower Securities, 2018-1C Tower Securities, 2019-1C Tower Securities, 2020-1C Tower Securities, 2020-2C Tower Securities, 2021-1C Tower Securities, 2021-2C Tower Securities, and 2021-3C Tower Securities (together the “Tower Securities”) will be paid from the operating cash flows from the aggregate 9,902 tower sites owned by the Borrowers. The sole asset of the Trust consists of a non-recourse mortgage loan made in favor of those entities that are borrowers on the mortgage loan (the “Borrowers”). The mortgage loan is secured by (1) mortgages, deeds of trust, and deeds to secure debt on a substantial portion of the tower sites, (2) a security interest in the tower sites and substantially all of the Borrowers’ personal property and fixtures, (3) the Borrowers’ rights under certain tenant leases, and (4) all of the proceeds of the foregoing. For each calendar month, SBA Network Management, Inc., an indirect subsidiary (“Network Management”), is entitled to receive a management fee equal to 4.5% of the Borrowers’ operating revenues for the immediately preceding calendar month.

The Borrowers may prepay any of the mortgage loan components, in whole or in part, with no prepayment consideration, (1) within twelve months (in the case of the component corresponding to the Secured Tower Revenue Securities Series 2018-1C, Secured Tower Revenue Securities Series 2019-1C, Secured Tower Revenue Securities Series 2020-1C, Secured Tower Revenue Securities Series 2021-1C, and Secured Tower Revenue Securities Series 2021-2C) or eighteen months (in the case of the components corresponding to the Secured Tower Revenue Securities Series 2014-2C, Secured Tower Revenue Securities Series 2020-2C, and Secured Tower Revenue Securities Series 2021-3C) of the anticipated repayment date of such mortgage loan component, (2) with proceeds received as a result of any condemnation or casualty of any tower owned by the Borrowers or (3) during an amortization period. In all other circumstances, the Borrowers may prepay the mortgage loan, in whole or in part, upon payment of the applicable prepayment consideration. The prepayment consideration is determined based on the class of the Tower Securities to which the prepaid mortgage loan component corresponds and consists of an amount equal to the excess, if any, of (1) the present value associated with the portion of the principal balance being prepaid, calculated in accordance with the formula set forth in the mortgage loan agreement, on the date of prepayment of all future installments of principal and interest required to be paid from the date of prepayment to and including the first due date within twelve months (in the case of the component corresponding to the Secured Tower Revenue Securities Series 2018-1C, Secured Tower Revenue Securities Series 2019-1C, Secured Tower Revenue Securities Series 2020-1C, Secured Tower Revenue Securities Series 2021-1C, and Secured Tower Revenue Securities Series 2021-2C) or eighteen months (in the case of the components corresponding to the Secured Tower Revenue Securities Series 2014-2C, Secured Tower Revenue Securities Series 2020-2C, and Secured Tower Revenue Securities Series 2021-3C) of the anticipated repayment date of such mortgage loan component over (2) that portion of the principal balance of such class prepaid on the date of such prepayment.

To the extent that the mortgage loan components corresponding to the Tower Securities are not fully repaid by their respective anticipated repayment dates, the interest rate of each such component will increase by the greater of (1) 5% and (2) the amount, if any, by which the sum of (x) the 10 year U.S. treasury rate plus (y) the credit-based spread for such component (as set forth in the mortgage loan agreement) plus (z) 5%, exceeds the original interest rate for such component.

Pursuant to the terms of the Tower Securities, all rents and other sums due on any of the towers owned by the Borrowers are directly deposited by the lessees into a controlled deposit account and are held by the indenture trustee. The monies held by the indenture trustee after the release date are classified as short-term restricted cash on the Consolidated Balance Sheets (see Note 4). However, if the Debt Service Coverage Ratio, defined as the net cash flow (as defined in the mortgage loan agreement) divided by the amount of interest on the mortgage loan, servicing fees and trustee fees that the Borrowers are required to pay over the succeeding twelve months, as of the end of any calendar quarter, falls to 1.30x or lower, then all cash flow in excess of amounts required to make debt service payments, to fund required reserves, to pay management fees and budgeted operating expenses and to make other payments required under the loan documents, referred to as “excess cash flow,” will be deposited into a reserve account instead of being released to the Borrowers. The funds in the reserve account will not be released to the Borrowers unless the Debt Service Coverage Ratio exceeds 1.30x for two consecutive calendar quarters. If the Debt Service Coverage Ratio falls below 1.15x as of the

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end of any calendar quarter, then an “amortization period” will commence and all funds on deposit in the reserve account will be applied to prepay the mortgage loan until such time that the Debt Service Coverage Ratio exceeds 1.15x for a calendar quarter. In addition, if any of the Tower Securities are not fully repaid by their respective anticipated repayment dates, the cash flow from the towers owned by the Borrowers will be trapped by the trustee for the Tower Securities and applied first to repay the interest, at the original interest rates, on the mortgage loan components underlying the Tower Securities, second to fund all reserve accounts and operating expenses associated with those towers, third to pay the management fees due to Network Management, fourth to repay principal of the Tower Securities and fifth to repay the additional interest discussed above. Furthermore, the advance rents reserve requirement states that the Borrowers are required to maintain an advance rents reserve at any time the monthly tenant Debt Service Coverage Ratio is equal to or less than 2:1 and for two calendar months after such coverage ratio again exceeds 2:1. The mortgage loan agreement, as amended, also includes covenants customary for mortgage loans subject to rated securitizations. Among other things, the Borrowers are prohibited from incurring other indebtedness for borrowed money or further encumbering their assets.

2013-2C Tower Securities

On April 18, 2013, the Company, through a New York common law trust (the “Trust”), issued \$575.0 million of Secured Tower Revenue Securities Series 2013-2C, which had an anticipated repayment date of April 11, 2023 and a final maturity date of April 9, 2048 (the “2013-2C Tower Securities”). The fixed interest rate of the 2013-2C Tower Securities was 3.722% per annum, payable monthly. The Company incurred financing fees of \$11.0 million in relation to this transaction, which were being amortized through the anticipated repayment date of the 2013-2C Tower Securities.

On October 14, 2021, the Company repaid the entire aggregate principal amount of the 2013-2C Tower Securities (\$575.0 million) which had an anticipated repayment date of April 11, 2023 using proceeds from the Revolving Credit Facility. Additionally, the Company expensed \$2.0 million of deferred financing fees and accrued interest related to the repayment of the 2013-2C Tower Securities, which are reflected in loss from extinguishment of debt on the Consolidated Statement of Operations.

2014 Tower Securities

On October 15, 2014, the Company, through the Trust, issued \$920.0 million of 2.898% Secured Tower Revenue Securities Series 2014-1C, which had an anticipated repayment date of October 8, 2019 and a final maturity date of October 11, 2044 (the “2014-1C Tower Securities”) and \$620.0 million of 3.869% Secured Tower Revenue Securities Series 2014-2C, which have an anticipated repayment date of October 8, 2024 and a final maturity date of October 8, 2049 (the “2014-2C Tower Securities”) (collectively the “2014 Tower Securities”). The Company incurred financing fees of \$9.0 million in relation to the 2014-2C Tower Securities, which are being amortized through the anticipated repayment date of the 2014-2C Tower Securities.

On September 13, 2019, the Company repaid the entire aggregate principal amount of the 2014-1C Tower Securities in connection with the issuance of the 2019-1C Tower Securities (as defined below). Additionally, the Company expensed \$0.4 million of deferred financing fees and accrued interest related to the redemption of the 2014-1C Tower Securities, which are reflected in loss from extinguishment of debt on the Consolidated Statement of Operations.

2015-1C Tower Securities

On October 14, 2015, the Company, through the Trust, issued \$500.0 million of Secured Tower Revenue Securities Series 2015-1C, which had an anticipated repayment date of October 8, 2020 and a final maturity date of October 10, 2045 (the “2015-1C Tower Securities”). The fixed interest rate of the 2015-1C Tower Securities was 3.156% per annum, payable monthly. The Company incurred financing fees of \$11.5 million in relation to this transaction, which were being amortized through the anticipated repayment date of the 2015-1C Tower Securities.

On July 14, 2020, the Company repaid the entire aggregate principal amount of the 2015-1C Tower Securities in connection with the issuance of the 2020 Tower Securities (as defined below). Additionally, the Company expensed \$0.6 million of deferred financing fees and accrued interest related to the redemption of the 2015-1C Tower Securities, which are reflected in loss from extinguishment of debt on the Consolidated Statement of Operations.

2016-1C Tower Securities

On July 7, 2016, the Company, through the Trust, issued \$700.0 million of Secured Tower Revenue Securities Series 2016-1C, which had an anticipated repayment date of July 9, 2021 and a final maturity date of July 10, 2046 (the “2016-1C Tower Securities”). The fixed interest rate of the 2016-1C Tower Securities was 2.877% per annum, payable monthly. The Company incurred

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financing fees of \$9.5 million in relation to this transaction, which were being amortized through the anticipated repayment date of the 2016-1C Tower Securities.

On July 14, 2020, the Company repaid the entire aggregate principal amount of the 2016-1C Tower Securities in connection with the issuance of the 2020 Tower Securities (as defined below). Additionally, the Company expensed \$2.0 million of deferred financing fees and accrued interest related to the redemption of the 2016-1C Tower Securities, which are reflected in loss from extinguishment of debt on the Consolidated Statement of Operations.

2017-1C Tower Securities

On April 17, 2017, the Company, through the Trust, issued \$760.0 million of Secured Tower Revenue Securities Series 2017-1C, which had an anticipated repayment date of April 11, 2022 and a final maturity date of April 9, 2047 (the “2017-1C Tower Securities”). The fixed interest rate on the 2017-1C Tower Securities was 3.168% per annum, payable monthly. The Company incurred financing fees of \$10.2 million in relation to this transaction, which were being amortized through the anticipated repayment date of the 2017-1C Tower Securities.

In addition, to satisfy certain risk retention requirements of Regulation RR promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), SBA Guarantor, LLC, a wholly owned subsidiary, purchased \$40.0 million of Secured Tower Revenue Securities Series 2017-1R issued by the Trust, which had an anticipated repayment date of April 11, 2022 and a final maturity date of April 9, 2047 (the “2017-1R Tower Securities”). The fixed interest rate on the 2017-1R Tower Securities was 4.459% per annum, payable monthly. Principal and interest payments made on the 2017-1R Tower Securities eliminated in consolidation.

On May 14, 2021, the Company repaid the entire aggregate principal amount of the 2017-1C Tower Securities and the 2017-1R Tower Securities in connection with the issuance of the 2021-1C Tower Securities (as defined below). Additionally, the Company expensed \$2.0 million of deferred financing fees related to the redemption of the 2017-1C Tower Securities, which are reflected in loss from extinguishment of debt on the Consolidated Statement of Operations.

2018-1C Tower Securities

On March 9, 2018, the Company, through the Trust, issued \$640.0 million of Secured Tower Revenue Securities Series 2018-1C, which have an anticipated repayment date of March 9, 2023 and a final maturity date of March 9, 2048 (the “2018-1C Tower Securities”). The fixed interest rate on the 2018-1C Tower Securities is 3.448% per annum, payable monthly. The Company incurred financing fees of \$8.6 million in relation to this transaction, which are being amortized through the anticipated repayment date of the 2018-1C Tower Securities.

In addition, to satisfy certain risk retention requirements of Regulation RR promulgated under the Exchange Act, SBA Guarantor, LLC, a wholly owned subsidiary, purchased \$33.7 million of Secured Tower Revenue Securities Series 2018-1R issued by the Trust. These securities have an anticipated repayment date of March 9, 2023 and a final maturity date of March 9, 2048 (the “2018-1R Tower Securities”). The fixed interest rate on the 2018-1R Tower Securities is 4.949% per annum, payable monthly. Principal and interest payments made on the 2018-1R Tower Securities eliminate in consolidation.

2019-1C Tower Securities

On September 13, 2019, the Company, through the Trust, issued \$1.165 billion of Secured Tower Revenue Securities Series 2019-1C, which have an anticipated repayment date of January 12, 2025 and a final maturity date of January 12, 2050 (the “2019-1C Tower Securities”). The fixed interest rate on the 2019-1C Tower Securities is 2.836% per annum, payable monthly. The Company incurred financing fees of \$12.8 million in relation to this transaction, which are being amortized through the anticipated repayment date of the 2019-1C Tower Securities.

In addition, to satisfy certain risk retention requirements of Regulation RR promulgated under the Exchange Act, SBA Guarantor, LLC, a wholly owned subsidiary, purchased \$61.4 million of Secured Tower Revenue Securities Series 2019-1R issued by the Trust. These securities have an anticipated repayment date of January 12, 2025 and a final maturity date of January 12, 2050 (the “2019-1R Tower Securities”). The fixed interest rate on the 2019-1R Tower Securities is 4.213% per annum, payable monthly. Principal and interest payments made on the 2019-1R Tower Securities eliminate in consolidation.

2020 Tower Securities

On July 14, 2020, the Company, through the Trust, issued \$750.0 million of 1.884% Secured Tower Revenue Securities Series 2020-1C which have an anticipated repayment date of January 9, 2026 and a final maturity date of July 11, 2050 (the “2020-1C Tower Securities”) and \$600.0 million of 2.328% Secured Tower Revenue Securities Series 2020-2C which have an anticipated repayment date of January 11, 2028 and a final maturity date of July 9, 2052 (the “2020-2C Tower Securities”) (collectively the “2020 Tower Securities”). The aggregate \$1.35 billion of 2020 Tower Securities have a blended interest rate of 2.081% and a weighted average life through the anticipated repayment date of 6.4 years. Net proceeds from this offering were used to repay the entire aggregate principal amount of the 2015-1C Tower Securities (\$500.0 million) and the 2016-1C Tower Securities (\$700.0 million). The remaining net proceeds of the 2020 Tower Securities were used for general corporate purposes. The Company has incurred deferred financing fees of \$14.3 million in relation to this transaction which are being amortized through the anticipated repayment date of the 2020 Tower Securities.

In addition, to satisfy certain risk retention requirements of Regulation RR promulgated under the Exchange Act, SBA Guarantor, LLC, a wholly owned subsidiary, purchased \$71.1 million of Secured Tower Revenue Securities Series 2020-1R issued by the Trust. These securities have an anticipated repayment date of January 11, 2028 and a final maturity date of July 9, 2052 (the “2020-2R Tower Securities”). The fixed interest rate on the 2020-2R Tower Securities is 4.336% per annum, payable monthly. Principal and interest payments made on the 2020-2R Tower Securities eliminate in consolidation.

2021-1C Tower Securities

On May 14, 2021, the Company, through a New York common law trust (the “Trust”), issued \$1.165 billion of Secured Tower Revenue Securities Series 2021-1C which have an anticipated repayment date of November 9, 2026 and a final maturity date of May 9, 2051 (the “2021-1C Tower Securities”). The fixed interest rate on the 2021-1C Tower Securities is 1.631% per annum, payable monthly. Net proceeds from this offering were used to repay the entire aggregate principal amount of the 2017-1C Tower Securities (\$760.0 million) and the Secured Tower Revenue Securities, Series 2017-1R (\$40.0 million) and for general corporate purposes. The Company has incurred deferred financing fees of \$12.7 million in relation to this transaction, which are being amortized through the anticipated repayment date of the 2021-1C Tower Securities.

In addition, to satisfy certain risk retention requirements of Regulation RR promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), SBA Guarantor, LLC, a wholly owned subsidiary, purchased \$61.4 million of Secured Tower Revenue Securities Series 2021-1R issued by the Trust. These securities have an anticipated repayment date of November 9, 2026 and a final maturity date of May 9, 2051 (the “2021-1R Tower Securities”). The fixed interest rate on the 2021-1R Tower Securities is 3.625% per annum, payable monthly. Principal and interest payments made on the 2021-1R Tower Securities eliminate in consolidation.

2021-2C Tower Securities and 2021-3C Tower Securities

On October 27, 2021, the Company, through the Trust, issued \$895.0 million of 1.840% Secured Tower Revenue Securities Series 2021-2C which have an anticipated repayment date of April 9, 2027 and a final maturity date of October 10, 2051 (the “2021-2C Tower Securities”) and \$895.0 million of 2.593% Secured Tower Revenue Securities Series 2021-3C which have an anticipated repayment date of October 9, 2031 and a final maturity date of October 10, 2056 (the “2021-3C Tower Securities”). The aggregate \$1.79 billion of 2021-2C Tower Securities and 2021-3C Tower Securities have a blended interest rate of 2.217% and a weighted average life through the anticipated repayment date of 7.8 years.

Net proceeds from this offering were used to repay amounts outstanding on the Revolving Credit Facility and remaining proceeds were used to redeem the entire aggregate principal amount of the 2016 Senior Notes (\$1.1 billion) and to pay all premiums and costs associated with such redemption. The Company has incurred deferred financing fees of \$18.3 million in relation to this transaction, which are being amortized through the anticipated repayment dates of the 2021-2C Tower Securities and 2021-3C Tower Securities.

In addition, to satisfy certain risk retention requirements of Regulation RR promulgated under the Exchange Act, SBA Guarantor, LLC, a wholly owned subsidiary, purchased \$94.3 million of Secured Tower Revenue Securities Series 2021-3R issued by the Trust. These securities have an anticipated repayment date of October 9, 2031 and a final maturity date of October 10, 2056 (the “2021-3R Tower Securities”). The fixed interest rate on the 2021-3R Tower Securities is 4.090% per annum, payable monthly. Principal and interest payments made on the 2021-3R Tower Securities eliminate in consolidation.

In connection with the issuance of the 2021-1C Tower Securities, 2021-2C Tower Securities, 2021-3C Tower Securities, Tower Securities, SBA Properties, LLC, SBA Sites, LLC, SBA Structures, LLC, SBA Infrastructure, LLC, SBA Monarch Towers III,

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LLC, SBA 2012 TC Assets PR, LLC, SBA 2012 TC Assets, LLC, SBA Towers IV, LLC, SBA Monarch Towers I, LLC, SBA Towers USVI, Inc., SBA Towers VII, LLC, SBA GC Towers, LLC, SBA Towers V, LLC, and SBA Towers VI, LLC (collectively, the “Borrowers”), each an indirect subsidiary of SBAC, and Midland Loan Services, a division of PNC Bank, National Association, as servicer, on behalf of the Trustee entered into the Second Loan and Security Agreement Supplement and Amendment pursuant to which, among other things, (1) the outstanding principal amount of the mortgage loan was increased by \$3.0 billion (but increased by a net of \$1.7 billion after giving effect to repayment of the loan components relating to the 2013-2C Tower Securities and 2017-1C Tower Securities) and (2) the Borrowers became jointly and severally liable for the aggregate \$6.7 billion borrowed under the mortgage loan corresponding to the 2014-2C Tower Securities, 2018-1C Tower Securities, 2019-1C Tower Securities, the 2020-1C Tower Securities, 2020-2C Tower Securities, 2021-1C Tower Securities, 2021-2C Tower Securities, and 2021-3C Tower Securities. The new loans, after eliminating the risk retention securities, accrue interest at the same rate as the 2021-1C Tower Securities, 2021-2C Tower Securities, and 2021-3C Tower Securities and are subject to all other material terms of the existing mortgage loan, including collateral and interest rate after the anticipated repayment date.

Debt Covenants

As of December 31, 2021, the Borrowers met the debt service coverage ratio required by the mortgage loan agreement and were in compliance with all other covenants as set forth in the agreement.

Senior Notes

Indentures Governing Senior Notes

The Indentures governing the Senior Notes contain customary covenants, subject to a number of exceptions and qualifications, including restrictions on the ability of SBAC and Telecommunications to (1) incur additional indebtedness unless the Consolidated Indebtedness to Annualized Consolidated Adjusted EBITDA Ratio (as defined in the Indenture), pro forma for the additional indebtedness does not exceed, with respect to any fiscal quarter, 9.5x for SBAC, (2) merge, consolidate or sell assets, (3) make restricted payments, including dividends or other distributions, (4) enter into transactions with affiliates, and (5) enter into sale and leaseback transactions and restrictions on the ability of the Restricted Subsidiaries of SBAC (as defined in the Indentures) to incur liens securing indebtedness.

2014 Senior Notes

On July 1, 2014, the Company issued \$750.0 million of unsecured senior notes due July 15, 2022 (the “2014 Senior Notes”). The 2014 Senior Notes accrued interest at a rate of 4.875% per annum and were issued at 99.178% of par value. The Company had incurred financing fees of \$11.6 million in relation to this transaction, which were being amortized through the maturity date.

On February 20, 2020, the Company redeemed the entire \$750.0 million balance of the 2014 Senior Notes with proceeds from the 2020 Senior Notes (defined below). In addition, the Company paid a \$9.1 million call premium and expensed \$7.7 million for the write-off of the original issue discount and financing fees related to the redemption of the 2014 Senior Notes which are reflected in loss from extinguishment of debt on the Consolidated Statement of Operations.

2016 Senior Notes

On August 15, 2016, the Company issued \$1.1 billion of unsecured senior notes due September 1, 2024 (the “2016 Senior Notes”). The 2016 Senior Notes accrued interest at a rate of 4.875% per annum and were issued at 99.178% of par value. The Company incurred financing fees of \$12.8 million in relation to this transaction, which were being amortized through the maturity date.

On November 8, 2021, the Company redeemed the entire \$1.1 billion balance of the 2016 Senior Notes with proceeds from the 2021-2C Tower Securities and 2021-3C Tower Securities. In addition, the Company paid a \$13.4 million call premium and expensed \$10.3 million for the write-off of the original issue discount and financing fees related to the redemption of the 2016 Senior Notes, which are reflected in loss from extinguishment of debt on the Consolidated Statement of Operations.

2017 Senior Notes

On October 13, 2017, the Company issued \$750.0 million of unsecured senior notes due October 1, 2022 at par value (the “2017 Senior Notes”). The 2017 Senior Notes accrued interest at a rate of 4.0% per annum. The Company incurred financing fees of \$8.9 million in relation to this transaction, which were being amortized through the maturity date.

On February 11, 2021, the Company redeemed the entire \$750.0 million balance of the 2017 Senior Notes with proceeds from the 2021 Senior Notes (defined below). In addition, the Company paid a \$7.5 million call premium and expensed \$4.2 million for the write-off of financing fees related to the redemption of the 2017 Senior Notes, which are reflected in loss from extinguishment of debt on the Consolidated Statement of Operations.

2020 Senior Notes

On February 4, 2020, the Company issued \$1.0 billion of unsecured senior notes due February 15, 2027 at par value (the “2020-1 Senior Notes”), and on May 26, 2020, the Company issued \$500.0 million of additional unsecured senior notes under the same indenture at 99.500% of par value (the “2020-2 Senior Notes”) (collectively, the “2020 Senior Notes”). The 2020 Senior Notes accrue interest at a rate of 3.875% per annum. Net proceeds from these offerings were used to redeem the entire \$750.0 million outstanding principal amount of the 2014 Senior Notes, repay amounts outstanding under the Revolving Credit Facility, and for general corporate purposes. Interest on the 2020 Senior Notes is due semi-annually on February 15 and August 15 of each year, beginning on August 15, 2020. The Company incurred financing fees of \$18.0 million in relation to this transaction, which are being amortized through the maturity date.

The 2020 Senior Notes are subject to redemption in whole or in part on or after February 15, 2023 at the redemption prices set forth in the indenture agreement plus accrued and unpaid interest. Prior to February 15, 2023, the Company may, at its option, redeem up to 35% of the aggregate principal amount of the 2020 Senior Notes originally issued at a redemption price of 103.875% of the principal amount of the 2020 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest with the net proceeds of certain equity offerings. The Company may redeem the 2020 Senior Notes during the twelve-month period beginning on the following dates at the following redemption prices: February 15, 2023 at 101.938%, February 15, 2024 at 100.969%, or February 15, 2025 until maturity at 100.000%, of the principal amount of the 2020 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest.

2021 Senior Notes

On January 29, 2021, the Company issued \$1.5 billion of unsecured senior notes due February 1, 2029 at par value (the “2021 Senior Notes”). The 2021 Senior Notes accrue interest at a rate of 3.125% per annum. Interest on the 2021 Senior Notes is due semi-annually on February 1 and August 1 of each year, beginning on August 1, 2021. The Company incurred financing fees of \$14.6 million in relation to this transaction, which are being amortized through the maturity date. Net proceeds from this offering were used to redeem the entire \$750.0 million outstanding principal amount of the 2017 Senior Notes, repay the amounts outstanding under the Revolving Credit Facility, and for general corporate purposes.

The 2021 Senior Notes are subject to redemption in whole or in part on or after February 1, 2024 at the redemption prices set forth in the indenture agreement plus accrued and unpaid interest. Prior to February 1, 2024, the Company may, at its option, redeem up to 35% of the aggregate principal amount of the 2021 Senior Notes originally issued at a redemption price of 103.125% of the principal amount of the 2021 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest with the net proceeds of certain equity offerings. The Company may redeem the 2021 Senior Notes during the twelve-month period beginning on the following dates at the following redemption prices: February 1, 2024 at 101.563%, February 1, 2025 at 100.781%, or February 1, 2026 until maturity at 100.000%, of the principal amount of the 2021 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest.

12. SHAREHOLDERS' EQUITY

Common Stock Equivalents

The Company has outstanding stock options, time-based restricted stock units (“RSUs”), and performance-based restricted stock units (“PSUs”) which were considered in the Company’s diluted earnings per share calculation (see Note 16).

Registration of Additional Shares

The Company filed a shelf registration statement on Form S-4 with the Securities and Exchange Commission registering 4.0 million shares of its Class A common stock in 2007. These shares may be issued in connection with acquisitions of wireless communication towers or antenna sites and related assets or companies that own wireless communication towers, antenna sites, or related assets. During the years ended December 31, 2021 and 2020, the Company did not issue any shares of Class A common stock under this registration statement. As of December 31, 2021, the Company had approximately 1.2 million shares of Class A common stock remaining under this registration statement.

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On February 26, 2021, the Company filed with the Securities and Exchange Commission an automatic shelf registration statement for well-known seasoned issuers on Form S-3ASR, which enables the Company to issue shares of its Class A common stock, preferred stock, debt securities, warrants, or depositary shares as well as units that include any of these securities. The Company will file a prospectus supplement containing the amount and type of securities each time it issues securities using its automatic shelf registration statement on Form S-3ASR. For the years ended December 31, 2021 and 2020, the Company did not issue any securities under this automatic shelf registration statement.

On August 6, 2020, the Company filed a registration statement on Form S-8 with the Securities and Exchange Commission registering 3.4 million shares of the Company's Class A common stock, consisting of 3.0 million shares of Common Stock issuable under the 2020 Performance and Equity Incentive Plan (the "2020 Plan") and 400,000 shares of Common Stock subject to awards granted under the 2010 Performance and Equity Incentive Plan (the "2010 Plan") that may become available for issuance or reissuance, as applicable, under the 2020 Plan if such awards are forfeited or are settled in cash or otherwise expire or terminate without the delivery of the shares (see Note 13).

Stock Repurchases

The Company's Board of Directors authorizes the Company to purchase, from time to time, outstanding Class A common stock through open market repurchases in compliance with Rule 10b-18 under the Exchange Act, and/or in privately negotiated transactions at management's discretion based on market and business conditions, applicable legal requirements, and other factors. Once authorized, the repurchase plan has no time deadline and will continue until otherwise modified or terminated by the Company's Board of Directors at any time in its sole discretion. Shares repurchased are retired. On October 28, 2021, the Company's Board of Directors authorized a new \$1.0 billion stock repurchase plan, replacing the prior plan authorized on November 2, 2020, which had a remaining authorization of \$125.1 million. As of the date of this filing, the Company had \$586.4 million authorization remaining under the new plan.

The following is a summary of the Company's share repurchases:

	For the year ended December 31,		
	2021	2020	2019
Total number of shares purchased (in millions) ⁽¹⁾	1.9	3.1	2.0
Average price paid per share ⁽¹⁾	\$ 309.79	\$ 280.17	\$ 231.87
Total price paid (in millions) ⁽¹⁾	\$ 582.5	\$ 856.0	\$ 470.3

Subsequent to December 31, 2021, the Company made the following share repurchases:

Total number of shares purchased (in millions) ⁽¹⁾	1.0
Average price paid per share ⁽¹⁾	\$ 334.40
Total price paid (in millions) ⁽¹⁾	\$ 350.0

(1) Amounts reflected are based on the trade date and differ from the Consolidated Statements of Cash Flows which reflects share repurchases based on the settlement date.

Dividends

As a REIT, the Company is required to distribute annually at least 90% of its REIT taxable income after the utilization of any available NOLs (determined before the deduction for dividends paid and excluding any net capital gain). As of December 31, 2021, \$654.7 million of the federal NOLs are attributes of the REIT. The Company may use these NOLs to offset its REIT taxable income, and thus any required distributions to shareholders may be reduced or eliminated until such time as the Company's NOLs have been fully utilized. The amount of future distributions will be determined, from time to time, by the Board of Directors to balance the Company's goal of increasing long-term shareholder value and retaining sufficient cash to implement the Company's current capital allocation policy, which prioritizes investment in quality assets that meet the Company's return criteria, and then stock repurchases when the Company believes its stock price is below its intrinsic value. The actual amount, timing and frequency of future dividends, will be at the sole discretion of the Board of Directors and will be declared based upon various factors, many of which are beyond the Company's control.

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As of December 31, 2021, the Company paid the following cash dividends:

<u>Date Declared</u>	<u>Payable to Shareholders of Record at the Close of Business on</u>	<u>Cash Paid Per Share</u>	<u>Aggregate Amount Paid</u>	<u>Date Paid</u>
February 19, 2021	March 10, 2021	\$0.58	\$63.4 million	March 26, 2021
April 26, 2021	May 20, 2021	\$0.58	\$63.4 million	June 15, 2021
August 1, 2021	August 26, 2021	\$0.58	\$63.6 million	September 23, 2021
November 1, 2021	November 18, 2021	\$0.58	\$63.1 million	December 16, 2021

Dividends paid in 2021 and 2020 were ordinary taxable dividends.

Subsequent to December 31, 2021, the Company declared the following cash dividends:

<u>Date Declared</u>	<u>Payable to Shareholders of Record at the Close of Business on</u>	<u>Cash to be Paid Per Share</u>	<u>Date to be Paid</u>
February 27, 2022	March 10, 2022	\$0.71	March 25, 2022

13. STOCK-BASED COMPENSATION

On February 25, 2020, the Company's 2010 Plan expired by its terms. On May 14, 2020, the Company's shareholders approved the 2020 Plan which provides for the issuance of up to 3.0 million shares of the Company's Class A common stock (of which approximately 2.8 million shares remain available for future issuance as of December 31, 2021), plus additional shares of Class A common stock (a) subject to awards granted under the 2010 Plan that may become available for issuance or reissuance, as applicable, under the 2020 Plan if such awards are forfeited or are settled in cash or otherwise expire or terminate without the delivery of the shares or (b) which become issuable under the 2020 Plan by reason of any stock dividend, stock split, recapitalization or other similar transaction effected without the receipt of consideration which results in an increase in the number of outstanding shares of Class A common stock.

Commencing with the 2020 equity award, the Company modified the type of equity granted to certain employees to align long-term compensation with Company performance. Under the new structure, the Company continued to issue RSUs; however, RSUs will now vest ratably over three years rather than four years. The Company further replaced stock options with PSUs which will cliff vest at the end of three years. PSUs have performance metrics for which threshold, target, and maximum parameters are established at the time of the grant. The performance metrics are used to calculate the number of shares that will be issuable when the awards vest, which may range from zero to 200% of the target amounts. At the end of each three year performance period, the number of shares that vest will depend on the results achieved against the pre-established performance metrics. Furthermore, effective with the 2020 grant, RSUs and PSUs will accrue dividend equivalents prior to vesting, which will be paid out only in respect to shares that actually vest.

Stock Options

The Company records compensation expense for employee stock options based on the estimated fair value of the options on the date of grant using the Black-Scholes option-pricing model with the assumptions included in the table below. The Company uses a combination of historical data and historical volatility to establish the expected volatility, as well as to estimate the expected option life. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant for the estimated life of the option. The following assumptions were used to estimate the fair value of options granted using the Black-Scholes option-pricing model:

	<u>For the year ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Risk free interest rate	1.66%	1.37% - 2.47%
Dividend yield	1.3%	1.3%
Expected volatility	20.4%	20.4%
Expected lives	4.6 years	4.6 years

There were no options granted during the year ended December 31, 2021.

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The following table summarizes the Company's activities with respect to its stock option plans for the years ended December 31, 2021, 2020 and 2019 as follows (dollars and shares in thousands, except for per share data):

	Number of Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value
Outstanding at December 31, 2018	4,816	\$ 114.48		
Granted	1,068	\$ 183.42		
Exercised	(1,315)	\$ 103.47		
Forfeited/canceled	(62)	\$ 140.85		
Outstanding at December 31, 2019	4,507	\$ 133.68		
Granted	10	\$ 240.99		
Exercised	(1,287)	\$ 110.59		
Forfeited/canceled	(28)	\$ 168.11		
Outstanding at December 31, 2020	3,202	\$ 143.01		
Exercised	(1,290)	\$ 120.90		
Forfeited/canceled	(13)	\$ 179.67		
Outstanding at December 31, 2021	1,899	\$ 157.76	3.3	\$ 439,006
Exercisable at December 31, 2021	1,166	\$ 146.40	2.9	\$ 282,999
Unvested at December 31, 2021	733	\$ 175.86	3.9	\$ 156,007

The weighted average per share fair value of options granted during the years ended December 31, 2020 and 2019 was \$41.09 and \$33.99, respectively.

The total intrinsic value for options exercised during the years ended December 31, 2021, 2020, and 2019 was \$287.8 million, \$235.0 million, and \$132.8 million, respectively. Cash received from option exercises under all plans for the years ended December 31, 2021, 2020, and 2019 was approximately \$80.3 million, \$142.5 million, and \$136.0 million, respectively. The tax benefit realized for the tax deductions from option exercises under all plans was \$11.4 million, \$16.9 million, and \$10.2 million for the years ended December 31, 2021, 2020, and 2019, respectively.

The aggregate intrinsic value for stock options in the preceding table represents the total intrinsic value based on the Company's closing stock price of \$389.02 as of December 31, 2021. The amount represents the total intrinsic value that would have been received by the holders of the stock-based awards had these awards been exercised and sold as of that date.

Additional information regarding options outstanding and exercisable at December 31, 2021 is as follows:

Range	Options Outstanding			Options Exercisable	
	Outstanding (in thousands)	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Exercisable (in thousands)	Weighted Average Exercise Price
\$95.01 - \$115.00	145	1.2	\$ 97.90	144	\$ 97.90
\$115.01 - \$150.00	303	2.1	\$ 116.20	303	\$ 116.20
\$150.01 - \$180.00	606	3.2	\$ 156.54	389	\$ 156.55
\$180.01 - \$270.00	845	4.2	\$ 183.77	330	\$ 183.44
	<u>1,899</u>			<u>1,166</u>	

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The following table summarizes the activity of options outstanding that had not yet vested:

	Number of Shares		Weighted Average Fair Value Per Share
	(in thousands)		
Unvested as of December 31, 2020	1,502	\$	31.91
Vested	(756)	\$	30.09
Forfeited	(13)	\$	34.13
Unvested as of December 31, 2021	733	\$	33.74

As of December 31, 2021, the total unrecognized compensation expense related to unvested stock options outstanding under the Plans is \$5.3 million. That cost is expected to be recognized over a weighted average period of 1.1 years.

The total fair value of options vested during 2021, 2020, and 2019 was \$22.7 million, \$28.8 million, and \$26.5 million, respectively.

Restricted Stock Units and Performance-Based Restricted Stock Units

The following table summarizes the Company's RSU and PSU activity for the year ended December 31, 2021:

	RSUs		PSUs ⁽¹⁾	
	Number of Shares	Weighted Average Grant Date Fair Value per Share	Number of Shares	Weighted Average Grant Date Fair Value per Share
	(in thousands)		(in thousands)	
Outstanding at December 31, 2020	274	\$ 206.48	148	\$ 376.48
Granted	107	\$ 240.09	155	\$ 236.72
Vested	(128)	\$ 187.32	—	\$ —
Forfeited/canceled	(10)	\$ 236.71	(5)	\$ 340.32
Outstanding at December 31, 2021	243	\$ 230.20	298	\$ 304.46

(1) PSUs represent the target number of shares granted that are issuable at the end of the three year performance period. Fair value for a portion of the PSUs was calculated using a Monte Carlo simulation model.

Employee Stock Purchase Plan

In 2018, the Board of Directors of the Company adopted the 2018 Employee Stock Purchase Plan ("2018 Purchase Plan") which replaced the 2008 Purchase Plan and reserved 300,000 shares of Class A common stock for purchase. The 2018 Purchase Plan permits eligible employee participants to purchase Class A common stock at a price per share which is equal to 85% of the fair market value of Class A common stock on the last day of an offering period. For the years ended December 31, 2021 and 2020, 25,031 shares and 25,058 shares, respectively, of Class A common stock were issued under the 2018 Purchase Plan, which resulted in cash proceeds to the Company of approximately \$6.4 million and \$6.1 million, respectively. At December 31, 2021, 209,731 shares remained available for issuance under the 2018 Purchase Plan.

In addition, the Company recorded \$1.1 million, \$1.1 million, and \$1.0 million of non-cash compensation expense relating to the shares issued under the 2018 Purchase Plan for each of the years ended December 31, 2021, 2020, and 2019, respectively.

Non-Cash Compensation Expense

The table below reflects a breakout by category of the non-cash compensation expense amounts recognized on the Company's Statements of Operations for the years ended December 31, 2021, 2020, and 2019, respectively:

	For the year ended December 31,		
	2021	2020	2019
	(in thousands)		
Cost of revenues	\$ 2,483	\$ 2,074	\$ 2,034
Selling, general and administrative	81,919	66,816	71,180
Total cost of non-cash compensation included in income before provision for income taxes	\$ 84,402	\$ 68,890	\$ 73,214

During 2018, the Board of Directors adopted a retirement policy applicable to all employees receiving equity as part of their compensation plan. This policy was effective January 1, 2019. Historically, all unvested equity awards were forfeited upon termination of employment and any options that were vested but unexercised would be forfeited 90 days after the termination of employment. The new retirement policy allows employees that meet certain conditions to vest or continue vesting in outstanding equity awards following retirement and extends the time the employee has to exercise vested and outstanding awards. As a result of this policy, stock compensation expense related to the adoption of the policy resulted in an acceleration of unrecognized stock compensation expense of approximately \$18.5 million in 2019.

In addition, the Company capitalized \$1.4 million, \$1.5 million, and \$1.1 million of non-cash compensation for the years ended December 31, 2021, 2020, and 2019, respectively, to fixed assets.

14. INCOME TAXES

As discussed in Note 2, the Company began operating in compliance with REIT requirements for federal income tax purposes effective January 1, 2016. As a REIT, the Company must distribute at least 90 percent of its taxable income (including dividends paid to it by its TRSs) except to the extent offset by NOLs. In addition, the Company must meet a number of other organizational and operational requirements. It is management's intention to adhere to these requirements and maintain the Company's REIT status. Most states where the Company operates conform to the federal rules recognizing REITs. Certain subsidiaries have made an election with the Company to be treated as TRSs in conjunction with the Company's REIT election; the TRS elections permit the Company to engage in certain business activities in which the REIT may not engage directly. A TRS is subject to federal and state income taxes on the income from these activities. A provision for taxes of the TRSs and of foreign branches of the REIT is included in its consolidated financial statements.

Income (loss) before provision (benefit) for income taxes by geographic area is as follows:

	For the year ended December 31,		
	2021	2020	2019
	(in thousands)		
Domestic	\$ 265,636	\$ 151,421	\$ 133,046
Foreign	(13,072)	(169,170)	53,843
Total	\$ 252,564	\$ (17,749)	\$ 186,889

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The provision (benefit) for income taxes consists of the following components:

	For the year ended December 31,		
	2021	2020	2019
	(in thousands)		
Current provision:			
State	\$ 543	\$ 753	\$ 5,520
Foreign	22,907	20,638	18,150
Total current	<u>23,450</u>	<u>21,391</u>	<u>23,670</u>
Deferred provision (benefit) for taxes:			
Federal	20	(7,552)	(3,306)
State	(2,730)	(4,684)	1,952
Foreign	(9,516)	(59,956)	13,138
Change in valuation allowance	3,716	9,005	4,151
Total deferred	<u>(8,510)</u>	<u>(63,187)</u>	<u>15,935</u>
Total provision (benefit) for income taxes	<u>\$ 14,940</u>	<u>\$ (41,796)</u>	<u>\$ 39,605</u>

A reconciliation of the provision (benefit) for income taxes at the statutory U.S. Federal tax rate (21%) and the effective income tax rate is as follows:

	For the year ended December 31,		
	2021	2020	2019
	(in thousands)		
Statutory federal expense	\$ 53,039	\$ (3,727)	\$ 39,247
Rate and permanent differences on non-U.S. earnings ⁽¹⁾	9,586	(7,531)	15,937
State and local tax expense	(1,539)	(3,707)	7,578
REIT adjustment	(56,457)	(35,539)	(28,975)
Permanent differences	6,105	(736)	18
Other	490	439	1,649
Valuation allowance	3,716	9,005	4,151
Provision (benefit) for income taxes	<u>\$ 14,940</u>	<u>\$ (41,796)</u>	<u>\$ 39,605</u>

(1) This item includes the effect of foreign exchange rate changes which were previously shown on a separate line.

The components of the net noncurrent deferred income tax asset (liability) accounts are as follows:

	As of December 31,	
	2021	2020
	(in thousands)	
Deferred tax assets:		
Net operating losses	\$ 56,445	\$ 55,657
Property, equipment, and intangible basis differences	11,601	9,813
Accrued liabilities	8,890	6,561
Non-cash compensation	11,637	20,128
Operating lease liability	221,287	232,329
Deferred revenue	4,646	2,846
Allowance for doubtful accounts	1,512	3,017
Currency translation	98,918	99,344
Other	8,479	5,808
Valuation allowance	(66,134)	(63,239)
Total deferred tax assets, net ⁽¹⁾	357,281	372,264
Deferred tax liabilities:		
Property, equipment, and intangible basis differences	(134,005)	(145,328)
Right-of-use asset	(211,146)	(223,366)
Straight-line rents	(19,054)	(20,809)
Deferred foreign withholding taxes	(10,313)	(9,796)
Other	(1,571)	(1,532)
Total deferred tax liabilities, net ⁽¹⁾	\$ (18,808)	\$ (28,567)

(1) Of these amounts, \$51,918 and \$70,726 are included in Other assets and Other long-term liabilities, respectively, on the accompanying Consolidated Balance Sheets as of December 31, 2021. As of December 31, 2020, \$53,722 and \$82,290 are included in Other assets and Other long-term liabilities, respectively, on the accompanying Consolidated Balance Sheet.

A deferred tax asset is reduced by a valuation allowance if based on the weight of all available evidence, including both positive and negative evidence, it is more likely than not (a likelihood of more than 50%) that the value of such assets will not be realized. The valuation allowance should be sufficient to reduce the deferred tax asset to the amount that is more likely than not to be realized. The realization of deferred tax assets, including carryforwards and deductible temporary differences, depends upon the existence of sufficient taxable income of the same character during the carryback or carryforward period. All sources of taxable income available to realize the deferred tax asset, including the future reversal of existing temporary differences, future taxable income exclusive of reversing temporary differences and carryforwards, taxable income in carryback years and tax-planning strategies, should be considered.

The Company has recorded a valuation allowance for certain deferred tax assets as management believes that it is not “more-likely-than-not” that the Company will generate sufficient taxable income in future periods to recognize the assets. Valuation allowances of \$66.1 million and \$63.2 million were being carried to offset net deferred income tax assets as of December 31, 2021 and 2020, respectively. The net change in the valuation allowance for the years ended December 31, 2021 and 2020 was an increase of \$2.9 million and an increase of \$8.6 million, respectively.

The Company has available at December 31, 2021, a federal NOL carry-forward of approximately \$790.3 million. \$748.8 million of these NOL carry-forwards will expire between 2025 and 2037, and \$41.5 million have an indefinite carry-forward. As of December 31, 2021, \$654.7 million of the federal NOLs are attributes of the REIT. The Company may use these NOLs to offset its REIT taxable income, and thus any required distributions to shareholders may be reduced or eliminated until such time as the NOLs have been fully utilized. The Internal Revenue Code places limitations upon the future availability of NOLs based upon changes in the equity of the Company. If these occur, the ability of the Company to offset future income with existing NOLs may be limited. In addition, the Company has available at December 31, 2021, a foreign NOL carry-forward of \$69.6 million and a net state operating tax loss carry-forward of approximately \$441.6 million. These net operating tax loss carry-forwards began to expire in 2021.

The tax losses generated in tax years 2003 through 2016 remain subject to audit adjustment, and tax years 2017 and forward are open to examination by the major jurisdictions in which the Company operates.

The Company has removed the permanent reinvestment assertion as of December 31, 2021 for all foreign earnings of the Company's foreign jurisdictions except Argentina. The Company has also removed its permanent reinvestment assertion on the investment in the Company's Guatemala and El Salvador subsidiaries. The Company has recorded deferred foreign withholding taxes of \$10.3 million at December 31, 2021. No additional income taxes have been provided for any additional outside basis difference inherent in these entities, as these amounts continue to be indefinitely reinvested in foreign operations except as noted in Guatemala and El Salvador. The deferred incomes taxes related to the Guatemala and El Salvador subsidiaries are immaterial and determining the amount of unrecognized deferred tax liability for any additional outside basis differences in these entities that the investment is indefinitely reinvested is not practicable.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation in the form of the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act subjects a U.S. shareholder to tax on Global Intangible Low-Taxed Income ("GILTI") earned by certain foreign subsidiaries. The FASB Staff Q&A, Topic 740, No. 5, Accounting for Global Intangible Low-Taxed Income, states that an entity can make an accounting policy election to either recognize deferred taxes for temporary basis differences expected to reverse as GILTI in future years or to provide for the tax expense related to GILTI in the year the tax is incurred as a period expense only. The Company has elected to account for GILTI in the year it is incurred. There is no income inclusion for GILTI for the year ended December 31, 2021.

15. SEGMENT DATA

The Company operates principally in two business segments: site leasing and site development. The Company's site leasing business includes two reportable segments, domestic site leasing and international site leasing. The Company's business segments are strategic business units that offer different services. They are managed separately based on the fundamental differences in their operations. The site leasing segment includes results of the managed and sublease businesses. The site development segment includes the results of both consulting and construction related activities. The Company's Chief Operating Decision Maker utilizes segment operating profit and operating income as his two measures of segment profit in assessing performance and allocating resources at the reportable segment level. The Company has applied the aggregation criteria to operations within the international site leasing segment on a basis that is consistent with management's review of information and performance evaluations of the individual markets in this region.

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Revenues, cost of revenues (exclusive of depreciation, accretion and amortization), capital expenditures (including assets acquired through the issuance of shares of the Company's Class A common stock) and identifiable assets pertaining to the segments in which the Company continues to operate are presented below.

	Domestic Site Leasing	Int'l Site Leasing	Site Development	Other	Total
(in thousands)					
For the year ended December 31, 2021					
Revenues	\$ 1,681,372	\$ 422,715	\$ 204,747	\$ —	\$ 2,308,834
Cost of revenues ⁽¹⁾	258,612	127,779	159,093	—	545,484
Operating profit	1,422,760	294,936	45,654	—	1,763,350
Selling, general, and administrative expenses	115,458	37,768	20,636	46,167	220,029
Acquisition and new business initiatives related adjustments and expenses	14,452	13,169	—	—	27,621
Asset impairment and decommission costs	20,135	12,763	—	146	33,044
Depreciation, amortization and accretion	514,234	177,059	2,295	6,573	700,161
Operating income (loss)	758,481	54,177	22,723	(52,886)	782,495
Other expense (principally interest expense and other expense)				(529,931)	(529,931)
Income before income taxes					252,564
Cash capital expenditures ⁽²⁾	1,249,075	135,591	2,563	6,269	1,393,498
For the year ended December 31, 2020					
Revenues	\$ 1,558,311	\$ 396,161	\$ 128,666	\$ —	\$ 2,083,138
Cost of revenues ⁽¹⁾	256,673	117,105	102,750	—	476,528
Operating profit	1,301,638	279,056	25,916	—	1,606,610
Selling, general, and administrative expenses	102,889	34,905	17,663	38,810	194,267
Acquisition and new business initiatives related adjustments and expenses	10,331	6,251	—	—	16,582
Asset impairment and decommission costs	28,887	11,210	—	—	40,097
Depreciation, amortization and accretion	539,399	174,073	2,356	6,142	721,970
Operating (loss) income	620,132	52,617	5,897	(44,952)	633,694
Other expense (principally interest expense and other expense)				(651,443)	(651,443)
Loss before income taxes					(17,749)
Cash capital expenditures ⁽²⁾	303,366	89,762	1,752	6,191	401,071
For the year ended December 31, 2019					
Revenues	\$ 1,487,108	\$ 373,750	\$ 153,787	\$ —	\$ 2,014,645
Cost of revenues ⁽¹⁾	258,413	115,538	119,080	—	493,031
Operating profit	1,228,695	258,212	34,707	—	1,521,614
Selling, general, and administrative expenses	99,707	32,411	21,525	39,074	192,717
Acquisition and new business initiatives related adjustments and expenses	7,933	7,295	—	—	15,228
Asset impairment and decommission costs	24,202	8,899	2	—	33,103
Depreciation, amortization and accretion	527,718	161,183	2,341	5,836	697,078
Operating income (loss)	569,135	48,424	10,839	(44,910)	583,488
Other expense (principally interest expense and other expense)				(396,599)	(396,599)
Income before income taxes					186,889
Cash capital expenditures ⁽²⁾	287,793	635,728	3,900	4,271	931,692

	Domestic Site Leasing	Int'l Site Leasing	Site Development	Other ⁽³⁾	Total
(in thousands)					
Assets					
As of December 31, 2021	\$ 6,628,156	\$ 2,870,503	\$ 87,410	\$ 215,630	\$ 9,801,699
As of December 31, 2020	\$ 5,893,636	\$ 2,955,563	\$ 61,729	\$ 247,090	\$ 9,158,018

(1) Excludes depreciation, amortization, and accretion.

(2) Includes cash paid for capital expenditures, acquisitions, and right-of-use assets.

(3) Assets in Other consist primarily of general corporate assets and short-term investments.

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For the years ended December 31, 2021, 2020, and 2019, site leasing revenue in Brazil was \$233.5 million, \$222.6 million, and \$226.7 million, respectively. Other than Brazil, no foreign country represented a material amount of the Company's total site leasing revenues in any of the periods presented. Total long-lived assets in Brazil were \$0.9 billion and \$1.0 billion as of December 31, 2021 and 2020, respectively.

16. EARNINGS PER SHARE

Basic earnings per share was computed by dividing net income attributable to SBA Communications Corporation by the weighted average number of shares of Common Stock outstanding for each respective period. Diluted earnings per share was calculated by dividing net income attributable to SBA Communications Corporation by the weighted average number of shares of Common Stock outstanding adjusted for any dilutive Common Stock equivalents, including unvested RSUs, PSUs, and shares issuable upon exercise of stock options as determined under the "Treasury Stock" method.

The following table sets forth basic and diluted net income per common share attributable to common shareholders for the years ended December 31, 2021, 2020, and 2019 (in thousands, except per share data):

	For the year ended December 31,		
	2021	2020	2019
Numerator:			
Net income attributable to SBA Communications Corporation	\$ 237,624	\$ 24,104	\$ 146,991
Denominator:			
Basic weighted average shares outstanding	109,328	111,532	112,809
Dilutive impact of stock options, RSUs, and PSUs	1,849	1,933	1,884
Diluted weighted average shares outstanding	<u>111,177</u>	<u>113,465</u>	<u>114,693</u>
Net income per common share attributable to SBA Communications Corporation:			
Basic	\$ 2.17	\$ 0.22	\$ 1.30
Diluted	\$ 2.14	\$ 0.21	\$ 1.28

For the years ended December 31, 2021, 2020, and 2019, the diluted weighted average number of common shares outstanding excluded an immaterial number of shares issuable upon exercise of the Company's stock options because the impact would be anti-dilutive.

17. COMMITMENTS AND CONTINGENCIES

The Company is obligated under various non-cancelable operating leases for land, office space, equipment, and site leases. In addition, the Company is obligated under various non-cancelable financing leases for vehicles. The annual minimum lease payments, including fixed rate escalations as of December 31, 2021 are as follows (in thousands):

	Finance Leases	Operating Leases
2022	\$ 1,792	\$ 244,494
2023	1,356	245,974
2024	614	246,435
2025	216	246,246
2026	—	245,191
Thereafter	—	2,261,587
Total minimum lease payments	<u>3,978</u>	<u>3,489,927</u>
Less: amount representing interest	(171)	(1,273,884)
Present value of future payments	3,807	2,216,043
Less: current obligations	(1,693)	(236,804)
Long-term obligations	<u>\$ 2,114</u>	<u>\$ 1,979,239</u>

[Table of Contents](#)***Tenant (Operating) Leases***

The annual minimum tower lease income to be received for tower space rental under non-cancelable operating leases, including fixed rate escalations, as of December 31, 2021 is as follows:

	(in thousands)
2022	\$ 1,851,326
2023	1,728,749
2024	1,568,090
2025	1,299,802
2026	966,301
Thereafter	2,392,701
Total	<u>\$ 9,806,969</u>

Litigation

The Company is involved in various claims, lawsuits and proceedings arising in the ordinary course of business. While there are uncertainties inherent in the ultimate outcome of such matters and it is impossible to presently determine the ultimate costs that may be incurred, management believes the resolution of such uncertainties and the incurrence of such costs will not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

Contingent Purchase Obligations

From time to time, the Company agrees to pay additional consideration (or earnouts) for acquisitions if the towers or businesses that are acquired meet or exceed certain performance targets in the one year to three years after they have been acquired. Please refer to Note 3.

18. CONCENTRATION OF CREDIT RISK

The Company's credit risks consist primarily of accounts receivable with national, regional, and local wireless service providers and federal and state government agencies. The Company performs periodic credit evaluations of its customers' financial condition and provides allowances for doubtful accounts, as required, based upon factors surrounding the credit risk of specific customers, historical trends, and other information. The Company generally does not require collateral.

The following is a list of significant customers (representing at least 10% of revenue for any period reported) and the percentage of total revenue for the specified time periods derived from such customers:

Percentage of Total Revenues	For the year ended December 31,		
	2021	2020	2019
T-Mobile ⁽¹⁾	36.2%	34.5%	35.1%
AT&T Wireless	22.2%	24.1%	23.8%
Verizon Wireless	14.7%	14.1%	14.0%

(1) Amounts have been adjusted to reflect the merger of T-Mobile and Sprint on April 1, 2020.

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The Company's site leasing and site development segments derive revenue from these customers. Client percentages of total revenue in each of the segments are as follows:

<u>Percentage of Domestic Site Leasing Revenue</u>	<u>For the year ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
T-Mobile ⁽¹⁾	40.2%	40.5%	40.6%
AT&T Wireless	30.5%	32.2%	32.1%
Verizon Wireless	19.8%	18.5%	18.6%

<u>Percentage of International Site Leasing Revenue</u>	<u>For the year ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Oi S.A.	28.3%	28.7%	31.3%
Telefonica	16.3%	18.1%	26.9%
Claro	13.7%	14.5%	11.6%

(1) Amounts have been adjusted to reflect the merger of T-Mobile and Sprint on April 1, 2020.

<u>Percentage of Site Development Revenue</u>	<u>For the year ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
T-Mobile ⁽¹⁾	78.2%	66.8%	67.5%

(1) Amounts have been adjusted to reflect the merger of T-Mobile and Sprint on April 1, 2020.

Five customers comprised 65.5% and 63.8% of total gross accounts receivable at December 31, 2021 and December 31, 2020, respectively.

19. DEFINED CONTRIBUTION PLAN

The Company has a defined contribution profit sharing plan under Section 401(k) of the Internal Revenue Code that provides for voluntary employee contributions up to the limitations set forth in Section 402(g) of the Internal Revenue Code. Employees have the opportunity to participate following completion of three months of employment and must be 21 years of age. Employer matching begins immediately upon the employee's participation in the plan.

The Company makes a discretionary matching contribution of 75% of an employee's contributions up to a maximum of \$4,000 annually. Company matching contributions were approximately \$2.9 million, \$2.7 million and \$2.4 million for the years ended December 31, 2021, 2020 and 2019, respectively.

20. REDEEMABLE NONCONTROLLING INTERESTS

As a result of its acquisition of additional interests of a previously unconsolidated joint venture in South Africa which operated under the name Atlas Tower South Africa ("Atlas SA"), the Company has consolidated the results of the entity into its financial statements since August 2019. In connection with the acquisition of the additional interest in Atlas SA, the parties agreed to both a put option exercisable by the noncontrolling interest holder and a call option exercisable by the Company for the remaining minority interest based on a formulaic approach. On December 31, 2021, the Company remitted to the seller closing consideration for the remaining interest in the joint venture.

In June 2021, the Company entered into a joint venture agreement with a non-affiliated partner for the purpose of acquiring towers in Tanzania from Airtel Tanzania PLC which closed on January 4, 2022 (see Note 7). Effective June 2021, the Company consolidated the results of the joint venture into its financial statements. The agreement contains both a put option exercisable by the noncontrolling interest holder and a call option exercisable by the Company for the remaining minority interest based on a formulaic approach. As the put option is outside of the Company's control, the estimated redemption value of the minority interest is presented as a redeemable noncontrolling interest outside of permanent equity on the Consolidated Balance Sheets. As of December 31, 2021, the fair market value of the noncontrolling interest was \$17.3 million.

The Company allocates income and losses to the noncontrolling interest holder based on the applicable membership interest percentage. At each reporting period, the redeemable noncontrolling interest is recognized at the greater of (1) the initial carrying amount of the noncontrolling interest as adjusted for accumulated income or loss attributable to the noncontrolling interest holder, or

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(2) the contractually-defined redemption value as of the balance sheet date. Adjustments to the carrying amount of redeemable noncontrolling interest are charged against retained earnings (or additional paid-in capital if there are no retained earnings).

The components of redeemable noncontrolling interests as of December 31, 2021 are as follows (in thousands):

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Beginning balance	\$ 15,194	\$ 16,052
Net loss attributable to noncontrolling interests	—	(57)
Foreign currency translation adjustments	—	(52)
Purchase of noncontrolling interests	(18,000)	—
Contribution from joint venture partner	17,250	—
Adjustment to fair value	2,806	(749)
Ending balance	<u>\$ 17,250</u>	<u>\$ 15,194</u>

21. DERIVATIVES AND HEDGING ACTIVITIES

The Company enters into interest rate swaps to hedge the future interest expense from variable rate debt and reduce the Company's exposure to fluctuations in interest rates. On August 4, 2020, the Company, through its wholly owned subsidiary, SBA Senior Finance II, terminated its existing \$1.95 billion cash flow hedge on a portion of its 2018 Term Loan in exchange for a payment of \$176.2 million. On the same date, the Company entered into an interest rate swap for \$1.95 billion of notional value accruing interest at one month LIBOR plus 175 basis points for a fixed rate of 1.874% per annum through the maturity date of the 2018 Term Loan. The Company designated this interest rate swap as a cash flow hedge as it is expected to be highly effective at offsetting changes in cash flows of the LIBOR based component interest payments of its 2018 Term Loan. As of December 31, 2021, the hedge remains highly effective; therefore, subsequent changes in the fair value are recorded in Accumulated other comprehensive loss, net. As of December 31, 2021 and December 31, 2020 the interest rate swap has a fair value of \$60.3 million and 12.1 million, respectively, and is recorded in Other assets on the Consolidated Balance Sheets.

On August 4, 2020, the Company also terminated its existing interest rate swaps, which were previously de-designated as cash flow hedges. There was no cash transferred in connection with the termination of these swaps. The Company reclassifies the fair value of its interest rate swaps recorded in Accumulated other comprehensive loss, net on their de-designation date to non-cash interest expense on the Consolidated Statements of Operations over their respective remaining term end dates which range from 2023 to 2025.

Accumulated other comprehensive loss, net includes an aggregate of \$47.8 million and \$140.9 million of accumulated derivative net losses as of December 31, 2021 and December 31, 2020, respectively.

The Company is exposed to counterparty credit risk to the extent that a counterparty fails to meet the terms of a contract. The Company's exposure is limited to the current value of the contract at the time the counterparty fails to perform.

The cash flows associated with these activities are reported in Net cash provided by operating activities on the Consolidated Statements of Cash Flows with the exception of the termination of interest rate swaps which are recorded in Net cash used in financing activities.

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The table below outlines the effects of the Company's derivatives on the Consolidated Statements of Operations and Consolidated Statements of Shareholders' Deficit for the fiscal years ended December 31, 2021, 2020, and 2019.

	For the year ended December 31,		
	2021	2020	2019
(in thousands)			
Cash Flow Hedge - Interest Rate Swap Agreement			
Change in fair value recorded in Accumulated other comprehensive loss, net	\$ 48,200	\$ (128,086)	\$ 16,887
Amount recognized in Non-cash interest expense	\$ —	\$ (6,707)	\$ (878)
Derivatives Not Designated as Hedges - Interest Rate Swap Agreements			
Amount recorded in Accumulated other comprehensive loss, net	\$ —	\$ —	\$ (60,462)
Amount reclassified from Accumulated other comprehensive loss, net into Non-cash interest expense	\$ 44,887	\$ 29,315	\$ 1,444

22. QUARTERLY FINANCIAL DATA (unaudited)

	Quarter Ended			
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
(in thousands, except per share amounts)				
Revenues	\$ 595,262	\$ 589,305	\$ 575,528	\$ 548,739
Operating income	197,376	211,776	199,764	173,579
Depreciation, accretion, and amortization	(169,895)	(170,916)	(175,469)	(183,881)
Net income (loss) attributable to SBA Communications Corporation	48,902	47,798	152,669	(11,745)
Net income (loss) per common share - basic	\$ 0.45	\$ 0.44	\$ 1.40	\$ (0.11)
Net income (loss) per common share - diluted	0.44	0.43	1.37	(0.11)

	Quarter Ended			
	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
(in thousands, except per share amounts)				
Revenues	\$ 535,905	\$ 522,940	\$ 507,226	\$ 517,067
Operating income	165,100	160,337	157,054	151,203
Depreciation, accretion, and amortization	(180,383)	(180,302)	(178,706)	(182,579)
Net income attributable to SBA Communications Corporation	105,781	22,568	22,813	(127,058)
Net income per common share - basic	\$ 0.96	\$ 0.20	\$ 0.20	\$ (1.14)
Net income per common share - diluted	0.94	0.20	0.20	(1.14)

Because net income (loss) per share amounts are calculated using the weighted average number of common and dilutive common shares outstanding during each quarter, the sum of the per share amounts for the four quarters may not equal the total loss per share amounts for the year.

EIGHTH
LOAN AND SECURITY AGREEMENT SUPPLEMENT AND AMENDMENT

among

SBA PROPERTIES, LLC,
SBA SITES, LLC,
SBA STRUCTURES, LLC,
SBA INFRASTRUCTURE, LLC,
SBA MONARCH TOWERS III, LLC,
SBA 2012 TC ASSETS PR, LLC,
SBA 2012 TC ASSETS, LLC,
SBA TOWERS IV, LLC,
SBA MONARCH TOWERS I, LLC,
SBA TOWERS USVI, INC.,
SBA GC TOWERS, LLC,
SBA TOWERS VII, LLC
SBA TOWERS V, LLC
SBA TOWERS VI, LLC
as Closing Date Borrowers,

and

MIDLAND LOAN SERVICES, A DIVISION OF PNC BANK, NATIONAL ASSOCIATION,
as Servicer on behalf of Deutsche Bank Trust Company Americas, as Trustee

dated as of September 10, 2021

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EIGHTH LOAN AND SECURITY AGREEMENT SUPPLEMENT AND AMENDMENT

EIGHTH LOAN AND SECURITY AGREEMENT SUPPLEMENT AND AMENDMENT (this "Loan Agreement Supplement"), dated as of September 10, 2021, and entered into by and among **SBA PROPERTIES, LLC** ("SBA Properties"), **SBA SITES, LLC**, a Delaware limited liability company ("SBA Sites"), **SBA STRUCTURES, LLC**, a Delaware limited liability company ("SBA Structures"), **SBA INFRASTRUCTURE, LLC**, a Delaware limited liability company ("SBA Infrastructure"), **SBA MONARCH TOWERS III, LLC**, a Delaware limited liability company ("SBA Monarch III"), **SBA 2012 TC ASSETS PR, LLC**, a Delaware limited liability company ("SBA TC PR"), **SBA 2012 TC ASSETS, LLC**, a Delaware limited liability company ("SBA TC"), **SBA TOWERS IV, LLC**, a Delaware limited liability company ("SBA Towers IV"), **SBA MONARCH TOWERS I, LLC**, a Delaware limited liability company ("SBA Monarch I"), **SBA TOWERS USVI, INC.**, a U.S. Virgin Islands corporation ("SBA USVI"), **SBA GC TOWERS, LLC**, a Delaware limited liability company ("SBA GC"), **SBA TOWERS VII, LLC**, a Delaware limited liability company ("SBA Towers VII"), **SBA TOWERS V, LLC**, a Delaware limited liability company ("SBA Towers V") and **SBA TOWERS VI, LLC**, a Delaware limited liability company ("SBA Towers VI" and, collectively with SBA Properties, SBA Sites, SBA Structures, SBA Infrastructure, SBA Monarch III, SBA TC PR, SBA TC, SBA Towers IV, SBA Monarch I, SBA USVI, SBA GC, SBA Towers VII and SBA Towers V, the "Closing Date Borrowers" and, each individually, a "Closing Date Borrower"), and **MIDLAND LOAN SERVICES, A DIVISION OF PNC BANK, NATIONAL ASSOCIATION**, as servicer (the "Servicer"), on behalf of **DEUTSCHE BANK TRUST COMPANY AMERICAS**, as trustee (the "Trustee") under that certain Amended and Restated Trust and Servicing Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "Trust Agreement") dated as of October 15, 2014 among **SBA DEPOSITOR LLC** (the "Depositor"), the Servicer and the Trustee.

RECITALS

WHEREAS, the Closing Date Borrowers are the Borrowers under a Second Amended and Restated Loan and Security Agreement, dated as of October 15, 2014, as supplemented and amended by the First Loan and Security Agreement Supplement and Amendment, dated as of October 14, 2015, the Second Loan and Security Agreement Supplement, dated as of July 7, 2016, the Third Loan and Security Agreement Supplement and Amendment, dated as of April 17, 2017, the Fourth Loan and Security Agreement Supplement, dated as of March 9, 2018, the Fifth Loan and Security Agreement Supplement, dated as of September 13, 2019, the Sixth Loan and Security Agreement Supplement, dated as of July 14, 2020, and the Seventh Loan and Security Agreement Supplement, dated as of May 14, 2021 (the "Loan Agreement"), among the Closing Date Borrowers and the Servicer on behalf of the Trustee;

WHEREAS, the Closing Date Borrowers and the Lender have agreed to certain amendments to the Loan Agreement in accordance with Section 14.3 thereof;

WHEREAS, the Closing Date Borrowers and the Lender intend these recitals to be a material part of this Loan Agreement Supplement; and

WHEREAS, all things necessary to make this Loan Agreement Supplement the valid and legally binding obligation of the Closing Date Borrowers in accordance with its terms, for the uses and purposes herein set forth, have been done and performed.

NOW, THEREFORE, it is mutually covenanted and agreed as follows:

**ARTICLE I
DEFINITIONS AND INCORPORATION BY REFERENCE**

Definitions.

All defined terms used herein and not defined herein shall have the meanings ascribed to such terms in the Loan Agreement. All words and phrases defined in the Loan Agreement shall have the same meanings in this Loan Agreement Supplement, except as otherwise appears in this Article. Words importing the masculine gender include the feminine gender. Words importing persons include firms, associations and corporations. Words importing the singular number include the plural number and vice versa.

**ARTICLE II
Amendment to the Loan Agreement**

Title to the Sites.

The parties hereto agree that Section 4.5 of the Loan Agreement is hereby amended to add the underlined text (indicated textually in the same manner as the following example: **underlined text**) as follows:

“The Borrowers have good and marketable fee simple title (or, in the case of the Ground Lease Sites, leasehold title, or in the case of Easement Sites, an Easement) to the Sites, other than the Managed Sites, free and clear of all Liens except for the Permitted Encumbrances. The Borrowers own all personal property on the Sites (other than the Managed Sites and personal property which is owned by tenants of such Site, not used or necessary for the operation of the applicable Site or leased by the Borrowers as permitted hereunder), subject only to the Permitted Encumbrances, or which constitutes leased temporary mobile antennas. The Deeds of Trust have created or will create (i) a valid, perfected first lien on the applicable Sites, subject only to the Permitted Encumbrances, and (ii) perfected first priority security interests in and to, and perfected collateral assignments of, all personalty in connection therewith (including the Rents and the Leases), all in accordance with the terms thereof, in each case subject only to any applicable Permitted Encumbrances. There are no proceedings in condemnation or eminent domain affecting any of the Sites, and to the actual Knowledge of the Borrowers, none is threatened, **that in either case would individually or in the aggregate cause a Material Adverse Effect**. No Person has any option or other right to purchase (other than rights of first refusal) all or any portion of any interest owned by the Borrowers with respect to the Sites. There are no mechanic’s, materialman’s or other similar liens or claims which have been filed for work, labor or materials affecting the Sites which are or will be liens prior to, or equal or coordinate with, the lien of the applicable Deed of Trust the effect of which is reasonably likely to have a Material Adverse Effect. The Permitted Encumbrances, in the aggregate, do not materially interfere with the benefits of the security intended to be provided by the Deeds of Trust and this Loan Agreement, materially and adversely affect the value of any of the Mortgaged Sites taken as a whole, impair the use or operations of any of the Mortgaged Sites or impair the Borrowers’ ability to pay the Obligations in a timely manner.”

**ARTICLE III
GENERAL PROVISIONS**

Governing Law.

THIS LOAN AGREEMENT SUPPLEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. THE CLOSING DATE BORROWERS IRREVOCABLY SUBMIT TO THE JURISDICTION OF ANY NEW YORK STATE COURT OR UNITED STATES FEDERAL COURT SITTING IN THE BOROUGH OF MANHATTAN, THE CITY OF NEW YORK IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR IN RELATION TO THE LOAN AGREEMENT, THIS LOAN AGREEMENT SUPPLEMENT OR THE OTHER LOAN DOCUMENTS.

Severability.

In case any provision in this Loan Agreement Supplement shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Counterparts.

This Loan Agreement Supplement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such respective counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Loan Agreement Supplement in Portable Document Format (PDF) or by facsimile transmission shall be as effective as delivery of a manually executed original counterpart of this Loan Agreement Supplement. The parties agree that this Loan Agreement Supplement or any amendment hereto or any other document necessary for the consummation of the transaction contemplated by this Loan Agreement Supplement may be accepted, executed or agreed to through the use of an electronic signature in accordance with the Electronic Signatures in Global and National Commerce Act, Title 15, United States Code, Sections 7001 et seq., the Uniform Electronic Transaction Act and any applicable state law. Electronic signature shall mean any electronic symbol or process attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record and shall be the same as handwritten signatures for the purposes of validity, enforceability and admissibility. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Loan Agreement Supplement or any document to be signed in connection with this Loan Agreement Supplement shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Closing Date Borrowers and the Servicer on behalf of the Trustee have caused this Loan Agreement Supplement to be duly executed by their respective officers, thereunto duly authorized, all as of the day and year first above written.

SBA PROPERTIES, LLC, as Closing Date Borrower

By: /s/ Thomas P. Hunt

Name: Thomas P. Hunt

Title: Executive Vice President
and General Counsel

SBA SITES, LLC, as Closing Date Borrower

By: /s/ Thomas P. Hunt

Name: Thomas P. Hunt

Title: Executive Vice President
and General Counsel

SBA STRUCTURES, LLC, as Closing Date Borrower

By: /s/ Thomas P. Hunt

Name: Thomas P. Hunt

Title: Executive Vice President
and General Counsel

SBA INFRASTRUCTURE, LLC, as Closing Date Borrower

By: /s/ Thomas P. Hunt

Name: Thomas P. Hunt

Title: Executive Vice President
and General Counsel

SBA MONARCH TOWERS III, LLC, as Closing Date Borrower

By: /s/ Thomas P. Hunt

Name: Thomas P. Hunt

Title: Executive Vice President
and General Counsel

SBA 2012 TC ASSETS PR, LLC, as Closing Date Borrower

By: /s/ Thomas P. Hunt

Name: Thomas P. Hunt

Title: Executive Vice President
and General Counsel

[Signature Page to Eighth Loan and Security Agreement Supplement and Amendment]

SBA 2012 TC ASSETS, LLC, as Closing
Date Borrower

By: /s/ Thomas P. Hunt

Name: Thomas P. Hunt

Title: Executive Vice President
and General Counsel

SBA TOWERS IV, LLC, as Closing Date
Borrower

By: /s/ Thomas P. Hunt

Name: Thomas P. Hunt

Title: Executive Vice President
and General Counsel

SBA MONARCH TOWERS I, LLC, as
Closing Date Borrower

By: /s/ Thomas P. Hunt

Name: Thomas P. Hunt

Title: Executive Vice President
and General Counsel

SBA TOWERS USVI, INC., as Closing Date
Borrower

By: /s/ Thomas P. Hunt

Name: Thomas P. Hunt

Title: Executive Vice President
and General Counsel

[Signature Page to Eighth Loan and Security Agreement Supplement and Amendment]

SBA GC TOWERS I, LLC, as Closing Date
Borrower

By: /s/ Thomas P. Hunt

Name: Thomas P. Hunt

Title: Executive Vice President
and General Counsel

SBA TOWERS VII, LLC, as Closing Date
Borrower

By: /s/ Thomas P. Hunt

Name: Thomas P. Hunt

Title: Executive Vice President
and General Counsel

SBA TOWERS V, LLC, as Closing Date
Borrower

By: /s/ Thomas P. Hunt

Name: Thomas P. Hunt

Title: Executive Vice President
and General Counsel

SBA TOWERS VI, LLC, as Closing Date
Borrower

By: /s/ Thomas P. Hunt

Name: Thomas P. Hunt

Title: Executive Vice President
and General Counsel

**MIDLAND LOAN SERVICES, A
DIVISION OF PNC BANK,
NATIONAL ASSOCIATION**, as Servicer

By: /s/ Andrea Helm

Name: Andrea Helm

Title: Senior Vice President

[Signature Page to Eighth Loan and Security Agreement Supplement and Amendment]

AMENDMENT TO EMPLOYMENT AGREEMENT

THIS AMENDMENT (the "Amendment") to the EMPLOYMENT AGREEMENT (the "Agreement") between SBA COMMUNICATIONS CORPORATION, a Florida corporation (the "Company") and JEFFREY A. STOOPS (the "Executive"), dated August 3, 2020 (the "Agreement"), is made and entered into effective as of the date this Agreement is executed by all parties hereto, (the "Effective Date").

WITNESSETH:

WHEREAS, the Company and its subsidiaries engage in the business of developing, leasing and maintaining wireless telecommunications tower sites and other related businesses;

WHEREAS, the Company and the Executive have previously entered into the Agreement; and

WHEREAS, the Board of Directors of the Company has determined that it is in the best interests of the Company and its stockholders to amend the Agreement effective as of the Effective Date.

NOW, THEREFORE, it is hereby agreed by and between the parties as follows:

1. The Agreement is hereby amended as of the Effective Date as set forth below:

The Agreement is, effective as of the Effective Date, hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Agreement attached as Exhibit A hereto; and

2. COUNTERPARTS. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Confirmation of execution by electronic transmission of a facsimile signature page shall be binding upon any party so confirming.
-

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date set forth below.

SBA COMMUNICATIONS CORPORATION

By: /s/ Thomas P. Hunt
Thomas P. Hunt, Executive Vice President

Date 11/11/21

and

By: /s/ Steven E. Bernstein
Steven E. Bernstein, Chairman of the Board
of SBA Communications Corporation

Date: 12/22/21

/s/ Jeffrey A. Stoops
JEFFREY A. STOOPS

Date: 11/11/21

EXHIBIT A

[See Attached]

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") between SBA COMMUNICATIONS CORPORATION, a Florida corporation (the "Company") and JEFFREY A. STOOBS (the "Executive") is made and entered into as of August 3, 2020.

WITNESSETH:

WHEREAS, the Company and its subsidiaries (collectively, the "Company Group") engage in the business of developing, leasing and maintaining wireless telecommunications tower sites and other related businesses;

WHEREAS, the Company and the Executive have previously entered into an Employment Agreement, dated August 15, 2017, as amended (the "Prior Agreement"), that, by its terms, expires on December 31, 2020; and

WHEREAS, the Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its stockholders to replace the Prior Agreement with this Agreement and to have this Agreement be effective as of December 31, 2020 (the "Effective Date").

NOW, THEREFORE, it is hereby agreed by and between the parties as follows:

1. EMPLOYMENT. The Company hereby agrees to employ the Executive and the Executive hereby agrees to be employed by the Company on the terms and conditions set forth herein.

2. TERM. The term of employment of the Executive by the Company under this Agreement shall commence on the Effective Date and shall end December 31, 2023 (the "Initial Term"), unless sooner terminated as hereinafter provided or automatically extended in accordance with Section 7(a). All references herein to the "Term" shall refer to both the Initial Term and any automatic extension of the term that occurs in accordance with Section 7(a) during the Initial Term.

3. POSITION AND DUTIES. The Executive shall serve as the president and chief executive officer of the Company and any other positions within the Company Group as determined from time to time by the Board. The Executive shall generally perform the duties of a president and chief executive officer for the Company and shall have such specific responsibilities, duties and authorities as shall from time to time be assigned by the Board. The Executive shall devote substantially all his working time and efforts to the business and affairs of the Company Group. Notwithstanding the foregoing, the Executive may engage in charitable, civic, educational and professional activities and passive personal investment activities, provided that such activities do not conflict with the business and affairs of the Company Group or unreasonably interfere with the Executive's performance of his duties hereunder.

4. COMPENSATION AND RELATED MATTERS.

(a) **Salary.** During the Term, the Executive shall be paid an annual salary at a rate of \$1,000,000 per annum, which amount may be increased but not decreased by the Board (the “Base Salary”). The Company shall pay the Base Salary in accordance with its regular payroll practices as in effect from time to time. Compensation of the Executive by payments of Base Salary shall not be deemed exclusive and shall not prevent the Executive from participating in any other compensation or benefit plan of the Company Group.

(b) **Bonus.** In addition to the Base Salary payable to the Executive hereunder, the Executive shall be entitled to receive a bonus (the “Bonus”) hereunder for each calendar year to the extent earned in accordance with performance targets, measurements and such other criteria as shall be established for such year by the Company on or before March 31st of such year. The target amount of the Bonus for 2020 shall be 150% of the Base Salary for 2020 based on the Executive’s annual rate of Base Salary in effect as of the Effective Date. For each year after 2020, the Compensation Committee of the Board (the “Compensation Committee”) shall set the target amount of the Bonus for that year at the time it establishes the performance goals and metrics for the year, and the target amount for any year during the Term after 2020 may be set by the Compensation Committee at greater or less than 150% of the Base Salary in effect for the Executive for that year. The Bonus earned for a year shall be payable in accordance with the Company’s customary bonus payment practices, but in no event later than March 15th of the succeeding calendar year.

(c) **Expenses.** During the Term, the Executive shall be entitled to receive payment or reimbursement for all reasonable expenses incurred by the Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company Group, cell phone expenses and dues and seminar fees; provided that such expenses are incurred and accounted for in accordance with the policies and procedures then established by the Company Group from time to time; provided further that the reimbursement of dues and seminar fees in any one calendar year shall not impact the amount of dues and seminar fees reimbursable in any other calendar year; provided further that reimbursement shall be made as soon as practicable after a request for reimbursement is received by the Company Group in accordance with the Company Group’s customary expense reimbursement practices, but in no event later than the last day of the calendar year next following the calendar year in which the expense is incurred.

(d) **Other Benefits.** The Executive shall be entitled to participate in or receive benefits under any employee benefit plan or arrangement made available by the Company Group in the future to its executives and key management employees, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements, which benefits shall include disability insurance for as long as the Company Group generally provides disability insurance to its officers. Any payments, bonuses or benefits payable to the Executive hereunder in respect of any calendar year during which the Executive is employed by the Company for less than the entire such year shall, unless otherwise provided in the applicable plan or arrangement, be prorated in accordance with the number of days in such calendar year during which the Executive is so employed.

(e) **Group or Family Medical Coverage.** During the Term, the Company shall provide group or family medical insurance coverage to the Executive and his dependents under a plan for employees of the Company Group and such plan shall include reasonable coverage for medical, hospital, surgical and major medical expenses and shall be subject to such deductibles as applicable to other Company Group employees.

5. **WITHHOLDING.** Both the Executive and the Company agree that all amounts paid pursuant to this Agreement shall be subject to all applicable federal, state, local and foreign withholding requirements.

6. **TERMINATION.** Subject to the provisions set forth in this Section 6, the Company shall have the right to terminate the Executive's employment hereunder, and the Executive shall have the right to resign his employment with the Company, at any time for any reason or for no stated reason. For purposes of this Agreement, the terms "terminate," "terminated," "termination" and "resignation" mean a termination of the Executive's employment that constitutes a Separation from Service (as defined in Section 6(e)(v) hereof).

(a) **General.** Upon a termination of the Executive's employment for any reason, he shall be entitled to receive the following amounts on the next regularly scheduled payroll date after the date of the Executive's termination of employment: (i) any accrued and unpaid Base Salary determined as of his date of termination, (ii) a cash payment (calculated on the basis of his Base Salary then in effect) for all unused ~~vacation~~ **paid time off** days which the Executive may have accrued as of his date of termination, and (iii) any unpaid reimbursement for business expenses the Executive is entitled to receive under Section 4(c) above.

(b) **Termination for Cause; Resignation Without Good Reason.**

(i) If, prior to the expiration of the Term, the Executive's employment with the Company is terminated by the Company for Cause (as defined below) or if the Executive resigns without Good Reason (as defined below), he shall be entitled to the payments set forth in Section 6(a). Except to the extent required by the terms of any applicable compensation or benefit plan or program **(including, but not limited to, the Company's Equity Plan Retirement Policy)** or otherwise required by applicable law, the Executive shall have no right under this Agreement or otherwise to receive any other compensation or to participate in any other plan, program or arrangement after such termination or resignation of employment with respect to the year of such termination or resignation and later years.

(ii)“Cause” means the occurrence of any of the following events: (A) the Executive’s willful material violation of any law or regulation applicable to the business of the Company Group; (B) the Executive’s conviction of, or plea of “no contest” to, a felony; (C) any willful perpetration by the Executive of an act involving moral turpitude or common law fraud whether or not related to his activities on behalf of the Company Group; (D) any act of gross negligence by the Executive in the performance of his duties as an employee of the Company; (E) any material violation by the Executive of the Company’s Code of Conduct or Code of Ethics, as in effect from time to time; (F) the willful and continued failure or refusal of the Executive to satisfactorily perform the duties reasonably required of him by the Board; (G) the indictment for any crime, whether a felony or misdemeanor, involving the purchase or sale of any security, mail or wire fraud, theft, embezzlement, moral turpitude, or Company Group property where such indictment has a material adverse impact on the Executive’s ability to perform his duties under this Agreement; (H) any willful misconduct by the Executive that is materially injurious to the financial condition, business, or reputation of, or is otherwise materially injurious to, any member of the Company Group; or (I) any breach by the Executive of Section 9(a), (b), (c) or (d) of this Agreement.

(iii)Termination of the Executive’s employment for Cause shall be communicated by delivery to the Executive of a written notice from the Board stating that the Executive will be terminated for Cause, specifying the particulars thereof and the effective date of such termination; provided, however, that upon receipt of such notice, the Executive shall have (A) an opportunity to cure the matter constituting Cause within thirty (30) days following the Executive’s receipt of such notice (provided that the event constituting cause is susceptible to cure) and (B) an opportunity, together with his counsel, to be heard by the Board. The date of the Executive’s termination for Cause shall be the date of termination specified by the resolution of the Board; ***provided, however***, that such termination shall not become effective until no earlier than the date of the meeting of the Board described in clause (B) of the preceding sentence.

(iv)The date of a resignation without Good Reason by the Executive shall be the date specified in a written notice of resignation to the Company. The Executive shall provide at least 30 days’ advance written notice of resignation without Good Reason; provided, however, that the Company, in its sole discretion, may waive the notice requirement in whole or in part.

(c) ***Termination Without Cause; Resignation for Good Reason.***

(i) If, prior to the expiration of the Term, the Executive’s employment with the Company is terminated by the Company without Cause or if the Executive resigns from his employment hereunder for Good Reason, then in addition to the amounts set forth in Section 6(a) and the payment of any unpaid earned Bonus for the year immediately preceding the year in which such termination or resignation occurs, the Executive shall be entitled to the following payments (collectively, the “Severance Payments”): (A) a pro rata portion of the Bonus for the year in which the

termination or resignation occurs calculated by multiplying (x) the Bonus for the year of termination (based and on the assumption that all performance targets have been or will be achieved) by (y) a fraction, the numerator of which is the number of days the Executive was employed during the year of termination and denominator of which is 365; and (B) if at the time of such termination or resignation the Executive is not “retirement eligible” within the meaning of the Company’s Equity Plan Retirement Policy (or if the Executive is “retirement eligible” and such termination or resignation occurs after a Change on Control or within six months of a Change of Control as described below), a payment equal to the Applicable Multiple (as defined below) times the sum of (x) the Reference Salary, (y) the Reference Bonus and (z) the Reference Benefits Value (each as defined below).

Notwithstanding the foregoing, if at the time of such termination or resignation (a) the Executive is “retirement eligible” within the meaning of the Company’s Equity Plan Retirement Policy and (b) a Change of Control has not occurred (and a Change of Control does not occur within six month following such termination or resignation and it is not reasonably demonstrated that such termination of employment or Good Reason event was in contemplation of the Change in Control during such six month period), then the Executive shall not receive the amount specified under Section 6(c)(1)(B) above but shall instead be eligible to receive the entitlements provided under the Company’s Equity Plan Retirement Policy, subject to and in accordance with the terms and conditions of such policy.

For purposes of this Section 6(c), “Applicable Multiple” means (A) two, in the event the termination without Cause or resignation for Good Reason occurs prior to a Change in Control of the Company (as defined in Section 7(b)) and the Executive is not “retirement eligible” within the meaning of the Company’s Equity Plan Retirement Policy, and (B) three, in the event the termination without Cause or resignation for Good Reason occurs on or after a Change in Control of the Company; provided, however, that, if within six months prior to the date on which a Change in Control occurs, the Executive’s employment with the Company is terminated by the Company without Cause or resignation by the Executive for Good Reason, and it is reasonably demonstrated that such termination of employment without Cause or resignation for Good Reason event was in contemplation of the Change in Control, then the Applicable Multiple shall be three, but the Severance Payments then payable shall be reduced by any Severance Payments previously paid to the Executive under this Section 6(c) by the Company as a result of such termination or resignation of employment and any remaining portion of the Severance Payments shall be payable at the time contemplated by Section 6(c)(ii) or, if such date has already occurred, on the date of the Change in Control.

(ii) Subject to Section 6(e) hereof, the Severance Payments shall be payable in a lump sum on the first business day of the third calendar month following the calendar month in which the Executive’s termination or resignation becomes effective in accordance with this Section 6(c).

(iii) Payment of the Severance Payments, any entitlements provided under the Company's Equity Plan Retirement Policy and the continuation of benefits, pursuant to this Section 6(c), shall be contingent upon the Executive executing a full release and waiver of claims against the Company Group (which release and waiver of claims, once executed and irrevocable, shall not apply to the Company's obligation to make the Severance Payments and any entitlements provided under the Company's Equity Plan Retirement Policy hereunder), in a form approved by the Board, which becomes irrevocable not later than the last day of the second calendar month following the calendar month in which the Executive's termination or resignation becomes effective in accordance with this Section 6(c). If the Executive fails to execute a full release and waiver of claims against the Company Group that becomes irrevocable on or before the last day of the second calendar month following the calendar month in which the Executive's termination or resignation becomes effective, the Company Group's obligations under this Section 6(c) shall terminate and the Executive shall not be entitled to further payment of the Severance Amount, any entitlements provided under the Company's Equity Plan Retirement Policy, or the continuation of benefits.

(iv) "Reference Benefits Value" means the greater of (1) \$33,560 and (2) the value of all medical, dental, health, life, and other fringe benefit plans and arrangements applicable to the Executive and his dependents for the year in which the termination occurs.

(v) "Reference Bonus" means the greater of (1) 75% of the Executive's target Bonus for the year in which the termination occurs and (2) 100% of the Executive's Bonus for the year immediately preceding the year in which the Executive's termination of employment occurred.

(vi) "Reference Salary" means the greater of (1) \$1,000,000 and (2) the Executive's annual rate of Base Salary for the year in which the termination occurs.

(vii) Resignation for "Good Reason" means the occurrence of any of the following events: (A) the Executive's position, title, duties, and reporting responsibilities with the Company in effect on the Effective Date become less favorable in any material respect; provided, however, Good Reason shall not be deemed to occur under this clause (A) if either (1) the following three conditions are satisfied: (I) the diminution in the Executive's position, duties or reporting responsibilities is solely and directly a result of the Company no longer being a publicly-traded entity; (II) the event resulting in the Company no longer being a publicly-traded entity is a leveraged buyout, acquisition by a private equity fund and/or other similar "going private" transaction and is not as a result of the acquisition of the Company or the business of the Company Group by another operating company or parent or subsidiary thereof; and (III) the Executive continues to hold the same position and title with the Company and no other act or omission has then occurred that would constitute an event of Good Reason under this definition, or (2) the diminution in the Executive's position, duties or reporting responsibilities is during a period of physical or mental incapacity of the Executive; (B) a reduction

in the Base Salary or material benefits as of the Effective Date, other than an across-the-board reduction applicable to all senior executive officers of the Company Group; or the failure to maintain an annual cash Bonus arrangement for the Executive or to pay any earned Bonus when due, or (C) the relocation without the Executive's consent, of the Executive's principal place of business to a location that is more than sixty (60) miles from the Executive's primary business location on the Effective Date or, if applicable, from a subsequent preliminary business location agreed to by the Executive. In order to constitute Good Reason, (x) the Executive must provide written notification of his intention to resign within thirty (30) days after the Executive knows or has reason to know of the occurrence of any such event, and (y) such event or condition is not corrected, in all material respects, by the Company within twenty (20) days of its receipt of such notice, and (z) the Executive resigns his employment with the Company and the Company not more than thirty (30) days following the expiration of the 20-day period described in the foregoing clause (y). Notwithstanding the previous provisions of this Section 6(c)(vii), it shall not be an event of Good Reason under this Agreement for the Company (i) to adopt (or subsequently amend) one or more claw-back, mandatory deferral or other risk management policies related to the Company's incentive compensation plans or arrangements, including without limitation the Company's Executive Compensation Recoupment Policy, or (ii) to adopt (or subsequently amend) stock ownership guidelines related to the Company's common stock or (iii) to subject the compensation payable to the Executive under this Agreement to these policies or guidelines; provided that, except as otherwise required by law, such policies are generally applicable to the Company's executive officers.

(viii) The date of termination of employment without Cause shall be the date specified in a written notice of termination to the Executive. The date of resignation for Good Reason shall be the date specified in a written notice of resignation from the Executive to the Company; provided, however, that no such written notice shall be effective unless the cure period specified in Section 6(c)(vii) above has expired without the Company having corrected the event or events subject to cure.

(d) ***Disability; Death.***

(i) If, as a result of the Executive's incapacity due to physical or mental illness (such incapacity being determined by the Company in its reasonable discretion), the Executive shall have been absent from his full-time duties as described hereunder for the entire period of six (6) consecutive months, the Executive's employment shall terminate at the end of the six (6) month period.

(ii) Upon a termination pursuant to this Section 6(d) or as a result of the Executive's death, the Executive (or his estate, as applicable) shall be entitled to receive:

(1) the **benefits payments** set forth in Section 6(a);

(2) an amount equal to the *pro rata* portion of the Bonus for the year in which the termination occurs, calculated by multiplying (x) the minimum target Bonus for the year of termination by (y) a fraction, the numerator of which is the number of days the Executive was employed during the year of termination and the denominator of which is 365; and

(3) any earned and unpaid Bonus for the year immediately preceding the year in which the termination occurs.

(iii) If the Executive's employment is terminated pursuant to this Section 6(d) as a result of his Disability, then subject to Section 6(e), the *pro rata* Bonus shall be paid in a lump sum on the first business day of the third calendar month following the calendar month in which termination pursuant to this Section 6(d) is effective.

(iv) If the Executive's employment is terminated as of result of his death, the *pro rata* Bonus shall be paid within 30 days after the date of the Executive's death.

(e) *No Right to Other Compensation and Benefits; Treatment of Equity Awards.* Except to the extent required by the terms of any applicable compensation or benefit plan or program or otherwise required by applicable law, the Executive shall have no right under this Agreement or otherwise to receive any other compensation or to participate in any other plan, program or arrangement after such termination. **Without limiting the generality of the foregoing, the treatment of any equity awards shall be governed by the applicable award agreements and underlying equity plan documents.**

(f) ~~(e)~~ *Section 409A Compliance.*

(i) If, at the time of the Executive's termination or resignation with the Company, the Executive is a Specified Employee (as defined below), then any amount payable under this Agreement **and any entitlements provided under the Company's Equity Plan Retirement Policy** that the Company determines constitutes deferred compensation within the meaning of Section 409A of the Code and that is subject to the six-month delay required by Treas. Reg. Section 1.409A-1(c)(3)(v), shall be delayed and not paid to the Executive until the first business day following the six-month anniversary of the Executive's termination or resignation (the "Short-Term Deferral Date"), at which time such delayed amounts will be paid to the Executive in a cash lump sum (the "Catch-Up Amount").

(ii) If payment of an amount is delayed as a result of this Section 6(**ef**), such amount shall be increased with interest from the date on which such amount would otherwise have been paid to the Executive but for this Section 6(**ef**) to the day prior to the date the Catch-Up Amount is paid. The rate of interest shall be the applicable short-term federal rate applicable under Section 7872(f)(2)(A) of the Internal Revenue Code of 1986, as amended (the "Code") for the month in which the date of

the Executive's termination or resignation occurs. Such interest shall be paid at the same time that the Catch-Up Amount is paid.

(iii) If the Executive dies on or after the date of the Executive's termination or resignation and prior to the Short-Term Deferral Date, any amount delayed pursuant to this Section 6(e) shall be paid to the Executive's estate or beneficiary, as applicable, together with interest, within 30 days following the date of the Executive's death.

(iv) "Specified Employee" has the meaning set forth in Section 409A(a)(2)(B)(i) of the Code. The determination of whether the Executive constitutes a Specified Employee on the date of his termination or resignation shall be made in accordance with the Company's established methodology for determining Specified Employees.

(v) "Separation from Service" means a "separation from service" from the Company within the meaning of the default rules under the final regulations issued pursuant to Section 409A of the Code.

(vi) The provisions of this Section 6(e) shall apply notwithstanding any provision of this Agreement related to the timing of payments following the Executive's termination or resignation. For purposes of applying the provisions of Section 409A of the Code to this Agreement, each separately identified amount to which the Executive is entitled under this Agreement shall be treated as a separate payment.

7. CHANGE IN CONTROL.

(a) The Term shall automatically be extended for three (3) years following the effective date of a Change in Control of the Company (as defined below) that occurs during the Initial Term.

(b) A "Change in Control" shall be deemed to have occurred when:

(i) any person is or becomes the "beneficial owner" (as defined) in Rule 13d-3 of the Exchange Act, directly or indirectly, of securities of the Company representing thirty-five percent (35%) or more of the combined voting power of the Company's then-outstanding securities; or

(ii) during any 24-month period, individuals who, at the beginning of such period, constitute the Board (the "Incumbent Directors") cease for any reason to constitute a majority of the Board; provided, that any new director subsequent to the beginning of such period (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including, but not limited to, a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's shareholders was approved or

recommended by a vote of a majority of the Incumbent Directors shall be an Incumbent Director; or

(iii) there is consummated a merger or consolidation of the Company, other than (A) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary, at least fifty percent (50%) of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its affiliates other than in connection with the securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities; or

(iv) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least fifty percent (50%) of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

8. REDUCTION OF PAYMENTS.

(a) In the event that it shall be determined that (X) any amount or benefit paid, distributed or otherwise provided to the Executive by the Company Group, whether pursuant to this Agreement or otherwise (collectively, the "Covered Payments"), would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), and (Y) the reduction of the amounts payable to the Executive under this Agreement or with respect to stock options and equity awards to the maximum amount that could be paid to the Executive without giving rise to the Excise Tax (the "Safe Harbor Cap") would provide the Executive with a greater after-tax amount than if such amounts were not reduced, then, subject to the further limitations set forth herein, the Covered Payments shall be reduced (but not below zero) to the Safe Harbor Cap. The reductions, if applicable, shall be made to the extent necessary in the following order: (i) the acceleration of vesting of stock options and other equity awards with an exercise price that exceeds the then fair market value of the stock subject to the award; (ii) the Severance Payments; and (iii) the acceleration of vesting of all other stock options and equity awards. For purposes of reducing the Covered Payments to the Safe Harbor Cap, only amounts payable under this

Agreement and with respect to stock options and equity awards (and no other Covered Payments) shall be reduced. If the reduction would not result in a greater after-tax result to the Executive, no amounts payable under this Agreement or with respect to stock options and equity awards shall be reduced pursuant to this provision.

(b) A nationally recognized firm of independent accountants, selected by the Company after consultation with the Executive, shall perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. Such accounting firm shall apply the provisions of this Section 8 in a reasonable manner and in good faith in accordance with then prevailing practices in the interpretation and application of Section 4999 of the Code. For purposes of applying the provisions of this Section 8, the Company shall be entitled to rely on the written advice of legal counsel or such accounting firm as to whether one or more Covered Payments constitute “parachute payments” under Section 4999 of the Code.

(c) The accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and the Executive within 30 calendar days after the date that such accounting firm has been engaged to make such determinations or such other time as requested by the Company or the Executive. If payments are reduced to the Safe Harbor Cap or the accounting firm determines that no Excise Tax is payable by the Executive without a reduction in Covered Payments, it shall furnish the Company and the Executive with an opinion to such effect, that the Executive is not required to report any Excise Tax on the Executive’s federal income tax return, and that the failure to report the Excise Tax, if any, on the Executive’s applicable federal income tax return will not result in the imposition of a negligence or similar penalty. Any good faith determinations of the accounting firm made hereunder shall be final, binding, and conclusive upon the Company and the Executive.

9. PROTECTION OF THE COMPANY’S INTERESTS.

(a) ***No Competing Employment.*** For so long as the Executive is employed by the Company and during a period of two (2) years after his employment with the Company has been terminated (such period being referred to hereinafter as the “Restricted Period”), the Executive shall not, without the prior written consent of the Board, directly or indirectly, own an interest in, manage, operate, join, control, lend money or render financial or other assistance to or participate in or be connected with, as an officer, employee, partner, stockholder, consultant or otherwise, any individual, partnership, firm, corporation or other business organization or entity that competes with the business of the Company Group by providing any goods or services provided or under development by the Company Group at the effective date of the Executive’s termination of employment (the “Business”); provided, however, that this Section 9(a) shall not proscribe the Executive’s ownership, either directly or indirectly, of less than one percent (1%) of any class of securities which are listed on a national securities exchange.

(b) ***No Interference.*** During the Restricted Period, the Executive shall not, directly or indirectly, whether for his own account or for the account of any other individual, partnership, firm, corporation or other business organization (other than the Company Group), (i) solicit, or endeavor to entice away from the Company Group, or otherwise interfere with the

relationship of the Company Group with, any person or entity who is, or was within the then most recent twelve-month period, (A) employed by, or otherwise engaged to perform services for, the Company Group, or (B) a customer or client of the Company Group or (ii) assist or encourage any other person in carrying out, directly or indirectly, any activity that would be prohibited by the provisions of this Section 9(b) if such activity were carried out by the Executive, and, in particular, the Executive agrees that he will not, directly or indirectly, induce any employee of the Company Group to carry out any such activity, or (iii) otherwise interfere with the business of the Company Group.

(c)*Non-Disparagement*. Subject to Section 9(j) and (k) of this Agreement, during the Restricted Period and thereafter, the Executive shall not intentionally make any public statement, or publicly release any information, that disparages or defames the Company Group, or any of its officers and directors, and shall not intentionally cause or encourage any other person to make any such statement or publicly release any such information.

(d)*Confidentiality*. The Executive understands and acknowledges that in the course of his employment, he has had and will continue to have access to and will learn confidential information regarding the Company Group that concerns the technological innovations, operations and methodologies of the Company Group, including, without limitation, business plans, financial information, protocols, proposals, manuals, procedures and guidelines, computer source codes, programs, software, know-how and specifications, inventions, copyrights, trade secrets, market information, Developments (as hereinafter defined), data and customer information (collectively, “*Proprietary Information*”). The Executive recognizes that the use or disclosure of Proprietary Information could cause the Company Group substantial loss and damages which could not be readily calculated, and for which no remedy at law would be adequate. Accordingly, the Executive agrees that during the period beginning on the date hereof and continuing in perpetuity thereafter, he shall keep confidential and shall not directly or indirectly disclose any such Proprietary Information to any third party, except as required to fulfill his duties in connection with his positions within the Company Group, and shall not misuse, misappropriate or exploit such Proprietary Information in any way. The restrictions contained herein shall not apply to the extent provided in Section 9(j) or (k) of this Agreement or to any information which the Executive can demonstrate (i) was already available to the public at the time of disclosure, or subsequently became available to the public, otherwise than by breach of this Agreement, or (ii) was the subject of a court order to disclose.

“*Developments*” shall mean all data, discoveries, findings, reports, designs, inventions, improvements, methods, practices, techniques, developments, programs, concepts and ideas, whether or not patentable, and works of authorship, relating to the present or planned activities, or the products and services of the Company Group.

(e)*Exclusive Property*. The Executive confirms that all Proprietary Information is and shall remain the exclusive property of the Company Group. All business records, papers and documents kept or made by him relating to the business of the Company Group shall be and remain the property of the Company Group. Upon the termination of the Executive’s employment with the Company or upon the request of the Company at any time, he shall promptly deliver to the Company, and shall not without the consent of the Company retain copies of, any written materials not previously made available to the public, or records and

documents made by the Executive or coming into his possession concerning the business or affairs of the Company Group; provided, however, that subsequent to any such termination, the Company shall provide the Executive with copies (the cost of which shall be borne by the Executive) of any documents which are requested by the Executive and which he has determined in good faith are (i) required to establish a defense to a claim that the Executive has not complied with his duties hereunder or (ii) necessary to the Executive in order to comply with applicable law.

(f) **Assignment of Developments.** During the Executive's employment, all Developments that are at any time made, reduced to practice, conceived or suggested by him, whether acting alone or in conjunction with others, shall be the sole and absolute property of the Company Group, free of any reserved or other rights of any kind on his part, and the Executive hereby irrevocably assigns, conveys and transfers any and all right, title and interest that he may have in such Developments to the Company Group. If such Developments were made, reduced to practice, conceived or suggested by the Executive during or as a result of his employment relationship with the Company, the Executive shall promptly make full disclosure of any such Developments to the Company and, at the Company's cost and expense, do all acts and things (including, among others, the execution and delivery under oath of patent and copyright applications and instruments of assignment) deemed by the Company to be necessary or desirable at any time in order to effect the full assignment to the Company Group, of his right and title, if any, to such Developments. The Executive acknowledges and agrees that any invention, concept, design or discovery that concretely relates to or is associated with the Executive's work for the Company Group that is described in a patent application or is disclosed to a third party directly or indirectly by the Executive during the Restricted Period shall be the property of and owned by the Company Group and such disclosure by patent application (except by way of a patent application filed by the Company Group) or otherwise shall constitute a breach of this Section 9.

(g) **Injunctive Relief.** Without intending to limit the remedies available to the Company Group, the Executive acknowledges that a breach of any of the covenants contained in this Section 9 may result in material irreparable injury to the Company Group for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat thereof, the Company Group shall be entitled to obtain a temporary restraining order and/or a preliminary or permanent injunction restraining the Executive from engaging in activities prohibited by this Section 9 or such other relief as may be required to specifically enforce any of the covenants in this Section 9.

(h) **Enforceability.** Should any of the time periods or the geographic area set forth in this Section 9 be held to be unreasonable by any court of competent subject matter jurisdiction, the parties hereto agree to petition such court to reduce the time period or geographic area to the maximum permitted by governing law.

(i) **Periods Following the Term.** Subject to the provisions of Sections 9(a) and (b), the provisions of this Section 9 shall continue in effect in accordance with the provisions hereof following the expiration of the Term, including, without limitation, during any period that the Executive remains an employee-at-will of the Company.

(j) ***Legally-Protected Communications and Disclosures.*** Notwithstanding any other provision of this Agreement to the contrary, no provision of this Agreement shall prevent, restrict, limit, impede or otherwise interfere with the Executive's ability to exercise any rights he may have to (i) engage in legally-protected employee communications, including without limitation protections under Section 7 of the National Labor Relations Act, (ii) file a charge or complaint or initiate an investigation with the Department of Justice, Equal Employment Opportunity Commission, Inspector General, National Labor Relations Board, Occupational Safety and Health Administration, Securities and Exchange Commission or any other federal, state or local governmental or regulatory agency, authority or commission or staff thereof (each a "Government Agency"), (iii) report a possible violation of any federal, state or local statute, rule, regulation, ordinance or other law ("Law") to any Government Agency or making other disclosures that are protected under the whistleblower protections of any applicable Law, including without limitation reporting possible violations of Law in accordance with Section 21F of the Securities Exchange Act of 1934, as amended, and rules promulgated thereunder ("Section 21F of the Exchange Act"), (iv) respond to a lawful subpoena, or (v) comply with any other legal obligation. Further, notwithstanding any other provision of this Agreement to the contrary, no provision of this Agreement shall limit the Executive's ability to (i) communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to or permission by the Company, or (ii) receive any award for information provided to any Government Agency. Without limiting the generality of the foregoing, the provisions of Section 21F of the Exchange Act shall be effective as of August 12, 2011 or such other date as may be required by law.

(k) ***Notice of Immunity Under the Defend Trade Secrets Act of 2016.***

Notwithstanding any other provision of this Agreement to the contrary, effective as of May 11, 2016 or such other date as may be required by law:

(i) the Executive will not be held criminally or civilly liable under any federal, state or local trade secret law for any disclosure of a trade secret that is made: (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document that is filed under seal in a lawsuit or other proceeding; and

(ii) if the Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose the Company's trade secrets to the Company's attorney and use the trade secret information in the court proceeding if the Company: (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order.

10. NOTICE. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing (including electronic transmission) and shall be (as elected by the person giving such notice) hand delivered by messenger or courier service,

electronically transmitted, or mailed (airmail if international) by registered or certified mail (postage prepaid), return receipt requested, addressed to:

If to the Executive:

Jeffrey A. Stoops
(at the current address on the Company's official records)

If to the Company:

SBA COMMUNICATIONS CORPORATION
8051 Congress Avenue
Boca Raton, FL 33487-1307
Attn: General Counsel

With a copy to:

NORTON ROSE FULBRIGHT US LLP
1301 Avenue of the Americas
New York, NY 10119
Attn: Marjorie M. Glover

or to such other address as any party may designate by notice complying with the provisions of this Section. Each such notice shall be deemed delivered (a) on the date delivered if by personal delivery; (b) on the date of transmission with confirmed answer back if by electronic transmission; and (c) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

11. AMENDMENTS. The provisions of this Agreement may not be amended, supplemented, waived or changed orally, but only by a writing signed by the party as to whom enforcement of any such amendment, supplement, waiver or modification is sought and making specific reference to this Agreement. Notwithstanding the preceding sentence, the Company may, without the Executive's consent, amend any provision of this Agreement to the extent it deems such action necessary or advisable to avoid the imposition on any person of additional taxes, penalties or interest under Section 409A of the Code, and any such amendment shall not be a basis for a resignation by the Executive for Good Reason; provided, however, that any such amendment or modification shall, to the maximum extent the Company, reasonably and in good faith determines to be possible, retain the economic and tax benefits to the Executive hereunder while not materially increasing the cost to the Company of providing such benefits to the Executive. Any determinations of the Company pursuant to this Section 11 shall be final, conclusive and binding on all persons.

12. ASSIGNMENTS. No party shall assign his or its rights and/or obligations under this Agreement without the prior written consent of each other party to the Agreement. The Company will require a successor to all or substantially all of the business or assets of the Company to assume expressly and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform this Agreement if no such succession had taken place.

13. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Confirmation of execution by electronic transmission of a facsimile signature page shall be binding upon any party so confirming.

14. ENFORCEMENT COSTS. If any civil action or other legal proceeding arising out of or related to this Agreement is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees, sales and use taxes, court costs and all expenses even if not taxable as court costs (including, without limitation, all such fees, taxes, costs and expenses incident to arbitration, appellate, bankruptcy and post-judgment proceedings), incurred in that civil action or legal proceeding, in addition to any other relief to which such party or parties may be entitled. Attorneys' fees shall include, without limitation, paralegal fees, investigative fees, administrative costs, sales and use taxes and all other charges billed by attorney to the prevailing party.

15. EQUITABLE REMEDIES. The Executive acknowledges that the services to be rendered by the Executive hereunder are extraordinary and unique and are vital to the success of the Company Group, and that damages at law would be an inadequate remedy for any breach or threatened breach of this Agreement by the Executive. Therefore, in the event of a breach or threatened breach by the Executive of any provision of this Agreement, the Company shall be entitled, in addition to all other rights or remedies, to an injunction restraining such breach, without the Company being required to show any actual damage or to post an injunction bond.

16. PAYMENT OF AMOUNTS AND BENEFITS. Notwithstanding any other provision of this Agreement to the contrary, payment of any amount or benefit under this Agreement may be paid, distributed or otherwise provided to the Executive by a member of the Company Group.

17. GOVERNING LAW. This Agreement and all transactions contemplated by this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida applicable to contracts executed and performed entirely in such state.

18. JURISDICTION AND VENUE. The parties acknowledge that a substantial portion of the negotiations, anticipated performance and execution of this Agreement occurred or shall occur in Palm Beach County, Florida. Any civil action or legal proceeding arising out of or relating to this Agreement shall be brought in the courts of record of the State of Florida in Palm Beach County or the United States District Court, Southern District of Florida, West Palm Beach Division. Each party consents to the jurisdiction of such court in any such civil action or legal proceeding and waives any objection to the laying of venue of any such civil action or legal proceeding in such court. Service of any court paper may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws, rules of procedure or local rules.

19. SEVERABILITY. If any provision of this Agreement or any other agreement entered into pursuant hereto is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary,

prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible. If any provision of this Agreement may be construed in two or more ways, one of which would render the provision invalid or otherwise voidable or unenforceable and another of which would render the provision valid and enforceable, such provision shall have the meaning which renders it valid and enforceable.

20. ENTIRE AGREEMENT. This Agreement, as amended, represents the entire understanding and agreement between the parties with respect to the subject matter hereof, and supersedes all other negotiations, understandings and representations (if any) made by and between such parties, except for the Company's Executive Compensation Recoupment Policy and any and all Acknowledgements and Agreements to such policy executed by the Executive. As of the Effective Date, this Agreement supersedes and replaces the Prior Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

SBA COMMUNICATIONS CORPORATION

By: _____
Thomas P. Hunt, Executive Vice President and
General Counsel

and

By: _____
Steven E. Bernstein, Chairman of the Board of
SBA Communications Corporation

JEFFREY A. STOOPS

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement"), between SBA COMMUNICATIONS CORPORATION, a Florida corporation (the "Company"), and KURT L. BAGWELL (the "Executive"), is made and entered into as of October 1, 2021 (the "Effective Date").

W I T N E S S E T H :

WHEREAS, the Company and its subsidiaries (collectively, the "Company Group") engage in the business of developing, leasing and maintaining wireless telecommunications tower sites and other related businesses;

WHEREAS, the Company and the Executive have previously entered into an Employment Agreement, amended and restated effective as of October 1, 2018, and expiring by its terms on December 31, 2021 (the "Current Agreement");

WHEREAS, the Current Agreement will expire by its terms on December 31, 2021 without any obligation of either party thereto to renew or extend such Agreement and without any obligation of the Company Group to pay severance or other amounts in connection with such expiration; and

WHEREAS, the Company and the Executive intend to provide for the continued employment of the Executive by the Company Group as of the Effective Date on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, it is hereby agreed by and between the parties as follows:

1. EMPLOYMENT. The Company hereby agrees to employ the Executive and the Executive hereby agrees to be employed by the Company on the terms and conditions set forth herein.

2. TERM. The term (the "Term") of employment of the Executive by the Company shall commence as of the Effective Date and, subject to Section 7(a), shall end December 31, 2024 (the "End Date"), unless sooner terminated as hereinafter provided. If the Executive continues in the employment of the Company Group following the expiration of the Term, the Executive's employment with the Company Group shall be at will, unless and until the parties negotiate and sign a new employment agreement regarding such future employment. Neither party shall be under any obligation or duty to sign or negotiate any such new employment agreement.

3. POSITION AND DUTIES.

(a) The Executive shall serve as the Executive Vice President and President, International of the Company. The Executive shall generally perform the duties of a Executive Vice President and President - International for the Company and shall have such specific

responsibilities, duties and authorities as shall from time to time be assigned by the President, Chief Executive Officer, or Board of Directors of the Company (the “Board”).

(b) The Executive shall also serve, for no additional consideration, in such other positions in the Company Group as determined from time to time by the Board and shall have such specific responsibilities, duties and authorities with respect to such positions as shall from time to time be assigned by the President, Chief Executive Officer, or the Board.

(c) The Executive shall devote all his working time and efforts to the business and affairs of the Company Group. Notwithstanding the foregoing, the Executive may engage in charitable, civic, educational and professional activities and passive personal investment activities, provided that such activities do not conflict with the business and affairs of the Company Group or unreasonably interfere with the Executive’s performance of his duties hereunder.

4. COMPENSATION AND RELATED MATTERS.

(a) **Salary.** During the Term, the Executive shall be paid an annual salary at the rate in effect immediately prior to the Effective Date, which amount may be increased but not decreased by the Board (the “Base Salary”). The Company shall pay the Executive the Base Salary in accordance with its regular payroll practices as in effect from time to time. Compensation of the Executive by payments of Base Salary shall not be deemed exclusive and shall not prevent the Executive from participating in any other compensation or benefit plan of the Company Group, subject to the eligibility requirements and other terms of such plan.

(b) **Annual Bonus.** In addition to the Base Salary, the Executive shall be eligible to earn for each calendar year ending during the Term an annual incentive bonus (the “Bonus”) based on the achievement of one or more performance goals, targets, measurements and other factors (collectively, the “Performance Goals”) established for such year by the Compensation Committee of the Board (the “Committee”). The Executive’s target annual bonus (the “Target Bonus”) and the applicable Performance Goals will be established by the Committee; *provided, however*, that the minimum Target Bonus for each full year of service shall be 100% of the annual rate of Base Salary in effect at the start of such year (the “Minimum Target Bonus”). Payment of the Executive’s Bonus for any year will be based upon the achievement of the Performance Goals established by the Committee for that year (including, without limitation, the exercise of the Committee’s discretion with respect to the Performance Goals and related payment schedule established by the Committee for such Performance Goals). The actual bonus paid may be higher or lower than the Target Bonus for over- or under-achievement of the Performance Goals (including, without limitation, as a result of the exercise by the Committee of discretion with respect to the Performance Goals and related payment schedule established by the Committee for such Performance Goals), as determined by the Committee. Subject to Section 6 hereof, a Bonus, if any, shall be payable in accordance with the Company’s customary bonus payment practices, but in no event later than March 15th of the succeeding calendar year.

(c) **Expenses.** During the Term, the Executive shall be entitled to receive payment or reimbursement for all reasonable expenses incurred by the Executive in performing

services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company Group, cell phone expenses and dues and seminar fees; *provided* that such expenses are incurred and accounted for in accordance with the policies and procedures then established by the Company Group from time to time; *provided further* that reimbursement shall be made as soon as practicable after a request for reimbursement is received by the Company Group in accordance with the Company Group's customary expense reimbursement practices, but in no event later than the last day of the calendar year next following the calendar year in which the expense is incurred.

(d) **Other Benefits.** The Executive shall be entitled to participate in or receive benefits under any employee benefit plan or arrangement made available by the Company Group in the future to its executives and key management employees, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements, which benefits shall include disability insurance for as long as the Company Group generally provides disability insurance to its officers. Any payments, bonuses or benefits payable to the Executive hereunder in respect of any calendar year during which the Executive is employed by the Company for less than the entire such year shall, unless otherwise provided in the applicable plan or arrangement, be prorated in accordance with the number of days in such calendar year during which the Executive is so employed.

(e) **Group or Family Medical Coverage.** During the Term, the Company shall provide group or family medical insurance coverage to the Executive and his dependents under a plan for employees of the Company Group, and such plan shall include reasonable coverage for medical, hospital, surgical and major medical expenses and shall be subject to such deductibles as applicable to other Company Group employees.

5. WITHHOLDING. Both the Executive and the Company agree that all amounts paid pursuant to this Agreement shall be subject to all applicable federal, state, local and foreign withholding requirements.

6. TERMINATION. Subject to the provisions set forth in this Section 6, the Company shall have the right to terminate the Executive's employment hereunder, and the Executive shall have the right to resign his employment with the Company, at any time for any reason or for no stated reason. For purposes of this Agreement, the terms "terminate," "terminated," "termination" and "resignation" mean a termination of the Executive's employment that constitutes a Separation from Service (as defined in Section 6(e)(v) hereof).

(a) **General.** Upon a termination of the Executive's employment for any reason, he shall be entitled to receive the following amounts (collectively, the "**Termination Amount**") on the next regularly scheduled payroll date after the date of the Executive's termination of employment: (i) any accrued and unpaid Base Salary for services performed up to and including the date of his termination or resignation, as applicable, (ii) a cash payment (calculated on the basis of his Base Salary then in effect) for all unused paid time off days that the Executive may have accrued as of his date of termination (subject to the terms of the Company's then applicable vacation policies), and (iii) any unpaid reimbursement for business expenses the Executive is entitled to receive under Section 4(c) hereof.

(b) Termination for Cause; Resignation Without Good Reason.

(i) If, prior to the expiration of the Term, the Executive's employment with the Company is terminated by the Company for Cause (as defined below) or if the Executive resigns without Good Reason (as defined below), he shall be entitled to receive the Termination Amount. Except to the extent required by the terms of any applicable compensation or benefit plan or program (including, but not limited to, the Company's Equity Plan Retirement Policy) or otherwise required by applicable law, the Executive shall have no right under this Agreement or otherwise to receive any other compensation or to participate in any other plan, program or arrangement after such termination or resignation of employment with respect to the year of such termination or resignation and later years.

(ii) "Cause" means the occurrence of any of the following events:

(1) the Executive's willful, material violation of any law or regulation applicable to the business of the Company Group;

(2) the Executive's conviction of, or plea of guilty or "no contest" to, a felony;

(3) any willful perpetration by the Executive of an act involving moral turpitude or common law fraud, whether or not related to his activities on behalf of the Company Group;

(4) any act of gross negligence by the Executive in the performance of his duties as an employee of the Company;

(5) any material violation by the Executive of the Company's Code of Conduct, as in effect from time to time;

(6) the willful and continued failure or refusal of the Executive to satisfactorily perform the duties reasonably required of him as an employee of the Company Group;

(7) the indictment for any crime, whether a felony or misdemeanor, involving the purchase or sale of any security, mail or wire fraud, theft, embezzlement, moral turpitude, or Company Group property where such indictment has a material adverse impact on the Executive's ability to perform his duties under this Agreement;

(8) any willful misconduct by the Executive that is materially injurious to the financial condition, business, or reputation of, or is otherwise materially injurious to, any member of the Company Group; or

(9) any breach by the Executive of Section 9(a), (b), (c) or (d) of this Agreement.

(iii) Termination of the Executive's employment for Cause shall be communicated by delivery to the Executive of a written notice from the Board stating that the Executive will be terminated for Cause, specifying the particulars thereof and the effective date of such termination; ***provided, however***, that upon receipt of such notice, the Executive shall have (1) an opportunity to cure the matter constituting Cause within 30 days following the Executive's receipt of such notice (provided that the event constituting Cause is then susceptible to cure) and (2) an opportunity, together with his counsel, to be heard by the Board. The date of the Executive's termination for Cause shall be the date of termination specified by the resolution of the Board; ***provided, however***, that such termination shall not become effective until no earlier than the date of the meeting of the Board described in clause (2) of the preceding sentence.

(iv) The date of a resignation without Good Reason by the Executive shall be the date specified in a written notice of resignation to the Company. The Executive shall provide at least 30 days' advance written notice of resignation without Good Reason; ***provided, however***, that the Company, in its sole discretion, may waive the notice requirement in whole or in part.

(c) Termination Without Cause; Resignation for Good Reason.

(i) If, prior to the expiration of the Term, the Executive's employment with the Company is terminated by the Company without Cause or if the Executive resigns from his employment hereunder for Good Reason, then, in addition to the Termination Amount and the payment of any unpaid earned Bonus for the year immediately preceding the year in which such termination or resignation occurs, the Executive shall be entitled to receive:

(1) an amount equal to the sum of the following amounts (collectively, the "Severance Amount"):

(A) an amount equal to the *pro rata* portion of the Bonus for the year in which the termination or resignation occurs, calculated by multiplying (x) the Minimum Target Bonus for the year of termination by (y) a fraction, the numerator of which is the number of days the Executive was employed during the year of such termination or resignation and the denominator of which is 365; plus

(B) if at the time of such termination or resignation the Executive is not "retirement eligible" within the meaning of the Company's Equity Plan Retirement Policy (or if the Executive is "retirement eligible" and such termination or resignation occurs after a Change on Control or within six months of a Change of Control as described below), an amount equal to the Applicable Multiple (as defined below) multiplied by the sum of: (i) the Base Salary in effect for the year of termination or resignation and (ii) the Minimum Target Bonus; and

(2) continuation of applicable medical, dental and life insurance benefits (based on the coverage in effect for the Executive and his dependents at the time of such termination or resignation, but excluding any supplemental medical expense reimbursement insurance provided by the Company Group), from the date of termination or resignation until the earlier to occur of (A) the Applicable Multiple of years from the date of termination or (B) the date the Executive becomes eligible for comparable benefits provided by a third party (in either case, the “Continuation Period”); *provided, however*, that the continuation of such benefits shall be subject to the respective terms of the applicable plan, as in effect from time to time, and the timely payment by the Executive of his applicable share of the applicable premiums in effect from time to time during the Continuation Period. To the extent that reimbursable medical and dental care expenses constitute deferred compensation for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), the Company shall reimburse the medical and dental care expenses as soon as practicable consistent with the Company’s practice, but in no event later than the last day of the calendar year next following the calendar year in which such expenses are incurred.

Notwithstanding the foregoing, if at the time of such termination or resignation (a) the Executive is “retirement eligible” within the meaning of the Company’s Equity Plan Retirement Policy and (b) a Change of Control has not occurred (and a Change of Control does not occur within six month following such termination or resignation and it is not reasonably demonstrated that such termination of employment or Good Reason event was in contemplation of the Change in Control during such six month period), then the Executive shall not receive the amount specified under Section 6(c)(1)(B) above but shall instead be eligible to receive the entitlements provided under the Company’s Equity Plan Retirement Policy, subject to and in accordance with the terms and conditions of such policy.

For purposes of this Section 6(c), “Applicable Multiple” means (i) one, in the event termination or resignation occurs prior to a Change in Control of the Company (as defined in Section 7(b)) and the Executive is not “retirement eligible” within the meaning of the Company’s Equity Plan Retirement Policy; and (ii) two, in the event termination or resignation occurs on or after a Change in Control of the Company. Notwithstanding the foregoing, if within six months prior to the date on which a Change in Control occurs, the Executive’s employment with the Company Group is terminated by the Company without Cause or resignation by the Executive for Good Reason, and it is reasonably demonstrated that such termination of employment or resignation for Good Reason event was in contemplation of the Change in Control, then the Applicable Multiple shall be two, but the Severance Amount payable as a result of such revised calculation shall be reduced by any Severance Amount previously paid to the Executive under this Section 6(c) by the Company Group as a result of such termination or resignation of employment.

(ii) Subject to the compliance rules set forth in Section 6(e), the Severance Amount shall be paid in a lump sum on the first business day of the third calendar month following the calendar month in which termination by the Company without

Cause or resignation by the Executive for Good Reason is effective (or, in the event of the Executive's death after the date of the Executive's termination or resignation but prior to the date of payment, to the Executive's estate or beneficiary, as applicable, together with interest, within 30 days following the date of the Executive's death).

(iii) The payment of the Severance Amount, any entitlements provided under the Company's Equity Plan Retirement Policy and the continuation of benefits, pursuant to this Section 6(c), shall be contingent upon the Executive executing a full release and waiver of claims against the Company Group (which release and waiver of claims, once executed and irrevocable, shall not apply to the Company's obligation to pay the Severance Amount, any entitlements provided under the Company's Equity Plan Retirement Policy and continue benefits hereunder), in a form approved by the Board, that becomes irrevocable not later than the last day of the second calendar month following the calendar month in which the Executive's termination or resignation becomes effective in accordance with this Section 6(c). If the Executive fails to execute a full release and waiver of claims against the Company Group that becomes irrevocable on or before the last day of the second calendar month following the calendar month in which the Executive's termination or resignation becomes effective, the Company Group's obligations under this Section 6(c) shall terminate and the Executive shall not be entitled to further payment of the Severance Amount, any entitlements provided under the Company's Equity Plan Retirement Policy, or the continuation of benefits.

(iv) "Good Reason" means the occurrence of any of the following events:

(1) the Executive's position, title, duties, and reporting responsibilities with the Company in effect on the Effective Date become less favorable in any material respect; ***provided, however,*** Good Reason shall not be deemed to occur under this clause (1) if either (A) the following three conditions are satisfied: (i) the diminution in the Executive's position, duties or reporting responsibilities is solely and directly a result of the Company no longer being a publicly-traded company; (ii) the event resulting in the Company no longer being a publicly-traded entity is a leveraged buyout, acquisition by a private equity fund and/or other similar "going private" transaction and is not as a result of the acquisition of the Company or the business of the Company Group by another operating company or parent or subsidiary thereof; and (iii) the Executive continues to hold the same position and title with the Company and no other act or omission has then occurred that would constitute an event of Good Reason under this definition, or (B) the diminution in the Executive's position, duties or reporting responsibilities is during a period of physical or mental incapacity of the Executive;

(2) (A) a reduction in, or a change in the form of, either the Base Salary or Minimum Target Bonus or (B) a reduction in the aggregate amount of the material benefits provided to the Executive, as of the Effective Date, other

than an across-the-board reduction applicable to all senior executive officers of the Company Group; or

(3) the relocation, without the Executive's consent, of the Executive's principal place of business to a location that is more than 60 miles from the Executive's primary business location on the Effective Date or, if applicable, from a subsequent primary business location agreed to by the Executive.

(v) In order to constitute Good Reason, (1) the Executive must provide written notification of his intention to resign within 30 days after the Executive knows or has reason to know of the occurrence of any such event, (2) such event or condition is not corrected, in all material respects, by the Company Group within 20 days of its receipt of such notice, and (3) the Executive resigns his employment with the Company Group not more than 30 days following the expiration of the 20-day period described in the foregoing clause (2).

(vi) Notwithstanding the previous provisions of this Section 6(c), it shall not be an event of Good Reason under this Agreement for the Company Group (1) to adopt (or subsequently amend) one or more claw-back, mandatory deferral or other risk management policies related to the Company Group's incentive compensation plans or arrangements, including without limitation the Company's Executive Compensation Recoupment Policy or (2) to adopt (or subsequently amend) stock ownership guidelines related to the Company's common stock or (3) to subject the compensation payable to the Executive under this Agreement to these policies or guidelines; provided that, except as otherwise required by law, such policies are generally applicable to the Company Group's executive officers.

(vii) The date of termination of employment without Cause shall be the date specified in a written notice of termination to the Executive. The date of resignation for Good Reason shall be the date specified in a written notice of resignation from the Executive to the Company; ***provided, however***, that no such written notice shall be effective unless the cure period specified in Section 6(c)(v) above has expired without the Company Group having corrected the event or events subject to cure.

(d) *Disability; Death.*

(i) If, as a result of the Executive's incapacity due to physical or mental illness (such incapacity being determined by the Board in its reasonable discretion), the Executive shall have been absent from his full-time duties as described hereunder for the entire period of six consecutive months ("Disability"), the Executive's employment shall terminate at the end of the six-month period.

(ii) Upon a termination pursuant to this Section 6(d) as a result of Disability or as a result of the Executive's death, the Executive (or his estate or beneficiary, as applicable) shall be entitled to receive:

(1) the Termination Amount;

(2) an amount equal to the *pro rata* portion of the Bonus for the year in which the termination occurs, calculated by multiplying (x) the Minimum Target Bonus for the year of termination by (y) a fraction, the numerator of which is the number of days the Executive was employed during the year of termination and the denominator of which is 365; and

(3) any earned and unpaid Bonus for the year immediately preceding the year in which the termination occurs.

(iii) If the Executive's employment is terminated pursuant to this Section 6(d) as a result of his Disability, then subject to Section 6(e), the *pro rata* Bonus shall be paid in a lump sum on the first business day of the third calendar month following the calendar month in which termination pursuant to this Section 6(d) is effective.

(iv) If the Executive's employment is terminated as of result of his death, the *pro rata* Bonus shall be paid within 30 days after the date of the Executive's death.

(e) ***No Right to Other Compensation and Benefits; Treatment of Equity Awards.***

Except to the extent required by the terms of any applicable compensation or benefit plan or program or otherwise required by applicable law, the Executive shall have no right under this Agreement or otherwise to receive any other compensation or to participate in any other plan, program or arrangement after such termination. Without limiting the generality of the foregoing, the treatment of any equity awards shall be governed by the applicable award agreements and underlying equity plan documents.

(f) ***Section 409A Compliance.***

(i) If, at the time of the Executive's termination or resignation with the Company, the Executive is a Specified Employee (as defined below), then the Severance Amount, any entitlements provided under the Company's Equity Plan Retirement Policy, the *pro rata* Bonus contemplated by Section 6(d) and any other amounts payable under this Agreement that the Company determines constitutes deferred compensation within the meaning of Section 409A of the Code and which are subject to the six-month delay required by Treas. Reg. Section 1.409A-1(c)(3)(v), shall be delayed and not paid to the Executive until the first business day following the six-month anniversary of the Executive's date of termination or resignation (the "Short-Term Deferral Date"), at which time such delayed amounts will be paid to the Executive in a cash lump sum (the "Catch-Up Amount").

(ii) If payment of an amount is delayed as a result of this Section 6(f), such amount shall be increased with interest from the date on which such amount would otherwise have been paid to the Executive but for this Section 6(f) to the day prior to the date the Catch-Up Amount is paid. The rate of interest shall be the applicable short-term federal rate applicable under Section 7872(f)(2)(A) of the Code for the month in which the date of the Executive's termination or resignation occurs. Such interest shall be paid at the same time that the Catch-Up Amount is paid.

(iii) If the Executive dies on or after the date of the Executive's termination or resignation and prior to the Short-Term Deferral Date, any amount delayed pursuant to this Section 6(f) shall be paid to the Executive's estate or beneficiary, as applicable, together with interest, within 30 days following the date of the Executive's death.

(iv) "Specified Employee" has the meaning set forth in Section 409A(a)(2)(B)(i) of the Code. The determination of whether the Executive constitutes a Specified Employee on the date of his termination or resignation shall be made in accordance with the Company's established methodology for determining Specified Employees.

(v) "Separation from Service" means a "separation from service" from the Company within the meaning of the default rules under the final regulations issued pursuant to Section 409A of the Code.

(vi) The provisions of this Section 6(f) shall apply notwithstanding any provision of this Agreement related to the timing of payments following the Executive's termination or resignation. For purposes of applying the provisions of Section 409A of the Code to this Agreement, each separately identifiable amount to which the Executive is entitled under this Agreement shall be treated as a separate payment.

7. CHANGE IN CONTROL.

(a) If a Change in Control of the Company (as defined below) shall become effective during the Term, the Term shall automatically be deemed to end on the second anniversary of the effective date of such Change in Control.

(b) A "Change in Control" shall be deemed to have occurred when:

(i) any person is or becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing 35% or more of the combined voting power of the Company's then-outstanding securities; or

(ii) during any 24-month period, individuals who, as of the beginning of such period, constitute the Board (the "Incumbent Directors") cease for any reason to constitute a majority of the Board; provided that any new director subsequent to the beginning of such period (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including, but not limited to, a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's shareholders was approved or recommended by a vote of at least a majority of the Incumbent Directors shall be an Incumbent Director; or

(iii) there is consummated a merger or consolidation of the Company, other than (A) a merger or consolidation which would result in the voting securities of the

Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary, at least 50% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its affiliates other than in connection with the securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 50% or more of the combined voting power of the Company's then outstanding securities; or

(iv) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

8. SECTION 4999 EXCISE TAX LIMITATION.

(a) In the event that it shall be determined that (X) any amount or benefit paid, distributed or otherwise provided to the Executive by the Company Group, whether pursuant to this Agreement or otherwise (collectively, the "Covered Payments"), would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), and (Y) the reduction of the amounts payable to the Executive under this Agreement or with respect to stock options and equity awards to the maximum amount that could be paid to the Executive without giving rise to the Excise Tax (the "Safe Harbor Cap") would provide the Executive with a greater after-tax amount than if such amounts were not reduced, then, subject to the further limitations set forth herein, the Covered Payments shall be reduced (but not below zero) to the Safe Harbor Cap. The reductions, if applicable, shall be made to the extent necessary in the following order: (i) the acceleration of vesting of stock options and other equity awards with an exercise price that exceeds the then fair market value of the stock subject to the award; (ii) the payments under Section 6(c)(i)(1)(A) hereof; (iii) the payments under Section 6(c)(i)(1)(B) hereof; (iv) the continuation of benefits under Section 6(c)(i)(2) hereof; and (v) the acceleration of vesting of all other stock options and equity awards. For purposes of reducing the Covered Payments to the Safe Harbor Cap, only amounts payable under this Agreement and with respect to stock options and equity awards (and no other Covered Payments) shall be reduced. If the reduction would not result in a greater after-tax result to the Executive, no amounts payable under this Agreement or with respect to stock options and equity awards shall be reduced pursuant to this provision.

(b) A nationally recognized firm of independent accountants, selected by the Company after consultation with the Executive, shall perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. Such accounting firm shall apply the provisions of this Section 8 in a reasonable manner and in good faith in accordance with then prevailing practices in the interpretation and application of Section 4999 of the Code. For purposes of applying the provisions of this Section 8, the Company shall be entitled to rely on the written advice of legal counsel or such accounting firm as to whether one or more Covered Payments constitute “parachute payments” under Section 4999 of the Code.

(c) The accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and the Executive within 30 calendar days after the date that such accounting firm has been engaged to make such determinations or such other time as requested by the Company or the Executive. If payments are reduced to the Safe Harbor Cap or the accounting firm determines that no Excise Tax is payable by the Executive without a reduction in Covered Payments, it shall furnish the Company and the Executive with an opinion to such effect, that the Executive is not required to report any Excise Tax on the Executive’s federal income tax return, and that the failure to report the Excise Tax, if any, on the Executive’s applicable federal income tax return will not result in the imposition of a negligence or similar penalty. Any good faith determinations of the accounting firm made hereunder shall be final, binding, and conclusive upon the Company and the Executive.

9. PROTECTION OF THE COMPANY GROUP’S INTERESTS.

(a) ***No Competing Employment.*** For so long as the Executive is employed by the Company, and (i) during a period of two years after his employment with the Company has been terminated by reason of termination without Cause or resignation for Good Reason in which the Applicable Multiple is two, or (ii) during a period of one year after his employment with the Company Group has been terminated in all other circumstances (such period of employment and applicable post-employment period hereinafter referred to as the “Restricted Period”), the Executive shall not, without the prior written consent of the Board, directly or indirectly, own an interest in, manage, operate, join, control, lend money or render financial or other assistance to or participate in or be connected with, as an officer, employee, partner, stockholder, consultant or otherwise, any individual, partnership, firm, corporation or other business organization or entity that competes with the business of the Company Group by providing, anywhere within the “Restricted Area” as defined below, any goods or services provided or under development by the Company Group at the effective date of the Executive’s termination of employment (the “Business”); ***provided, however,*** that this Section 9(a) shall not proscribe the Executive’s ownership, either directly or indirectly, of less than one percent of any class of securities which are regularly traded on a national securities exchange or interdealer quotation system. For this purpose, “Restricted Area” means any geographic area in which the Company is providing goods or services, or is planning to provide goods or services within the Restricted Period, in each case at the effective date of the Executive’s termination of employment.

(b) **No Interference.** During the Restricted Period, the Executive shall not, directly or indirectly, whether for his own account or for the account of any other individual, partnership, firm, corporation or other business organization (other than the Company Group), (i) solicit, or endeavor to entice away from the Company Group, or otherwise interfere with the relationship of the Company Group with, any person or entity who is, or was within the then most recent 12 month period, (A) employed by, or otherwise engaged to perform services for, the Company Group, or (B) a customer or client of the Company Group, (ii) assist or encourage any other person in carrying out, directly or indirectly, any activity that would be prohibited by the provisions of this Section 9(b) if such activity were carried out by the Executive, and, in particular, the Executive agrees that he will not, directly or indirectly, induce any employee of the Company Group to carry out any such activity, or (iii) otherwise interfere with the business of the Company Group.

(c) **Non-Disparagement.** Subject to Section 9(k) and (l) of this Agreement, for so long as the Executive is employed by the Company Group, and at all times thereafter, the Executive shall not intentionally make any public statement, or publicly release any information, that disparages or defames the Company Group, or any of its officers and directors, and shall not intentionally cause or encourage any other person to make any such statement or publicly release any such information.

(d) **Confidentiality.** The Executive understands and acknowledges that, in the course of his employment, he has had and will continue to have access to and will learn confidential information regarding the Company Group that concerns the technological innovations, operations and methodologies of the Company Group, including, without limitation, business plans, financial information, protocols, proposals, manuals, procedures and guidelines, computer source codes, programs, software, know-how and specifications, inventions, copyrights, trade secrets, market information, Developments (as hereinafter defined), data and customer information (collectively, "Proprietary Information"). The Executive recognizes that the use or disclosure of Proprietary Information could cause the Company Group substantial loss and damages, which could not be readily calculated, and for which no remedy at law would be adequate. Accordingly, the Executive agrees that for so long as he is employed by the Company Group, and at all times thereafter, he shall keep confidential and shall not, directly or indirectly, disclose any such Proprietary Information to any third party, except as required to fulfill his duties in connection with his positions within the Company Group, and shall not misuse, misappropriate or exploit such Proprietary Information in any way. The restrictions contained herein shall not apply to the extent provided in Section 9(k) or (l) of this Agreement or to any information which the Executive can demonstrate (i) was already available to the public at the time of disclosure, or subsequently became available to the public, otherwise than by breach of this Agreement, or (ii) was the subject of a court order to disclose.

"Developments" shall mean all data, discoveries, findings, reports, designs, inventions, improvements, methods, practices, techniques, developments, programs, concepts and ideas, whether or not patentable, and works of authorship relating to the present or planned activities, or the products and services of the Company Group.

(e) **Exclusive Property.** The Executive confirms that all Proprietary Information is and shall remain the exclusive property of the Company Group. All business

records, papers and documents kept or made by him relating to the business of the Company Group shall be and remain the property of the Company. Upon the termination of the Executive's employment with the Company or upon the request of the Company at any time, he shall promptly deliver to the Company Group, and shall not, without the consent of the Company, retain copies of any written materials not previously made available to the public, or records and documents made by the Executive or coming into his possession concerning the business or affairs of the Company Group; **provided, however**, that subsequent to any such termination, the Company shall provide the Executive with copies (the cost of which shall be borne by the Executive) of any documents that are requested by the Executive and that he has determined in good faith are (i) required to establish a defense to a claim that the Executive has not complied with his duties hereunder or (ii) necessary to the Executive in order to comply with applicable law.

(f) **Assignment of Developments.** During the Executive's employment, all Developments that are at any time made, reduced to practice, conceived or suggested by him, whether acting alone or in conjunction with others, shall be the sole and absolute property of the Company Group, free of any reserved or other rights of any kind on his part, and the Executive hereby irrevocably assigns, conveys and transfers any and all right, title and interest that he may have in such Developments to the Company Group. If such Developments were made, reduced to practice, conceived or suggested by the Executive during or as a result of his employment relationship with the Company, the Executive shall promptly make full disclosure of any such Developments to the Company and, at the Company Group's cost and expense, do all acts and things (including, among others, the execution and delivery under oath of patent and copyright applications and instruments of assignment) deemed by the Company to be necessary or desirable at any time in order to effect the full assignment to the Company Group of his right, title and interest, if any, to such Developments. The Executive acknowledges and agrees that any invention, concept, design or discovery that concretely relates to or is associated with the Executive's work for the Company Group that is described in a patent application or is disclosed to a third party, directly or indirectly, by the Executive during the Restricted Period shall be the property of and owned by the Company Group, and such disclosure by patent application (except by way of a patent application filed by any member of the Company Group) or otherwise shall constitute a breach of this Section 9.

(g) **Injunctive Relief.** Without intending to limit the remedies available to the Company Group, the Executive acknowledges that a breach of any of the covenants contained in this Section 9 may result in material irreparable injury to the Company Group or any of its members for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat thereof, the Company shall be entitled to obtain a temporary restraining order and/or a preliminary or permanent injunction restraining the Executive from engaging in activities prohibited by this Section 9 or such other relief as may be required to specifically enforce any of the covenants in this Section 9, without the Company being required to show any actual damage or to post an injunction bond.

(h) **Enforceability.** Should any of the time periods or the geographic area set forth in this Section 9 be held to be unreasonable by any court of competent subject matter jurisdiction, the parties hereto agree to petition such court to reduce the time period or

geographic area to the maximum time period or geographic area, as applicable, permitted by governing law.

(i) ***Periods Following the Term.*** Subject to the provisions of Sections 9(a) and (b), the provisions of this Section 9 shall continue in effect in accordance with the provisions hereof following the expiration of the Term, including, without limitation, during any period that the Executive remains an employee-at-will of the Company.

(j) ***Reciprocity of Obligations.*** Notwithstanding anything to the contrary in this Agreement, in the event the Company is obligated to pay the Severance Amount under Section 6(c) of this Agreement or to provide entitlements under the Company's Equity Plan Retirement Policy, the Executive's obligations under Section 9(a) of this Agreement shall be conditioned upon payment of the Severance Amount in the manner contemplated by Section 6(c) and the Company's compliance with the terms and conditions of the Company's Equity Plan Retirement Policy; ***provided, however,*** that, without limiting any other remedies available to the Company, in the event of the Executive's breach of Section 9(a), (b), (c) or (d) of this Agreement, the Company shall cease to have any obligation as of the date of such breach to make any payments under Section 6(c) of this Agreement; ***provided further,*** that the Executive's obligations under Section 9(a) shall apply if the Company does not pay the Severance Amount or provide entitlement under the Company's Equity Plan Retirement Policy to the Executive as a result of the failure of the Executive to deliver the release contemplated by Section 6(c)(iii) or the failure of such release to become effective in accordance with its terms as a result of the Executive having exercised any right of rescission or revocation applicable to such release. The party alleging a breach described in this Section 9(j) shall provide prompt written notice of such breach to the other party hereto, and the party receiving such notice shall have 10 days from the date of delivery of such notice (as determined in accordance with Section 11 hereof) to cure such breach to the reasonable satisfaction of the party delivering such notice. The party delivering the notice shall not be released of its obligations hereunder unless the 10-day cure period shall have expired without the alleged breach having been cured in the manner described in the previous sentence.

(k) ***Legally-Protected Communications and Disclosures.*** Notwithstanding any other provision of this Agreement to the contrary, no provision of this Agreement shall prevent, restrict, limit, impede or otherwise interfere with the Executive's ability to exercise any rights he may have to (i) engage in legally-protected employee communications, including without limitation protections under Section 7 of the National Labor Relations Act, (ii) file a charge or complaint or initiate an investigation with the Department of Justice, Equal Employment Opportunity Commission, Inspector General, National Labor Relations Board, Occupational Safety and Health Administration, Securities and Exchange Commission or any other federal, state or local governmental or regulatory agency, authority or commission or staff thereof (each a "Government Agency"), (iii) report a possible violation of any federal, state or local statute, rule, regulation, ordinance or other law ("Law") to any Government Agency or making other disclosures that are protected under the whistleblower protections of any applicable Law, including without limitation reporting possible violations of Law in accordance with Section 21F of the Securities Exchange Act of 1934, as amended, and rules promulgated thereunder ("Section 21F of the Exchange Act"), (iv) respond to a lawful subpoena, or (v) comply with any other legal obligation. Further, notwithstanding any other provision of this

Agreement to the contrary, no provision of this Agreement shall limit the Executive's ability to (i) communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to or permission by the Company, or (ii) receive any award for information provided to any Government Agency. Without limiting the generality of the foregoing, the provisions of Section 21F of the Exchange Act shall be effective as of August 12, 2011 or such other date as may be required by law.

(l) ***Notice of Immunity Under the Defend Trade Secrets Act of 2016.***

Notwithstanding any other provision of this Agreement to the contrary, effective as of May 11, 2016 or such other date as may be required by law:

(i) the Executive will not be held criminally or civilly liable under any federal, state or local trade secret law for any disclosure of a trade secret that is made: (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document that is filed under seal in a lawsuit or other proceeding; and

(ii) if the Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose the Company's trade secrets to the Company's attorney and use the trade secret information in the court proceeding if the Company: (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order.

10. AMENDMENTS. The provisions of this Agreement may not be amended, supplemented, waived or changed orally, except by a writing signed by the party as to whom enforcement of any such amendment, supplement, waiver or modification is sought and making specific reference to this Agreement. Notwithstanding the preceding sentence, the Company may, without the Executive's consent, amend any provision of this Agreement to the extent it deems such action necessary or advisable to avoid the imposition on any person of additional taxes, penalties or interest under Section 409A of the Code, and any such amendment shall not be a basis for a resignation by the Executive for Good Reason; provided, however, that any such amendment or modification shall, to the maximum extent the Company, reasonably and in good faith determines to be possible, retain the economic and tax benefits to the Executive hereunder while not materially increasing the cost to the Company Group of providing such benefits to the Executive. Any determinations of the Company pursuant to this Section 10 shall be final, conclusive and binding on all persons.

11. NOTICE. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing (including electronic transmission) and shall be (as elected by the person giving such notice) hand delivered by messenger or courier service, electronically transmitted, or mailed (airmail if international) by registered or certified mail (postage prepaid), return receipt requested, addressed to:

If to the Executive:

To the address of the Executive as reflected on the books and records of the Company

If to the Company:
SBA COMMUNICATIONS CORPORATION
8051 Congress Avenue
Boca Raton, Florida 33487-1307
Attn: President

With a copy to:
Norton Rose Fulbright US LLP
1301 Avenue of the Americas
New York, New York 10119
Attn: Marjorie M. Glover

or to such other address as any party may designate by notice complying with the provisions of this Section 11. Each such notice shall be deemed delivered (a) on the date delivered if by personal delivery; (b) on the date of transmission with confirmed answer back if by electronic transmission; and (c) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

12. ASSIGNMENTS. No party shall assign his or its rights and/or obligations under this Agreement without the prior written consent of each other party to this Agreement. The Company will require a successor to all or substantially all of the business or assets of the Company to assume expressly and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform this Agreement if no such succession had taken place.

13. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Confirmation of execution by electronic transmission of a facsimile signature page shall be binding upon any party so confirming.

14. ARBITRATION. Any controversy or claim arising out of or relating to this contract shall be determined by arbitration in accordance with the then-existing Commercial Rules of the American Arbitration Association. The place of arbitration shall be Palm Beach County, Florida. There shall be one arbitrator, to be selected jointly by the Company and the Executive; *provided, however*, if the Company and the Executive cannot agree, the arbitrator shall be appointed by the American Arbitration Association. The Company shall initially pay the fees of the arbitrator, provided that the prevailing party shall be entitled to recover reasonable attorneys' fees, sales and use taxes, costs (including the arbitrator's fees) and all expenses even if not taxable as court costs, incurred in the arbitration proceeding or any legal proceeding to enforce any award granted thereunder, in addition to any other relief to which such party or parties may be entitled. The parties hereby agree to waive their right to have any dispute between them resolved in a court of law by a judge or jury; *provided, however*, that this

Section 14 will not prevent the Company Group from seeking equitable or injunctive relief (or any other provisional remedy) from any court having jurisdiction over the parties and the subject matter hereof relating to a breach or violation or threatened breach or violation of the Executive's obligations under Section 9 hereof; **provided further** that this Section 14 will not prevent either party from enforcing any arbitration award granted hereunder in any court having jurisdiction over the parties.

15. PAYMENT OF AMOUNTS AND BENEFITS. Notwithstanding any other provision of this Agreement to the contrary, payment of any amount or benefits under this Agreement may be paid, distributed or otherwise provided to the Executive by a member of the Company Group.

16. SEVERABILITY. If any provision of this Agreement or any other agreement entered into pursuant hereto is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible. If any provision of this Agreement may be construed in two or more ways, one of which would render the provision invalid or otherwise voidable or unenforceable and another of which would render the provision valid and enforceable, such provision shall have the meaning which renders it valid and enforceable.

17. ENTIRE AGREEMENT. This Agreement represents the entire understanding and agreement between the parties with respect to the subject matter hereof, and supersedes all other negotiations, understandings and representations (if any) made by and between such parties, including the Current Agreement, except for the Company's Executive Compensation Recoupment Policy and any and all Acknowledgements and Agreements to such policy executed by the Executive; **provided further, however**, that nothing in this Agreement shall be construed to modify any existing equity award granted to the Executive by the Company prior to the Effective Date.

18. GOVERNING LAW. This Agreement and all transactions contemplated by this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida applicable to contracts executed and performed entirely in such state.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

SBA COMMUNICATIONS CORPORATION

By: /s/ Jeffrey A. Stoops
Jeffrey A. Stoops
President and Chief Executive Officer

/s/ Kurt L. Bagwell
Kurt L. Bagwell

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this “Agreement”), between SBA COMMUNICATIONS CORPORATION, a Florida corporation (the “Company”), and THOMAS P. HUNT (the “Executive”), is made and entered into as of October 1, 2021 (the “Effective Date”).

W I T N E S S E T H :

WHEREAS, the Company and its subsidiaries (collectively, the “Company Group”) engage in the business of developing, leasing and maintaining wireless telecommunications tower sites and other related businesses;

WHEREAS, the Company and the Executive have previously entered into an Employment Agreement, amended and restated effective as of October 1, 2018, and expiring by its terms on December 31, 2021 (the “Current Agreement”);

WHEREAS, the Current Agreement will expire by its terms on December 31, 2021 without any obligation of either party thereto to renew or extend such Agreement and without any obligation of the Company Group to pay severance or other amounts in connection with such expiration; and

WHEREAS, the Company and the Executive intend to provide for the continued employment of the Executive by the Company Group as of the Effective Date on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, it is hereby agreed by and between the parties as follows:

1. EMPLOYMENT. The Company hereby agrees to employ the Executive and the Executive hereby agrees to be employed by the Company on the terms and conditions set forth herein.

2. TERM. The term (the “Term”) of employment of the Executive by the Company shall commence as of the Effective Date and, subject to Section 7(a), shall end December 31, 2024 (the “End Date”), unless sooner terminated as hereinafter provided. If the Executive continues in the employment of the Company Group following the expiration of the Term, the Executive’s employment with the Company Group shall be at will, unless and until the parties negotiate and sign a new employment agreement regarding such future employment. Neither party shall be under any obligation or duty to sign or negotiate any such new employment agreement.

3. POSITION AND DUTIES.

(a) The Executive shall serve as the Executive Vice President, Chief Administrative Officer and General Counsel of the Company. The Executive shall generally perform the duties of a Executive Vice President, Chief Administrative Officer and General Counsel for the Company and shall have such specific responsibilities, duties and authorities as

shall from time to time be assigned by the President, Chief Executive Officer, or Board of Directors of the Company (the “Board”).

(b) The Executive shall also serve, for no additional consideration, in such other positions in the Company Group as determined from time to time by the Board and shall have such specific responsibilities, duties and authorities with respect to such positions as shall from time to time be assigned by the President, Chief Executive Officer, or the Board.

(c) The Executive shall devote all his working time and efforts to the business and affairs of the Company Group. Notwithstanding the foregoing, the Executive may engage in charitable, civic, educational and professional activities and passive personal investment activities, provided that such activities do not conflict with the business and affairs of the Company Group or unreasonably interfere with the Executive’s performance of his duties hereunder.

4. COMPENSATION AND RELATED MATTERS.

(a) **Salary.** During the Term, the Executive shall be paid an annual salary at the rate in effect immediately prior to the Effective Date, which amount may be increased but not decreased by the Board (the “Base Salary”). The Company shall pay the Executive the Base Salary in accordance with its regular payroll practices as in effect from time to time. Compensation of the Executive by payments of Base Salary shall not be deemed exclusive and shall not prevent the Executive from participating in any other compensation or benefit plan of the Company Group, subject to the eligibility requirements and other terms of such plan.

(b) **Annual Bonus.** In addition to the Base Salary, the Executive shall be eligible to earn for each calendar year ending during the Term an annual incentive bonus (the “Bonus”) based on the achievement of one or more performance goals, targets, measurements and other factors (collectively, the “Performance Goals”) established for such year by the Compensation Committee of the Board (the “Committee”). The Executive’s target annual bonus (the “Target Bonus”) and the applicable Performance Goals will be established by the Committee; *provided, however*, that the minimum Target Bonus for each full year of service shall be 100% of the annual rate of Base Salary in effect at the start of such year (the “Minimum Target Bonus”). Payment of the Executive’s Bonus for any year will be based upon the achievement of the Performance Goals established by the Committee for that year (including, without limitation, the exercise of the Committee’s discretion with respect to the Performance Goals and related payment schedule established by the Committee for such Performance Goals). The actual bonus paid may be higher or lower than the Target Bonus for over- or under-achievement of the Performance Goals (including, without limitation, as a result of the exercise by the Committee of discretion with respect to the Performance Goals and related payment schedule established by the Committee for such Performance Goals), as determined by the Committee. Subject to Section 6 hereof, a Bonus, if any, shall be payable in accordance with the Company’s customary bonus payment practices, but in no event later than March 15th of the succeeding calendar year.

(c) **Expenses.** During the Term, the Executive shall be entitled to receive payment or reimbursement for all reasonable expenses incurred by the Executive in performing

services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company Group, cell phone expenses and dues and seminar fees; *provided* that such expenses are incurred and accounted for in accordance with the policies and procedures then established by the Company Group from time to time; *provided further* that reimbursement shall be made as soon as practicable after a request for reimbursement is received by the Company Group in accordance with the Company Group's customary expense reimbursement practices, but in no event later than the last day of the calendar year next following the calendar year in which the expense is incurred.

(d) **Other Benefits.** The Executive shall be entitled to participate in or receive benefits under any employee benefit plan or arrangement made available by the Company Group in the future to its executives and key management employees, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements, which benefits shall include disability insurance for as long as the Company Group generally provides disability insurance to its officers. Any payments, bonuses or benefits payable to the Executive hereunder in respect of any calendar year during which the Executive is employed by the Company for less than the entire such year shall, unless otherwise provided in the applicable plan or arrangement, be prorated in accordance with the number of days in such calendar year during which the Executive is so employed.

(e) **Group or Family Medical Coverage.** During the Term, the Company shall provide group or family medical insurance coverage to the Executive and his dependents under a plan for employees of the Company Group, and such plan shall include reasonable coverage for medical, hospital, surgical and major medical expenses and shall be subject to such deductibles as applicable to other Company Group employees.

5. WITHHOLDING. Both the Executive and the Company agree that all amounts paid pursuant to this Agreement shall be subject to all applicable federal, state, local and foreign withholding requirements.

6. TERMINATION. Subject to the provisions set forth in this Section 6, the Company shall have the right to terminate the Executive's employment hereunder, and the Executive shall have the right to resign his employment with the Company, at any time for any reason or for no stated reason. For purposes of this Agreement, the terms "terminate," "terminated," "termination" and "resignation" mean a termination of the Executive's employment that constitutes a Separation from Service (as defined in Section 6(e)(v) hereof).

(a) **General.** Upon a termination of the Executive's employment for any reason, he shall be entitled to receive the following amounts (collectively, the "**Termination Amount**") on the next regularly scheduled payroll date after the date of the Executive's termination of employment: (i) any accrued and unpaid Base Salary for services performed up to and including the date of his termination or resignation, as applicable, (ii) a cash payment (calculated on the basis of his Base Salary then in effect) for all unused paid time off days that the Executive may have accrued as of his date of termination (subject to the terms of the Company's then applicable vacation policies), and (iii) any unpaid reimbursement for business expenses the Executive is entitled to receive under Section 4(c) hereof.

(b) Termination for Cause; Resignation Without Good Reason.

(i) If, prior to the expiration of the Term, the Executive's employment with the Company is terminated by the Company for Cause (as defined below) or if the Executive resigns without Good Reason (as defined below), he shall be entitled to receive the Termination Amount. Except to the extent required by the terms of any applicable compensation or benefit plan or program (including, but not limited to, the Company's Equity Plan Retirement Policy) or otherwise required by applicable law, the Executive shall have no right under this Agreement or otherwise to receive any other compensation or to participate in any other plan, program or arrangement after such termination or resignation of employment with respect to the year of such termination or resignation and later years.

(ii) "Cause" means the occurrence of any of the following events:

(1) the Executive's willful, material violation of any law or regulation applicable to the business of the Company Group;

(2) the Executive's conviction of, or plea of guilty or "no contest" to, a felony;

(3) any willful perpetration by the Executive of an act involving moral turpitude or common law fraud, whether or not related to his activities on behalf of the Company Group;

(4) any act of gross negligence by the Executive in the performance of his duties as an employee of the Company;

(5) any material violation by the Executive of the Company's Code of Conduct, as in effect from time to time;

(6) the willful and continued failure or refusal of the Executive to satisfactorily perform the duties reasonably required of him as an employee of the Company Group;

(7) the indictment for any crime, whether a felony or misdemeanor, involving the purchase or sale of any security, mail or wire fraud, theft, embezzlement, moral turpitude, or Company Group property where such indictment has a material adverse impact on the Executive's ability to perform his duties under this Agreement;

(8) any willful misconduct by the Executive that is materially injurious to the financial condition, business, or reputation of, or is otherwise materially injurious to, any member of the Company Group; or

(9) any breach by the Executive of Section 9(a), (b), (c) or (d) of this Agreement.

(iii) Termination of the Executive's employment for Cause shall be communicated by delivery to the Executive of a written notice from the Board stating that the Executive will be terminated for Cause, specifying the particulars thereof and the effective date of such termination; ***provided, however***, that upon receipt of such notice, the Executive shall have (1) an opportunity to cure the matter constituting Cause within 30 days following the Executive's receipt of such notice (provided that the event constituting Cause is then susceptible to cure) and (2) an opportunity, together with his counsel, to be heard by the Board. The date of the Executive's termination for Cause shall be the date of termination specified by the resolution of the Board; ***provided, however***, that such termination shall not become effective until no earlier than the date of the meeting of the Board described in clause (2) of the preceding sentence.

(iv) The date of a resignation without Good Reason by the Executive shall be the date specified in a written notice of resignation to the Company. The Executive shall provide at least 30 days' advance written notice of resignation without Good Reason; ***provided, however***, that the Company, in its sole discretion, may waive the notice requirement in whole or in part.

(c) Termination Without Cause; Resignation for Good Reason.

(i) If, prior to the expiration of the Term, the Executive's employment with the Company is terminated by the Company without Cause or if the Executive resigns from his employment hereunder for Good Reason, then, in addition to the Termination Amount and the payment of any unpaid earned Bonus for the year immediately preceding the year in which such termination or resignation occurs, the Executive shall be entitled to receive:

(1) an amount equal to the sum of the following amounts (collectively, the "Severance Amount"):

(A) an amount equal to the *pro rata* portion of the Bonus for the year in which the termination or resignation occurs, calculated by multiplying (x) the Minimum Target Bonus for the year of termination by (y) a fraction, the numerator of which is the number of days the Executive was employed during the year of such termination or resignation and the denominator of which is 365; plus

(B) if at the time of such termination or resignation the Executive is not "retirement eligible" within the meaning of the Company's Equity Plan Retirement Policy (or if the Executive is "retirement eligible" and such termination or resignation occurs after a Change on Control or within six months of a Change of Control as described below), an amount equal to the Applicable Multiple (as defined below) multiplied by the sum of: (i) the Base Salary in effect for the year of termination or resignation and (ii) the Minimum Target Bonus; and

(2) continuation of applicable medical, dental and life insurance benefits (based on the coverage in effect for the Executive and his dependents at the time of such termination or resignation, but excluding any supplemental medical expense reimbursement insurance provided by the Company Group), from the date of termination or resignation until the earlier to occur of (A) the Applicable Multiple of years from the date of termination or (B) the date the Executive becomes eligible for comparable benefits provided by a third party (in either case, the “Continuation Period”); *provided, however*, that the continuation of such benefits shall be subject to the respective terms of the applicable plan, as in effect from time to time, and the timely payment by the Executive of his applicable share of the applicable premiums in effect from time to time during the Continuation Period. To the extent that reimbursable medical and dental care expenses constitute deferred compensation for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), the Company shall reimburse the medical and dental care expenses as soon as practicable consistent with the Company’s practice, but in no event later than the last day of the calendar year next following the calendar year in which such expenses are incurred.

Notwithstanding the foregoing, if at the time of such termination or resignation (a) the Executive is “retirement eligible” within the meaning of the Company’s Equity Plan Retirement Policy and (b) a Change of Control has not occurred (and a Change of Control does not occur within six month following such termination or resignation and it is not reasonably demonstrated that such termination of employment or Good Reason event was in contemplation of the Change in Control during such six month period), then the Executive shall not receive the amount specified under Section 6(c)(1)(B) above but shall instead be eligible to receive the entitlements provided under the Company’s Equity Plan Retirement Policy, subject to and in accordance with the terms and conditions of such policy.

For purposes of this Section 6(c), “Applicable Multiple” means (i) one, in the event termination or resignation occurs prior to a Change in Control of the Company (as defined in Section 7(b)) and the Executive is not “retirement eligible” within the meaning of the Company’s Equity Plan Retirement Policy; and (ii) two, in the event termination or resignation occurs on or after a Change in Control of the Company. Notwithstanding the foregoing, if within six months prior to the date on which a Change in Control occurs, the Executive’s employment with the Company Group is terminated by the Company without Cause or resignation by the Executive for Good Reason, and it is reasonably demonstrated that such termination of employment or resignation for Good Reason event was in contemplation of the Change in Control, then the Applicable Multiple shall be two, but the Severance Amount payable as a result of such revised calculation shall be reduced by any Severance Amount previously paid to the Executive under this Section 6(c) by the Company Group as a result of such termination or resignation of employment.

(ii) Subject to the compliance rules set forth in Section 6(e), the Severance Amount shall be paid in a lump sum on the first business day of the third calendar month following the calendar month in which termination by the Company without

Cause or resignation by the Executive for Good Reason is effective (or, in the event of the Executive's death after the date of the Executive's termination or resignation but prior to the date of payment, to the Executive's estate or beneficiary, as applicable, together with interest, within 30 days following the date of the Executive's death).

(iii) The payment of the Severance Amount, any entitlements provided under the Company's Equity Plan Retirement Policy and the continuation of benefits, pursuant to this Section 6(c), shall be contingent upon the Executive executing a full release and waiver of claims against the Company Group (which release and waiver of claims, once executed and irrevocable, shall not apply to the Company's obligation to pay the Severance Amount, any entitlements provided under the Company's Equity Plan Retirement Policy and continue benefits hereunder), in a form approved by the Board, that becomes irrevocable not later than the last day of the second calendar month following the calendar month in which the Executive's termination or resignation becomes effective in accordance with this Section 6(c). If the Executive fails to execute a full release and waiver of claims against the Company Group that becomes irrevocable on or before the last day of the second calendar month following the calendar month in which the Executive's termination or resignation becomes effective, the Company Group's obligations under this Section 6(c) shall terminate and the Executive shall not be entitled to further payment of the Severance Amount, any entitlements provided under the Company's Equity Plan Retirement Policy, or the continuation of benefits.

(iv) "Good Reason" means the occurrence of any of the following events:

(1) the Executive's position, title, duties, and reporting responsibilities with the Company in effect on the Effective Date become less favorable in any material respect; ***provided, however,*** Good Reason shall not be deemed to occur under this clause (1) if either (A) the following three conditions are satisfied: (i) the diminution in the Executive's position, duties or reporting responsibilities is solely and directly a result of the Company no longer being a publicly-traded company; (ii) the event resulting in the Company no longer being a publicly-traded entity is a leveraged buyout, acquisition by a private equity fund and/or other similar "going private" transaction and is not as a result of the acquisition of the Company or the business of the Company Group by another operating company or parent or subsidiary thereof; and (iii) the Executive continues to hold the same position and title with the Company and no other act or omission has then occurred that would constitute an event of Good Reason under this definition, or (B) the diminution in the Executive's position, duties or reporting responsibilities is during a period of physical or mental incapacity of the Executive;

(2) (A) a reduction in, or a change in the form of, either the Base Salary or Minimum Target Bonus or (B) a reduction in the aggregate amount of the material benefits provided to the Executive, as of the Effective Date, other

than an across-the-board reduction applicable to all senior executive officers of the Company Group; or

(3) the relocation, without the Executive's consent, of the Executive's principal place of business to a location that is more than 60 miles from the Executive's primary business location on the Effective Date or, if applicable, from a subsequent primary business location agreed to by the Executive.

(v) In order to constitute Good Reason, (1) the Executive must provide written notification of his intention to resign within 30 days after the Executive knows or has reason to know of the occurrence of any such event, (2) such event or condition is not corrected, in all material respects, by the Company Group within 20 days of its receipt of such notice, and (3) the Executive resigns his employment with the Company Group not more than 30 days following the expiration of the 20-day period described in the foregoing clause (2).

(vi) Notwithstanding the previous provisions of this Section 6(c), it shall not be an event of Good Reason under this Agreement for the Company Group (1) to adopt (or subsequently amend) one or more claw-back, mandatory deferral or other risk management policies related to the Company Group's incentive compensation plans or arrangements, including without limitation the Company's Executive Compensation Recoupment Policy or (2) to adopt (or subsequently amend) stock ownership guidelines related to the Company's common stock or (3) to subject the compensation payable to the Executive under this Agreement to these policies or guidelines; provided that, except as otherwise required by law, such policies are generally applicable to the Company Group's executive officers.

(vii) The date of termination of employment without Cause shall be the date specified in a written notice of termination to the Executive. The date of resignation for Good Reason shall be the date specified in a written notice of resignation from the Executive to the Company; ***provided, however***, that no such written notice shall be effective unless the cure period specified in Section 6(c)(v) above has expired without the Company Group having corrected the event or events subject to cure.

(d) *Disability; Death.*

(i) If, as a result of the Executive's incapacity due to physical or mental illness (such incapacity being determined by the Board in its reasonable discretion), the Executive shall have been absent from his full-time duties as described hereunder for the entire period of six consecutive months ("Disability"), the Executive's employment shall terminate at the end of the six-month period.

(ii) Upon a termination pursuant to this Section 6(d) as a result of Disability or as a result of the Executive's death, the Executive (or his estate or beneficiary, as applicable) shall be entitled to receive:

(1) the Termination Amount;

(2) an amount equal to the *pro rata* portion of the Bonus for the year in which the termination occurs, calculated by multiplying (x) the Minimum Target Bonus for the year of termination by (y) a fraction, the numerator of which is the number of days the Executive was employed during the year of termination and the denominator of which is 365; and

(3) any earned and unpaid Bonus for the year immediately preceding the year in which the termination occurs.

(iii) If the Executive's employment is terminated pursuant to this Section 6(d) as a result of his Disability, then subject to Section 6(e), the *pro rata* Bonus shall be paid in a lump sum on the first business day of the third calendar month following the calendar month in which termination pursuant to this Section 6(d) is effective.

(iv) If the Executive's employment is terminated as of result of his death, the *pro rata* Bonus shall be paid within 30 days after the date of the Executive's death.

(e) ***No Right to Other Compensation and Benefits; Treatment of Equity Awards.***

Except to the extent required by the terms of any applicable compensation or benefit plan or program or otherwise required by applicable law, the Executive shall have no right under this Agreement or otherwise to receive any other compensation or to participate in any other plan, program or arrangement after such termination. Without limiting the generality of the foregoing, the treatment of any equity awards shall be governed by the applicable award agreements and underlying equity plan documents.

(f) ***Section 409A Compliance.***

(i) If, at the time of the Executive's termination or resignation with the Company, the Executive is a Specified Employee (as defined below), then the Severance Amount, any entitlements provided under the Company's Equity Plan Retirement Policy, the *pro rata* Bonus contemplated by Section 6(d) and any other amounts payable under this Agreement that the Company determines constitutes deferred compensation within the meaning of Section 409A of the Code and which are subject to the six-month delay required by Treas. Reg. Section 1.409A-1(c)(3)(v), shall be delayed and not paid to the Executive until the first business day following the six-month anniversary of the Executive's date of termination or resignation (the "Short-Term Deferral Date"), at which time such delayed amounts will be paid to the Executive in a cash lump sum (the "Catch-Up Amount").

(ii) If payment of an amount is delayed as a result of this Section 6(f), such amount shall be increased with interest from the date on which such amount would otherwise have been paid to the Executive but for this Section 6(f) to the day prior to the date the Catch-Up Amount is paid. The rate of interest shall be the applicable short-term federal rate applicable under Section 7872(f)(2)(A) of the Code for the month in which the date of the Executive's termination or resignation occurs. Such interest shall be paid at the same time that the Catch-Up Amount is paid.

(iii) If the Executive dies on or after the date of the Executive's termination or resignation and prior to the Short-Term Deferral Date, any amount delayed pursuant to this Section 6(f) shall be paid to the Executive's estate or beneficiary, as applicable, together with interest, within 30 days following the date of the Executive's death.

(iv) "Specified Employee" has the meaning set forth in Section 409A(a)(2)(B)(i) of the Code. The determination of whether the Executive constitutes a Specified Employee on the date of his termination or resignation shall be made in accordance with the Company's established methodology for determining Specified Employees.

(v) "Separation from Service" means a "separation from service" from the Company within the meaning of the default rules under the final regulations issued pursuant to Section 409A of the Code.

(vi) The provisions of this Section 6(f) shall apply notwithstanding any provision of this Agreement related to the timing of payments following the Executive's termination or resignation. For purposes of applying the provisions of Section 409A of the Code to this Agreement, each separately identifiable amount to which the Executive is entitled under this Agreement shall be treated as a separate payment.

7. CHANGE IN CONTROL.

(a) If a Change in Control of the Company (as defined below) shall become effective during the Term, the Term shall automatically be deemed to end on the second anniversary of the effective date of such Change in Control.

(b) A "Change in Control" shall be deemed to have occurred when:

(i) any person is or becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing 35% or more of the combined voting power of the Company's then-outstanding securities; or

(ii) during any 24-month period, individuals who, as of the beginning of such period, constitute the Board (the "Incumbent Directors") cease for any reason to constitute a majority of the Board; provided that any new director subsequent to the beginning of such period (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including, but not limited to, a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's shareholders was approved or recommended by a vote of at least a majority of the Incumbent Directors shall be an Incumbent Director; or

(iii) there is consummated a merger or consolidation of the Company, other than (A) a merger or consolidation which would result in the voting securities of the

Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary, at least 50% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its affiliates other than in connection with the securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 50% or more of the combined voting power of the Company's then outstanding securities; or

(iv) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

8. SECTION 4999 EXCISE TAX LIMITATION.

(a) In the event that it shall be determined that (X) any amount or benefit paid, distributed or otherwise provided to the Executive by the Company Group, whether pursuant to this Agreement or otherwise (collectively, the "Covered Payments"), would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), and (Y) the reduction of the amounts payable to the Executive under this Agreement or with respect to stock options and equity awards to the maximum amount that could be paid to the Executive without giving rise to the Excise Tax (the "Safe Harbor Cap") would provide the Executive with a greater after-tax amount than if such amounts were not reduced, then, subject to the further limitations set forth herein, the Covered Payments shall be reduced (but not below zero) to the Safe Harbor Cap. The reductions, if applicable, shall be made to the extent necessary in the following order: (i) the acceleration of vesting of stock options and other equity awards with an exercise price that exceeds the then fair market value of the stock subject to the award; (ii) the payments under Section 6(c)(i)(1)(A) hereof; (iii) the payments under Section 6(c)(i)(1)(B) hereof; (iv) the continuation of benefits under Section 6(c)(i)(2) hereof; and (v) the acceleration of vesting of all other stock options and equity awards. For purposes of reducing the Covered Payments to the Safe Harbor Cap, only amounts payable under this Agreement and with respect to stock options and equity awards (and no other Covered Payments) shall be reduced. If the reduction would not result in a greater after-tax result to the Executive, no amounts payable under this Agreement or with respect to stock options and equity awards shall be reduced pursuant to this provision.

(b) A nationally recognized firm of independent accountants, selected by the Company after consultation with the Executive, shall perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. Such accounting firm shall apply the provisions of this Section 8 in a reasonable manner and in good faith in accordance with then prevailing practices in the interpretation and application of Section 4999 of the Code. For purposes of applying the provisions of this Section 8, the Company shall be entitled to rely on the written advice of legal counsel or such accounting firm as to whether one or more Covered Payments constitute “parachute payments” under Section 4999 of the Code.

(c) The accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and the Executive within 30 calendar days after the date that such accounting firm has been engaged to make such determinations or such other time as requested by the Company or the Executive. If payments are reduced to the Safe Harbor Cap or the accounting firm determines that no Excise Tax is payable by the Executive without a reduction in Covered Payments, it shall furnish the Company and the Executive with an opinion to such effect, that the Executive is not required to report any Excise Tax on the Executive’s federal income tax return, and that the failure to report the Excise Tax, if any, on the Executive’s applicable federal income tax return will not result in the imposition of a negligence or similar penalty. Any good faith determinations of the accounting firm made hereunder shall be final, binding, and conclusive upon the Company and the Executive.

9. PROTECTION OF THE COMPANY GROUP’S INTERESTS.

(a) ***No Competing Employment.*** For so long as the Executive is employed by the Company, and (i) during a period of two years after his employment with the Company has been terminated by reason of termination without Cause or resignation for Good Reason in which the Applicable Multiple is two, or (ii) during a period of one year after his employment with the Company Group has been terminated in all other circumstances (such period of employment and applicable post-employment period hereinafter referred to as the “Restricted Period”), the Executive shall not, without the prior written consent of the Board, directly or indirectly, own an interest in, manage, operate, join, control, lend money or render financial or other assistance to or participate in or be connected with, as an officer, employee, partner, stockholder, consultant or otherwise, any individual, partnership, firm, corporation or other business organization or entity that competes with the business of the Company Group by providing, anywhere within the “Restricted Area” as defined below, any goods or services provided or under development by the Company Group at the effective date of the Executive’s termination of employment (the “Business”); ***provided, however,*** that this Section 9(a) shall not proscribe the Executive’s ownership, either directly or indirectly, of less than one percent of any class of securities which are regularly traded on a national securities exchange or interdealer quotation system. For this purpose, “Restricted Area” means any geographic area in which the Company is providing goods or services, or is planning to provide goods or services within the Restricted Period, in each case at the effective date of the Executive’s termination of employment.

(b) **No Interference.** During the Restricted Period, the Executive shall not, directly or indirectly, whether for his own account or for the account of any other individual, partnership, firm, corporation or other business organization (other than the Company Group), (i) solicit, or endeavor to entice away from the Company Group, or otherwise interfere with the relationship of the Company Group with, any person or entity who is, or was within the then most recent 12 month period, (A) employed by, or otherwise engaged to perform services for, the Company Group, or (B) a customer or client of the Company Group, (ii) assist or encourage any other person in carrying out, directly or indirectly, any activity that would be prohibited by the provisions of this Section 9(b) if such activity were carried out by the Executive, and, in particular, the Executive agrees that he will not, directly or indirectly, induce any employee of the Company Group to carry out any such activity, or (iii) otherwise interfere with the business of the Company Group.

(c) **Non-Disparagement.** Subject to Section 9(k) and (l) of this Agreement, for so long as the Executive is employed by the Company Group, and at all times thereafter, the Executive shall not intentionally make any public statement, or publicly release any information, that disparages or defames the Company Group, or any of its officers and directors, and shall not intentionally cause or encourage any other person to make any such statement or publicly release any such information.

(d) **Confidentiality.** The Executive understands and acknowledges that, in the course of his employment, he has had and will continue to have access to and will learn confidential information regarding the Company Group that concerns the technological innovations, operations and methodologies of the Company Group, including, without limitation, business plans, financial information, protocols, proposals, manuals, procedures and guidelines, computer source codes, programs, software, know-how and specifications, inventions, copyrights, trade secrets, market information, Developments (as hereinafter defined), data and customer information (collectively, "Proprietary Information"). The Executive recognizes that the use or disclosure of Proprietary Information could cause the Company Group substantial loss and damages, which could not be readily calculated, and for which no remedy at law would be adequate. Accordingly, the Executive agrees that for so long as he is employed by the Company Group, and at all times thereafter, he shall keep confidential and shall not, directly or indirectly, disclose any such Proprietary Information to any third party, except as required to fulfill his duties in connection with his positions within the Company Group, and shall not misuse, misappropriate or exploit such Proprietary Information in any way. The restrictions contained herein shall not apply to the extent provided in Section 9(k) or (l) of this Agreement or to any information which the Executive can demonstrate (i) was already available to the public at the time of disclosure, or subsequently became available to the public, otherwise than by breach of this Agreement, or (ii) was the subject of a court order to disclose.

"Developments" shall mean all data, discoveries, findings, reports, designs, inventions, improvements, methods, practices, techniques, developments, programs, concepts and ideas, whether or not patentable, and works of authorship relating to the present or planned activities, or the products and services of the Company Group.

(e) **Exclusive Property.** The Executive confirms that all Proprietary Information is and shall remain the exclusive property of the Company Group. All business

records, papers and documents kept or made by him relating to the business of the Company Group shall be and remain the property of the Company. Upon the termination of the Executive's employment with the Company or upon the request of the Company at any time, he shall promptly deliver to the Company Group, and shall not, without the consent of the Company, retain copies of any written materials not previously made available to the public, or records and documents made by the Executive or coming into his possession concerning the business or affairs of the Company Group; **provided, however**, that subsequent to any such termination, the Company shall provide the Executive with copies (the cost of which shall be borne by the Executive) of any documents that are requested by the Executive and that he has determined in good faith are (i) required to establish a defense to a claim that the Executive has not complied with his duties hereunder or (ii) necessary to the Executive in order to comply with applicable law.

(f) **Assignment of Developments.** During the Executive's employment, all Developments that are at any time made, reduced to practice, conceived or suggested by him, whether acting alone or in conjunction with others, shall be the sole and absolute property of the Company Group, free of any reserved or other rights of any kind on his part, and the Executive hereby irrevocably assigns, conveys and transfers any and all right, title and interest that he may have in such Developments to the Company Group. If such Developments were made, reduced to practice, conceived or suggested by the Executive during or as a result of his employment relationship with the Company, the Executive shall promptly make full disclosure of any such Developments to the Company and, at the Company Group's cost and expense, do all acts and things (including, among others, the execution and delivery under oath of patent and copyright applications and instruments of assignment) deemed by the Company to be necessary or desirable at any time in order to effect the full assignment to the Company Group of his right, title and interest, if any, to such Developments. The Executive acknowledges and agrees that any invention, concept, design or discovery that concretely relates to or is associated with the Executive's work for the Company Group that is described in a patent application or is disclosed to a third party, directly or indirectly, by the Executive during the Restricted Period shall be the property of and owned by the Company Group, and such disclosure by patent application (except by way of a patent application filed by any member of the Company Group) or otherwise shall constitute a breach of this Section 9.

(g) **Injunctive Relief.** Without intending to limit the remedies available to the Company Group, the Executive acknowledges that a breach of any of the covenants contained in this Section 9 may result in material irreparable injury to the Company Group or any of its members for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat thereof, the Company shall be entitled to obtain a temporary restraining order and/or a preliminary or permanent injunction restraining the Executive from engaging in activities prohibited by this Section 9 or such other relief as may be required to specifically enforce any of the covenants in this Section 9, without the Company being required to show any actual damage or to post an injunction bond.

(h) **Enforceability.** Should any of the time periods or the geographic area set forth in this Section 9 be held to be unreasonable by any court of competent subject matter jurisdiction, the parties hereto agree to petition such court to reduce the time period or

geographic area to the maximum time period or geographic area, as applicable, permitted by governing law.

(i) ***Periods Following the Term.*** Subject to the provisions of Sections 9(a) and (b), the provisions of this Section 9 shall continue in effect in accordance with the provisions hereof following the expiration of the Term, including, without limitation, during any period that the Executive remains an employee-at-will of the Company.

(j) ***Reciprocity of Obligations.*** Notwithstanding anything to the contrary in this Agreement, in the event the Company is obligated to pay the Severance Amount under Section 6(c) of this Agreement or to provide entitlements under the Company's Equity Plan Retirement Policy, the Executive's obligations under Section 9(a) of this Agreement shall be conditioned upon payment of the Severance Amount in the manner contemplated by Section 6(c) and the Company's compliance with the terms and conditions of the Company's Equity Plan Retirement Policy; ***provided, however,*** that, without limiting any other remedies available to the Company, in the event of the Executive's breach of Section 9(a), (b), (c) or (d) of this Agreement, the Company shall cease to have any obligation as of the date of such breach to make any payments under Section 6(c) of this Agreement; ***provided further,*** that the Executive's obligations under Section 9(a) shall apply if the Company does not pay the Severance Amount or provide entitlement under the Company's Equity Plan Retirement Policy to the Executive as a result of the failure of the Executive to deliver the release contemplated by Section 6(c)(iii) or the failure of such release to become effective in accordance with its terms as a result of the Executive having exercised any right of rescission or revocation applicable to such release. The party alleging a breach described in this Section 9(j) shall provide prompt written notice of such breach to the other party hereto, and the party receiving such notice shall have 10 days from the date of delivery of such notice (as determined in accordance with Section 11 hereof) to cure such breach to the reasonable satisfaction of the party delivering such notice. The party delivering the notice shall not be released of its obligations hereunder unless the 10-day cure period shall have expired without the alleged breach having been cured in the manner described in the previous sentence.

(k) ***Legally-Protected Communications and Disclosures.*** Notwithstanding any other provision of this Agreement to the contrary, no provision of this Agreement shall prevent, restrict, limit, impede or otherwise interfere with the Executive's ability to exercise any rights he may have to (i) engage in legally-protected employee communications, including without limitation protections under Section 7 of the National Labor Relations Act, (ii) file a charge or complaint or initiate an investigation with the Department of Justice, Equal Employment Opportunity Commission, Inspector General, National Labor Relations Board, Occupational Safety and Health Administration, Securities and Exchange Commission or any other federal, state or local governmental or regulatory agency, authority or commission or staff thereof (each a "Government Agency"), (iii) report a possible violation of any federal, state or local statute, rule, regulation, ordinance or other law ("Law") to any Government Agency or making other disclosures that are protected under the whistleblower protections of any applicable Law, including without limitation reporting possible violations of Law in accordance with Section 21F of the Securities Exchange Act of 1934, as amended, and rules promulgated thereunder ("Section 21F of the Exchange Act"), (iv) respond to a lawful subpoena, or (v) comply with any other legal obligation. Further, notwithstanding any other provision of this

Agreement to the contrary, no provision of this Agreement shall limit the Executive's ability to (i) communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to or permission by the Company, or (ii) receive any award for information provided to any Government Agency. Without limiting the generality of the foregoing, the provisions of Section 21F of the Exchange Act shall be effective as of August 12, 2011 or such other date as may be required by law.

(l) ***Notice of Immunity Under the Defend Trade Secrets Act of 2016.***

Notwithstanding any other provision of this Agreement to the contrary, effective as of May 11, 2016 or such other date as may be required by law:

(i) the Executive will not be held criminally or civilly liable under any federal, state or local trade secret law for any disclosure of a trade secret that is made: (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document that is filed under seal in a lawsuit or other proceeding; and

(ii) if the Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose the Company's trade secrets to the Company's attorney and use the trade secret information in the court proceeding if the Company: (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order.

10. AMENDMENTS. The provisions of this Agreement may not be amended, supplemented, waived or changed orally, except by a writing signed by the party as to whom enforcement of any such amendment, supplement, waiver or modification is sought and making specific reference to this Agreement. Notwithstanding the preceding sentence, the Company may, without the Executive's consent, amend any provision of this Agreement to the extent it deems such action necessary or advisable to avoid the imposition on any person of additional taxes, penalties or interest under Section 409A of the Code, and any such amendment shall not be a basis for a resignation by the Executive for Good Reason; provided, however, that any such amendment or modification shall, to the maximum extent the Company, reasonably and in good faith determines to be possible, retain the economic and tax benefits to the Executive hereunder while not materially increasing the cost to the Company Group of providing such benefits to the Executive. Any determinations of the Company pursuant to this Section 10 shall be final, conclusive and binding on all persons.

11. NOTICE. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing (including electronic transmission) and shall be (as elected by the person giving such notice) hand delivered by messenger or courier service, electronically transmitted, or mailed (airmail if international) by registered or certified mail (postage prepaid), return receipt requested, addressed to:

If to the Executive:

To the address of the Executive as reflected on the books and records of the Company

If to the Company:
SBA COMMUNICATIONS CORPORATION
8051 Congress Avenue
Boca Raton, Florida 33487-1307
Attn: President

With a copy to:
Norton Rose Fulbright US LLP
1301 Avenue of the Americas
New York, New York 10119
Attn: Marjorie M. Glover

or to such other address as any party may designate by notice complying with the provisions of this Section 11. Each such notice shall be deemed delivered (a) on the date delivered if by personal delivery; (b) on the date of transmission with confirmed answer back if by electronic transmission; and (c) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

12. ASSIGNMENTS. No party shall assign his or its rights and/or obligations under this Agreement without the prior written consent of each other party to this Agreement. The Company will require a successor to all or substantially all of the business or assets of the Company to assume expressly and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform this Agreement if no such succession had taken place.

13. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Confirmation of execution by electronic transmission of a facsimile signature page shall be binding upon any party so confirming.

14. ARBITRATION. Any controversy or claim arising out of or relating to this contract shall be determined by arbitration in accordance with the then-existing Commercial Rules of the American Arbitration Association. The place of arbitration shall be Palm Beach County, Florida. There shall be one arbitrator, to be selected jointly by the Company and the Executive; *provided, however*, if the Company and the Executive cannot agree, the arbitrator shall be appointed by the American Arbitration Association. The Company shall initially pay the fees of the arbitrator, provided that the prevailing party shall be entitled to recover reasonable attorneys' fees, sales and use taxes, costs (including the arbitrator's fees) and all expenses even if not taxable as court costs, incurred in the arbitration proceeding or any legal proceeding to enforce any award granted thereunder, in addition to any other relief to which such party or parties may be entitled. The parties hereby agree to waive their right to have any dispute between them resolved in a court of law by a judge or jury; *provided, however*, that this

Section 14 will not prevent the Company Group from seeking equitable or injunctive relief (or any other provisional remedy) from any court having jurisdiction over the parties and the subject matter hereof relating to a breach or violation or threatened breach or violation of the Executive's obligations under Section 9 hereof; **provided further** that this Section 14 will not prevent either party from enforcing any arbitration award granted hereunder in any court having jurisdiction over the parties.

15. PAYMENT OF AMOUNTS AND BENEFITS. Notwithstanding any other provision of this Agreement to the contrary, payment of any amount or benefits under this Agreement may be paid, distributed or otherwise provided to the Executive by a member of the Company Group.

16. SEVERABILITY. If any provision of this Agreement or any other agreement entered into pursuant hereto is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible. If any provision of this Agreement may be construed in two or more ways, one of which would render the provision invalid or otherwise voidable or unenforceable and another of which would render the provision valid and enforceable, such provision shall have the meaning which renders it valid and enforceable.

17. ENTIRE AGREEMENT. This Agreement represents the entire understanding and agreement between the parties with respect to the subject matter hereof, and supersedes all other negotiations, understandings and representations (if any) made by and between such parties, including the Current Agreement, except for the Company's Executive Compensation Recoupment Policy and any and all Acknowledgements and Agreements to such policy executed by the Executive; **provided further, however**, that nothing in this Agreement shall be construed to modify any existing equity award granted to the Executive by the Company prior to the Effective Date.

18. GOVERNING LAW. This Agreement and all transactions contemplated by this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida applicable to contracts executed and performed entirely in such state.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

SBA COMMUNICATIONS CORPORATION

By: /s/ Jeffrey A. Stoops
Jeffrey A. Stoops
President and Chief Executive Officer

/s/ Thomas P. Hunt
Thomas P. Hunt

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this “Agreement”), between SBA COMMUNICATIONS CORPORATION, a Florida corporation (the “Company”), and BRENDAN T. CAVANAGH (the “Executive”), is made and entered into as of October 1, 2021 (the “Effective Date”).

WITNESSETH:

WHEREAS, the Company and its subsidiaries (collectively, the “Company Group”) engage in the business of developing, leasing and maintaining wireless telecommunications tower sites and other related businesses;

WHEREAS, the Company and the Executive have previously entered into an Employment Agreement, amended and restated effective as of October 1, 2018, and expiring by its terms on December 31, 2021 (the “Current Agreement”);

WHEREAS, the Current Agreement will expire by its terms on December 31, 2021 without any obligation of either party thereto to renew or extend such Agreement and without any obligation of the Company Group to pay severance or other amounts in connection with such expiration; and

WHEREAS, the Company and the Executive intend to provide for the continued employment of the Executive by the Company Group as of the Effective Date on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, it is hereby agreed by and between the parties as follows:

1. EMPLOYMENT. The Company hereby agrees to employ the Executive and the Executive hereby agrees to be employed by the Company on the terms and conditions set forth herein.

2. TERM. The term (the “Term”) of employment of the Executive by the Company shall commence as of the Effective Date and, subject to Section 7(a), shall end December 31, 2024 (the “End Date”), unless sooner terminated as hereinafter provided. If the Executive continues in the employment of the Company Group following the expiration of the Term, the Executive’s employment with the Company Group shall be at will, unless and until the parties negotiate and sign a new employment agreement regarding such future employment. Neither party shall be under any obligation or duty to sign or negotiate any such new employment agreement.

3. POSITION AND DUTIES.

(a) The Executive shall serve as the Executive Vice President and Chief Financial Officer of the Company. The Executive shall generally perform the duties of a Executive Vice President and Chief Financial Officer for the Company and shall have such

specific responsibilities, duties and authorities as shall from time to time be assigned by the President, Chief Executive Officer, or Board of Directors of the Company (the “Board”).

(b) The Executive shall also serve, for no additional consideration, in such other positions in the Company Group as determined from time to time by the Board and shall have such specific responsibilities, duties and authorities with respect to such positions as shall from time to time be assigned by the President, Chief Executive Officer, or the Board.

(c) The Executive shall devote all his working time and efforts to the business and affairs of the Company Group. Notwithstanding the foregoing, the Executive may engage in charitable, civic, educational and professional activities and passive personal investment activities, provided that such activities do not conflict with the business and affairs of the Company Group or unreasonably interfere with the Executive’s performance of his duties hereunder.

4. COMPENSATION AND RELATED MATTERS.

(a) **Salary.** During the Term, the Executive shall be paid an annual salary at the rate in effect immediately prior to the Effective Date, which amount may be increased but not decreased by the Board (the “Base Salary”). The Company shall pay the Executive the Base Salary in accordance with its regular payroll practices as in effect from time to time. Compensation of the Executive by payments of Base Salary shall not be deemed exclusive and shall not prevent the Executive from participating in any other compensation or benefit plan of the Company Group, subject to the eligibility requirements and other terms of such plan.

(b) **Annual Bonus.** In addition to the Base Salary, the Executive shall be eligible to earn for each calendar year ending during the Term an annual incentive bonus (the “Bonus”) based on the achievement of one or more performance goals, targets, measurements and other factors (collectively, the “Performance Goals”) established for such year by the Compensation Committee of the Board (the “Committee”). The Executive’s target annual bonus (the “Target Bonus”) and the applicable Performance Goals will be established by the Committee; *provided, however*, that the minimum Target Bonus for each full year of service shall be 100% of the annual rate of Base Salary in effect at the start of such year (the “Minimum Target Bonus”). Payment of the Executive’s Bonus for any year will be based upon the achievement of the Performance Goals established by the Committee for that year (including, without limitation, the exercise of the Committee’s discretion with respect to the Performance Goals and related payment schedule established by the Committee for such Performance Goals). The actual bonus paid may be higher or lower than the Target Bonus for over- or under-achievement of the Performance Goals (including, without limitation, as a result of the exercise by the Committee of discretion with respect to the Performance Goals and related payment schedule established by the Committee for such Performance Goals), as determined by the Committee. Subject to Section 6 hereof, a Bonus, if any, shall be payable in accordance with the Company’s customary bonus payment practices, but in no event later than March 15th of the succeeding calendar year.

(c) **Expenses.** During the Term, the Executive shall be entitled to receive payment or reimbursement for all reasonable expenses incurred by the Executive in performing

services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company Group, cell phone expenses and dues and seminar fees; *provided* that such expenses are incurred and accounted for in accordance with the policies and procedures then established by the Company Group from time to time; *provided further* that reimbursement shall be made as soon as practicable after a request for reimbursement is received by the Company Group in accordance with the Company Group's customary expense reimbursement practices, but in no event later than the last day of the calendar year next following the calendar year in which the expense is incurred.

(d) **Other Benefits.** The Executive shall be entitled to participate in or receive benefits under any employee benefit plan or arrangement made available by the Company Group in the future to its executives and key management employees, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements, which benefits shall include disability insurance for as long as the Company Group generally provides disability insurance to its officers. Any payments, bonuses or benefits payable to the Executive hereunder in respect of any calendar year during which the Executive is employed by the Company for less than the entire such year shall, unless otherwise provided in the applicable plan or arrangement, be prorated in accordance with the number of days in such calendar year during which the Executive is so employed.

(e) **Group or Family Medical Coverage.** During the Term, the Company shall provide group or family medical insurance coverage to the Executive and his dependents under a plan for employees of the Company Group, and such plan shall include reasonable coverage for medical, hospital, surgical and major medical expenses and shall be subject to such deductibles as applicable to other Company Group employees.

5. WITHHOLDING. Both the Executive and the Company agree that all amounts paid pursuant to this Agreement shall be subject to all applicable federal, state, local and foreign withholding requirements.

6. TERMINATION. Subject to the provisions set forth in this Section 6, the Company shall have the right to terminate the Executive's employment hereunder, and the Executive shall have the right to resign his employment with the Company, at any time for any reason or for no stated reason. For purposes of this Agreement, the terms "terminate," "terminated," "termination" and "resignation" mean a termination of the Executive's employment that constitutes a Separation from Service (as defined in Section 6(e)(v) hereof).

(a) **General.** Upon a termination of the Executive's employment for any reason, he shall be entitled to receive the following amounts (collectively, the "**Termination Amount**") on the next regularly scheduled payroll date after the date of the Executive's termination of employment: (i) any accrued and unpaid Base Salary for services performed up to and including the date of his termination or resignation, as applicable, (ii) a cash payment (calculated on the basis of his Base Salary then in effect) for all unused paid time off days that the Executive may have accrued as of his date of termination (subject to the terms of the Company's then applicable vacation policies), and (iii) any unpaid reimbursement for business expenses the Executive is entitled to receive under Section 4(c) hereof.

(b) Termination for Cause; Resignation Without Good Reason.

(i) If, prior to the expiration of the Term, the Executive's employment with the Company is terminated by the Company for Cause (as defined below) or if the Executive resigns without Good Reason (as defined below), he shall be entitled to receive the Termination Amount. Except to the extent required by the terms of any applicable compensation or benefit plan or program (including, but not limited to, the Company's Equity Plan Retirement Policy) or otherwise required by applicable law, the Executive shall have no right under this Agreement or otherwise to receive any other compensation or to participate in any other plan, program or arrangement after such termination or resignation of employment with respect to the year of such termination or resignation and later years.

(ii) "Cause" means the occurrence of any of the following events:

(1) the Executive's willful, material violation of any law or regulation applicable to the business of the Company Group;

(2) the Executive's conviction of, or plea of guilty or "no contest" to, a felony;

(3) any willful perpetration by the Executive of an act involving moral turpitude or common law fraud, whether or not related to his activities on behalf of the Company Group;

(4) any act of gross negligence by the Executive in the performance of his duties as an employee of the Company;

(5) any material violation by the Executive of the Company's Code of Conduct or Code of Ethics, as in effect from time to time;

(6) the willful and continued failure or refusal of the Executive to satisfactorily perform the duties reasonably required of him as an employee of the Company Group;

(7) the indictment for any crime, whether a felony or misdemeanor, involving the purchase or sale of any security, mail or wire fraud, theft, embezzlement, moral turpitude, or Company Group property where such indictment has a material adverse impact on the Executive's ability to perform his duties under this Agreement;

(8) any willful misconduct by the Executive that is materially injurious to the financial condition, business, or reputation of, or is otherwise materially injurious to, any member of the Company Group; or

(9) any breach by the Executive of Section 9(a), (b), (c) or (d) of this Agreement.

(iii) Termination of the Executive's employment for Cause shall be communicated by delivery to the Executive of a written notice from the Board stating that the Executive will be terminated for Cause, specifying the particulars thereof and the effective date of such termination; **provided, however**, that upon receipt of such notice, the Executive shall have (1) an opportunity to cure the matter constituting Cause within 30 days following the Executive's receipt of such notice (provided that the event constituting Cause is then susceptible to cure) and (2) an opportunity, together with his counsel, to be heard by the Board. The date of the Executive's termination for Cause shall be the date of termination specified by the resolution of the Board; **provided, however**, that such termination shall not become effective until no earlier than the date of the meeting of the Board described in clause (2) of the preceding sentence.

(iv) The date of a resignation without Good Reason by the Executive shall be the date specified in a written notice of resignation to the Company. The Executive shall provide at least 30 days' advance written notice of resignation without Good Reason; **provided, however**, that the Company, in its sole discretion, may waive the notice requirement in whole or in part.

(c) Termination Without Cause; Resignation for Good Reason.

(i) If, prior to the expiration of the Term, the Executive's employment with the Company is terminated by the Company without Cause or if the Executive resigns from his employment hereunder for Good Reason, then, in addition to the Termination Amount and the payment of any unpaid earned Bonus for the year immediately preceding the year in which such termination or resignation occurs, the Executive shall be entitled to receive:

(1) an amount equal to the sum of the following amounts (collectively, the "Severance Amount"):

(A) an amount equal to the *pro rata* portion of the Bonus for the year in which the termination or resignation occurs, calculated by multiplying (x) the Minimum Target Bonus for the year of termination by (y) a fraction, the numerator of which is the number of days the Executive was employed during the year of such termination or resignation and the denominator of which is 365; plus

(B) if at the time of such termination or resignation the Executive is not "retirement eligible" within the meaning of the Company's Equity Plan Retirement Policy (or if the Executive is "retirement eligible" and such termination or resignation occurs after a Change on Control or within six months of a Change of Control as described below), an amount equal to the Applicable Multiple (as defined below) multiplied by the sum of: (i) the Base Salary in effect for the year of termination or resignation and (ii) the Minimum Target Bonus; and

(2) continuation of applicable medical, dental and life insurance benefits (based on the coverage in effect for the Executive and his dependents at the time of such termination or resignation, but excluding any supplemental medical expense reimbursement insurance provided by the Company Group), from the date of termination or resignation until the earlier to occur of (A) the Applicable Multiple of years from the date of termination or (B) the date the Executive becomes eligible for comparable benefits provided by a third party (in either case, the “Continuation Period”); *provided, however*, that the continuation of such benefits shall be subject to the respective terms of the applicable plan, as in effect from time to time, and the timely payment by the Executive of his applicable share of the applicable premiums in effect from time to time during the Continuation Period. To the extent that reimbursable medical and dental care expenses constitute deferred compensation for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), the Company shall reimburse the medical and dental care expenses as soon as practicable consistent with the Company’s practice, but in no event later than the last day of the calendar year next following the calendar year in which such expenses are incurred.

Notwithstanding the foregoing, if at the time of such termination or resignation (a) the Executive is “retirement eligible” within the meaning of the Company’s Equity Plan Retirement Policy and (b) a Change of Control has not occurred (and a Change of Control does not occur within six month following such termination or resignation and it is not reasonably demonstrated that such termination of employment or Good Reason event was in contemplation of the Change in Control during such six month period), then the Executive shall not receive the amount specified under Section 6(c)(1)(B) above but shall instead be eligible to receive the entitlements provided under the Company’s Equity Plan Retirement Policy, subject to and in accordance with the terms and conditions of such policy.

For purposes of this Section 6(c), “Applicable Multiple” means (i) one, in the event termination or resignation occurs prior to a Change in Control of the Company (as defined in Section 7(b)) and the Executive is not “retirement eligible” within the meaning of the Company’s Equity Plan Retirement Policy; and (ii) two, in the event termination or resignation occurs on or after a Change in Control of the Company. Notwithstanding the foregoing, if within six months prior to the date on which a Change in Control occurs, the Executive’s employment with the Company Group is terminated by the Company without Cause or resignation by the Executive for Good Reason, and it is reasonably demonstrated that such termination of employment or resignation for Good Reason event was in contemplation of the Change in Control, then the Applicable Multiple shall be two, but the Severance Amount payable as a result of such revised calculation shall be reduced by any Severance Amount previously paid to the Executive under this Section 6(c) by the Company Group as a result of such termination or resignation of employment.

(ii) Subject to the compliance rules set forth in Section 6(e), the Severance Amount shall be paid in a lump sum on the first business day of the third calendar month following the calendar month in which termination by the Company without

Cause or resignation by the Executive for Good Reason is effective (or, in the event of the Executive's death after the date of the Executive's termination or resignation but prior to the date of payment, to the Executive's estate or beneficiary, as applicable, together with interest, within 30 days following the date of the Executive's death).

(iii) The payment of the Severance Amount, any entitlements provided under the Company's Equity Plan Retirement Policy and the continuation of benefits, pursuant to this Section 6(c), shall be contingent upon the Executive executing a full release and waiver of claims against the Company Group (which release and waiver of claims, once executed and irrevocable, shall not apply to the Company's obligation to pay the Severance Amount, any entitlements provided under the Company's Equity Plan Retirement Policy and continue benefits hereunder), in a form approved by the Board, that becomes irrevocable not later than the last day of the second calendar month following the calendar month in which the Executive's termination or resignation becomes effective in accordance with this Section 6(c). If the Executive fails to execute a full release and waiver of claims against the Company Group that becomes irrevocable on or before the last day of the second calendar month following the calendar month in which the Executive's termination or resignation becomes effective, the Company Group's obligations under this Section 6(c) shall terminate and the Executive shall not be entitled to further payment of the Severance Amount, any entitlements provided under the Company's Equity Plan Retirement Policy, or the continuation of benefits.

(iv) "Good Reason" means the occurrence of any of the following events:

(1) the Executive's position, title, duties, and reporting responsibilities with the Company in effect on the Effective Date become less favorable in any material respect; *provided, however,* Good Reason shall not be deemed to occur under this clause (1) if either (A) the following three conditions are satisfied: (i) the diminution in the Executive's position, duties or reporting responsibilities is solely and directly a result of the Company no longer being a publicly-traded company; (ii) the event resulting in the Company no longer being a publicly-traded entity is a leveraged buyout, acquisition by a private equity fund and/or other similar "going private" transaction and is not as a result of the acquisition of the Company or the business of the Company Group by another operating company or parent or subsidiary thereof; and (iii) the Executive continues to hold the same position and title with the Company and no other act or omission has then occurred that would constitute an event of Good Reason under this definition, or (B) the diminution in the Executive's position, duties or reporting responsibilities is during a period of physical or mental incapacity of the Executive;

(2) (A) a reduction in, or a change in the form of, either the Base Salary or Minimum Target Bonus or (B) a reduction in the aggregate amount of the material benefits provided to the Executive, as of the Effective Date, other

than an across-the-board reduction applicable to all senior executive officers of the Company Group; or

(3) the relocation, without the Executive's consent, of the Executive's principal place of business to a location that is more than 60 miles from the Executive's primary business location on the Effective Date or, if applicable, from a subsequent primary business location agreed to by the Executive.

(v) In order to constitute Good Reason, (1) the Executive must provide written notification of his intention to resign within 30 days after the Executive knows or has reason to know of the occurrence of any such event, (2) such event or condition is not corrected, in all material respects, by the Company Group within 20 days of its receipt of such notice, and (3) the Executive resigns his employment with the Company Group not more than 30 days following the expiration of the 20-day period described in the foregoing clause (2).

(vi) Notwithstanding the previous provisions of this Section 6(c), it shall not be an event of Good Reason under this Agreement for the Company Group (1) to adopt (or subsequently amend) one or more claw-back, mandatory deferral or other risk management policies related to the Company Group's incentive compensation plans or arrangements, including without limitation the Company's Executive Compensation Recoupment Policy or (2) to adopt (or subsequently amend) stock ownership guidelines related to the Company's common stock or (3) to subject the compensation payable to the Executive under this Agreement to these policies or guidelines; provided that, except as otherwise required by law, such policies are generally applicable to the Company Group's executive officers.

(vii) The date of termination of employment without Cause shall be the date specified in a written notice of termination to the Executive. The date of resignation for Good Reason shall be the date specified in a written notice of resignation from the Executive to the Company; ***provided, however***, that no such written notice shall be effective unless the cure period specified in Section 6(c)(v) above has expired without the Company Group having corrected the event or events subject to cure.

(d) *Disability; Death.*

(i) If, as a result of the Executive's incapacity due to physical or mental illness (such incapacity being determined by the Board in its reasonable discretion), the Executive shall have been absent from his full-time duties as described hereunder for the entire period of six consecutive months ("Disability"), the Executive's employment shall terminate at the end of the six-month period.

(ii) Upon a termination pursuant to this Section 6(d) as a result of Disability or as a result of the Executive's death, the Executive (or his estate or beneficiary, as applicable) shall be entitled to receive:

(1) the Termination Amount;

(2) an amount equal to the *pro rata* portion of the Bonus for the year in which the termination occurs, calculated by multiplying (x) the Minimum Target Bonus for the year of termination by (y) a fraction, the numerator of which is the number of days the Executive was employed during the year of termination and the denominator of which is 365; and

(3) any earned and unpaid Bonus for the year immediately preceding the year in which the termination occurs.

(iii) If the Executive's employment is terminated pursuant to this Section 6(d) as a result of his Disability, then subject to Section 6(e), the *pro rata* Bonus shall be paid in a lump sum on the first business day of the third calendar month following the calendar month in which termination pursuant to this Section 6(d) is effective.

(iv) If the Executive's employment is terminated as of result of his death, the *pro rata* Bonus shall be paid within 30 days after the date of the Executive's death.

(e) ***No Right to Other Compensation and Benefits; Treatment of Equity Awards.***

Except to the extent required by the terms of any applicable compensation or benefit plan or program or otherwise required by applicable law, the Executive shall have no right under this Agreement or otherwise to receive any other compensation or to participate in any other plan, program or arrangement after such termination. Without limiting the generality of the foregoing, the treatment of any equity awards shall be governed by the applicable award agreements and underlying equity plan documents.

(f) ***Section 409A Compliance.***

(i) If, at the time of the Executive's termination or resignation with the Company, the Executive is a Specified Employee (as defined below), then the Severance Amount, any entitlements provided under the Company's Equity Plan Retirement Policy, the *pro rata* Bonus contemplated by Section 6(d) and any other amounts payable under this Agreement that the Company determines constitutes deferred compensation within the meaning of Section 409A of the Code and which are subject to the six-month delay required by Treas. Reg. Section 1.409A-1(c)(3)(v), shall be delayed and not paid to the Executive until the first business day following the six-month anniversary of the Executive's date of termination or resignation (the "Short-Term Deferral Date"), at which time such delayed amounts will be paid to the Executive in a cash lump sum (the "Catch-Up Amount").

(ii) If payment of an amount is delayed as a result of this Section 6(f), such amount shall be increased with interest from the date on which such amount would otherwise have been paid to the Executive but for this Section 6(f) to the day prior to the date the Catch-Up Amount is paid. The rate of interest shall be the applicable short-term federal rate applicable under Section 7872(f)(2)(A) of the Code for the month in which the date of the Executive's termination or resignation occurs. Such interest shall be paid at the same time that the Catch-Up Amount is paid.

(iii) If the Executive dies on or after the date of the Executive's termination or resignation and prior to the Short-Term Deferral Date, any amount delayed pursuant to this Section 6(f) shall be paid to the Executive's estate or beneficiary, as applicable, together with interest, within 30 days following the date of the Executive's death.

(iv) "Specified Employee" has the meaning set forth in Section 409A(a)(2)(B)(i) of the Code. The determination of whether the Executive constitutes a Specified Employee on the date of his termination or resignation shall be made in accordance with the Company's established methodology for determining Specified Employees.

(v) "Separation from Service" means a "separation from service" from the Company within the meaning of the default rules under the final regulations issued pursuant to Section 409A of the Code.

(vi) The provisions of this Section 6(f) shall apply notwithstanding any provision of this Agreement related to the timing of payments following the Executive's termination or resignation. For purposes of applying the provisions of Section 409A of the Code to this Agreement, each separately identifiable amount to which the Executive is entitled under this Agreement shall be treated as a separate payment.

7. CHANGE IN CONTROL.

(a) If a Change in Control of the Company (as defined below) shall become effective during the Term, the Term shall automatically be deemed to end on the second anniversary of the effective date of such Change in Control.

(b) A "Change in Control" shall be deemed to have occurred when:

(i) any person is or becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing 35% or more of the combined voting power of the Company's then-outstanding securities; or

(ii) during any 24-month period, individuals who, as of the beginning of such period, constitute the Board (the "Incumbent Directors") cease for any reason to constitute a majority of the Board; provided that any new director subsequent to the beginning of such period (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including, but not limited to, a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's shareholders was approved or recommended by a vote of at least a majority of the Incumbent Directors shall be an Incumbent Director; or

(iii) there is consummated a merger or consolidation of the Company, other than (A) a merger or consolidation which would result in the voting securities of the

Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary, at least 50% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its affiliates other than in connection with the securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 50% or more of the combined voting power of the Company's then outstanding securities; or

(iv) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

8. SECTION 4999 EXCISE TAX LIMITATION.

(a) In the event that it shall be determined that (X) any amount or benefit paid, distributed or otherwise provided to the Executive by the Company Group, whether pursuant to this Agreement or otherwise (collectively, the "Covered Payments"), would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), and (Y) the reduction of the amounts payable to the Executive under this Agreement or with respect to stock options and equity awards to the maximum amount that could be paid to the Executive without giving rise to the Excise Tax (the "Safe Harbor Cap") would provide the Executive with a greater after-tax amount than if such amounts were not reduced, then, subject to the further limitations set forth herein, the Covered Payments shall be reduced (but not below zero) to the Safe Harbor Cap. The reductions, if applicable, shall be made to the extent necessary in the following order: (i) the acceleration of vesting of stock options and other equity awards with an exercise price that exceeds the then fair market value of the stock subject to the award; (ii) the payments under Section 6(c)(i)(1)(A) hereof; (iii) the payments under Section 6(c)(i)(1)(B) hereof; (iv) the continuation of benefits under Section 6(c)(i)(2) hereof; and (v) the acceleration of vesting of all other stock options and equity awards. For purposes of reducing the Covered Payments to the Safe Harbor Cap, only amounts payable under this Agreement and with respect to stock options and equity awards (and no other Covered Payments) shall be reduced. If the reduction would not result in a greater after-tax result to the Executive, no amounts payable under this Agreement or with respect to stock options and equity awards shall be reduced pursuant to this provision.

(b) A nationally recognized firm of independent accountants, selected by the Company after consultation with the Executive, shall perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. Such accounting firm shall apply the provisions of this Section 8 in a reasonable manner and in good faith in accordance with then prevailing practices in the interpretation and application of Section 4999 of the Code. For purposes of applying the provisions of this Section 8, the Company shall be entitled to rely on the written advice of legal counsel or such accounting firm as to whether one or more Covered Payments constitute “parachute payments” under Section 4999 of the Code.

(c) The accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and the Executive within 30 calendar days after the date that such accounting firm has been engaged to make such determinations or such other time as requested by the Company or the Executive. If payments are reduced to the Safe Harbor Cap or the accounting firm determines that no Excise Tax is payable by the Executive without a reduction in Covered Payments, it shall furnish the Company and the Executive with an opinion to such effect, that the Executive is not required to report any Excise Tax on the Executive’s federal income tax return, and that the failure to report the Excise Tax, if any, on the Executive’s applicable federal income tax return will not result in the imposition of a negligence or similar penalty. Any good faith determinations of the accounting firm made hereunder shall be final, binding, and conclusive upon the Company and the Executive.

9. PROTECTION OF THE COMPANY GROUP’S INTERESTS.

(a) ***No Competing Employment.*** For so long as the Executive is employed by the Company, and (i) during a period of two years after his employment with the Company has been terminated by reason of termination without Cause or resignation for Good Reason in which the Applicable Multiple is two, or (ii) during a period of one year after his employment with the Company Group has been terminated in all other circumstances (such period of employment and applicable post-employment period hereinafter referred to as the “Restricted Period”), the Executive shall not, without the prior written consent of the Board, directly or indirectly, own an interest in, manage, operate, join, control, lend money or render financial or other assistance to or participate in or be connected with, as an officer, employee, partner, stockholder, consultant or otherwise, any individual, partnership, firm, corporation or other business organization or entity that competes with the business of the Company Group by providing, anywhere within the “Restricted Area” as defined below, any goods or services provided or under development by the Company Group at the effective date of the Executive’s termination of employment (the “Business”); ***provided, however,*** that this Section 9(a) shall not proscribe the Executive’s ownership, either directly or indirectly, of less than one percent of any class of securities which are regularly traded on a national securities exchange or interdealer quotation system. For this purpose, “Restricted Area” means any geographic area in which the Company is providing goods or services, or is planning to provide goods or services within the Restricted Period, in each case at the effective date of the Executive’s termination of employment.

(b) **No Interference.** During the Restricted Period, the Executive shall not, directly or indirectly, whether for his own account or for the account of any other individual, partnership, firm, corporation or other business organization (other than the Company Group), (i) solicit, or endeavor to entice away from the Company Group, or otherwise interfere with the relationship of the Company Group with, any person or entity who is, or was within the then most recent 12 month period, (A) employed by, or otherwise engaged to perform services for, the Company Group, or (B) a customer or client of the Company Group, (ii) assist or encourage any other person in carrying out, directly or indirectly, any activity that would be prohibited by the provisions of this Section 9(b) if such activity were carried out by the Executive, and, in particular, the Executive agrees that he will not, directly or indirectly, induce any employee of the Company Group to carry out any such activity, or (iii) otherwise interfere with the business of the Company Group.

(c) **Non-Disparagement.** Subject to Section 9(k) and (l) of this Agreement, for so long as the Executive is employed by the Company Group, and at all times thereafter, the Executive shall not intentionally make any public statement, or publicly release any information, that disparages or defames the Company Group, or any of its officers and directors, and shall not intentionally cause or encourage any other person to make any such statement or publicly release any such information.

(d) **Confidentiality.** The Executive understands and acknowledges that, in the course of his employment, he has had and will continue to have access to and will learn confidential information regarding the Company Group that concerns the technological innovations, operations and methodologies of the Company Group, including, without limitation, business plans, financial information, protocols, proposals, manuals, procedures and guidelines, computer source codes, programs, software, know-how and specifications, inventions, copyrights, trade secrets, market information, Developments (as hereinafter defined), data and customer information (collectively, "Proprietary Information"). The Executive recognizes that the use or disclosure of Proprietary Information could cause the Company Group substantial loss and damages, which could not be readily calculated, and for which no remedy at law would be adequate. Accordingly, the Executive agrees that for so long as he is employed by the Company Group, and at all times thereafter, he shall keep confidential and shall not, directly or indirectly, disclose any such Proprietary Information to any third party, except as required to fulfill his duties in connection with his positions within the Company Group, and shall not misuse, misappropriate or exploit such Proprietary Information in any way. The restrictions contained herein shall not apply to the extent provided in Section 9(k) or (l) of this Agreement or to any information which the Executive can demonstrate (i) was already available to the public at the time of disclosure, or subsequently became available to the public, otherwise than by breach of this Agreement, or (ii) was the subject of a court order to disclose.

"Developments" shall mean all data, discoveries, findings, reports, designs, inventions, improvements, methods, practices, techniques, developments, programs, concepts and ideas, whether or not patentable, and works of authorship relating to the present or planned activities, or the products and services of the Company Group.

(e) **Exclusive Property.** The Executive confirms that all Proprietary Information is and shall remain the exclusive property of the Company Group. All business

records, papers and documents kept or made by him relating to the business of the Company Group shall be and remain the property of the Company. Upon the termination of the Executive's employment with the Company or upon the request of the Company at any time, he shall promptly deliver to the Company Group, and shall not, without the consent of the Company, retain copies of any written materials not previously made available to the public, or records and documents made by the Executive or coming into his possession concerning the business or affairs of the Company Group; **provided, however**, that subsequent to any such termination, the Company shall provide the Executive with copies (the cost of which shall be borne by the Executive) of any documents that are requested by the Executive and that he has determined in good faith are (i) required to establish a defense to a claim that the Executive has not complied with his duties hereunder or (ii) necessary to the Executive in order to comply with applicable law.

(f) **Assignment of Developments.** During the Executive's employment, all Developments that are at any time made, reduced to practice, conceived or suggested by him, whether acting alone or in conjunction with others, shall be the sole and absolute property of the Company Group, free of any reserved or other rights of any kind on his part, and the Executive hereby irrevocably assigns, conveys and transfers any and all right, title and interest that he may have in such Developments to the Company Group. If such Developments were made, reduced to practice, conceived or suggested by the Executive during or as a result of his employment relationship with the Company, the Executive shall promptly make full disclosure of any such Developments to the Company and, at the Company Group's cost and expense, do all acts and things (including, among others, the execution and delivery under oath of patent and copyright applications and instruments of assignment) deemed by the Company to be necessary or desirable at any time in order to effect the full assignment to the Company Group of his right, title and interest, if any, to such Developments. The Executive acknowledges and agrees that any invention, concept, design or discovery that concretely relates to or is associated with the Executive's work for the Company Group that is described in a patent application or is disclosed to a third party, directly or indirectly, by the Executive during the Restricted Period shall be the property of and owned by the Company Group, and such disclosure by patent application (except by way of a patent application filed by any member of the Company Group) or otherwise shall constitute a breach of this Section 9.

(g) **Injunctive Relief.** Without intending to limit the remedies available to the Company Group, the Executive acknowledges that a breach of any of the covenants contained in this Section 9 may result in material irreparable injury to the Company Group or any of its members for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat thereof, the Company shall be entitled to obtain a temporary restraining order and/or a preliminary or permanent injunction restraining the Executive from engaging in activities prohibited by this Section 9 or such other relief as may be required to specifically enforce any of the covenants in this Section 9, without the Company being required to show any actual damage or to post an injunction bond.

(h) **Enforceability.** Should any of the time periods or the geographic area set forth in this Section 9 be held to be unreasonable by any court of competent subject matter jurisdiction, the parties hereto agree to petition such court to reduce the time period or

geographic area to the maximum time period or geographic area, as applicable, permitted by governing law.

(i) ***Periods Following the Term.*** Subject to the provisions of Sections 9(a) and (b), the provisions of this Section 9 shall continue in effect in accordance with the provisions hereof following the expiration of the Term, including, without limitation, during any period that the Executive remains an employee-at-will of the Company.

(j) ***Reciprocity of Obligations.*** Notwithstanding anything to the contrary in this Agreement, in the event the Company is obligated to pay the Severance Amount under Section 6(c) of this Agreement or to provide entitlements under the Company's Equity Plan Retirement Policy, the Executive's obligations under Section 9(a) of this Agreement shall be conditioned upon payment of the Severance Amount in the manner contemplated by Section 6(c) and the Company's compliance with the terms and conditions of the Company's Equity Plan Retirement Policy; ***provided, however,*** that, without limiting any other remedies available to the Company, in the event of the Executive's breach of Section 9(a), (b), (c) or (d) of this Agreement, the Company shall cease to have any obligation as of the date of such breach to make any payments under Section 6(c) of this Agreement; ***provided further,*** that the Executive's obligations under Section 9(a) shall apply if the Company does not pay the Severance Amount or provide entitlement under the Company's Equity Plan Retirement Policy to the Executive as a result of the failure of the Executive to deliver the release contemplated by Section 6(c)(iii) or the failure of such release to become effective in accordance with its terms as a result of the Executive having exercised any right of rescission or revocation applicable to such release. The party alleging a breach described in this Section 9(j) shall provide prompt written notice of such breach to the other party hereto, and the party receiving such notice shall have 10 days from the date of delivery of such notice (as determined in accordance with Section 11 hereof) to cure such breach to the reasonable satisfaction of the party delivering such notice. The party delivering the notice shall not be released of its obligations hereunder unless the 10-day cure period shall have expired without the alleged breach having been cured in the manner described in the previous sentence.

(k) ***Legally-Protected Communications and Disclosures.*** Notwithstanding any other provision of this Agreement to the contrary, no provision of this Agreement shall prevent, restrict, limit, impede or otherwise interfere with the Executive's ability to exercise any rights he may have to (i) engage in legally-protected employee communications, including without limitation protections under Section 7 of the National Labor Relations Act, (ii) file a charge or complaint or initiate an investigation with the Department of Justice, Equal Employment Opportunity Commission, Inspector General, National Labor Relations Board, Occupational Safety and Health Administration, Securities and Exchange Commission or any other federal, state or local governmental or regulatory agency, authority or commission or staff thereof (each a "Government Agency"), (iii) report a possible violation of any federal, state or local statute, rule, regulation, ordinance or other law ("Law") to any Government Agency or making other disclosures that are protected under the whistleblower protections of any applicable Law, including without limitation reporting possible violations of Law in accordance with Section 21F of the Securities Exchange Act of 1934, as amended, and rules promulgated thereunder ("Section 21F of the Exchange Act"), (iv) respond to a lawful subpoena, or (v) comply with any other legal obligation. Further, notwithstanding any other provision of this

Agreement to the contrary, no provision of this Agreement shall limit the Executive's ability to (i) communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to or permission by the Company, or (ii) receive any award for information provided to any Government Agency. Without limiting the generality of the foregoing, the provisions of Section 21F of the Exchange Act shall be effective as of August 12, 2011 or such other date as may be required by law.

(l) ***Notice of Immunity Under the Defend Trade Secrets Act of 2016.***

Notwithstanding any other provision of this Agreement to the contrary, effective as of May 11, 2016 or such other date as may be required by law:

(i) the Executive will not be held criminally or civilly liable under any federal, state or local trade secret law for any disclosure of a trade secret that is made: (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document that is filed under seal in a lawsuit or other proceeding; and

(ii) if the Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose the Company's trade secrets to the Company's attorney and use the trade secret information in the court proceeding if the Company: (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order.

10. AMENDMENTS. The provisions of this Agreement may not be amended, supplemented, waived or changed orally, except by a writing signed by the party as to whom enforcement of any such amendment, supplement, waiver or modification is sought and making specific reference to this Agreement. Notwithstanding the preceding sentence, the Company may, without the Executive's consent, amend any provision of this Agreement to the extent it deems such action necessary or advisable to avoid the imposition on any person of additional taxes, penalties or interest under Section 409A of the Code, and any such amendment shall not be a basis for a resignation by the Executive for Good Reason; provided, however, that any such amendment or modification shall, to the maximum extent the Company, reasonably and in good faith determines to be possible, retain the economic and tax benefits to the Executive hereunder while not materially increasing the cost to the Company Group of providing such benefits to the Executive. Any determinations of the Company pursuant to this Section 10 shall be final, conclusive and binding on all persons.

11. NOTICE. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing (including electronic transmission) and shall be (as elected by the person giving such notice) hand delivered by messenger or courier service, electronically transmitted, or mailed (airmail if international) by registered or certified mail (postage prepaid), return receipt requested, addressed to:

If to the Executive:

To the address of the Executive as reflected on the books and records of the Company

If to the Company:
SBA COMMUNICATIONS CORPORATION
8051 Congress Avenue
Boca Raton, Florida 33487-1307
Attn: President

With a copy to:
Norton Rose Fulbright US LLP
1301 Avenue of the Americas
New York, New York 10119
Attn: Marjorie M. Glover

or to such other address as any party may designate by notice complying with the provisions of this Section 11. Each such notice shall be deemed delivered (a) on the date delivered if by personal delivery; (b) on the date of transmission with confirmed answer back if by electronic transmission; and (c) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

12. ASSIGNMENTS. No party shall assign his or its rights and/or obligations under this Agreement without the prior written consent of each other party to this Agreement. The Company will require a successor to all or substantially all of the business or assets of the Company to assume expressly and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform this Agreement if no such succession had taken place.

13. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Confirmation of execution by electronic transmission of a facsimile signature page shall be binding upon any party so confirming.

14. ARBITRATION. Any controversy or claim arising out of or relating to this contract shall be determined by arbitration in accordance with the then-existing Commercial Rules of the American Arbitration Association. The place of arbitration shall be Palm Beach County, Florida. There shall be one arbitrator, to be selected jointly by the Company and the Executive; *provided, however*, if the Company and the Executive cannot agree, the arbitrator shall be appointed by the American Arbitration Association. The Company shall initially pay the fees of the arbitrator, provided that the prevailing party shall be entitled to recover reasonable attorneys' fees, sales and use taxes, costs (including the arbitrator's fees) and all expenses even if not taxable as court costs, incurred in the arbitration proceeding or any legal proceeding to enforce any award granted thereunder, in addition to any other relief to which such party or parties may be entitled. The parties hereby agree to waive their right to have any dispute between them resolved in a court of law by a judge or jury; *provided, however*, that this

Section 14 will not prevent the Company Group from seeking equitable or injunctive relief (or any other provisional remedy) from any court having jurisdiction over the parties and the subject matter hereof relating to a breach or violation or threatened breach or violation of the Executive's obligations under Section 9 hereof; **provided further** that this Section 14 will not prevent either party from enforcing any arbitration award granted hereunder in any court having jurisdiction over the parties.

15. PAYMENT OF AMOUNTS AND BENEFITS. Notwithstanding any other provision of this Agreement to the contrary, payment of any amount or benefits under this Agreement may be paid, distributed or otherwise provided to the Executive by a member of the Company Group.

16. SEVERABILITY. If any provision of this Agreement or any other agreement entered into pursuant hereto is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible. If any provision of this Agreement may be construed in two or more ways, one of which would render the provision invalid or otherwise voidable or unenforceable and another of which would render the provision valid and enforceable, such provision shall have the meaning which renders it valid and enforceable.

17. ENTIRE AGREEMENT. This Agreement represents the entire understanding and agreement between the parties with respect to the subject matter hereof, and supersedes all other negotiations, understandings and representations (if any) made by and between such parties, including the Current Agreement, except for the Company's Executive Compensation Recoupment Policy and any and all Acknowledgements and Agreements to such policy executed by the Executive; **provided further, however**, that nothing in this Agreement shall be construed to modify any existing equity award granted to the Executive by the Company prior to the Effective Date.

18. GOVERNING LAW. This Agreement and all transactions contemplated by this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida applicable to contracts executed and performed entirely in such state.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

SBA COMMUNICATIONS CORPORATION

By: /s/ Jeffrey A. Stoops
Jeffrey A. Stoops
President and Chief Executive Officer

/s/ Brendan T. Cavanagh
Brendan T. Cavanagh

Subsidiaries of SBA Communications Corporation

<u>Name</u>	<u>Relationship</u>	<u>Jurisdiction</u>
SBA Telecommunications, LLC	100% owned by SBA Communications Corporation	Florida
SBA Senior Finance, LLC	100% owned by SBA Telecommunications, LLC	Florida
SBA Guarantor, LLC	100% owned by SBA Holdings, LLC	Delaware
SBA Monarch Towers I, LLC	100% owned by SBA Guarantor, LLC	Delaware
SBA Infrastructure, LLC	100% owned by SBA Guarantor, LLC	Delaware
SBA Properties, LLC	100% owned by SBA Guarantor, LLC	Delaware
SBA Structures, LCC	100% owned by SBA Guarantor, LLC	Delaware
SBA Sites, LCC	100% owned by SBA Guarantor, LLC	Delaware
SBA 2012 TC Assets, LLC	100% owned by SBA Guarantor, LLC	Delaware
SBA Towers IV, LLC	100% owned by SBA Guarantor, LLC	Delaware
SBA Towers VII, LLC	100% owned by SBA Guarantor, LLC	Delaware
SBA Towers V, LLC	100% owned by SBA Guarantor, LLC	Delaware
SBA Senior Finance II, LLC	100% owned by SBA Senior Finance, LLC.	Florida
SBA Network Management, Inc.	100% owned by SBA Senior Finance II, LLC	Florida
SBA Puerto Rico, LLC	100% owned by SBA Senior Finance II, LLC	Florida
SBA Towers III, LLC	100% owned by SBA Senior Finance II, LLC	Florida
SBA Towers, LLC	100% owned by SBA Senior Finance II, LLC	Florida
SBA Site Management, LLC	100% owned by SBA Towers, LLC	Florida
SBA Towers II, LLC	100% owned by SBA Towers, LLC	Florida
SBA Torres Panama, S.A.	100% owned by Panama Shareholder, LLC	Panama
SBA Torres Brasil LTDA	100% owned by SBA Holdings e Participacoes LTDA	Brazil
SBA Towers IX, LLC	100% owned by SBA Senior Finance II, LLC	Delaware
SBA New Builds, LLC	100% owned by SBA Telecommunications, LLC	Florida

As of December 31, 2021, SBA Communications Corporation owned, directly or indirectly, 159 additional subsidiaries, 84 of which are incorporated in U.S. jurisdictions and 75 of which are organized in foreign jurisdictions. These subsidiaries, in the aggregate as a single subsidiary, would not constitute a “Significant Subsidiary” as defined in Rule 405 under the Securities Act as of December 31, 2021.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement (Form S-4 No. 333-147473);
2. Registration Statement (Form S-8 No. 333-166969) pertaining to 2010 Performance and Equity Incentive Plan;
3. Registration Statement (Form S-3 No. 333-253647);
4. Registration Statement (Form S-8 No. 333-225139) pertaining to 2018 Employee Stock Purchase Plan; and
5. Registration Statement (Form S-8 No. 333-241592) pertaining to 2020 Performance and Equity Incentive Plan

of our reports dated March 1, 2022 with respect to the consolidated financial statements and financial statement schedule of SBA Communications Corporation and Subsidiaries and the effectiveness of internal control over financial reporting of SBA Communications Corporation and Subsidiaries included in this Annual Report (Form 10-K) for the year ended December 31, 2021.

/s/ Ernst & Young LLP

Boca Raton, Florida
March 1, 2022

CERTIFICATION

I, Jeffrey A. Stoops, Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 10-K of SBA Communications Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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 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: March 1, 2022

By: /s/ Jeffrey A. Stoops

Name: Jeffrey A. Stoops

Title: Chief Executive Officer

CERTIFICATION

I, Brendan T. Cavanagh, Chief Financial Officer, certify that:

1. I have reviewed this annual report on Form 10-K of SBA Communications Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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 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: March 1, 2022

By: /s/ Brendan T. Cavanagh

Name: Brendan T. Cavanagh

Title: Chief Financial Officer

Certification Required by 18 U.S.C. Section 1350

(as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Annual Report of SBA Communications Corporation (the "Company"), on Form 10-K for the period ended December 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeffrey A. Stoops, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 1, 2022

/s/ Jeffrey A. Stoops

Jeffrey A. Stoops
Chief Executive Officer

Certification Required by 18 U.S.C. Section 1350

(as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Annual Report of SBA Communications Corporation (the "Company"), on Form 10-K for the period ended December 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brendan T. Cavanagh, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 1, 2022

/s/ Brendan T. Cavanagh

Brendan T. Cavanagh
Chief Financial Officer
